

EC Country Strategy in Albania 1996-2001 – ref. 951607

EC support to Albania has been encompassed by a Country Strategy since 1995. The evolution of assistance policies was interrupted by the financial crisis of 1997, which in turn led to a major reassessment of policy by all donors. Since 1999, EC programmes have been realigned towards the priority of EU integration, associated with the Stabilization and Accession Process. The evaluators feel that without sustainable economic development, built on functioning public institutions, and strong civil society, this priority may be unrealistic.

Subject of the evaluation

The evaluation focused specifically on financial interventions since 1996, but placed these in the context of the EU's overall approach to Albania since 1991. Particular emphasis was laid on the relevance of the intervention strategy in the light of the political objectives being pursued, most recently articulated in the Stabilization and Accession Agreement. Total EU contribution to Albania since 1991 (PHARE programme) €635 million.

Evaluation description

Purpose : To obtain an overview of the relevance, efficiency, effectiveness, impact and sustainability of Community action to date, focusing on financial interventions, and taking account of the re-organization of the European Commission's external services in 2000/2001 and the establishment of EuropeAid Co-operation Office. The evaluation aims at formulating recommendations to improve future actions under the new CARDS Regulation, especially as regards sectoral prioritization, donor co-ordination and monitoring.

Methodology : The evaluation was conducted on the basis of the collection and analysis of information in Brussels headquarters, and was followed by a field visit to Albania, where interviews were carried out with representatives of the EC Delegation and with national interlocutors and other stakeholders and donors. Officials from Bretton Woods institutions were also interviewed in the US.

Main findings

- The Commission's country analysis had been comprehensive but sometimes superficial. The result was that programmes were unrealistic, characterized by very ambitious objectives, but without the means to achieve them. However, the focus on governance which followed the reassessment of policy in 1997 was appropriate, and the Commission was frank in admitting its earlier weaknesses.
- Specific sectors: Relevance of large scale infrastructure projects was high, but impact low on account of implementation failures. In the key area of public administration, projects were over-ambitious and fragmented, and were not part of an overall reform framework. Uncoordinated interventions did not support effectively the construction of a professional Albanian administration. Civil service reform focused on legal issues and neglected more fundamental matters such as pay and de-politicization. With the exception of land registration, project support in the agriculture sector was unfocused and spread too thinly, significantly limiting its impact. In the field of Justice and Home Affairs, a concentration on physical inputs revealed lack of attention to sector strategy.
- Civil society development has not been given sufficient priority, and as a result it has been difficult to involve a broader range of opinion in the preparation and design of the Country Programme. This has a limiting effect on relevance and sustainability.

- Both donor co-ordination, and co-operation between different Commission departments was weak – this in turn constrained policy development and the programming process, and allowed conflict to emerge at different phases of the programming and project cycle.

Recommendations

- Annual programmes should relate explicitly to the Country Strategy and should be based on a deeper analysis of the social and political environment. Interventions can achieve greater depth by attaching clear conditions to aid (to be agreed with other donors), notably in the fight against corruption, and in supporting democracy and regional stability. Where weaknesses in programming and the relevance of projects remain, the EC should consider switching funds to budget support.
- Specific sectors: Continued funding of large-scale infrastructure is justified if implementation capacity of national institutions and socio-economic impact are more systematically assessed. Public administration reform requires better engagement with other donors, especially the World Bank. The importance of civil service pay should be recognized. The EC should cease funding individual infrastructure projects in the field of Justice and Home affairs – the focus should be on strategic institutional change, requiring capacity building and civil society support. In the absence of a joint sector strategy, further EC support to agriculture is inappropriate.
- Civil society should be more widely involved in preparation of strategy and programmes; civil society organizations should receive greater financial support, perhaps through intermediary funding organizations operating on agreed criteria.
- Government and donors need to agree sector-wide strategies in all major sectors and budget support. In addition, the EC should be involved in consultation on the Growth and Poverty Reduction Strategy and support the Medium Term Expenditure Framework process. The latter should be the vehicle for integrating all external assistance with domestic public resources. Technical assistance should not be linked to individual donors but should be part of a jointly agreed support package to institutions.

Feedback

The final report was distributed to the relevant services within the Commission, and has been published on the internet. A *fiche contradictoire* with main recommendations and the Commission's response to these will also be prepared and published.

Donor: European Commission	Region: Balkans - Albania	DAC sector: n/a
Evaluation type: Impact.	Date of report: Sept. 2001	Subject of evaluation: Country Strategy programme
Language: English	N° vol./pages: 1 volume of 57 pages	Author: IDC, Development Strategies