

EC Country Strategy in Former Yugoslav Republic of Macedonia (FYROM) 1996-2001 – ref. 951608

FYROM became a PHARE partner country in 1996, having previously benefited from the PHARE critical aid programme. Very little exists in terms of strategy documents on which to base programming. Core sectors actually covered most spheres of government activity, and so the programme was over-ambitious and difficult to implement. The Stabilization and Accession Process has brought with it a re-alignment towards EU integration.

Subject of the evaluation

The evaluation covers the period since 1996, but places PHARE support in the context of overall EC assistance since 1991. The Terms of Reference stressed the need to consider the relevance of the intervention strategy in the light of the political objectives being pursued, including those of the Stabilization and Accession Process. Total EU contribution to FYROM since 1991 (PHARE programme, humanitarian relief and macro-financial assistance) €449 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 and donor co-ordination.

Methodology : The evaluation was conducted on the basis of the collection and analysis of information in Brussels headquarters. Officials from Bretton Woods institutions were also interviewed in the US. Owing to the conflict in FYROM during the first half of 2001, and the short timescale for the evaluation, it was unfortunately not possible to carry out a field visit to Skopje. The evaluation is thus unusually brief and was commissioned mainly as a tool to assist in the preparation of a new Country Strategy programme.

Main findings

- Annual programming for the period 1996-2001 was prepared without reference to any written country strategy. PHARE objectives for the country were not stated explicitly in the Multi-annual indicative Programme for 1996-99, and the potential for ethnic tensions was not recognized. Programmes were prepared largely in Headquarters, with little consultation of other stakeholders. Donor co-ordination has been weak (with some exceptions such as agriculture, customs support and budget), and poor co-operation between different Commission departments has led to significant delays in implementation.
- Support to vocational education training and the support to the statistical office have made a positive contribution to the goals of reform. Programmes in support of the Census, SEE University in Tetovo and emergency rehabilitation funds are recognized for their contribution to the stability of the country. However, interventions in the agriculture sector had little impact on the sector and the programming and implementation capacity of the Ministry has not been enhanced. A similar conclusion applies to the environment.
- Institutional reforms have not been very successful, as PHARE support took insufficient account of government commitment and absorptive capacity, as well as key issues such as civil service pay and conditions. Symptomatic of the lack of attention to national capacity was the failed de-centralization of implementation through the Central Finance and Contract Unit in the Ministry of Finance.

Recommendations

- EuropeAid and DG RELEX must move to closer co-operation over annual programming and learning lessons from feedback. Commission Headquarters should improve its systems to keep complete and accurate records of all documents relevant to the programme. The EC should reduce the number of sectors in which it intervenes and should favour joint donor strategies in key areas: (i) Comprehensive public administration reform, (ii) Civil Society and private sector development, (iii) Structural economic reform to promote balanced growth, and (iv) Ethnic reconciliation.
- Consultations with civil society and the private sector help to support political dialogue and reconciliation. In this context, co-operation strategy should take account of (i) reviews of previous evaluations of key programmes, (ii) country analysis based upon contributions of all donors, civil society and government, (iii) agreement with other donors on the interaction between the Stabilization and Accession process and the broader development strategy, including the poverty reduction strategy.
- EC should work with other donors on public administration reform (pay, anti-corruption, restructuring, budget process etc). Donors should assist the government in strengthening its co-ordination mechanisms. Budget support could be used to support governance issues and sector programmes, provided appropriate conditions are attached. Key indicators should be developed to monitor government commitment to reform.
- A thorough independent evaluation of the failure of decentralization in FYROM, and the abandonment of the CFCU, should be carried out.

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.

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