

**"FICHE CONTRADICTOIRE"**

## Evaluation of the European Commission's Country Strategy for South Africa

**Evaluators' Recommendations:**

**Responses of DG(Dev) Services and of the Service Commun Rélex (SCR - the latter *in italics* and only where significantly different from those of DG(Dev)):**

<p><b>1) Monitoring of Objectives:</b> the Commission should systematically monitor the success of its interventions in achieving clearly specified strategy objectives.</p>	<p>Systematic mid-term and final evaluations of almost all programmes are built into the financing agreements. Recommendations serve if necessary to re-orient the next phase of the programme, or to appraise a new programme in the sector. Sector evaluations in water and health have also been completed. The post-2000 strategy (legal base and MIP) will include sectoral performance indicators. <i>SCR: an overall ACP/ALA/ MED monitoring system will be designed, in consultation with DGs DEV and RELEX, and tested in 2000 for progressive implementation in 2000 and 2001.</i></p>
<p><b>2) Strategy preparation:</b> the Commission should identify its own strengths and weaknesses as part of a process of close co-ordination with Member States to ensure strategies are complementary (see also 5).</p>	<p>Our strategy is to take into account different instruments available for EC support and to adapt our interventions based upon past experience and close consultations with Government and Member States, to ensure consistency with Government strategies and complementarity with other donor interventions, especially EU MS.</p>
<p><b>3) Flexibility:</b> the Commission should enhance its capacity to monitor macroeconomic and social developments, while also implementing its strategy through <i>fewer but larger</i> flexibly-structured programmes, to allow rapid responses to transitional difficulties - especially in basic social services - created by the opening-up to the world economy.</p>	<p>The report recognises that no real policy debate can take place on macroeconomic policies, so emphasis is rather on following developments at sectoral or thematic levels. The Commission has progressively been moving towards fewer but larger programmes, and this trend will continue in the post-2000 strategy, where 50-60% of resources will be devoted to poverty reduction through improved social delivery and local economic development and the sector support programme approach will be favoured. <i>SCR: the approach to come up with fewer but larger programmes is also necessary because of the limited (human) resources available for the implementation of the programmes. On the other hand, larger programmes are usually less flexible and do not allow rapid response.</i></p>
<p><b>4) Support to local institutions:</b> the Commission should continue to support the Government's basic strategy, and also provide support to civil society. To this end it is recommended that the Commission:</p> <ul style="list-style-type: none"> <li><b>i.</b> enhance the NAO's capacity to work with <i>all</i> donors;</li> <li><b>ii.</b> confine support to one or two strictly-defined focal areas, and to that end only support Provinces when central Government specifically requests it;</li> <li><b>iii.</b> provide Budget support, <i>but only</i> after a preliminary pilot test has been undertaken;</li> <li><b>iv.</b> try innovative approaches in projects where the Commission has, or can acquire, sectoral expertise;</li> <li><b>v.</b> fund civil society organisations only through</li> </ul>	<ul style="list-style-type: none"> <li><b>i)</b> The Government is currently involved with a Development Coordination Report, which should provide the basis for much improved donor coordination. It is envisaged to enhance the NAO's capacity, in general as a focal point for monitoring donor assistance and more specifically for EU programmes in the framework of deconcentration and decentralisation of powers from headquarters (South Africa is a pilot in this exercise). <i>SCR: the NAO is in a central position to co-ordinate all donor activities, has a crucial role in that regard and needs to be strong and committed enough to do so.</i></li> <li><b>ii)</b> Future strategies must be based upon the priorities listed in Article 66 of Title V of the Trade Development and Cooperation Agreement. The focus on two sectors proposed by the report is too narrow and not fully justified. Private sector development, the</li> </ul>

<p>intermediary organisations, and develop a capacity for monitoring general developments among CSOs.</p>	<p>rule of law and democracy and regional cooperation are also very important. <i>SCR: the definition of focal areas is necessary and is taken into account in the new South Africa strategy.</i></p> <p>iii) The methodology proposed in the report for budget support seems to be unrealistic at the moment as it would imply in-depth exchange of information on the implementation of the South Africa national budget, where present experience in this area is too limited. <i>SCR: the readiness of the institutions for budget support is questionable.</i></p> <p>iv) <i>SCR: a sector approach is preferable next to innovative programmes that can be used as best practice models.</i></p>
<p><b>5) Donor Co-ordination:</b> the Commission should allocate resources to enhancing co-ordination, and in particular should:</p> <ul style="list-style-type: none"> <li><b>i.</b> promote better-coordinated CSO support;</li> <li><b>ii.</b> help initiate a “knowledge network” in its principal focal sector;</li> <li><b>iii.</b> share information on economic developments with other donors;</li> <li><b>iv.</b> continue to make effective use of the website of the DG for Development to disseminate key data;</li> <li><b>v.</b> consider more joint financing arrangements with other donors.</li> </ul>	<p>i),ii) Human resources are a scarce commodity for the EC and Member State donors, and donor co-ordination requires considerable additional activities and workload for the Delegation, which nonetheless has made considerable progress in this area, particularly when preparing the EU’s future country strategy paper,. Sectoral meetings were held on six different themes, and these will be followed up by joint programming exercises. The EC has carried out a study on donor coordination at the EU level, and its recommendations have been discussed with the Member States. This study is now being linked into a broad development cooperation report currently underway in the Department of Finance.</p> <p>iii) Economic counsellors of the EC and MS meet on a regular basis.</p> <p>iv) Logistics at the delegation need to be improved to render accessible the websites of DG DEV, the Delegation and the SCR.</p> <p>v) Joint programmes with some interested MS are being considered for the 2000-2 MIP.</p>
<p><b>6) The Commission’s resources and procedures:</b> the Commission should:</p> <ul style="list-style-type: none"> <li><b>i.</b> re-structure non-performing programmes;</li> <li><b>ii.</b> undertake deconcentration and decentralisation with caution, to avoid overloading either Delegation or Government.</li> <li><b>iii.</b> through the SCR, define project norms.</li> </ul>	<p>i) All major programmes have a mid-term review, and based upon its recommendations, adjustments can be made.</p> <p>ii) The Commission is well aware of the implications of deconcentration and decentralisation and foresees a gradual process. South Africa has been selected as a pilot to develop this approach. <i>SCR: both deconcentration and decentralisation must be adapted to the capacities of Delegation and Government to absorb their new responsibilities.</i></p> <p>iii) This should be the joint responsibility of DG DEV and the SCR. SCR is currently standardising contracts, tenders, etc.</p>

The evaluation process :

<b>Cost :</b>	total of € 99,200
<b>Duration :</b>	tender launched: September 1998 contract (framework contract covering several country studies): December 1998 final report: August 1999
<b>Manpower :</b>	1.6 months of ‘A’ grade time