

# Ad Hoc Evaluation of Donor Coordination in Albania, Croatia and the former Yugoslav Republic of Macedonia

*A presentation by MWH Consortium*

**Conference on Donor Co-ordination in the Western  
Balkans and Turkey, 2 April, 2009**



European Commission  
Directorate-General Enlargement

## Previous Donor Co-ordination Conference

- 1. The previous conference reaffirmed that there should be a common strategic goal for assistance in the Western Balkans and Turkey. The ultimate aim of these countries is integration into the EU, and donor assistance should focus on this aim or be complementary to it.**
- 2. It was agreed that the spirit and the relevant principles of the Paris Declaration on Aid Effectiveness should guide donor coordination in the Western Balkans and Turkey.**
- 3. This presentation will look at three of the principles - ownership, alignment, and harmonisation.**

## Limitations of evaluation

1. This presentation is based on an evaluation report covering Croatia, Albania and the former Yugoslav Republic of Macedonia. Much data was available for Albania from OECD survey, but not for others. Some data is included for the other Balkan countries.
2. Field work took place in the summer of 2008. We recognise that changes will have occurred since then.
3. The evaluation is a snapshot of structures present in 2008, and was not a gap analysis.

## Limitations of evaluation - continued

1. When considering Instrument for Pre-accession Assistance (IPA), the evaluation deals mainly with the first component, 'Transition Assistance and Institution Building', under the responsibility of DG Enlargement.
2. There is a separate report dealing with Turkey that is still in a commenting phase.

## Ownership

1. **Ownership is moderate. The goal of accession is a strong driver for beneficiaries, and there is good progress in developing national and sectoral strategies.**
2. **However, links between national and sectoral strategies and national medium-term budgets need strengthening.**
3. **Significant progress in partner countries taking leadership of the donor coordination process, especially in Albania and the former Yugoslav Republic of Macedonia.**
4. **In some cases, the priorities driven from Brussels and complexity of IPA hindered ownership of the assistance agenda, e.g. the former Yugoslav Republic of Macedonia.**

## Ownership - continued

1. **In all countries, there are gaps between the coordination of the IPA and coordination of other external assistance.**
2. **Leadership of coordination is often a political appointment, with the risk of differing priorities.**
3. **Some databases of external assistance are not continuously updated, and some are, e.g. Bosnia and Herzegovina, the former Yugoslav Republic of Macedonia, and Serbia.**

## Alignment – with national development plan

1. The EC and member states are aligned with the national development plans based on the accession agenda, but not all other providers of external assistance are aligned with the EC.
2. Despite stated alignment, many external assistance providers pursue their own national agendas (bilateral donors) or business agenda (IFIs).

## Alignment - use of local systems

1. The proportion of external assistance that uses country public financial management systems or procurement procedures is low.
2. Providers of external assistance use of their own programme implementation units (PIUs).
3. Still small donors trying to tie aid to own suppliers, and avoid national systems – especially at municipal level.
4. Partner financial systems and administrative capacity need strengthening.
5. Progress being made – national legislation will require providers of external assistance to use national procurement systems that ensure open competition.

## Harmonisation - procedures

1. Although other providers of external assistance are involved in programming of EC IPA, little use of common arrangements on the ground.
2. Little evidence of simplifying procedures, except One UN initiative in Albania.
3. Few joint missions of donors to assess need.
4. However, joint funds are an effective way of coordinating providers of external assistance – there are good examples, such as European Fund for South-East Europe.

## Harmonisation – information sharing

1. External assistance providers in W Balkans expect EC to take lead amongst donors, as the largest donor and the political driver.
2. Good EC initiatives at headquarters level to exchange information, such as the Joint Office for SEE (up to end 2008), and the IFI Advisory Group.
3. Some local initiatives at national level, but mixed picture at sector or municipal level.

## Conclusions

1. **Conditions for effective donor coordination are partly in place, but need strengthening.**
2. **Good practice indicates:**
  - a) **Management of external assistance information undertaken by one high-level coordinating body.**
  - b) **Planning and implementation coordinated at sector level.**
3. **Key factors in the success of external assistance coordination are the extent to which core values of aid effectiveness are:**
  - a) **given priority in national administrations;**
  - b) **embedded in the culture of external assistance providers.**

## Recommendations – for beneficiaries

1. **Integrate structures for IPA and other external assistance more closely.**
2. **In addition to integrated donor coordination structure and systems, ensure that recruitment policy and human resource development strategy maximises leadership and a strategic approach.**
3. **Concentrate on taking leadership of donor coordination in a few sectors first. These sectors should be where ministries have adequate capacity in planning and implementation.**
4. **Share good donor coordination practice between countries in the region using e.g. Regional Cooperation Council, Regional Environment Network for Accession.**

## Recommendations – for donors

1. **Support institutional strengthening of sectors that have insufficient capacity in planning, coordination and implementation, before awarding them the larger infrastructure funding.**
2. **Strengthen evaluation and inter-donor operational dialogue – undertake joint evaluations.**
3. **Ensure core values and a strategic approach for aid efficiency are instilled in local offices.**
4. **Ensure at least one person in the local office with experience of effective donor coordination elsewhere.**