



## “Strengthening National Capacities for Improved Aid Effectiveness”

MID TERM PROJECT REPORT  
Reporting period: January – June 2012

### General project information

Name of organisation:	UNDP
Area/country:	Western Balkans/the former Yugoslav Republic of Macedonia
Project title:	Strengthening National Capacities for Improved Aid Effectiveness
Project number:	00051892
Recipient:	UNDP
Co-operation partner(s):	Secretariat for European Affairs; line ministries

### Project expenses

Allocated amount	EUR 290,660
Other financing	
Own contribution	
Other contributions	Government (in kind: premises, human resources, office supplies)

## REPORT HIGHLIGHTS

- The entire Programme Based Approach organizational structure, including the Government, the High Level Donor Coordination Forum and the International Partners Working Group, now has a clearly and precisely defined mandate, with the newly developed Terms of Reference. It is expected that these comprehensive Terms of Reference, developed by the Secretariat for European Affairs with the support of the project team, will help ensure better coordination and implementation of all future activities.
- A capacity assessment of all seven Programme Based Approach Working Groups, was carried out, to identify strengths and weaknesses, but also policy actions and training needs in areas such as business environment, human capital, justice and home affairs.
- The Secretariat for European Affairs has prepared a Programme Based Approach General Action Plan for the year 2012, with a clear set of objectives and activities for the year.
- The Central Donor Assistance Database has been redesigned and upgraded to ensure faster and more user-friendly access to data.

## PROJECT DESCRIPTION

1. *Describe the project purpose and objectives, including indicators for measuring performance. If the purpose or objectives were modified, an explanation must be given.*

The project will support the Secretariat for European Affairs (SEA) to strengthen and promote the aid effectiveness agenda across all policy areas, such as education, environment and agriculture. A pilot Programme Based Approach will be implemented in two policy areas, selected with national counterparts, to provide a model for effective coordination of development assistance and improve the overall policy and institutional environment.

The Project will focus on promoting the Paris Declaration, particularly the principles related to mutual accountability and effectiveness in achieving development results. The project will aim to strengthen the coordination mechanisms between the Secretariat for European Affairs (SEA) and aid coordination units within line ministries, and also streamline the communication among all relevant departments to foster synergies between the EU pre-accession funds and other aid flows.

Indicators	Parameters
Number of coordination meetings held	Several with international partners members of the PBA working groups
Number of donors participating	All donors in the country, members of the PBA working groups
Number of technical meetings held	Regular meetings with the PBA working groups; Several meetings with national focal points
Number of trainings delivered	On-the-job CDAD training delivered for employees that will administer the CDAD within the Secretariat for European Affairs to ensure sustainability after the end of the project activities.
Number of participants trained and retained within the line ministries	5 representatives trained from SEA
Number of analytical reports prepared and disseminated	Analytical reports from the CDAD database prepared and are available
Number of Central Database hits	Number of total hits and visitor hits



**2. Indicate the target group(s) of the project and, if applicable, primary and secondary target groups.**

The project provides capacity development support to the National Aid Coordinator and also, to the key national structures within the line ministries responsible for coordination of foreign assistance. This is done through training and provision of technical assistance. The strengthening of the coordination, monitoring and analytical capacities of the Secretariat for European Affairs is done through the engagement of national professionals, Monitoring, Analysis and Policy Support Assistants, in the Secretariat for European Affairs and the Ministry of Labor and Social Policy.

Cooperation was also established with the EC-IPA 2008 project "*Technical Assistance for strengthening the Capacities of the Institutions to Manage and Implement Operational Programs*". Both project teams coordinate on a regular basis and inform each other on all activities in the area of donors coordination.

**3. Indicate the outputs, activities/processes, and inputs.**

**OVERALL OUTPUT:**

The Secretariat for European Affairs (SEA) ensures better coordination in implementing the Programme Based Approach (PBA). The PBA is implemented in at least two policy areas, selected by national counterparts, providing a model for effective coordination of development assistance and improving the overall policy and institutional environment. The capacities of national partners are strengthened and they are able to better design and implement development assistance policies. The SEA has all the necessary aid effectiveness monitoring and evaluation tools in place.

**OUTPUT 1: IMPLEMENTATION OF PROGRAMME BASED APPROACH WORKING GROUPS DETAILED WORK AND PROCESS IMPLEMENTATION PLANS**

**COMPLETED ACTIVITIES:**

**A. TERMS OF REFERENCE DEVELOPED FOR PROGRAMME BASED APPROACH ORGANIZATION STRUCTURE**

The entire Programme Based Approach organizational structure, including the Government, the High Level Donor Coordination Forum and the International Partners Working Group, now has a clearly and precisely defined mandate, thanks to the newly developed Terms of Reference. The Terms of Reference were developed by the project team together with the Secretariat for European Affairs, in consultation with all relevant actors. It is expected that this will help ensure better coordination and implementation of all future activities. (For more detailed information, please see Annex 1).

The mandate and objectives of each of the levels identified in the PBA organizational framework have been defined as follows:

**LEVEL 1:**

**The Government** has the key strategic and monitoring role in the entire PBA process. It formulates and implements the national development agenda, strategy and priorities, promotes aid effectiveness in the country and ensures effective performance of national institutions in the field of development assistance. The Government will be reviewing, on quarterly basis, the progress of the PBA process, and provide general policy directions and endorse decisions relating to the development agenda.

The Deputy Prime Minister for EU Affairs is also part of the first level, however as National Aid Coordinator, this function additionally has the overall responsibility in the creation, operational implementation and follow-up of the PBA process from the national side. The mandate consists of ensuring aid effectiveness in the country. The Deputy Prime Minister for EU Affairs also chairs the High Level Donor Coordination Forum (the second level) and leads the Secretariat for EU Affairs in its operational activities related to programming and implementing of EU funds and other foreign assistance.

LEVEL 2:

The High Level Donor Coordination Forum is the level where discussions and agreements between the high level Government officials and the donor community representatives take place. It has a coordinative role and oversees the PBA process from both the national and international side. This forum reviews the respective programme area assessments and initial findings of the joint programme working groups, ensuring mutual commitments for successful implementation of the Programme Based Approach.

LEVEL 3:

The Senior Government – International Partners Working Group (High Level Working Group) formulates, promotes, oversees and monitors the PBA concept and its implementation. The mixed representation of both high level officials from the Government and the donor community foster the PBA process through adequate guidance and resolve all issues and bottlenecks that might arise. This level informs the High Level Donor Coordination Forum and the DPM, and it also provides oversight of the level below - the PBA working groups.

LEVEL 4:

This level is represented by the Ministers responsible for each of the programme areas, respectively, the Minister of Economy, the Minister of Labor and Social Policy, the Minister of Agriculture, the Minister of Environment, the Minister of Justice, The Minister of Local Self-Government and the Minister for Information Society and Administration. Their mandate consists of ensuring overall strategic coordination of the process in their areas of competence.

LEVEL 5:

This level is composed of the Joint Senior Level Programme Working Groups (PBA Working Groups), one for each of the priority programme area (business environment, human capital, agriculture, environment, justice and home affairs, decentralization and local self-government system, public administration reform). These groups are envisaged as the most operative in the application of the PBA in their respective areas, starting from the conceptualization and up to the practical implementation of the programmes. Each group is led by focal points both from the national and from the international side, which represent the link with the upper levels in the PBA system.

### **3. CAPACITY ASSESSMENT OF PROGRAMME BASED APPROACH WORKING GROUPS CARRIED OUT**

A capacity assessment of all seven Programme Based Approach working groups was carried out, to identify strengths and weaknesses, but also policy actions and training needs. The assessment was carried out through a questionnaire (please see Annex 2 for more detailed information). The questionnaire was distributed to the working groups and all responses were summarized into the Capacity Assessment



Report.

The assessment focused on the following parts:

- I. General Information on the working group
- II. Attendance Record
- III. Cooperation within the PBA organizational framework and with other bodies/structures
- IV. Understanding of the PBA process
- V. Work in the WG: Overall progress/achievements
- VI. PBA Training

The findings were as follows:

**a. Working Group 1: Business Environment Competitiveness and Innovation**

- This working group is generally well composed, with adequate representation from the most relevant institutions with significant competencies and expertise in the chosen field for PBA. There is an obvious need for a more active involvement of representatives from the Ministry of Finance. There are also possibilities to include additional important stakeholders from the business community. The civil society also remains an important factor for enhancing the composition of this working group.
- The group's cooperation with the SEA is well established and efficient. It is recommended for more frequent meetings to be held between the focal points and the High Level Working Group, to ensure regular exchange of ideas, understanding of tasks and priorities, and joint assessment of achievements.
- The general understanding of the PBA and its benefits are well understood by the entire group. Given that the group has proven very efficient delivery of valuable outputs, special attention should be paid for ensuring its further successful performance. Supporting the group in defining the next steps and outputs, ensuring functional monitoring and evaluation of activities, would be highly beneficial. This specific group has positive attitude when it comes to attending workshops and trainings.

**b. Working Group 2: Human Capital**

- There is a medium level of attendance of its members. All the relevant ministries have been involved, from which the two (Ministry of Labor and Social Policy and Ministry of Education and Science) have been very active. This group assessed that the PBA institutional framework has good set-up. Also, the overall process is seen as an opportunity for sharing experience and information among WG members.
- There is good understanding of the PBA process among WG members. However, there is a lack of understanding of the PBA concept in line ministries and its application during IPA programming.
- The assessment done through the work of this PBA WG "Human Capital" has provided substantive inputs indirectly in programming and further technical implementation of the operations/ measures/ actions/ activities supported under IPA Component I (Technical Assistance for Institution Building Component) and IPA Component IV (Human Resource Development Component), mainly to avoid possible overlapping of the donor assistance and to provide possible synergies and complementarities.
- WG members identified that the overall system has to be improved in order to ensure successful PBA implementation, more frequent dissemination of information and guidance in order to continue with preparation of PBA Action Plan for this programme area

**c. Working Group 3: Environment**

- This working group has a well established cooperation with the SEA and within the Ministry of Environment (Senior Programming Officer, Department for Strategic Planning and Budget).
- National institutions are properly represented but the Ministry of Agriculture, Forestry and Water Economy should also be included. One of the shortcomings in the composition of the working group is the fact that several donors no longer participate following the withdrawal of their bilateral assistance from the country (such as Sweden and Austria).

**d. Working Group 4: Justice and Home Affairs**

- This working group is a newly established one. It derived from the Good Governance Working Group, which split into three three separate working groups (Local Self Government and Decentralization, Justice and Home Affairs and Public Administration Reform).
- This is a stable working group with a good balance of national counterparts and donors, although additional members could still be included. This group will need to meet on a regular basis to keep up with the progress of the other working groups in terms of identifying priorities.
- One shortcoming reported for this working group is the lack of strategic documents. This should be seriously taken into consideration when developing the concept for this programme area.
- There is a satisfactory basic understanding of the PBA process that should further be upgraded and improved. The Exchange of experience with other working groups that are more advanced in the PBA could be useful to better understand the processes and tasks.

**C. PROGRAMME BASED APPROACH ACTION PLAN FOR 2012 PREPARED**

The project team assisted the Secretariat for European Affairs, to prepare the PBA General Action Plan for the PBA Process and Outcomes - 2012. The Action Plan was agreed in cooperation with the EC-IPA 2008 project "Technical Assistance for Strengthening the Capacities of the Institutions to Manage and Implement Operational Programs" that also supports donor coordination and the PBA process.

The Action Plan is divided in two parts that refer to the management of the PBA process and activities necessary to achieve the expected outcomes. The following activities are foreseen:

***Managing the PBA Process:***

- Regular info circulation/update for Government sessions on a quarterly or semi-annual basis
- Regular meetings of the High Level Working Group (re-assess the composition if necessary)
- Regular meetings of the focal points from the 7 PBA WGs with SEA (joint meetings)
- Donor Conference Meetings – presentation of progress and discussions on the key issues related to the PBA themes (present good progress and challenges), chaired by DPM for EU affairs

***Activities necessary to achieve the outcomes:***

- Accommodate IPA priorities where appropriate in existing PBA WGs, or set-up new PBA WGs for ones that do not exist
- Recommendations for improving the performance of the sector coordination framework
- Capacity assessment of the PBA institutional framework - lessons learnt & detection of possible risks and problems (two projects to agree on methodology)
- Produce draft Terms of Reference on mandate, role, task and responsibilities for each level of the PBA institutional framework, as well as procedures for communication
- Training Needs Assessment for each of the PWGs (analysis)
- Consultation process on draft Terms of Reference



- Assessment framework for developing and regularly receiving sector strategies and policies outputs
- Produce recommendation on linking the PBAs to formulation of MIPD and the preparation of IPA programmes guidelines
- Develop methodology for preparation of the working groups action plans, defining methodology for goals and monitoring indicators
- Organize trainings for PBA WGs on budget process and monitoring framework
- Train PBA WGs members on preparation of action plans
- Develop methodology on expanding/ applying PBA procedures on IPA programming process
- Manual for monitoring of sector performance
- PBA WGs start with preparation of the process and outcome action plans for implementation of PBA priority areas
- Perform assessment on the use of the national systems
- WGs action plans presented and approved through the PBA institutional structure
- Support implementation of PBA in 2 program areas

## **OUTPUT 2: INTRODUCE INDICATORS FOR MONITORING AID EFFECTIVENESS**

### **COMPLETED ACTIVITIES:**

#### ***CENTRAL DONOR ASSISTANCE DATABASE REDESIGNED AND UPGRADED***

The Central Donor Assistance Database is redesigned and upgraded. Now, this web application has several interfaces accustomed to various users, such as administrators, advanced/privileged users and public users, enabling access to detailed data through a complex number of criteria, production of various types of reports and charts, and simple and secure administration of the information.

After completing the testing period, additional improvements were made to further facilitate faster and more accurate access to data. A large number of data was edited, adapting it to the OECD sectors and purpose codes, as well as to the NPAA chapters. New features were introduced such as adjusted charts to a more complex number of variables and a link with the database of the Ministry of Finance (FAMA) was established as well. In that way, the advanced users are now able to browse through data including details on budget disbursements, programmes and planned fiches from IPA programmes. Currently, the database provides information on a total of 2300 donors funded activities/projects and programmes, which is approximately twice more comprehensive than it was at the start of the upgrading process.

Also, in the last semester, the project staff trained several employees from the Secretariat for EU Affairs to administer the database, including new entries of data and editing existing ones. Positive comments were received from many donors as the visibility of their assistance in the country has increased, and the ministries in regards to their on the visibility of their assistance to the country, as well as from various ministries, that are the most frequent users of the database. Overall, the database is functional and user friendly, it focuses on a wide-ranging and accurate presentation of information of all the development assistance available for the country.