



**The European Union's "2007/145-210" Project  
for the WBT Region**

**Service Contract for a Monitoring system of the  
implementation of Projects and Programmes of External Co-  
operation financed by the European Community  
Lot 6: Western Balkans & Turkey**

**Synthesis Report on  
*EU Funded National Projects in the  
Former Yugoslav Republic of  
Macedonia monitored in the Period  
January to October 2010***

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## DISCLAIMER

*This report has been produced in the frame of a project funded by the European Union. The content of this publication is the sole responsibility of the Results-Oriented Monitoring (ROM) WBT Team and can in no way be taken to reflect the views of the European Union.*

*It is recalled that the ROM system focuses on individual projects and is solely designed to measure their individual performance, within the overall frame of the Project Cycle Management (PCM) approach. Its methodology and criteria have not been thought for (foreseen?), nor tailored to allow drawing more general findings, conclusions or recommendations on any higher or wider level, such as sectors, countries or regions.*

*For this reason, attention is drawn to the fact that such more general findings and conclusions, formulated in this Synthesis Report, should be considered as indicative only, without any statistical validity or reliability whatsoever.*

## REPORT COVER PAGE

<b>Project Title</b>	“Service Contract for a Monitoring system of the Implementation of Projects and Programmes of External Co-operation financed by the European Community - Lot 6: Western Balkans & Turkey”
<b>Country</b>	Former Yugoslav Republic of Macedonia - MK

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# 1. INTRODUCTION

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The Knowledge Optimisation Meta-Information System (KOMIS) was developed in the frame of the approach and procedure of ICCS-NTUA for the analysis and synthesis of ROM information and conclusions from the implementation of the ROMWBT Project with the overall objective of providing valuable multi-dimensional information to support decision making in External Cooperation Projects and Programmes. The use of the KOMIS improves reporting compatibility and speed and supports the analysis and synthesis of ROM information and results. This approach and system have currently been increasingly used for the elaboration of syntheses of ROM results and conclusions and for supporting the elaboration of the ROMWBT Annual Report and other management and technical reporting.

The present Synthesis Overview has been generated by KOMIS and processed by the management of the ROMWBT Project in order to constitute an example of such syntheses, in the frame of the KOMIS Presentation to the EUD, delivered on 29 October 2010. It provides an overview of all the national projects monitored in MK between 01/01/2010 and 20/10/10.

## 2. ACHIEVEMENTS

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### 2.1. Overview of outputs

During the period from 01/01/2010 to 20/10/10, the following achievements have been accomplished with regard to the monitoring of projects in MK:

- 17 ongoing national (bilateral) projects were monitored.
- 18 missions were implemented.
- 18 sets of ROM outputs (Monitoring Reports, Background Conclusion Sheets and Project Synopses) were submitted. The outputs from 2 more project-visits are, on 20/10/10, at the stage of quality control and finalisation, the deadline for their submission being later than the date of issuance of the present Synthesis Report.

The monitored projects cover a total of 11 specified sectors (at CRS level code):

- 1 project in 11110 - Education policy and administrative management
- 1 project in 15100 - Government and civil society, general
- 3 projects in 15110 - Economic and development policy/planning
- 2 projects in 15130 - Legal and judicial development
- 1 project in 15160 - Human Rights
- 2 projects in 15210 - Security system management and reform
- 1 project in 16062 - Statistical capacity building
- 1 project in 23010 - Energy policy and administrative management
- 2 projects in 31195 - Livestock/veterinary services
- 2 projects in 33120 - Trade facilitation
- 1 project in 43030 - Urban development and management

The total budget (EC contribution) covered was € 17,062,361.

The average size of the monitored projects was € 1,003,668.

# 3. ANALYSIS OF ROM RESULTS

## 3.1. Operational Conclusions

### 3.1.1 Best Practices

This section highlights the examples of best practices identified among the projects monitored. To identify candidate projects and single out the best practices, the following 4-stage method was applied:

Stage 1: Draw up a "shortlist" of all "very good" projects, having a general average score above 3,00.

Stage 2: Select all projects which have at least one "A" grade.

Stage 3: Remove all projects which have "C" or "D" grade.

**Table 1: Short-listed success stories in the reference period**

#	Title	Domain	Country of Implementing Entity (Contractor)	EC Budget	Project Authority	Relevance	Efficiency	Effectiveness	Impact	Sustainability	Average Score	% of excellence
1	Technical Assistance to the Energy Regulatory Commission	IPA	Netherlands	€ 899,870	KEMA Consulting	B	A	A	A	B	3.64	88 %
2	Preparation of engineering services and tender documentation for construction and upgrading police stations for state border security	IPA	Greece	€ 123,100	Planet	A	A	A	B	A	3.61	87 %
3	Technical Assistance for Further Alignment of Legislation with the Acquis in the field of Customs	IPA	Austria	€ 999,900	Hulla & Co. Human Dynamics KG	A	B	B	A	B	3.26	75 %

Stage 4: Identify the best success story in terms of design quality, sound operational set-up and expected results.

The result of the method is summarised in the following table providing a short profile of the selected project and presenting comments on the selection process and reasons for success.

**Table 2: Success Story**

Project Title	Technical Assistance to the Energy Regulatory Commission	
Monitoring	Report N° & grades	MR-127223.02:B-A-A-A-B
	Previous grades	B-B-A-A-A
Domain	IPA	
Sector	23010 - Energy policy and administrative management	
Intervention Logic	Overall Objective (OO): To create a regulatory framework for a competitive, transparent and non-discriminatory energy market in compliance with the requirements of the Energy Community Treaty (ECT). Project Purpose (PP) To support the Energy Regulatory Commission (ERC) in the further development and implementation of regulatory procedures, legislation and requirements deriving from the Energy Community Treaty (ECT) and National Legislation. Expected Results: The overall result expected is the increased professional capacity of the ERC staff in the following issues: (1) Reviewed and if necessary amended primary and implementing legislation of the ERC in compliance with the acquis and the ECT; (2) Tariff regime and its applications reviewed ensuring transparent, unbundled and cost reflective tariffs; (3) ERC Monitoring Rulebooks developed; (4) Organisational capacity of the ERC enhanced allowing better governance, efficiency and	

	public information; (5) Market structure consolidated contributing to the removal of obstacles towards a competitive market; (6) Cross-cutting issues are mainstreamed in the activities of the ERC. Activities 1a) Support the ERC in reviewing existing legislation, primary and implementing and if necessary, propose amendments and/or additions to it. 1b) Carry out a gap analysis with the EU energy acquis and the ECT, and also with the national legislation. 2a) Support the ERC in reviewing tariff applications and methodologies of the regulated activities. 2b) Assist the ERC in developing rulebooks on regulating prices and new tariff methodology. 3a) Assist the ERC in the development of rulebooks on the monitoring of security of supply in the electricity and gas sector and 3b) in the quality of supply. 4a) Carry out a thorough assessment and evaluation of the ERC's internal organisation revisiting both the existing 'functional based approach' and a 'process based organisation' approach 4b) Review and streamline the ERC's working procedures to deal with, amongst other things, any corrupt behaviour within the organisation to ensure overall better coordination and governance. 4c) Assess the existing HR organisation of the ERC 4d) Advise the ERC on how public participation and public information dissemination functions can be strengthened. 5a) Provide assistance to ERC on preparing policies and procedures to implement the new market model introduced in August 2008. 5b) Assist the ERC in the further evolution of market reforms towards competition and the removal of obstacles towards a competitive market. 6a) Allocate short term expertise to assist the ERC in identifying and mainstreaming cost-cutting issues into the ERC's work, paying particular attention to environmental impacts.
<b>Key issues and recommendations</b>	Contractor, PSC: 1) The OVIs are written according to SMART criteria and as such the deliverables are easily measurable in terms of quantity and timing of delivery, however there is no requirement nor system in place for measuring the quality of the outputs. The team is advised to review what tools can be put in place to ensure the quality as well as timely delivery of outputs.

### 3.1.2 Problem cases

This section highlights the problem cases identified among the projects monitored. In order to single out the problematic cases, the following three-stage method was applied:

**Stage 1:** Draw up a "shortlist" of all projects with "serious deficiencies", having a general average score below 2.00.

**Stage 2:** Select all projects which have at least one "D" grade.

**Stage 3:** Identify the most problematic case in terms of design quality, sound operational set-up and expected results.

The application of the method confirmed that there were no projects overall experiencing major difficulties among the projects referred in this Synthesis Report.

## 3.2. Performance Conclusions

### 3.2.1 Overall performance

The frequencies or % of A, B, C, and D occurrence are presented based on the grades of the Monitoring Reports, in order to illustrate the number of A and B (very good or good performance) over the total number of grades in the ROM outputs; i.e. a percentage of 50% demonstrates that in the respective category there are more A or B than C or D. The following table illustrates the performance of the 36 projects monitored along with the average score.

**Table 3: Average DAC criterion scores for main criteria**

#	Criterion	Good (A or B)	Average Score
1	Relevance/Quality of design	100 %	3.10
2	Efficiency	88 %	2.97
3	Effectiveness	88 %	3.06
4	Impact	88 %	3.05
5	Sustainability	88 %	3.05
<b>Average</b>		<b>100 %</b>	<b>3.05</b>

Generally taken, the 17 projects monitored in MK between 01/01/2010 and 20/10/2010 were well-designed and performed well (average grade “B”) with regard to all five ROM Criteria. The comparatively stronger point of the projects in MK is their relevance and the quality of their design. But the projects were assessed to be well performing in terms of all five ROM criteria.

The distribution of grades along the 5 ROM criteria is illustrated in the table below.

**Table 4: Overview of performance by DAC criterion of MRs for ongoing projects (% of frequency of ratings)**

#	Criterion	Very good (A)	Good (B)	Problems (C)	Serious deficiencies (D)	N/A	TOTAL
1	Relevance/ Quality of design	12 %	88 %	0 %	0 %	0 %	100 %
2	Efficiency	12 %	76 %	12 %	0 %	0 %	100 %
3	Effectiveness	12 %	76 %	12 %	0 %	0 %	100 %
4	Impact	18 %	71 %	12 %	0 %	0 %	100 %
5	Sustainability	6 %	82 %	12 %	0 %	0 %	100 %
<b>BCS TOTAL Score</b>		<b>12 %</b>	<b>88 %</b>	<b>0 %</b>	<b>0 %</b>	<b>0 %</b>	<b>100 %</b>
<b>Total number of MRs</b>		<b>18</b>					
<b>Total number of Projects</b>		<b>17</b>					

The above Table confirms the conclusions drawn above, i.e. that all projects in MK are relevant and well designed, and performed in 2010 well in general. Only two of the monitored projects were found to be facing problems

The following table shows the classification of the projects per category of performance introduced by the EC ROM Development and Coordination Unit (AIDCO/E5), and verifies the above conclusions.

**Table 5: Performance of ongoing projects per Category (I, II, III, and IV)**

Category	Performance	Projects	%
Category I	<i>Very good performance (minimum 3 a, no c, no d)</i>	2	12 %
Category II	<i>Good performance ( a, b, maximum 2 c, no d)</i>	14	82 %
Category III	<i>Performing with problems (a, b, minimum 3 c, no d)</i>	1	6 %
Category IV	<i>Not performing, or having major difficulty (minimum 1 d )</i>	0	0 %
<b>TOTAL</b>		<b>17</b>	<b>100 %</b>

### 3.2.2 Performance by ODA sector

In this section, performance statistics are presented in relation to the Official Development Assistance (ODA) Sectors:

- ODA 1: Social Infrastructure and Services
- ODA 2: Economic infrastructure and services
- ODA 3: Production sectors
- ODA 4: Multi-sector/Crosscutting

ODA 5: Commodity aid and general programme assistance

ODA 6: Action related to debt

ODA 7: Humanitarian Aid

ODA 9: Other

The monitored projects cover in total 5 ODA sectors. The percentage of projects with A or B grading per ODA sector is illustrated in the table below:

**Table 6: Overview of good performance per ODA sector % of frequency of ratings**

ODA	1	2	3	4	5	7	9	
Description	Social Infrastructure and Services	Economic infrastructure and services	Production sectors	Multisector/ Crosscutting	Commodity aid and general programme assistance	Humanitarian Aid	Other	Total
N° operations monitored	11	1	4	1	0	0	0	17
N° reports produced	12	1	4	1	0	0	0	18
Million € covered	9.50	0.90	4.80	1.80	0.00	0.00	0.00	17.10
Relevance/Quality of design	100 %	100 %	100 %	100 %	0 %	0 %	0 %	100 %
Efficiency	91 %	100 %	75 %	100 %	0 %	0 %	0 %	91 %
Effectiveness	91 %	100 %	75 %	100 %	0 %	0 %	0 %	91 %
Impact	82 %	100 %	100 %	100 %	0 %	0 %	0 %	95 %
Sustainability	82 %	100 %	100 %	100 %	0 %	0 %	0 %	95 %
<b>Average</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>	<b>0 %</b>	<b>0 %</b>	<b>0 %</b>	<b>100 %</b>

The biggest share of the projects (64 %) is under the ODA sector Social Infrastructure Services with a higher concentration in the CRS sector 15110 – Economic and development policy/planning (3 projects). It is noted that the highest concentration of projects (3 projects) is under CRS sector 15110 – Economic and development policy/planning.

The samples per ODA sector are in all cases rather small to allow any concrete assessment of performance per sector and any identification of systematic best practices or problem areas, except for the ODA sector “Social Infrastructure and Services”. Within this latter sector, however, the samples of projects monitored under the various CRS sectors are again small to allow concrete synthesis of conclusions. Nevertheless, the table below confirms the above conclusion about the comparatively weak sustainability prospects of the projects’ services and results.

### 3.2.3 Performance over Time

The provision of reliable comparisons regarding the performance of the portfolios (of EC external cooperation which are monitored from year to year in a region or country) is always fairly difficult, for a number of reasons (e.g. size and representation of samples of projects, different stages of projects monitored and re-monitored, no assurance that the projects have been monitored in all reference years, etc.). Consequently, the assessment of the performance over time is based only on re-monitored projects, i.e. those that have been monitored twice or more.

Four (4) national projects were re-monitored in MK, in 2009 and in the period of 01/01/10 – 20/10/10:

- 06MAC01/11/102-TA to the MoES on Life Long Learning (CRIS No C\_165897)
- Technical Assistance to the Energy Regulatory Commission (CRIS No C\_216889)
- Technical Assistance for Further Alignment of Legislation with the Acquis in the field of Customs (CRIS No C\_215635)
- Technical Assistance for Municipal Infrastructure Projects (CRIS No C\_209500)

The performance of these 4 re-monitored projects over time is summarised in the following table:

**Table 7: Overview of performance of projects re-monitored in 2009 and 2010**

Year	2009		2010	
<b>N° operations monitored</b>	4			
<b>N° reports produced</b>	4		4	
<b>€ covered</b>	4,966,520.00			
Relevance/Quality of design	100 %	3.08	100 %	3.25
Efficiency	75 %	2.80	75 %	2.95
Effectiveness	75 %	3.13	100 %	3.25
Impact	75 %	3.15	75 %	3.10
Sustainability	75 %	3.15	75 %	2.95
<b>Average</b>	<b>100 %</b>	<b>3.06</b>	<b>100 %</b>	<b>3.10</b>

The overall performance of the projects monitored in both 2009 and 2010 has not changed, i.e. all 4 projects have good performance (100% A or B scores). Performance improvements are clearly visible in all the re-monitored projects in relation to the three first ROM criteria, indicating that (a) the projects have been flexible enough to adjust to changes in their implementation environment, have been converting efficiently their inputs and activities into results (Efficiency of implementation), which have been reaching their planned beneficiaries and recipients (Effectiveness). The potential Impact of the re-monitored projects remained in both years good, though a slight drop has been observed in 2010 in terms of Sustainability prospects. Since the sample is rather small (4 national projects re-monitored), this could be due to a particular situation or problem faced by one or two of the re-monitored projects, in view of the particular stage of their implementation in 2010 and/or to changes in the projects' implementation environment. Consequently, any further checking and analysis would be worth only at project-by-project level. It is hoped that next year, when a higher number of projects will be re-monitored, more concrete conclusions will be possible to be produced.

# ANNEX I

## List of Monitored Projects

- 06MAC01/11/102-TA to the MoES on Life Long Learning (CRIS No C\_165897)
- Strengthening the capacity of the General Secretariat – Sector for Policy Analysis and Coordination -Unit for Public Administration Reform and Unit for NGO Cooperation (CRIS No C\_219830)
- Technical Assistance to improve the capacities of the relevant parties in the fight against organised crime, with focus on human trafficking (CRIS No C\_203332)
- Technical Assistance for Reinforcement of Border Control (CRIS No C\_216288)
- Technical Assistance to the Civil Servants Agency and strengthening the implementation of the National System for Training Coordination (CRIS No C\_217710)
- Technical Assistance to the State Statistical Office (CRIS No C\_228195)
- Renovation of Tetovo Police Station (CRIS No C\_217909)
- Construction works of the Veterinary and Phytosanitary Border Inspection facilities at the Border Crossing Point (B.C.P.) of Tabanovce (CRIS No C\_210956)
- Support to Tax Reform (CRIS No C\_234964)
- Preparation of engineering services and tender documentation for construction and upgrading police stations for state border security (CRIS No C\_234973)
- Support to more efficient, effective and modern operation and functioning of the Administrative Court (CRIS No C\_228547)
- Further strengthening of the Institutional capacities of the Academy for the Training of Judges and Prosecutors (CRIS No C\_234703)
- Technical Assistance to the Energy Regulatory Commission (CRIS No C\_216889)
- Technical Assistance for the IPA Training Facility for the Former Yugoslav Republic of Macedonia in the frame of the IPA 2007 Regulation (CRIS No C\_240984)
- Technical Assistance for Further Alignment of Legislation with the Acquis in the field of Customs (CRIS No C\_215635)
- Technical Assistance for Municipal Infrastructure Projects (CRIS No C\_209500)
- Capacity building of the veterinary service for implementation of EU Acquis (CRIS No C\_244472)