

Country Interim Evaluation Summary



Interim Evaluation of the European Union PHARE Programme

Country: Slovak Republic

Sectors addressed:

- **Justice and Home Affairs**
- **Internal Market**
- **Economic and Social Cohesion**

**Programmes covered:
PHARE 2001/ 2002/ 2003**

Author:



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This report has been prepared as a result of an independent evaluation by MWH being contracted under the PHARE programme.
The views expressed are those of MWH and do not necessarily reflect those of the Government Office of the Slovak Republic.

Government Office of the Slovak Republic
Aid Co-ordination Unit
E-mail phare@vlada.gov.sk

ABSTRACT

This Country Summary for the PHARE programme of the Slovak Republic is intended to provide management information for the benefit of the Joint Monitoring Committee. This document is based on four PHARE interim evaluation reports, carried out and completed between May 2004 and April 2005.

Compared with the time of the last Country Summary Evaluation Review (May 2003) no major changes have appeared in the assessment of the *relevance* and design quality of the various PHARE interventions under evaluation. In principle, most interventions appeared to be well justified. Overall, however there are not many signs compared to recent years that PHARE programming in Slovakia has become generally more efficient and not much evidence that earlier lessons are being utilised constructively. Too often not enough effort was applied to ensure that adequate implementation capacity, time and resources were present to transform programmes from a good concept on paper, to an operational reality.

The *efficiency* of PHARE interventions remains uneven. The procedures associated with PHARE implementation remain bureaucratic and slow. The introduction of the Extended Decentralised Implementation System was extremely costly and time-consuming and although the readiness of the System was confirmed by its formal accreditation in fact it has not worked properly for several months. During the first few months of implementation under the Extended Decentralised Implementation System the administrative burden has not been reduced remarkably, and the same can be expected for the upcoming Transition Facility.

Despite these difficulties, PHARE to a large extent has been an *effective* instrument to influence change and at the same time to provide the means for modernising infrastructure, equipment, practices and procedures in all sectors. Many of these achievements can be attributed to the exceptional commitment, demonstrated by the Slovak project implementers, which was necessary immediately before and after the date of accession. The Aid Co-ordination Unit has effectively taken over the interim evaluation service for PHARE in Slovakia and is managing this function without difficulties. However, apart of the immediate requirements of PHARE, monitoring structures remain weak and the development of local evaluation structures is uneven.

Overall, PHARE assistance is making a positive *impact* on Slovakia's preparation for accession and on the fulfilment of its EU membership obligations. In most projects, *sustainability* will be assured by the Slovak Government. International commitment to maintain efficient practices should also guarantee that Slovakia does not regress and that up-to-date and efficient methods are sustained.

Key recommendations:

- For future assistance, the Commission Services and the Government of Slovakia should encourage implementing bodies to establish or reinforce their own quality control systems for the production of project documents. Following the ex-ante approach the Aid Co-ordination Unit should be entrusted to provide an independent quality assurance.
- The Joint Monitoring Committee members should agree in advance on an annual calendar for the Committee meetings; a preparatory meeting should be considered, for clarifying technical details at the working level prior to the Joint Monitoring Committee meeting;
- The Joint Monitoring Committee members should request from the Regional Development Support Agency to consider establishing a simple mechanism allowing the monitoring of completed investment projects, at least for a period of three years;
- The Office of the Government/ Aid Co-ordination Unit should take steps to make its cumulated monitoring and evaluation capacity available for other key players in the area of European and national funds.

PHARE INTERIM EVALUATION KEY FINDINGS

REF.	KEY ISSUE	PARAGRAPH #	RECOMMENDATION
1	There are not many signs in recent years that PHARE programming in Slovakia has become more efficient and not much evidence that earlier lessons are being utilised constructively.	14	For future assistance (notably Transition Facility) the Commissions Services together with the Government of Slovakia should encourage the implementing bodies to establish or reinforce their own quality control systems for the production of project documents. Following the ex-ante approach, the ACU should provide independent quality assurance and should take responsibility for ensuring that programme and project proposals follow all EU guidelines, so that they pass through the EU approval process with the minimum of comment and reworking
2	During the interim evaluation cycle there were a few cases where the original Project Fiches were not fully realised due to a considerable reduction of activities. Such -sometimes substantial – changes are not properly documented, for instance via formal modification of Fiches, or other written procedure.	16	The ACU together with the PHARE (and Transition Facility) implementing bodies should ensure that in the event of a substantial reduction of activities, compared with the original Project Fiche, this deviation is properly documented, at least the respective monitoring report should provide a clear reference in this respect.
3	Whilst twinning light is basically well received as a flexible instrument for delivering tailor-made but expensive assistance, for some of the evaluated twinning light projects value-for-money, in comparison to similar interventions using classical TA, did not seem to be sufficiently justified.	24	For the remaining PHARE funds and the upcoming Transition Facility more crucial value-for-money consideration should be given by the CFCU to twinning light projects, especially for the delivery of training activities. Compared with classical TA interventions some twinning light operations are rather costly.
4	Taking into account the present timing of monitoring meetings, the sequencing between the overall JMC and the subordinated SMSC's remains uneven.	26	The JMC members should agree to set a yearly calendar for the JMC meetings. Based on this calendar, the co-ordination of preparation of the SMSC and JMC meetings as well as the preparation of Sectoral Monitoring and Implementation Status Reports could be planned more effectively.
5	During the interim evaluation there were a few cases identified where previous PHARE investments were not brought into operations, despite the fact that the PHARE part was successfully closed and fully financed.	27	The JMC members should request from the Ministry of Construction/ Regional Development Support Agency to consider establishing a simple mechanism allowing the monitoring of completed investment projects after their finalisation, for at least for a period of three years. Such extended monitoring will be particular needed for investments in the area of regional development and cross border co-operation.
6	The Implementation Status Report is usually a very comprehensive and voluminous document. Consequently, its detailed review during the JMC is very time-consuming compared to other issues of the JMC agenda. Moreover, the detailed	28	The JMC members should consider having a separate preparatory meeting the day before the JMC. During this preparation meeting, at the working level of the JMC parties, necessary technical clarifications should be discussed, in the case of the Implementation Status Report, and preferably also for other issues covered by the respective JMC agenda. Following the preparatory meeting an agenda for the JMC should only cover priority issues, conclusions and recommendations to be discussed and agreed, thus making better use

	discussion of the Implementation Status Report appeared to be too technical at times, for the high-level representatives, comprising the JMC.		of the high-level JMC representatives.
7	Despite some encouraging steps – notably under PHARE - more immediate progress will be needed to further build up and develop evaluation structures in Slovakia, not only for the Transition Facility but also for the evaluation of European and national funds.	29	In particular the Office of the Government/ ACU should take steps to transfer its accumulated monitoring and evaluation capacity and experience and make it available to other key players in the area of European and national funds.

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GLOSSARY OF ACRONYMS

ACU	Aid Co-ordination Unit
CFCU	Central Finance and Contracting Unit
ECD	European Commission Delegation
EDIS	Extended Decentralised Implementation System
ESC	Economic and Social Cohesion
EU	European Union
FM	Financing Memorandum(a)
IE	Interim Evaluation(s)
INT	Internal Market
ISPA	Instrument for Structural Policies for Pre-Accession
JHA	Justice and Home Affairs
JMC	Joint Monitoring Committee
M€	Millions of Euro
NAC	National Aid Co-ordinator
NADSME	National Agency for Development of Small and Medium Enterprises
NPAA	National Programme for Adoption of the <i>Acquis</i>
RDSA	Regional Development Support Agency
SAPARD	Special Accession Programme for Agriculture and Rural Development
SF	Structural Funds
SMSC	Sectoral Monitoring Sub-Committee(s)
SR/SK	Slovak Republic
TA	Technical Assistance
ToR	Terms of Reference

INTERIM EVALUATION COUNTRY SUMMARY FOR THE SLOVAK REPUBLIC

INTRODUCTION

1. According to Terms of Reference (ToR) for the project 'Interim Evaluation of PHARE projects in the Slovak Republic – Technical assistance for the Aid Co-ordination Unit' the contractor has to undertake four sectoral interim evaluation (IE) reports. Upon completion of the IE cycle a country interim evaluation summary has to be provided, a synthesis, mainly based on the outcomes of the four IE Reports. Such Summary shall provide an outlook on the perspectives and lessons learned with regard to the pre-accession support measures (PHARE, Transition Facility) in Slovakia, accompanied by specific recommendations.

2. This Summary is based on four completed IE Reports in line with the overall time-table for the IE project, agreed with the Aid Co-ordination Unit (ACU)¹. The Report is a Country Summary of the key issues in relation to on-going PHARE programmes in the Slovak Republic. It is based on the IE's of the PHARE Programme in Slovakia carried out and completed by MWH between May 2004 and April 2005. The IE reports were arranged across the three Monitoring Sectors as follows:

Sector	IE Report Number	Programmes/ Components Covered	Date of Issue of IE Report	Overall Rating
1. Justice and Home Affairs	R/SR/JHA/0104	2002/000-610.02; 2002/000.610-19; 2002/000.610-21; 2003-004-995-01-04; 2003-004-995-03-19; 2003-004-995-03-20; 2003-004-995-03-21; 2003-004-995-03-23; 2003-004-995-03-24; 2003-004-995-01-03; SK-0108; 2003-004-995-03-22; 2002/000-610.01; 2003-004-995-01-01; 2003-004-995-01-02; 2002/0000-610.22;	22/09/2004	Satisfactory
2. Internal Market	R/SR/INT/0204	SR-0104; 2002/000-610.05; 2002/000-610.06; 2002/000-610.07; 2002/000-610.08; 2003-004-995-03-02; 2003-004-995-03-03; 2003-004-995-03-04; SR-0110; 2002/000-610.02; 2003-004-995-01-04; 2003-004-995-02-01; 2002/000-610.09; 2002/000-610.10; SR-0105; 2002/000-632.09; 2003/5812.07.01; SR-0106; 2002/000-610.16; 2002/000-610.17; 2002/000-610.18; 2003-004-995-16; 2003-004-995-17; 2003-004-995-18; SR-0109; 2002/000-610.04; 2003-004-995-03-01; SR-0104.02; 2002/000-610.20; 2003-004-995-03-25; 2003-004-995-03-26	10/12/2004	Satisfactory

¹ The draft version of this Summary has been delivered for commenting to the following institutions: National Fund, Central Finance and Contracting Unit, Regional Development Support Agency, National Agency for Development of Small and Medium Enterprises, European Commission Representation, and Aid Co-ordination Unit. Apart from the Aid Co-ordination Unit there were no comments received.

3a. Economic and Social Cohesion/ Social Affairs and Human Resources Development	R/SR/ESC/0304	2003-004-995-01-05; 2003-004-995-01-06; SR-0107.02; 2002/000-610.15; SR-0110.01.01.12; 2002/000-610.02; 2003-004-995-03-11; 2003-004-995-03-13; 2003-004-995-03-14; 2003-004-995-03-06; 2003-004-995-03-07	13/04/2005	Satisfactory
3b. Economic and Social Cohesion/ Regional Development and Cross-Border Co-operation	R/SR/ESC/0404	SR0107.01, SR0107.03-.07, 2002/000-610.11, 2002/000-610.13, 2003-004-995-03-08, 2003-004-995-03-15, 2002/000-610.14, 2002/000-610.12, 2003-004-995-03-09, 2003-004-995-03-10, SR0101.01-.03, SR0102.01, SR0102.02, SR0113.01-.04, 2002/000-642.01-.03, 2002/000.603.01, 2002/000.603.02, 2002/000.635.01-.03, 2003-004-995-03-12, 2003/004-616.01, 2003/004-616.02, 2003/005-704.01-.03, 2003/005-665.01, 2003/005-665.02	14/04/2005	Satisfactory

3. The evaluation findings for the 2001 and 2002 PHARE Roma Minority Support (covering the SR-0103.01, SR-0103.02 and 2002/000-610.03 programmes) were provided by means of a separate Information Note for the Office of Government of the SR. This Information Note was issued on 13 April 2005. The overall rating was 'Unsatisfactory'.²

THE SCOPE OF THE INTERIM EVALUATION REPORTS

4. According to the ToR of the IE service contract the evaluation work has been focused on the PHARE programmes under the Financing Memoranda 2001/2002/2003 (National PHARE Programmes and Cross Border Co-operation). At the cut off date of this Report (14 April 2005), physical implementation was focused on PHARE 2002³, whilst contracting of the majority of 2003 funds was still on-going⁴. MWH has to date, evaluated mainly activities from PHARE 2001 and 2002. Evaluation findings for 2003 assistance remain limited since not many effects from these have materialised yet.

REPORTING FORMAT

5. The standard form of IE reporting follows the principles and conditions defined by the IE Guide, issued by the ACU of the Office of the Government of the SR. In the main the applied IE reporting format and methodology is based on the model introduced by the Commission Services in 2002, which is being continued by the ACU, following the complete decentralisation of the IE process. The current reporting format has been in general well received and accepted by the individual stakeholders of the evaluation process.

6. The applied IE methodology is based on the main evaluation criteria - relevance, efficiency, effectiveness, sustainability, and on impact:

- *Relevance*, whether the design of the project targets the needs of beneficiaries;

² This Information Note is available at the Office of the Government of the SR/ Section for European Affairs.

³ 2002 commitment rates broken down to individual Implementation Agencies: Central Finance and Contracting Unit (CFCU) – 90% (contracting period for one project has been extended, so a further minor increase is likely); Regional Development Support Agency (RDSA) – 91% (again one project received extension and have still time to be fully committed); National Agency for Development of Small and Medium Enterprises (NADSME) – 95%.

⁴ Contracting situation for PHARE 2003 at the time of this Summary: CFCU – 36%; RDSA – 2%; NADSME – 6%.

- *Efficiency*, whether the same results could have been achieved at lower costs;
- *Effectiveness*, whether the project purpose has been achieved;
- *Sustainability*, whether project benefits are likely to continue after external funding ends;
- *Impact*, the extent to which the benefits received by the beneficiaries had a wider overall effect.

7. Based on feedback gained from various implementing bodies during the evaluation cycle, the evaluation rating grid has been slightly amended as can be seen from the last IE report. Now the grid only provides the rating for interventions that are contracted and thus have physically started. The programmes/projects which were subject of the evaluation but have not been contracted yet, have been commented upon in the main part of the report but without giving any rating. These programmes at their early stages were mainly discussed under the *relevance* criterion, based on the available programming documents, and partly in respect to *effectiveness* and/or *efficiency*, where the managerial and implementation arrangements were already known in more detail.

PURPOSE AND CONTENT

8. This Document is intended to provide management information for the benefit of the Joint Monitoring Committee (JMC). It provides lessons learned from the implementation of PHARE across the evaluated sectors, and recommendations submitted for the consideration of the JMC Members. The most recent JMC for Slovakia took place on 03 March 2005. The date for the next JMC has been preliminary scheduled for early December 2005.

LESSONS LEARNED FROM THE EVALUATION OF PHARE

The main conclusions and lessons learned deriving from the completed IE cycle are:

Relevance

9. Compared with the time of the last Country Summary Evaluation Review⁵, no major changes have appeared for the relevance and design quality of the various PHARE interventions under evaluation. PHARE programmes in Slovakia have mostly been closely aligned with the National Programme for the Adoption of the Acquis (NPAA), the Accession Partnership (AP) and/or the National Development Plan (NDP). The evaluated PHARE assistance in Slovakia has, for the most part, been in line with sectoral needs and/ or consistent with the findings of the European Commission's Regular Reports.

10. Closer alignment with the *acquis* has been a major factor that has contributed towards improving the relevance of some programmes, particularly those where *acquis* requirements were explicit, such as transposition and harmonisation of legislation and the introduction of EU compliant practices in the agriculture, environment, finance, customs, justice and home affairs, and transport and energy areas.

11. The majority of the PHARE interventions in the area of human resources development, small and medium-sized enterprises and regional development were closely linked to the NDP priorities and was directed towards both, preparation of administrative structures for the

⁵ IE Country Summary Review, dated 23 May 2003 (issued by the EMS Consortium).

management of Cohesion and Structural Funds (SF) projects as well as directly addressed to similar or identical priorities through specific PHARE grant schemes. Whilst a part of the assistance was delivered too early, without an appropriate partner/ beneficiary able to absorb the assistance, another part came too late and did not respond to actual needs. The institution building projects, PHARE grant schemes simulating SF implementation, and simultaneously running SF activities have been carried out mostly in isolation, by different implementing bodies.

12. Notably before and after the date of accession, large clusters of activities introducing new methods and new practices or large quantities of equipment had to be procured and introduced at the same time. As a consequence, these overly ambitious packages of projects either placed considerable additional pressure on the implementing authority or resulted in a large number of different training and capacity building outputs being targeted towards the same beneficiary organisations either simultaneously or sequentially. Too often no account was taken of how much new information and change that even the most capable individuals could absorb, retain and respond to, in such a short period of time.

13. The above-mentioned circumstances were also apparent for the various institution building projects, aiming to establish and to strengthen SF structures. Newly hired and inexperienced staff were required to start the SF implementation and huge number of regular daily duties and tasks did not permit their full involvement in the PHARE project activities, comprising mostly of training and seminars.

14. Overall, there are not many signs in recent years that indicate that PHARE programming in Slovakia has become generally more efficient and there is still not much evidence that earlier lessons are being utilised constructively. Too often not enough effort was applied to ensure that sufficient implementation capacity, time and resources were present to transform programmes from a good concept on paper, to an operational reality.

15. Similarly, not much progress could be observed in improving individual project designs. Although the definition and coherence of aims has improved, the indicators necessary for monitoring and evaluation purposes have often been insufficient, being not measurable and also not measured, with missing baselines and benchmarks. The majority of the 2001 and 2002 PHARE investment projects suffered from insufficient project readiness. Projects were programmed for PHARE support without being fully developed, which resulted in substantial delays, reduction of the implementation period and often caused numerous implementation difficulties. The initial planning process often takes place two to three years before the physical implementation starts and there were cases identified where the problems/needs originally identified were already resolved by the time the project was finally about to start. In some cases external factors had changed to such an extent that the delivered assistance was not needed any longer. Moreover, the persistent high staff turnover within the administrations concerned means that those who planned the interventions were often not in their positions when it finally came to the realisation, which also resulted sometimes in unexpected and adverse changes.

16. During the IE cycle there were a few cases found where the original project fiches were not fully realised due to a considerable reduction of activities. Whilst such a reduction usually takes place in line with PHARE procedures, these – sometimes substantial – changes are not properly documented, for instance via formal modification of fiches, or other written

procedure. This led in a few cases to a situation where the final ToR differed quite substantially from the originally planned activities, without having communicated such deviations properly (for instance observed in the 2002 projects for the Central Control and Testing Institute or the 2001 Roma Education project), which consequently made monitoring and evaluation more difficult.

Efficiency

17. PHARE is complex and surrounded by bureaucratic procedures that require an input from a substantial number of individuals, at different levels and in different organisations. The procedures associated with PHARE remained bureaucratic and slow, leading to rewrites, modifications, side letters, delays rescheduling of activities. Programmes seldom ran according to project fiche timescales and delays had an adverse impact on the speed and efficiency of contracting, disbursement and implementation. Often this was due to (i) slow document handling and response times; (ii) poor quality tender specification or poor quality applications which results in re-tendering and rescheduling of activities; and (iii) long periods for independent experts to complete the quality control procedures on tender documents; and (iv) efforts to complete delayed but still on-going programmes before starting new ones.

18. Following Slovakia's accession to the EU the process for announcing PHARE tender opportunities was changed. The announcement, previously done on a central basis by the Commission Services, was transferred under the direct responsibility of the individual New Member States. However, the most important source of information – the Commission's webpage for tender announcement - did not adequately communicate this substantial change and, in particular, did not provide any direct links to the New Member State web pages, supposed to replace the Commission's announcements. This situation led temporarily to confusion among potentially interested bidders and, in some cases, PHARE tenders for Slovakia suffered from a low level of interest, leading later on to the need for time-consuming re-tendering activities.

19. The initial efforts to achieve a timely accreditation for the External Decentralised Implementation System (EDIS) failed for Slovakia. Consequently, the temporary termination of the PHARE contracting process was announced by mid-August 2004. In some cases adverse consequences for the PHARE 2002 allocation, reaching its commitment deadline by the end of November 2004, appeared.

20. The EDIS accreditation process was finally completed and since 19 October 2004 all PHARE assistance has been managed in line with this system. Any public procurement, including PHARE, should thus follow the respective Slovak legislation. The current legal framework concerning the implementation of PHARE (local directives etc.) which so far has been strictly following PRAG/ GGAPP rules, shows some discrepancies in relation to the roles of Programmes Authorising Officers, Sector Aid Co-ordinators etc., that may require some adjustment in order to be in line with the newly introduced EDIS provisions. There remain some EDIS audit findings that still have to be implemented by the respective national authorities.

21. From the first few months of implementation under EDIS conditions it was clear that the administrative burden would not be reduced particularly and that the same could be expected for the upcoming Transition Facility. Overall, the intention to introduce EDIS in order to

professionally prepare in time for the management of SF, has failed. The final EDIS introduction came too late, with the actual SF implementation started before EDIS accreditation. The whole EDIS introduction process was extremely costly and time-consuming for the Slovak authorities involved and although the readiness of the system was confirmed by its formal accreditation in fact it has not worked properly for several months.

22. In comparison, the pre-accession instruments SAPARD (Special Accession Programme for Agriculture and Rural Development) and ISPA (Instrument for Structural Policies for Pre-Accession), preparing for future SF and Cohesion Fund implementation, have been more effective and here also the concerned staff and structures of these two pre-accession instruments have been more successfully transformed into SF and Cohesion Fund structures. The efficient use of staff, structures and experience gained during the PHARE implementation staff for the SF operations could hardly be observed, which was also attributed to the fact that both instruments are running simultaneously.

23. Overall efficiency relies on the capacity of the implementing authorities, (and before introduction of EDIS, also on the efficiency of the European Commission Delegation) and co-ordination between all the different players. As a result, the human factor has a significant influence and means that it can be improved through good co-operation and well developed working relationships. An important aspect is the element of continuity, both in the processes and the personnel and a strong commitment from staff involved in the management and implementation of PHARE. However, the changes in the local administration dealing with PHARE is rather increasing than diminishing, which however is to be expected for an intervention scheme which is approaching its end.

24. Whilst twinning light is basically well received as a rather flexible instrument for delivering tailor-made assistance in many PHARE Sectors, for some of the evaluated twinning light projects value-for-money, in comparison to similar interventions notably classical technical assistance (TA), did not seem to be sufficiently justified. Because of high turnover of staff, the too wide scope of target groups as well as too general topics, the high volume of training activities, delivered through different instruments, cannot be considered efficient.

Effectiveness

25. PHARE to a large extent has been an effective instrument for influencing change and, at the same time, it has provided the means to modernise infrastructure, equipment, practices and procedures in all sectors. Many of these achievements can be attributed to the exceptional commitment and the huge workload which appeared before and after the date of accession, thus ensuring that indispensable conditions for Slovakia's membership were fulfilled. In the area of SF preparation, despite some efficiency difficulties, in particular the 2001 and 2002 twinning operations, have proven to be effective.

26. The current monitoring system for PHARE and Transition Facility, notably the sectoral monitoring sub-committees (SMSC), following withdrawing of the European Commission Delegation (ECD) from the ex-ante approval function, are suffering from diminishing interest as regards the local key stakeholders. This is mostly a result of the poor decision-making competences given to the SMSC, as described in the JMC mandate. Even after four years of operations the effective contribution of the established monitoring structure towards resolving the various programming and implementation difficulties remains small, despite the

voluminous administrative work required for such purpose. Taking into account the present timing of monitoring meetings, also the sequencing between the overall JMC and the subordinated SMSC's remains uneven.

27. With respect to the effectiveness of operating the PHARE monitoring system there have been a few cases identified where PHARE investments have not been put into operations after project completion (observed for some PHARE 1998 Cross Border Co-operation activities during the IE of on-going programmes in the same area). Since no monitoring information is collected after the physical completion of investments, this was not brought to the attention of the implementing bodies in charge.

28. In order to meet the European Commission reporting obligations an Implementation Status Report has been introduced for all Countries benefiting from PHARE and Transition Facility support. The Implementation Status Report serves as a key document for the JMC for reviewing and assessing the on-going PHARE and Transition Facility programmes. The Report provides a synthesis of the information/findings of monitoring and evaluation reports, and includes financial reporting and procurement data. As could be seen from the last JMC, the given template for the Implementation Status Report leads usually to a very comprehensive and long document. Consequently, its detailed review during the JMC appeared to be very time-consuming compared to other issues of the JMC agenda. Moreover, the detailed discussion of the Implementation Status Report appeared to be sometimes too technical, taking into account the high-level representatives, comprising the JMC.

29. Apart from the uneven monitoring process, the evaluation culture still needs to be developed in Slovakia. For the time being only the PHARE IE has proved to be widely accepted and applied. Following complete decentralisation of the IE function, the ACU has taken over the responsibility smoothly from the Commission Services. Currently, the ACU is managing this service without difficulties. A 'Strategy for the Evaluation of EU Funds', prepared under PHARE 2002, has proposed solutions for developing local evaluation capacities and structures. Under the current IE contract, the Managing Authorities for SF were invited by the ACU to participate in the IE work, in order to stimulate the capacity building in the area of evaluation. Consequently, a number of (future) evaluation managers have participated in the IE in the area of cross border co-operation and regional development. The Ministry of Construction and Regional Development has already established an official group of evaluation managers. Additionally, at the time of this Summary, a PHARE project for evaluation capacity building has been on-going at the Ministry of Finance. However, more immediate progress will be needed to further build up evaluation structures in Slovakia, not only for the Transition Facility but also for the evaluation of European and national funds in general.

Sustainability

30. Generally, and in most projects, sustainability is assured by the Slovak Government's commitment to the application of EU legislation and to maintaining EU standards. International commitment to maintain efficient practices should also guarantee that Slovakia does not regress and that up-to-date and efficient methods are sustained. To a large extent, PHARE has facilitated the first steps towards modernisation, but it is just the beginning of almost constant institutional adjustment.

Impact

31. Evaluation of individual impact remains often difficult since this cannot be done properly using the interim evaluation. Apart from methodological aspects, for many of the evaluated programmes, systematic evaluation of impact is not possible as indicators were either not measurable, or not measured, and in most cases no baselines or benchmarks were identified to measure progress. Setting or taking account of objectively verifiable indicators has never been a genuine process, as they are completed in the log frame during programming and without the knowledge that the future beneficiary has the appropriate mechanism in place. The ACU has demonstrated that they are aware of the difficulties raised by poor indicators and are always raising the question about the non-measurability of indicators in the respective sectoral monitoring reports and SMSC minutes. More attention will need to be paid to the formulation of indicators during the programming of the Transition Facility interventions.

32. Therefore, from the above observations, only a few assumptions can be drawn during the lifetime of the individual programmes. Overall, there is a tendency, that once successfully completed, PHARE assistance shows positive impact on Slovakia's preparation for accession and for the fulfilment of its EU membership obligations. Over the years, PHARE has made an important contribution to the changes in the Slovak administration that were necessary for the country to operate successfully as a Member State within the EU. PHARE assistance has been largely instrumental in driving the work undertaken by the Slovak administration in harmonising local legislation in accordance with the *acquis communautaire*. The concept of providing financial assistance for a project within a problematic Sector that, in turn, has induced institutional changes to allow for its successful completion has, by and large, worked well. In the priority area of SF the conditions for managing and using SF are in place due to substantial support provided by PHARE and the final impact/ use of SF means under Member State conditions will also reflect the effectiveness of the PHARE assistance. Here, a good indicator for PHARE impact will be the general performance of SF interventions. However, apart from agriculture and transport, SF funding approvals and disbursements were rather low at the time of this Summary.

Performance Rating

33. The performance rating has been applied following the principles and conditions defined by the ACU's IE Guide. The performance of individual programmes/ projects in the Sectors Justice and Home Affairs and Internal Market has been characterised by numerous successful interventions, with only very few exceptions. The performance picture as concerns the area of Economic and Social Cohesion has been more varied, however showing clear improvements, compared with previous IE reports. Overall, the following ratings have been given to the different Monitoring Sectors of the PHARE National and Cross Border Co-operation Programme:

	Justice and Home Affairs	Internal Market	Economic and Social Cohesion/ SOC and HRD	Economic and Social Cohesion/ REG and CBC
Relevance	1	1	1	1
Efficiency	0	0	0	-1
Effectiveness	1	1	1	0
Impact	1	1	1	0
Sustainability	1	1	1	0
Verbal overall rating	Satisfactory	Satisfactory	Satisfactory	Satisfactory

Numerical Rating	Descriptive Rating
-2	Unacceptable/ Highly Unsatisfactory
-1	Poor/ Unsatisfactory
0	Sufficient/ Adequate
+1	Good/ Satisfactory
+2	Excellent/ Highly Satisfactory
n.a.	Not available

RECOMMENDATIONS FOR THE CONSIDERATION OF THE JMC MEMBERS

Quality of programming documents

34. Derived from the experience with the EDIS introduction, for future assistance (notably Transition Facility) the implementing bodies should establish or reinforce their own quality control systems for the production of project documents. Following the ex-ante approach the ACU should provide independent quality assurance and should take responsibility for ensuring that programme and project proposals follow all EU guidelines (including Project Cycle Management and LogFrame), so that they pass through the EU approval process with the minimum of comment and reworking.

Documentation of deviation of activities from original Project Fiches

35. The ACU together with the PHARE (and Transition Facility) implementing bodies should ensure that, in the event of a substantial reduction of activities compared to the original Project Fiche, such deviation is properly documented. At least the respective monitoring report should provide a clear reference in this respect.

Value-for-money of twinning light operations

36. In view of the remaining PHARE funds and the upcoming Transition Facility more crucial value-for-money consideration should be given by the CFCU to twinning light projects, especially for the delivery of training activities. Compared with classical TA interventions, some twinning light operations seemed to be rather costly.

Effectiveness of the PHARE monitoring structures

37. The JMC members should agree to set a yearly calendar for the JMC meetings. Based on this, an overall deadline for the co-ordination of preparation of the SMSC and JMC meetings as well as the preparation of Sectoral Monitoring and Implementation Status Reports should be planned more effectively.

Monitoring of completed PHARE investment projects

38. There were a few cases identified where PHARE investments were not brought into operations, despite the fact that the PHARE part was successfully closed and fully financed. The JMC members should request from the Ministry of Construction/ Regional Development Support Agency to consider establishing a simple mechanism allowing the monitoring of PHARE investment projects after their finalisation, at least for a period of three more years. Such extended monitoring will be particularly needed for investments in the area of regional development and cross border co-operation.

Discussion of Implementation Status Report during the JMC

39. Taking into account the very technical and detailed discussion of the Implementation Status Report, observed during the last JMC, the JMC members should consider introducing a separate preparatory meeting the day before the JMC during which, at the working level of the JMC parties, the necessary technical clarifications should be discussed, both in the case of the Implementation Status Report, and preferably also for other issues covered by the respective JMC agenda. As a result of the preparatory meeting, an agenda for the JMC could be agreed, covering only priority issues, conclusions and recommendations to be discussed and agreed, thus better respecting the role of the high-level JMC representatives.

Development of evaluation structure and culture

40. More progress is needed in implementing the output produced from the 2002 PHARE 'Strategy for the Evaluation of EU Funds'. In particular the Office of the Government/ ACU should take steps to transfer its accumulated capacity in monitoring and evaluation and make it available for other key players in the area of European and national funds.

ANNEXES

ANNEX 1. ABSTRACTS OF COMPLETED INTERIM EVALUATION REPORTS

MONITORING SECTOR 1 – Justice and Home Affairs Interim Evaluation Report: R/SR/JHA/0104

Scope of the evaluation

The Interim Evaluation covered assistance to the Justice and Home Affairs Monitoring Sector in Slovakia under the national PHARE support allocated for the years 2001, 2002 and 2003, approximately totalling 25.8 M€ from PHARE and 5.1 M€ from national sources. The support was in particular focusing on the areas of justice, public administration, fight against crime, corruption and drugs, law enforcement, preparation for Schengen border management, asylum and migration.

Key findings and recommendations

In general, all projects under evaluation were *relevant*, following objectives and supporting official governmental policies/reforms. The design of individual sectoral interventions was however often uneven, which could be partly attributed to the rigidity of the PHARE system and insufficient local planning experience. *Efficiency* was mixed and needed to be improved. Most of the sectoral interventions had suffered from delays. In particular, the efficient use of PHARE funds by the Ministry of Interior was sometimes insufficiently secured and in the case of the 2002 Schengen programme, 0.5 M€ was expected to be lost. PHARE capacities at the Ministry of Interior were still insufficient. In some sectoral interventions, poor local absorption capacity adversely influenced the efficient delivery of the assistance. Proper project reporting needed to be improved for some twinning activities. Overall governmental co-ordination of the public administration reform process in Slovakia would have been welcome but was even missing between the related PHARE activities of the Ministry of Interior and of the Civil Service Office. Installation of the equipment delivered for the Judicial Academy was held up because the beneficiary institution had still not been set up. Also, a 2002 twinning for investigators had experienced co-operation difficulties.

The expected *effectiveness* of the majority of the evaluated projects was adequate, however with some exceptions, and most sectoral projects showed good forecasts with regard to *sustainability*. Upon successful completion all the interventions were expected in the longer term have positive *impact* on the society as a whole.

Recommendations included *inter alia*:

- The Ministry of Interior should review status and quality of the Transition Facility project proposals and should actively promote this assistance internally;
- In the event of loss of funds to under the 2002 Schengen programme, the Ministry of Interior should provide an explanation, showing how and when the non-contracted parts of the concerned programme will be realised;
- The Ministry of Interior should initiate co-operation with the Association of Towns and Municipalities as regards the 2003 Public Administration Reform programme;
- The Ministry of Interior should improve information flow within its PHARE structures;
- The Ministry of Interior should seek all opportunities for sufficient funding for the equipment of police offices all over the country as well as for the information system development, thus ensuring the future effective data exchange among Law Enforcement Agencies.

MONITORING SECTOR 2 – Internal Market Interim Evaluation Report R/SR/INT/0204

Scope of the evaluation

The Interim Evaluation covered assistance to the Internal Market Monitoring Sector in Slovakia under the national PHARE support allocated for the years 2001, 2002 and 2003, approximately totalling 46.8 M€ from PHARE and 7.0 M€ from national sources. The support was focused in particular on the areas of agriculture, cadastre, statistics, energy, transport, environment, public finance, banking and customs.

Key findings and recommendations

All of the evaluated Internal Market programmes were *relevant* and compliant with accession-related and governmental priorities. Some programmes had suffered from design weaknesses but their relevance was justified. For instance, the design of the 2001 Market Surveillance programme neglected the co-operation mechanisms and separate projects, managed by different Ministries, could not fully meet the original aim. Also, the 2003 Radioactive Waste Agency Programme was likely to face difficulties with meeting its timely implementation.

Overall, the *efficiency* of the evaluated programmes was satisfactory but varied. Many programmes had suffered from initial delays, but causing no major difficulties in most cases for the achievement of the planned outputs. In the agriculture area, however, whilst the commitment of Agriculture Paying Agency staff had been excellent, some other beneficiary institutions had not devoted sufficient capacities to manage their projects. In comparison with similar interventions, the value-for-money of some 2002 twinning light projects was not sufficiently justified, when related to the poorly reported activities and in one case a questionable contractor performance was observed.

The majority of the 2001 and 2002 Internal Market interventions had already delivered or were likely to bring the planned *effectiveness* and there were also good perspectives for the upcoming 2003 assistance. Most of the benefits achieved were expected to be *sustainable*. Overall, it was likely that the final *impact* from the evaluated Internal Market Monitoring Sector would be gradually integrated into economic and social performance of the country.

Recommendations included *inter alia*:

- Ministry of Economy/ Ministry of Health/ Ministry of Agriculture should agree on establishing a formal body for overall co-ordination of the market surveillance in Slovakia.
- Central Control Testing Institute for Agriculture/ State Veterinary and Food Administration should allocate sufficient resources for PHARE management;
- The Central Finance and Contracting Unit should consider carrying out a cost-effectiveness analysis of completed 2001 twinning light projects and to compare these with activities delivered through other instruments (technical assistance);
- The Nuclear Radioactive Waste Agency should consider appropriate design changes and corrective budgetary measures on time, in order to avoid any loss of funds.

MONITORING SECTOR 3 – Economic and Social Cohesion
Social Affairs and Human Resources Development
Interim Evaluation Report R/SR/ESC/0304

Scope of the evaluation

The Interim Evaluation covers assistance to the Economic and Social Cohesion/ part Social Affairs and Human Resources Development Sector in Slovakia under the national PHARE support allocated for the years 2001, 2002 and 2003, approximately totalling 16.4 M€ from PHARE and 4 M€ from national sources. The support, being delivered via means of twinning, technical assistance and investment was focused in particular on the areas of European Social Fund preparation, human resources development, employment, Roma minority integration and health care.

Key findings and recommendations

Overall, most of the evaluated projects were *relevant* with the exception of a few projects for Human Resources Development and for European Social Fund Preparation where the assistance is likely to come too late and, therefore, no longer reflects the actual needs.

Apart from the need to launch the tendering as soon as possible, in order to avoid last minute contracting, no substantial problems were foreseen in terms of efficiency for the upcoming Roma Minority and Health Care initiatives. However, the current institutional arrangements for the European Social Fund may duplicate some PHARE activities here, mostly in the area of project design and partnership development. In addition, the 2003 European Social Fund Preparation projects, which have not started yet, will require substantial re-orientation.

In the area of Human Resources Development and European Social Fund Preparation it is likely that the individual projects will achieve some *effects*. However, for the future, only much closer co-operation between the Ministry of Labour and the regions, and their direct involvement, can guarantee more successful results. Regarding the Roma Minority and Health Care interventions, their expected effects are likely to materialise.

The majority of the evaluated projects have good prospects for *sustainability*. A likely contribution to the planned *impacts* is expected from the upcoming Roma Minority and Health Care interventions. Moreover, some positive impact will derive from the Human Resources Development and European Social Fund Preparation activities. However, little impact is likely to result from the 2003 European Social Fund Project Management activities, which would have been much more useful if implemented earlier.

Recommendations include *inter alia*:

- To identify, together with all institutions involved in the European Social Fund, common activities/ services that could be covered by harmonised and co-ordinated horizontal structures at central as well as at regional levels;
- To re-consider the design of the not yet started 2003 European Social Fund preparation projects, taking also into account the need for close involvement of the regional levels;
- To re-assess and to increase the amount of training for Roma social field workers and to initiate networking between the established community centres.

**MONITORING SECTOR 3 – Economic and Social Cohesion
Regional Development and Cross Border Co-operation
Interim Evaluation Report R/SR/ESC/0404**

Scope of the evaluation

The Interim Evaluation covers assistance to the Economic and Social Cohesion Sector/ part Regional Development and Cross Border Co-operation, in Slovakia under the national PHARE support allocated for the years 2001, 2002 and 2003, approximately totalling 81.7 M€ from PHARE and 31.5 M€ from national sources. The support, being delivered via means of twinning, technical assistance and investment was focused in particular on the areas of Structural Funds preparation, regional development, small and medium-sized enterprises development and cross border co-operation.

Key findings and recommendations

Many of the evaluated projects were fully justified but overall *relevance* varied across the Sector.

Efficiency has often been adversely affected by the late start of projects, staffing problems and in some areas lacked an overall co-ordination between the PHARE and Structural Funds structures. Overall, twinning has been more efficient than technical assistance. Training in the way as it had been delivered, had not been the most appropriate instrument in many cases. Cost-efficiency of a few projects remains questionable. Most efforts undertaken to introduce and to develop new structures for Structural Funds implementation via the PHARE grant schemes have led to the creation of isolated structures, which are unlikely to be used for Structural Funds.

All projects under evaluation were expected to produce some positive *effects*. The Structural Funds capacity building programmes had achieved their objectives, though there is no indication that the system in place is stable. A good indicator is the general performance of SF interventions. Apart from agriculture and transport, funding approvals and disbursements were still low.

The majority of individual projects results were likely to be *sustainable*, provided the main risk to sustainability - staff turnover - was tackled. The overall *impact* was difficult to estimate at this stage but some impact of this sizeable assistance would undoubtedly materialise. The conditions for managing and using Structural Funds were in place and the final impact/use here will also reflect the effectiveness of the PHARE assistance provided.

Recommendations include *inter alia*:

- In the event of further needs for Structural Funds capacity building, only tailor-made coaching in specific areas and for individual staff should be considered. A certain proportion of the 2003 PHARE Strengthening Regional and Local Capacities funds should be earmarked for such direct measures;
- The institutions running both PHARE grant schemes and Structural Funds measures should find ways to ensure that the same people are managing both instruments;
- To ensure an adequate follow-up at for completed investments projects and to ensure the continuation of monitoring after the end of disbursement periods.

ANNEX 2. LIST OF DOCUMENTS

Author	Date	Document
MWH	22/09/2004	Interim Evaluation Report R/SR/JHA/0104
MWH	10/12/2004	Interim Evaluation Report R/SR/JHA/0204
MWH	13/04/2005	Interim Evaluation Report R/SR/ESC/0304
MWH	14/04/2005	Interim Evaluation Report R/SR/ESC/0404
EMS Consortium	23/05/2003	PHARE Interim Evaluation Summary
EMS Consortium	28/01/2004	Country PHARE Evaluation Review R/SR/CPER/03.112