# Effects and Impacts of the Bilateral Development Cooperation between the Republic of N.Macedonia and Republic of Slovenia

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Abstract:

1. Introduction

As part of its bilateral development cooperation, the Government of the Republic of Slovenia allots an annual budget for supporting the achievement of the development goals of the Republic of N.Macedonia. This mainly means support for the EU integration process and Government’s agenda related to overall reform processes. Pursuant to the Resolution on International Development Cooperation of the Republic of Slovenia until 2015, the Republic of N.Macedonia was one of the highest geographical priorities of the Slovenian development cooperation. This was further corroborated by the fact that the Republics of N.Macedonia and Montenegro were the only countries with which the Republic of Slovenia has developed programme – based cooperation for several years, as contrasted with the project cooperation it has established with the remaining beneficiary states. The development cooperation between the Republic of N. Macedonia and the Republic of Slovenia is regulated by the Development Cooperation Agreement of 2004. The objective of the development cooperation regulated with this agreement is through the development cooperation, Republic of Slovenia to contribute to European aspiration and orientation of the Republic of N.Macedonia, with the aim to bring the Republic of N.Macedonia closer to the membership of the EU[[1]](#footnote-1). This objective is to be contributed to through development cooperation in the areas defined with the Agreement:

* Sustainable economic development
* Basic social services
* Good governance
* Social security
* Environmental protection
* Research/knowledge development

As agreed in this Agreement the programmes and projects of development cooperation on the basis of the Agreement will be in compliance with the long-term programme of international development cooperation of the Republic of Slovenia and shall be agreed by both sides within the Joint Committee. The Joint Committee is composed of relevant government representatives, two per country, which is envisaged as main responsible body for proposal and adoption of priorities, programmes and projects of international development cooperation, as well as for monitoring of the implementation of the programmes and projects.[[2]](#footnote-2)

Pursuant to this Agreement, the two countries conclude special Memoranda of Cooperation in order to implement the agreed-upon projects and programmes. The first Memorandum was signed on 13 May 2011 and it provided financial resources amounting to 1,204,000 EUR from the development budget of Slovenia for supporting projects in the Republic of N. Macedonia. A pertinent example of a successfully implemented project within the 2011 Memorandum is the project “Construction of a modular elementary and secondary education school in the Municipality of Ilinden”. To this end, grants amounting to 500,000 EUR were provided. The implementation of this project has resulted in the construction of a new modular school with a maximum capacity of 420 students. It is an environmentally friendly and highly energy-efficient facility, the energy efficiency of which was achieved by installing a central heating and air conditioning system with geothermal heat pumps and by using renewable energy sources. The construction of the school began on 23 October 2011 and was terminated within eight months, on 27 June 2012. Among else, the construction of the school has created conditions for introducing secondary education in the Municipality of Ilinden. The project of a regional character related to the establishment of regional planning and a GIS system in the municipalities of the East Planning Region is also worth mentioning. The East Planning Region comprises 11 municipalities and represents 14% of the total area of the Republic of N.Macedonia. The implementation of this project provided not only planning documentation, but also cadastre infrastructure, which previously was neither established nor digitalised. The East Planning Region had the opportunity to use the invaluable experience of the Republic of Slovenia in this area and, by implementing the GIS system, to establish a solid basis for the sustainable economic and social development of its municipalities. This project was implemented with grants amounting to 120.000 EUR from Slovenia. This good practice, which testifies to the excellent cooperation between the two Governments, was repeated on 3 July 2012, when the second Memorandum of this type was signed. The 2012 Memorandum provided resources in amount of 552.107 EUR for supporting development and technical assistance projects in Republic of N. Macedonia. Part of these funds was allocated for completing the financial structure of the project “Construction of a drinking water treatment plant in the Municipality of Probishtip”. This project contributed to the improvement of the quality of life for the population of the Municipality of Probishtip by providing clean and high-quality drinking water for over 16,000 people. Taking into consideration the fact that some of its financial resources have been provided by a favourable YEN loan from the Japanese Organization for International Cooperation, this project may be cited as an apt example of cooperation between various donors for the purpose of achieving the goals of a large investment project. The construction of a drinking water treatment plant in the Municipality of Probishtip is a part of a larger capital project of our country – the construction of the Zletovica Hydro-System. Its implementation is multi-purpose directed to the following basic needs:

* Water supply for the inhabitants and water for the industry in the Municipalities of Kratovo, Probistip, Stip, Karbinci, SvetiNikole and Lozovo;
* Irrigation of 3 100 ha of agricultural area;
* Production of electrical energy;
* Maintaining the biological minimum of the Zletovica River;
* Decreasing the possibility of floods and
* Keeping the outflow in the accumulation space.

The Republic of Slovenia, by supporting the project in Probishtip, has become one of the partners contributing to the implementation of the overall Zletovica Hydro-System Project. The rest of the funds allocated for development projects in 2012 were earmarked for finalisation of the on-going GIS project in the East Planning Region. In addition to supporting socio-economic development and the protection of the environment, the Republic of Slovenia actively supports the reform process of N.Macedonia, which is an integral part of its European perspective. In this respect, the Republic of Slovenia provides technical support for strengthening the administrative capacities in the area of the European integration and the legislative harmonisation of the Republic of N.Macedonia with the European Union, as well as the implementation thereof, which is enabled by the close cooperation of the Macedonian institutions with their Slovenian counterparts. This type of support is achieved through consultations and exchange of experiences between the two countries, as well as through exchange of materials, study visits, seminars and workshops. These activities are an exceptional opportunity for Macedonian administrative workers to put to use the experiences of their colleagues in the Republic of Slovenia when they are faced with the challenges posed by the European integration process. This technical cooperation provides numerous successful examples of collaboration and exchange of experiences within separate chapters of the European legislation, such as the following:

* The introduction and implementation of internal financial control legislation and responsibilities of the Finance Units;
* Planning and implementation of the budget, responsibilities and risks in the budget planning;
* System for controlling the movement of excise goods;
* Introduction of legislation on excise goods and practical implementation experience in Slovenia;
* Career planning system, methods of evaluation, improvement and training of customs officers;
* Technical assistance in consular affairs (practical experience in the operation of the Central Visa Centre and the SIRENE National Bureau in Slovenia), and many others.

Furthermore, numerous regional projects have been realized that included the non-governmental sector, activities of the implementing organizations of the Republic of Slovenia, as well as scholarships for education of Macedonian students at the universities in the Republic of Slovenia. As a successful cooperation of this kind is the cooperation of the Centre for European Perspective with the Macedonian Customs Administration, which continuously transfers its experiences to the Customs Administration in the area of work of the border authorities, in accordance with the EU regulations. Moreover, within the excellent cooperation between the Centre for Excellence in Finance and the Ministry of Finance in the area of public accountancy, trainings for certification of accountants in the public sector were implemented during several years where the participants were able to obtain certificate for accountant in the public finances after taking the final exam. In 2012 the donor announced programme planning for the upcoming period, i.e. for 2013-2015. As from N.Macedonia it was well accepted, since it was expected that it will contribute to timely and targeted planning of development funds, and at the same time, timely planning of national funds as co-funding of the activities, since the projects would be well in advance known. Important aspect of the planning of the support is the principles of identification and selection of the priority projects for proposal to the donor. In this process the Government (i.e. SEA) takes in consideration the following key criteria:

- The maturity of the project and the preparedness for a quick start of the implementation (depending on the time dynamics of the programme);

- Closed financial construction, i.e. ensured funds for co-funding by the beneficiary;

- Sustainability of the projects;

- Contribution towards balanced regional growth and protection of the environment, etc.

- Contribution the EU agenda

Importance of the Republic of Slovenia as a bilateral donor in the Republic of N.Macedonia was especially evident in the period 2010-2015, when many of the bilateral donors were in process of phasing – out from the country, already phased - out or were significantly decreasing the bilateral development funds for N. Macedonia. This period is marked as period of gradual phasing-out of substantial portion of the bilateral cooperation on one side and increase of the European pre-accession funds on the other side. Whilst meeting the obligations for EU membership, it is of utmost importance that foreign assistance is directed towards specific sectors crucial for the country’s development, with predetermined results. Therefore, the presence of Republic of Slovenia in N. Macedonia, as a donor and partner, was of substantial and crucial importance during this period

The Republic of Slovenia actively supports the European perspective of the Republic of N.Macedonia, its EU accession process and the adoption of EU standards and norms. The cooperation related to EU integration process is very important aspect of the bilateral cooperation with Slovenia, as a country which experience may be successfully transferred to N. Macedonia on a compatible way. This is the area on which special focus should be given in the period to come, as the Republic of Macedonia advances in the EU integration process. The Republic of Slovenia provides the Republic of N.Macedonia with technical assistance in the harmonisation of its national legislation with the European *acquis* and in its implementation. The Parties and their respective institutions cooperate closely with a view to accelerating the country’s EU accession process and ensuring its effectiveness. Cooperation shall focus on the harmonisation of national legislation with the European *acquis*, with special emphasis on rural and regional development, the cohesion policy and structural instruments, financial and budget issues, statistics, taxes, entrepreneurial and industrial policies, customs, money laundering prevention, the judiciary, internal and consular affairs, elections, transport, the environment, health, food, veterinary medicine and plant protection, foreign affairs, and the fight against drugs.

Within the limits of its capabilities and at the request of the Government of the Republic of N. Macedonia, the Government of the Republic of Slovenia also provides technical assistance in other areas focused on the strengthening of the country’s administrative capacities.

Technical assistance is provided mainly in the form of consultations and the exchange of experience among experts of the two Parties, the exchange of materials and expert opinions and the training of public officials through study visits, seminars and workshops.

1. **Overview of financed projects in the Republic of N.Macedonia under the Agreement for development cooperation signed in 2004**[[3]](#footnote-3)

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| 2007 - Allocation of 602.549 EUR[[4]](#footnote-4) |
| 2008 – Allocation of 1.071.932 EUR |
| 2009 – Allocation of 953.026 EUR |
| 2010 – Allocation of 740.000 EUR |
| **Project**  | **Funds (EUR)** |
| Third phase of the project for construction of waste water treatment plant in the municipality of GjorcePetrov | 440.000 |
| Preparation of a major mining project for opening, preparation and exploitation of coal from the locality "Mariovo" | 190.000 |
| **Allocation of the development fund according to the Framework programme for international development cooperation and humanitarian assistance of the Republic of Slovenia for 2011-2012 and agreed with the MoU for 2011** |
| **Development projects** |
| Project | Funds (EUR) |
| Construction of Modular school in the Municipality of Ilinden | 500.000 |
| Development of GIS in the East Planning Regiona, as a precondition for establishment of joint and sustainable development of the municipalities within the East Planning Region  | 120.000 |
| Construction of water treatment plant for drinking water in the Municipality of Lozovo | 291.950 |
| Construction of waste water treatment plant in the Municipality of GjorcePetrov | 135.000 |
| **Technical assistance related to EU integration process** | 150.000 |
| Customs support through the Center for European Perspective  | 99.000 |
| e-governance through the Centar for development of governance  | 20.000 |
| NGO support | 30.000 |
| Support of micro-projects through the Embassy of the Republic of Slovenia in N. Macedonia(gender equality) | 5.000 |
| Total | 1.204.000 |
| **MoU 2012** |  |
| **Development projects** |
| Project  | Funds (EUR) |
| Construction of a drinking water treatment plant in the Probištib Municipality | 354,000 |
| Establishment of conditions for sustainable development of the municipalities in the East Planning Region | 35.000 |
| **Technical assistance related to EU integration** |
| Project | Funds (EUR) |
| Fight against organised crime involving drugs | 3.380 |
| Advancement of phytosanitary inspection, and preparation of handbooks and instructions on phytosanitary control | 8.780 |
| Groundwork for the establishment of a register of spatial units and economic public infrastructure | 5.400 |
| Technical assistance in early diagnosis of cancer (Breast Cancer Screening Programme “DORA”) | 5.000 |
| Excise Movement and Control System (EMCS), a system for controlling the movement of excise goods | 1.047 |
| Capacity building in public sector accounting through the Center of Excellence in Finance | 50.000 |
| Creating a positive working environment to ensure a high level of professionalism and quality of work of border authorities through the Centre for European Perspective | 49.500 |
| NGO support (as other form of cooperation) | 40.000 |
| **MoU 2013 - 2015** |
| **Development projects** |
| The final stage of the construction and the start-up of a public waste water treatment plant in the GjorčePetrov Municipality | 138.430 |
| The construction and start-up of a public drinking water treatment plant in the Lozovo Municipality | 291.956 |
| The renovation of the drinking water treatment plant in the Štip Municipality | 415.402 |
| **Technical assistance for support of the EU integration process** | 120.000 |
| [Implementation of the EU Aquis and the Schengen Acquis in the field of Police Cooperation](http://www.mzz.gov.si/en/foreign_policy_and_international_law/international_development_cooperation_and_humanitarian_assistance/projects/western_balkans/macedonia_fyr/implementation_of_the_eu_acquis_and_the_schengen_acquis_in_the_field_of_police_cooperation/) |  |
| [Youth – Inter-Ethnic Tolerance and Sustainable Development through Sports and Ecology](http://www.mzz.gov.si/en/foreign_policy_and_international_law/international_development_cooperation_and_humanitarian_assistance/projects/western_balkans/macedonia_fyr/youth_inter_ethnic_tolerance_and_sustainable_development_through_sports_and_ecology/) |  |
| [Meeting requirements within the scope of negotiations on Chapter 24 – Implementation of the EU acquis and the Schengen acquis in police cooperation](http://www.mzz.gov.si/en/foreign_policy_and_international_law/international_development_cooperation_and_humanitarian_assistance/projects/western_balkans/macedonia_fyr/meeting_requirements_within_the_scope_of_negotiations_on_chapter_24_implementation_of_the_eu_acquis_and_the_schengen_acquis_in_police_cooperation/) |  |
| [Strengthening the Capacity of N. Macedonian Municipalities](http://www.mzz.gov.si/en/foreign_policy_and_international_law/international_development_cooperation_and_humanitarian_assistance/projects/western_balkans/macedonia_fyr/strengthening_the_capacity_of_macedonian_municipalities/) |  |
| [Improved Fight Against Smuggling and Illegal Immigration](http://www.mzz.gov.si/en/foreign_policy_and_international_law/international_development_cooperation_and_humanitarian_assistance/projects/western_balkans/macedonia_fyr/improved_fight_against_smuggling_and_illegal_migration/) |  |
| Centre for Excellence in Finance for a public accounting project in the amount of EUR  | 15.,000 |
| [Alignment with EU policies in the field of organised crime and serious forms of crime](http://www.mzz.gov.si/en/foreign_policy_and_international_law/international_development_cooperation_and_humanitarian_assistance/projects/western_balkans/macedonia_fyr/alignment_with_eu_policies_in_the_field_of_organised_crime_and_serious_forms_of_crime/) |  |
| **Other forms of cooperation** |  |
| Support for NGOs | 85.000 |
| through the United Nations Industrial Development Organization – UNIDO for development projects in tourism | 220.000 |
| Total | 1.426.788 |
| **Implemented projects in 2016** |
| Training of Internal Auditors in Public Sector (TIAPS)  | 150.261 by Slovenia, 162.326 by USAID (US Challenge Fund) |
| Economic Empowerment of Women in the Vardar Region  | 80.000 |
| Capacity – building for the effective prosecution of corruption  | 32.849 |
| Preparation of revised feasibility study for establishment of E112 |  |
| **Implemented projects in 2017/2018/2019** |
| Assistance with EU integration for N. Macedonia concerning Chapter 24 – Financial investigations  | 68.806 |
| Equal power to women  | 105.000 |

The new Resolution on development cooperation and humanitarian assistance of the Republic of Slovenia was adopted by the Slovenian Parliament on 26.09.2017. This is a general legal document for the development cooperation of the Republic of Slovenia. This document recognizes the Western Balkan as a main priority for the Slovenian international development cooperation in the future period. The main areas of intervention will be:

* Promotion of peaceful and inclusive societies – good governance, equal opportunities, gender equality, quality education
* Dealing with the climate changes – sustainable management with the nature and with the energy resources

The model of implementation of the bilateral development cooperation between the Republic of N. Macedonia and the Republic of Slovenia for the period to come is something that needs to be additionally discussed among the relevant authorities. The transparency of the programming cycle and consultation with the relevant Government authorities must be strengthened in order national ownership to be preserved, as well effective, rational, and directed implementation of the programme to be ensured, aligned with the strategic priorities and needs of the country.

# Brief Conclusions on the Bilateral Development Cooperation between the Republic of N.Macedonia and Republic of Slovenia

Based on the analysis of the development cooperation between the Republic of N.Macedonia and the Republic of Slovenia it is certain that the Republic of Slovenia has provided valuable assistance to the reform processes of the Republic of N.Macedonia, especially reforms related to EU integration process and harmonization of the national legislation with the *acquis.*

Republic of Slovenia is deemed as even more important partner of the Republic of N.Macedonia at this time when the date for start of the EU accession negotiations is expected. The experience of the Republic of Slovenia in this regards is very important for N.Macedonia and due to the historical connections this experience in the EU accession negotiations may be compatible and easily transferred to N.Macedonia.

Despite the amount[[5]](#footnote-5) of resources available for international development cooperation of Republic of Slovenia in Republic of N.Macedonia, Slovenia is considered to be an important donor in N. Macedonia as recipient country. The Macedonian counterparts find the implemented projects as very successful and important; they are especially satisfied with the efficiency of implementation and flexibility of Slovenian partners. An important added value of development assistance of Slovenia is also historical, linguistic, cultural and administrative proximity and relationship of the two countries, as well as responsiveness to local needs.

The key shortcomings of international development cooperation are systemic in nature. They include weaknesses in the areas of management, monitoring and evaluation, programme planning, and project selection. This is especially evident in the period until 2011. Improvements are achieved in the period 2011-2015, when the cooperation is implemented fully in accordance with the signed Agreement on development cooperation from 2004. During this time, the projects are selected in a more transparent manner, within the national mechanism for donor coordination of the Government of the Republic of N.Macedonia and agreed with the donor within the Joint Committee, the approved projects being part of the Memorandums of Understanding are predictable and provide necessary information on the donor activities which are important for coordination of the foreign assistance and avoiding overlapping with other donors. The final beneficiaries may also well in advance plan their responsibilities in regards to the implementation since the assistance is predictable. At last, but not least the monitoring of the projects by both sides is easier.

In 2015 the Embassy and the CMSR announced more flexible and competition based implementation of this cooperation starting from 2016, meaning generally by-passing the procedures envisaged with the Agreement from 2004, like the Joint Committee, Memorandums of Understanding, etc. This model strengthens the role of the donor and its implementing agencies in the implementation of the cooperation against the recipient states’s. This may lead to higher fragmentation of the cooperation and project based assistance which may not always contribute to the strategic goals of the Republic of N.Macedonia. The programme framework is herefore incomplete and not all projects and activities, despite their developmental orientation and foundation on local needs, contribute to common goals, nor do they create complementarity or follow a common vision of development cooperation of Slovenia in N.Macedonia. Public funds spent on co-financing development projects in N.Macedonia thus independently achieve desired results, but do not achieve optimum impact at the programme or strategy levels.[[6]](#footnote-6) The role of the Government of the Republic of N. Macedonia should be accordingly strengthened in the whole process of planning, implementation and monitoring of the development cooperation, and the Secretariat for the European Affairs as only national institution responsible for coordination of foreign assistance should remain the main national partner of the donor in the development cooperation, especially in the planning process.

The programme-based project selection procedure is the basis for achieving the overall objective of development cooperation. For projects approved by providers directly, the project assessment and selection processes may lead to fragmented assistance, unclear and, in several aspects, non-transparent procedures. The role of the SEA should be clear and respected throughout the whole programme cycle. The Secretariat for European Affairs has already invested significant effort into standardization of forms; however, this does not apply to all project funders. Both modes of selection – public tenders and direct project approvals – must thus be based on pre-defined conditions for participation, which include key selection criteria and tender rules. The Secretariat for European Affairs, as the custodian of the programme and its strategic documents, should be the competent authority in charge of final assessment and validation of all projects, irrespective of the chosen mode of selection.[[7]](#footnote-7)

The selection criteria like level of inter-municipal or interregional participation, project sustainability, and minimal conditions for infrastructure projects (economic viability, impact on environment, maturity, feasibility, etc.) were basis on the selection process of SEA and the Government in 2011-2015 perspective. These criteria should remain as basis for future interventions and also strengthened with some cross – cutting objectives like human rights, gender equality, eradication of poverty, reduction of inequality, promotion of sustainable development in partner countries and environmental protection. Impact to the EU integration process/alignment with EU values should be seen as added value of the cooperation. Doing so can further enhance the long-term impact and added value of Slovenian development cooperation in N.Macedonia.[[8]](#footnote-8)

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2. The last meeting of the Joint Committee was held on 03.10.2012 in Ljubljana, Republic of Slovenia when the plans until 2015 were discussed [↑](#footnote-ref-2)
3. This information is obtained from SEA, Ministry of Foreign affairs of Slovenia and signed MoU for 2011, 2012 and 2013-2015 between the two countries [↑](#footnote-ref-3)
4. The annual financial allocations of the development cooperation of Republic of Slovenia with the Republic of N. Macedonia in the period until 2011 were between 1-1.5 million EUR. These funds were not fully utilized during those years due to unclear procedures, absence of strictly defined percentage of national co-financing [↑](#footnote-ref-4)
5. It is ungrateful to speak about big and small bilateral donors, it is more important the assistance to be efficiently and rationally used and directed to the real priorities [↑](#footnote-ref-5)
6. Similar to the findings in the Evaluation of Slovenia's development cooperation in Montenegro 2013-2016 – Summary of final report, available at <http://www.mzz.gov.si/fileadmin/pageuploads/Zunanja_politika/ZDH/MRS/Evalvacije/2017_Crna_gora/Koncno_porocilo_MRS_RS_CG_ANG_Povzetek.pdf> , visited on 16.02.2019 [↑](#footnote-ref-6)
7. Ibid. [↑](#footnote-ref-7)
8. Evaluation of Slovenia's development cooperation in Montenegro 2013-2016 – Summary of final report, available at <http://www.mzz.gov.si/fileadmin/pageuploads/Zunanja_politika/ZDH/MRS/Evalvacije/2017_Crna_gora/Koncno_porocilo_MRS_RS_CG_ANG_Povzetek.pdf> , visited on 16.02.2019 [↑](#footnote-ref-8)