

# Strengthening Monitoring and Evaluation of Industrial Policies in six Countries of the Western Balkans through EQuIP

PROJECT NAME	<b>Open Regional Fund for South-East Europe - Foreign Trade. Sup-Project (SP) Chapter 20: More effective Industry Policy (IP) Measures according to the Chapter 20 of the EU-Acquis</b>	 german cooperation DEUTSCHE ZUSAMMENARBEIT
COMMISSIONED BY	German Federal Ministry for Economic Cooperation and Development (BMZ)	
IMPLEMENTED BY	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH	
COUNTRIES	Albania, Bosnia and Hercegovina, Kosovo, Montenegro, North Macedonia and Serbia	
IMPLEMENTING PARTNER	Line-ministries responsible for national IP Strategy	
DURATION	October 2018 to February 2020	

## Background

The six Western Balkan countries are required to develop state-of-the-art Industrial Policies as a prerequisite for their negotiations towards EU membership. In the area of monitoring and evaluation (M&E) they were facing the challenge that their monitoring systems were mainly analysing the implementation of industrial policy interventions but did not measure the concrete outcomes and impacts yet. The six countries decided to jointly apply the EQuIP approach for the development of M&E systems that would be able to track the economic, social and environmental impact of their industrial policy packages.

## Objectives of the EQuIP intervention

The EQuIP intervention sought to enhance the institutional capacity of relevant ministries and private sector stakeholders to develop tailor-made impact-oriented M&E systems for Albania, Bosnia and Hercegovina, Kosovo, Montenegro, North Macedonia and Serbia in line with the requirements of the EU approximation process.



**WE HAVE GONE THROUGH THE SAME PROCESS OF POLICY DEVELOPMENT BEFORE, FOLLOWING VARIOUS STEPS, BUT IN THE END THE WORK WAS DONE BY EXTERNAL EXPERTS WITH MANY CHALLENGES FOR US. THE EQuIP APPROACH IS EXTREMELY USEFUL TO OVERCOME THESE CHALLENGES.**

*Director of Industrial Policy Department, Ministry of Trade and Industry, Kosovo*

## Activities

Through a series of regional and national training courses as well as a remote-supervision process, EQuIP experts supported the six national M&E teams by transferring knowledge and coaching the team members on-the-job during the M&E process. The trainings focused on constructing IP intervention logics, key indicators for M&E of Industrial policy, calculating baselines and developing quantitative target values for IP objectives, creating an IP monitoring system and evaluation methods for IP impact assessments.

## Impacts

The technical capacities of the six countries were successfully strengthened for:

- designing and applying **quantitative M&E systems** for their industrial policies
- adopting, calculating and analyzing suitable **industry-specific indicators** for M&E

In addition:

- All governments analysed their current IPs critically and developed **intervention logics** that clearly highlight the expected impact from their respective packages of industrial policy instruments
- The application of concrete quantitative (experimental & quasi-experimental) **impact assessment methodologies** for IP was introduced as a starting point for future execution
- The **collaboration** between the national Ministries of Economy, the Chambers of Commerce and the Statistics Offices to conduct evidence-based industrial policy-making was initiated effectively

There were differences between countries depending on existing capacities as well as the status of the industrial strategy in the respective countries. For example, in North Macedonia and Montenegro, the support process was more specific as the countries already had an M&E system in place that could be enhanced. For others, the support paves the way for developing strong M&E systems in the future.

All countries expressed a high level of satisfaction with the EQuIP approach to industrial policy-design as well as a clear demand in a continuation of strengthening in-house policy development capacities. For selected partner ministries, respective work plans for follow-up have already been developed.



**FOR ME AND MY COLLEAGUES, WHO DRAFTED MANY STRATEGIES BEFORE WITH EXTERNAL EXPERTS, WE RECEIVED A GREAT NEW METHODOLOGY WITH EQuIP. THIS WILL BE A SOUND BASIS FOR US, NOT JUST FOR CONDUCTING M&E, BUT ALSO FOR DRAFTING OUR REVISED INDUSTRIAL POLICY AS WELL AS OTHER STRATEGIES OF THE GOVERNMENT IN THE FUTURE. THIS NEW WAY OF WORKING WILL HELP US TO BE MORE THOROUGH AND ALLOW US TO MAKE OUR STRATEGIES MORE CONCRETE AND EFFECTIVE.**

*Deputy Minister of Industry & Trade, Fed. Bosnia*



**EQuIP**

Enhancing the Quality of Industrial Policy

An approach jointly developed by

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