



Evaluation of Sector Approach under IPA II

Final Report
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Evaluation carried out on behalf of the European Commission

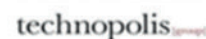
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The opinions expressed in this document represent the authors' points of view which are not necessarily shared by the European Commission or by the authorities of the beneficiaries involved.

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List of acronyms

AAP	Annual Action Programme
AP	Action Programme
AD	Action Document
ALB	Albania
BS	Budget Support
CARDS	Community Assistance for Reconstruction, Development, and Stabilisation
CBC	Cross-Border Cooperation
CIR	Common Implementation Regulation
CoTE	Centre of Thematic Expertise
CSO	Civil Society Organisations
DCI	Development Cooperation Instrument
DG	Directorate-General
DG AGRI	Directorate-General for Agriculture and Rural Development
DG DEVCO	Directorate-General for International Cooperation and Development
DG EMPL	Directorate-General for Employment, Social Affairs & Inclusion
DG NEAR	Directorate-General for Neighbourhood and Enlargement Negotiations
DG REGIO	Directorate-General for Regional Policy
DIS	Decentralised Implementation System
DM	Direct Management (the management of EU funds and their implementation are ensured by EUDs and/or EC HQ, including budget support).
D&G	Democracy and good Governance
EAFRD	European Agricultural Fund for Rural Development
EBRD	European Bank for Reconstruction and Development
EC	European Commission
EDIF	Enterprise Development & Innovation Facility
EEAS	European External Action Service
EESI	Education Employment and Social Inclusion
EESP	Education Employment and Social Policies
EFI	External Financing Instrument
EIB	European Investment Bank
EIDHR	European Instrument for Democracy and Human Rights
EIF	European Investment Facility
ENI	European Neighbourhood Instrument
EQ	Evaluation Question
ERDF	European Regional Development Fund
ESF	European Social Fund
EU	European Union

EUD	Delegation of the European Union
EUR	Euro
FPI	Service for Foreign Policy Instruments
FRONTEX	European Border and Coast Guard Agency
FWC	Framework contracts
HQ	Headquarters
IB	Institution Building
IcSP	European Instrument contributing to Stability and Peace
IFI	International Financial Institution
IL	Intervention Logic
IM	Indirect Management (the management of EU funds and their implementation are ensured by a non-EU partner)
IMB	Indirect Management with the Beneficiary (the management of EU funds and their implementation are ensured by the beneficiary)
IOM	International Organisation for Migration
IPA	Instrument for Pre-Accession Assistance
IPARD	Rural Development component of the Instrument for Pre-accession Assistance
IPMG	Integrated Policy Management Groups (Albania)
IR	Inception Report
ISP	Indicative Strategy Paper
ISPA	Instrument for Structural Policy for Pre-Accession
JC	Judgement Criterion
JMC	Joint monitoring committee
KPI	Key Performance Indicator
KS	Kosovo ¹
LA	Local Authority
M&E	Monitoring and Evaluation
MAAP	Multi-Annual Action Plan
MAP	Multi-Annual Programme (sometimes used as a synonymous of SOP)
MBP	Multi-Beneficiary Programme
MCSP	Multi-Country Strategy Paper
MEI	Ministry of European Integration
MEUA	Ministry of European Union Affairs
MFF	Multi-Annual Financing Framework
MIPD	Multi-Annual Indicative Planning Documents
MIS	Management Information System
MKD	Republic of North Macedonia

1 This designation is without prejudice to positions on status and is in line with UNSCR 1244(1999) and the ICJ Opinion on the Kosovo declaration of independence and will be used in this spirit throughout the report

MNE	Montenegro
MoF	Ministry of Finance
MoI	Ministry of Interiors
MS	Member State
MTEF	Medium-Term Expenditure Framework
MTR	Mid-Term Review
NIPAC	National IPA Coordinator
OECD DAC	Development Assistance Committee of the Organisation for Economic Co-operation and Development
OPM	Office of the Prime Minister
PAF	Performance Assessment Framework
PAR	Public Administration Reform
PARCO	PAR Coordinator's Office
PFM	Public Financial Management
PHARE	Poland and Hungary: Assistance for Restructuring their Economies
PI	Partnership Instrument
QC	Quality Control
QSG	Quality Support Group
RACER	Relevance, Acceptability, Clarity, Easiness, Robustness
ReSPA	Regional School of Public Administration
RHP	Regional Housing Programme
ROM	Results-oriented Monitoring
SA	Sector approach
SAA	Stabilisation and Association Agreements
SAPARD	Special Accession Programme for Agriculture and Rural Development
SAR	Sector approach roadmap
SBS	Sector budget support
SF	Structural funds
SIGMA	Support for Improvement in Governance and Management
SIEA	Service for Implementation of External Aid
SLI	Sector Lead Institution
SMC	Sector Monitoring Committee (in the case of SRCs)
SMSC	Sector Monitoring Sub-Committee
SOP	Sector Operational Programme (sometimes used as synonymous of MAP)
SPD	Sector Planning Document
SPO	Strategic Planning Office
SRB	Serbia
SRC	Sector Reform Contracts

SWG	Sector Working Groups
TA	Technical Assistance
TAIEX	Technical Assistance and Information Exchange instrument of the European Commission
TEN-T	Trans-European Transport Network
TEU	Treaty of the EU
TOR	Terms of Reference
TUR	Turkey
WB	World Bank
WBs	Western Balkans
WBS	Western Balkans Strategy (EU 2018 strategy)
WBIF	Western Balkans Investment Framework
WBT	Western Balkans and Turkey

EXECUTIVE SUMMARY

OBJECTIVES AND SCOPE OF THE EVALUATION

The evaluation of the IPA II sector approach had two objectives:

- To assess the relevance, conditions of implementation and performance of EU pre-accession assistance in its sector approach.
- To provide the Commission with lessons learned and recommendations to improve the Sector Approach uptake under IPA II.

The scope of this evaluation embraced the effects of the adoption of Sector Approach (SA), as a key feature of IPA II compared to IPA I. As such, it looks at the situation under IPA I and at the beginning of IPA II as the baseline of the evaluation.

From the geographic point of view, the evaluation embraced all IPA II beneficiaries: Albania, Bosnia and Herzegovina, Kosovo, Montenegro, the Republic of Northern Macedonia², Serbia and Turkey. It covered the period 2014-2017, including two annual programming cycles, while the assessment of the evolution of SA was extended to the late part of the previous period, including 2012 and 2013.

KEY METHODOLOGICAL ISSUES

The evaluation is built on the IPA II mid-term evaluation (2017) as well as the IPA interim evaluation and meta-evaluation of IPA assistance (2013). It also integrated the key strategic contents of the European Union Western Balkans Strategy, especially during the formulation of the recommendations.

The evaluation adopts a theory-based approach. The intervention logic (IL) of the SA was reconstructed and specific contribution links were identified between IPA inputs, activities and the expected results, including the underlining assumptions and interactions. The related theory of change was made explicit and provided the establishment with a set of evaluation questions to assess the actual IPA contribution.

THE EVALUATION PROCESSES

The evaluation started in May 2017 and ended in October 2018, with the data collection ending in April 2018. It included an Inception, Documentary, Field and Synthesis phase. A first field visit, to gather expectations and priorities of EUDs and NIPACs, was carried out during the Inception phase in all beneficiary countries with the exception – for logistical reasons – of Bosnia and Herzegovina and Montenegro. A longer visit was made to all beneficiaries during the Field phase, meeting task managers, most beneficiary sector institutions involved in the implementation, Civil Society Organisations (CSOs) and various resource persons. Before the Field phase, an online survey was set up and distributed among the different beneficiaries, including 245 respondents representing all different groups of stakeholders.

KEY FINDINGS

Ownership and mainstreaming of SA into beneficiary policy management is a major challenge. The main obstacles are the different degrees of political commitment, bureaucratic resistance (which may be significantly reduced by strong political commitment), as well as capacity.

SA has produced a strong improvement in the IPA programming process, especially in terms of dialogue (among the institutions involved and between EU and beneficiaries) and coherence. Sector Planning Documents (SPDs), prepared by beneficiary institutions for EU integration with the EUD's support, helped the sector prioritisation of IPA assistance and eased the initial understanding of the process, although often they were not replaced by more solid sector strategic documents driven by the beneficiary sector-leading institutions. The Sector Working Groups (SWGs) facilitated the interinstitutional consultation and the participation of civil society in the programming process, although their role in the implementation phase appeared rather weak.

2 On January 12 2019, the Parliament of Northern Macedonia agreed to adopt the name of Republic of North Macedonia for The former Yugoslav Republic of Macedonia. The new name has been used in the final version of the Evaluation, although all the documents of the Evaluation were finalised before 12 January 2019, and still refer to the previous name.

Credible Sector Performance Assessment Frameworks (PAFs), Monitoring and Evaluation (M&E) systems and medium-term budgets (MTBF) were not established in in-country systems even in the priority sectors, although significant differences exist among beneficiaries and between sectors. In some sectors, however, positive dynamics were established:

- When sector budget support (SRCs) programmes were in place, the PAFs, M&E systems and MTBFs supported during the preparation phases and agreed in the financial agreements, were comprehensive and worked effectively. This provided the opportunity to the beneficiary institutions to appropriate and mainstream such approaches in a medium-term process. Such positive dynamics are particularly visible in PAR and PFM, which benefit from high quality capacity development support through SIGMA.
- A similar situation arose when Multi-Annual Programmes (MAPs) were established with effects limited to the subsectors involved. Most of such programmes were a vehicle to transfer EU sector policy models and good practices to beneficiaries, thanks also to the direct participation (under IPA I) of the Commission's specialised Directorate-Generals (DGs).
- The Judiciary had not yet benefited of such multi-annual support programmes but was at the centre of the accession negotiations with most of the beneficiaries and received a continuous flow of assistance. In different beneficiary contexts, its strategy, action plans and policy management tools have evolved, although political complexities and/or contentious situations characterised the sector assistance so far.

Even when multi-annual sector assistance was in place, the transition from the externally provided opportunities (IPA support) to their actual appropriation was dependent on the political commitment of the beneficiaries. When such political commitment was weak, a double track system became a common practice, where an *IPA-related* policy management coexists with the *mainstream* policy management, which sometimes is based on opposing principles that result in conflicting practices.

CSOs participation was mainly limited to programming (SWGs) under the pressure of EUDs and the beneficiary institutions in charge of EU affairs. CSOs should participate in sector monitoring, but this did not take place regularly. In many cases they were not invited to IPA sector monitoring committees (even in budget support), while in other larger fora their contribution was rather marginalised. In several contexts, CSOs were heavily discriminated against; in others, their involvement was rather formal and nominal.

Some outcomes of the SA were visible in terms of institutional improvements in different beneficiary contexts. Some of these improvements resulted from the overcoming of enormous political and institutional difficulties (involving constitutional changes, long parliamentary confrontations or complex institutional arrangements), such that it would be hard to backtrack, although it has been proven that it is not impossible. Such processes take years and it would be naïve to imagine that they could produce tangible results for the population in a shorter period. However, there were beneficiaries with a high EU accession political momentum, where significant progress had taken place in the Judiciary, PFM and other key policy sectors. Conversely, there were contexts where the EU accession political momentum seemed stalled or weakened, especially in the Judiciary and the area of fundamental rights. On the other hand, the application of some sector policies (trialled in poor areas with little advocacy, thanks to the IPA-supported MAPs) produced significant results for the final beneficiaries (e.g. farmers, SMEs and local development actors, among others), although there were minimal effects on the general public opinion and political feedback.

IPA policy dialogue and accession dialogue were not strongly linked. The most successful reform processes was initiated thanks to the political commitment of the beneficiary institutions at the highest level, toward the public opinion and the EU. There were contexts when political dialogue should have been stronger on the delays and inefficiencies of certain sector reform processes, especially in the Judiciary and the Public Administration. Some issues can only be addressed through political dialogue, e.g. the frequent problem of the formal compliance with the *acquis* and the actual inconsistency of the implementation practices.

Added Value was widely recognised, because SA favours dialogue, which increases coherence, predictability and transparency in the assistance programme. Beyond programming, however, it extended

to all phases and dimensions of assistance only when it was supported by open and not instrumental political commitment of the beneficiary, multi-annual supports (SRCs and MAPs) and high-level capacity development (e.g. SIGMA, EURALIUS, etc.).

OVERALL ASSESSMENT

Most stakeholders regarded the potential of the SA for improving sector policies and implementing reforms in the IPA II beneficiaries, as high. On the other hand, it was partly realised only through SBS and – to a lesser extent – MAPs, thanks to their strategic dialogue framework and their financial and capacity development incentives. Even in such cases, however, the results were inchoate and not consolidated because they heavily depended upon the political commitment of the beneficiaries and the clarity of the political perspectives vis-à-vis the EU. An additional explanation of this dichotomy between relevance and effectiveness was that the intervention logic of the SA was very ambitious and seemingly not giving due consideration to the history of many decades with very little results-based administrative culture.

SUMMARY OF THE CONCLUSIONS

CLUSTER 1: KEY GENERAL CONCLUSIONS: FOCUS ON POLITICAL DIMENSION AND CAPACITIES

Conclusion 1: Accession process and IPA SA should be further aligned.

Conclusion 2: Political commitment was the key determinant of the success.

Conclusion 3: Capacity was the second determinant of the success.

Conclusion 4: Some initial results going in the right direction are evident, but the way forward is complex and long.

CLUSTER 2: INVOLVING PEOPLE IS STILL A CHALLENGE

Conclusion 5: CSOs' participation remains weak.

Conclusion 6: Awareness of public opinion was not a priority.

CLUSTER 3: SECTOR SUPPORT EFFECTIVENESS

Conclusion 7: Sector definitions may have created rigidities instead of facilitation.

Conclusion 8: The tools for SA implementation showed some inconsistencies and rigidities.

Conclusion 9: Positive policy development in democracy and good governance.

Conclusion 10: Positive and negative policy development in rule of law and fundamental rights in some countries.

Conclusion 11: Positive policy development in other sectors.

CLUSTER 4: AID MODALITIES OF IPA II HAVE IMPROVED COMPARED TO IPA I ALTHOUGH MANY INEFFICIENCIES PERSIST

Conclusion 12: Persisting inefficiencies in implementation.

Conclusion 13: Budget support was shown to be a powerful but complex tool for sector reforms when focusing on policy and institutional change.

Conclusion 14: SOPs helped beneficiaries to test new policies, approaches and acquire EU good practice in sectors with significant local investment components, with high levels of inefficiency.

Conclusion 15: The level of incentives was too low (political incentives, investment, quick institutional strengthening).

Conclusion 16: Turkey is a particular case.

SUMMARY OF THE RECOMMENDATIONS

CLUSTER 1: GENERAL RECOMMENDATIONS: STRENGTHEN POLITICAL DIMENSION AND CAPACITIES

Recommendation 1: Sector reforms should be put to better use and integrated further in the assessment of the progress under the accession negotiations.

Recommendation 2: Beneficiaries at the highest level should ensure open political support to sector reforms in the areas of Democracy and Governance, Rule of Law and Fundamental Rights and Economic Governance to create adequate guidance and incentives for SA uptake.

Recommendation 3: Assistance should strengthen institutional capacity development wherever political commitment and institutional stability are ensured as well as improve tools and programmes to upgrade capacities and systems of the beneficiary administrations and reward their competencies.

CLUSTER 2: INVOLVING POTENTIAL FUTURE EU CITIZENS

Recommendation 4: A twofold approach is necessary toward CSOs: (1) supporting beneficiary administrations to set strategies and rules to enhance substantive CSO participation; and (2) support CSOs to strengthen their capacities, advocacy and networking.

Recommendation 5: Communication to and raising the awareness of the wider public on the main reform themes should become a priority of IPA programmes, and – wherever possible – beneficiary institutions should be on the front line to inform and mobilise public opinion.

CLUSTER 3: IMPROVING SECTOR LEVEL SUPPORT

Recommendation 6: The identification of sectors and areas of intervention should take into account the beneficiary's experience and preferences whilst establishing stronger connections with the chapters of the acquis.

Recommendation 7: SPDs and SWGs and the criteria for SA should be adapted and managed with flexibility.

CLUSTER 4: ENHANCED EFFICIENCY AND IMPROVED AID MODALITIES

Recommendation 8: SRCs have been shown to produce promising outputs since the preparation phase. The modality should be improved through the introduction of more flexibility (e.g. on general assessments and indicators) and stronger accompanying measures, particularly for mobilisation of specialised TA.

Recommendation 9: SOPs should be relaunched with simplified implementation procedures, combination with other modalities (Blending, Development Banks and specialised funds), strengthening the EU learning component (TA linked to Commission's DGs).

Recommendation 10: New aid modalities should be tested to increase the incentives (especially investments) and better reward performance.

Recommendation 11: Protecting the achievements in Turkey.

1 INTRODUCTION

This final report presents the consolidated findings as well as the conclusions and recommendations of the Evaluation of Sector Approach under IPA II. The evaluation was conducted between May 2017 and April 2018 and the finalisation of the reports ended in October 2018. The evaluation is unable to consider information that have surfaced after April 2018. This report is based on data collected during the evaluation phases: an inception phase (concluded by an inception report), a desk phase (concluded by a desk report), a validation field phase (concluded by a presentation of the key findings) and a synthesis phase. During the synthesis phase, the team reviewed all the evidence collected during the previous phases.

1.1 Objectives and scope of the evaluation

The evaluation of the IPA II sector approach has two **objectives**:

- To provide an assessment on both qualitative and quantitative terms on the relevance, conditions of implementation and performance of EU pre-accession assistance in its sector approach, particularly its efficiency, effectiveness and added value in regard to the achievement by candidates of their commitments for EU membership.
- To provide the Commission with lessons learned and recommendations to improve the Sector Approach uptake under IPA II.

According to the Terms of Reference, the **scope of this evaluation** embraces the effects of the adoption of a Sector Approach (SA), as a key feature of the Instrument for Pre-Accession Assistance II (IPA II) compared to IPA I. It considers the effects at the different levels, including programming and implementation. It looks at the situation under IPA I and at the beginning of IPA II as the baseline of the evaluation.

From the geographic point of view, the evaluation embraces all IPA II beneficiaries: Albania, Bosnia and Herzegovina, Kosovo, Montenegro, the Republic of North Macedonia, Serbia and Turkey. Regional cooperation is excluded, as it would add little value to the assessment, as the bulk of SA is on a beneficiary level. Regional support to IPA beneficiaries for SA implementation, however, has been considered where relevant. It embraces all IPA II sectors but puts a special focus on Democracy and Governance and Rule of Law and Fundamental Rights.

In terms of timing, according to the TOR, the evaluation of the SA uptake and implementation covers the period 2014-2017, including two annual programming cycles and only a few actions whose implementation had already begun. The assessment of the evolution of SA was extended to the late part of the previous period, including 2012 and 2013.

1.2 Structure of the final report

This report **has nine chapters**. Chapter 1 is the introduction. Chapter 2 provides an overview of the methodology used in this evaluation and the challenges and limitations the team encountered during its work. Chapter 3 provides background information on the history and origins of IPA II Sector Approach, which are important in order to understand the evaluation. Chapter 4 describes the reconstructed intervention logic of the sector approach. Chapter 5 provides an overview of the implementation of SA, including key figures and sectors. Chapter 6 presents the answers to the six evaluation questions (EQs). Chapters 7, 8 and 9 contain the conclusions and recommendations of the evaluation.

2 KEY METHODOLOGICAL ELEMENTS

2.1 Overall evaluation approach

This evaluation is an assessment of the Sector Approach (SA) in the framework of IPA II. Many references to SA and the quality of its application were included in the IPA II Mid-term Evaluation Report 2017³. The current evaluation, however, intended to provide specific understanding of the SA effects and possible lessons for its future application. The IPA II Evaluation, as well as other evaluations (namely the Interim Evaluation and Meta-evaluation of IPA Assistance, 2013), were taken into account to build the evaluation matrix and define the evaluation questions (EQs) and judgement criteria.

The evaluation adopts a theory-based approach. The intervention logic (IL) of the Sector Approach was reconstructed in the Inception Report (IR) (Chapter 3). The explanation of how and why the chain of effects identified in the IL were expected to occur is the theory of change that this evaluation is to validate. The reconstruction was based on the links between the hierarchy of objectives (i.e. the explicit strategy of the evaluated and – in our case – of the instrument of which it is framed – IPA II) and the means put in place to achieve them.

Based on the reconstructed IL and on the set of evaluation questions drafted in the Terms of Reference, evaluation questions (EQs) were established and agreed in the IR as shown in the table below (the full EQ matrix is available in Volume 2, Annex 2). The EQs are built on the key logical links underlying the theory and helped in the search for evidence to validate or invalidate such links, as well as to highlight new unexpected links.

Table 1. Evaluation questions

EQ1. OWNERSHIP – To what extent has Sector Approach assessment and programming tools been conceived in such a way as to reflect the current state of play and readiness of beneficiaries and ease their effective use/uptake?
EQ2. QUALITY OF PROGRAMMING – To what extent has the Sector Approach contributed to an improved pre-accession assistance programming (both at beneficiary and sector levels)?
EQ3. IMPROVED SECTOR POLICY MANAGEMENT – To what extent is the Sector Approach becoming an effective tool to improve results-based policy management in the key accession-related sectors?
EQ4. KEY STEPS IN REFORM IMPLEMENTATION, INITIAL OUTCOMES AND THEIR DIRECTION TOWARD IMPACT – To what extent has the use of the Sector Approach, in the two sectors of i) Democracy and governance and ii) Rule of Law and fundamental rights, contributed to the improvement of sector policy reforms?
EQ5. DIALOGUE, COHERENCE AND COORDINATION – To what extent does the development of sector approach ensure an increased coherence of the IPA II assistance with the overall accession partnership, other EC instruments and the assistance of different external players?
EQ6. VALUE ADDED – To what extent is the Sector Approach adding value to other support actions?

The research method used to identify evidence and recognise logical links was the contribution analysis. A detailed explanation of it is provided in Annex 7.

The evaluation adopted a consultation strategy based on the widest possible involvement of the key stakeholders in the evaluation process. To ensure stakeholders participation an e-survey was launched in the form of an online questionnaire. It aimed at capturing the perception of different stakeholders on key evaluation issues, including: the European Commission (EC) headquarters (HQ) and the European Union Delegations/Office (EUDs), the IPA II beneficiaries, institutional and civil society stakeholders and international cooperation partners at the beneficiary level. Direct interviews with key stakeholders were conducted throughout the different evaluation stages. Group consultations were also used during the field visits to carry out some light case studies.

The following research tools have underpinned the approach used in this evaluation:

- Document analysis: during the evaluation, the team compiled an e-library of resources and documents, which constitutes an important body of evidence for the evaluation as it includes more than 600 documents and several dozens of databases.

³ Refer to: https://ec.europa.eu/europeaid/evaluation-instrument-pre-accession-assistance-ipa-ii-draft-report_en

- Short inception missions: as proposed in the IR, some initial short field visits were organised in Albania, Kosovo, the Republic of North Macedonia, Serbia and Turkey to ensure the team had a perception – although preliminary – of the beneficiary level stakeholders' views. Key stakeholders were interviewed and additional documents were acquired.
- Stakeholder mapping and interviewing: an initial stakeholder mapping was conducted during the inception phase. The result of this exercise was a list with the typology of relevant stakeholders (see Annex 6) that informed the methodology in terms of the groups of stakeholders to consult and the mechanisms for validation. The stakeholder mapping played a crucial step during the validation-phase field missions in all the countries and in the compilation of the distribution lists for the e-survey.
- Analysis of sample sectors: the IR identified four sectors/areas that the evaluation should focus on in more detail after the desk phase: judicial reform, public administration reform, private sector development and civil society. The aim was to identify the different implementation contexts of the SA in the selected sectors, and the features of the actual SA process, both at the programming and implementation level.
- E-survey: the tool helped to assess stakeholders' perceptions of IPA II SA and was designed for stakeholders at both beneficiary and HQ level. Development of the survey started during the inception phase and was delivered during the desk and validation phases. Annex 3 provides the survey questionnaire and the results.

2.2 Challenges and limitations

The initial short field visits were not foreseen in the TOR, but were extremely useful even though they increased the organisational burden and the period of execution. In general, the need to ensure adequate representativeness at the beneficiary level (including two visits to each of the seven beneficiaries) had been under-estimated in the TORs and resulted in an overload of the resources available.

E-survey. Some challenges were also encountered during the preparation and use of the e-survey. It was difficult to get feedback from staff and stakeholders on survey recipients at beneficiary level, in particular on the involvement of representative groups and individuals. The limited control on respondents, the categories of which varied significantly among beneficiaries, skewed the results to the most represented groups of respondents in the different contexts. In some contexts, as in Turkey, the respondents were too few. In other cases, there were not enough people involved in SA operations included in the survey. In total, there were almost 250 respondents out of the one thousand stakeholders identified by NIPACs and EUDs invited to respond. Their global representativeness is acceptable but their average representativeness at beneficiary level is low.

In general, the data and documentation available on the outputs – not to mention outcomes – of IPA II was limited, due to the fact that at the beginning of the evaluation period (early 2017), only some initial actions of IPA II had already started and produced initial documented outputs. This limitation was taken into account in the methodology, which provided more space to field level interviews of the stakeholders. In particular, institutional and capacity changes need time to become visible; therefore, work was focused on assessing the direction of change rather than breadth of scope.

3 BACKGROUND INFORMATION ON THE HISTORY AND ORIGINS OF IPA II SECTOR APPROACH

3.1 The evolution of the instrument from IPA I

The Instrument for Pre-Accession Assistance (IPA) was launched by the “Council Regulation 1085/2006 on establishing an Instrument for Pre-Accession Assistance” adopted on 17th July 2006 for the period 2007-2013. The IPA Regulation set down the objectives and main principles for pre-accession assistance to candidate and potential candidate countries. It addresses development needs as well as pre-accession reforms. IPA replaced the previous European Commission (EC) external assistance instruments:

PHARE (Poland and Hungary: Assistance for Restructuring their Economies);

SAPARD (Special Accession Programme for Agriculture and Rural Development);

ISPA (Instrument for Structural Policy for Pre-Accession), as well as;

CARDS (Community Assistance for Reconstruction, Development, and Stabilisation), the specific programme for Western Balkans (2000-2006).

All of which supported Central and Eastern European countries to fulfil the political and economic criteria for accession and to become EU members. The general implementation framework comprises Multi-Annual Indicative Planning Documents (MIPD) at country and multi-country/thematic level, including indicative allocations for the main priorities, framework agreements and sector agreements, as well as multi-annual or annual programmes, and project records.

IPA I (2007-2013) targeted the three Copenhagen criteria⁴ for accession: 1) political (democratic institutions), 2) economic (market economy) and 3) administrative (acquis). The assistance was delivered through five components, namely: 1) Technical Assistance and institutional building; 2) Cross-border cooperation (CBC); 3) Regional development; 4) Human Resources development; and 5) Rural Development (Rural Development component of the Instrument for Pre-accession Assistance – IPARD).

Eligibility for IPA funding was differentiated according to the beneficiaries’ objectives towards accession and status. Components I and II were accessible to all beneficiaries to assist them in transition and approximation to the EU, while Components III, IV and V were accessible only to candidate countries. The assistance to candidate countries such as Croatia, the Republic of North Macedonia and Turkey were focused on the adoption and implementation of the full acquis and in particular to prepare them for the implementation of the Structural Funds (SF). However, the assistance to potential candidates such as Albania, Bosnia and Herzegovina, Kosovo, Serbia and Montenegro aimed to support them to comply with the obligations of the Stabilisation and Association Agreements (SAA). The total IPA I financial allocation for 2007– 2013 was €11.674 billion, out of which Component I had the largest share of 57%. Amongst beneficiaries, Turkey had the largest share of 43% (see Table 5 in section 5.2.1). At the end of IPA I, Montenegro and Serbia got candidate status, Croatia joined the EU in 2013 and Albania got candidate status in 2014.

Different DGs of the EC managed the IPA, while at national level the responsibility fell to national structures comprising the National IPA Co-ordinator (NIPAC) and IPA operating structures by component or programme. Expertise from EU member states was available via Twinning or the Technical Assistance and Information Exchange (TAIEX) instrument of the European Commission under Component I⁵. IPA I was a step forward compared to previous instruments in terms of linking results to the accession progress. However, the implementation of IPA funds was considered fragmented as the assistance was

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- 4 As noted in the TOR, these principles were established by the Copenhagen European Council in 1993 and strengthened by the Madrid European Council in 1995. They include, as from the NEAR summary: (1st) political criteria: stability of institutions guaranteeing democracy, the rule of law, human rights and respect for and protection of minorities. (2nd) Economic criteria: a functioning market economy and the capacity to cope with competition and market forces. (3rd) Administrative and institutional capacity to effectively implement the acquis* and ability to take on the obligations of membership.
- 5 Nonetheless, these tools could be used also in a complementary way to other Components’ interventions, or even replacing them until a certain moment, like for IPA, where IPARD could only become available following the conferral of management to the national structures, but interventions in agriculture and rural developments were already addressed under Component I.

delivered mostly by “stand-alone projects”, which limited coherence and synergy. This issue was evidenced by various EC evaluations and was addressed by the EC during the IPA I implementation in a number of events such as the “Conference on Donor Coordination in the Western Balkans and Turkey” in Tirana in 2009 and the “Conference on Effective Support for Enlargement” in Brussels in October 2009. It culminated in the Sarajevo 2010 workshop that formalised the sector-wide approach as a method to improve the effectiveness and efficiency of financial assistance.

On 11th March 2014 the EC launched IPA II based on the “EC Regulation No 231/2014 on establishing an Instrument for Pre-accession Assistance (IPA II)” for the period 2014 – 2020 (applicable retroactively from 1st January 2014). Like IPA I, IPA II aims to support the EU enlargement strategy by assisting both existing and potential candidates in implementing the political, institutional, legal, administrative, social and economic reforms required to bring the countries closer to Union values and to progressively align to Union rules, standards, policies and practices with a view to Union membership⁶. IPA II will also support them to attain targets of the Europe 2020 strategy for smart, sustainable and inclusive growth. The main goal of IPA II was addressed through four specific objectives, of which the first three correspond to the Copenhagen criteria:

1. Support for political reforms;
2. Support for economic, social and territorial development, with a focus on smart, sustainable and inclusive growth;
3. Strengthening the ability of beneficiaries to fulfil the obligations stemming from membership and alignment to the EU acquis and;
4. Strengthening regional integration and territorial cooperation.

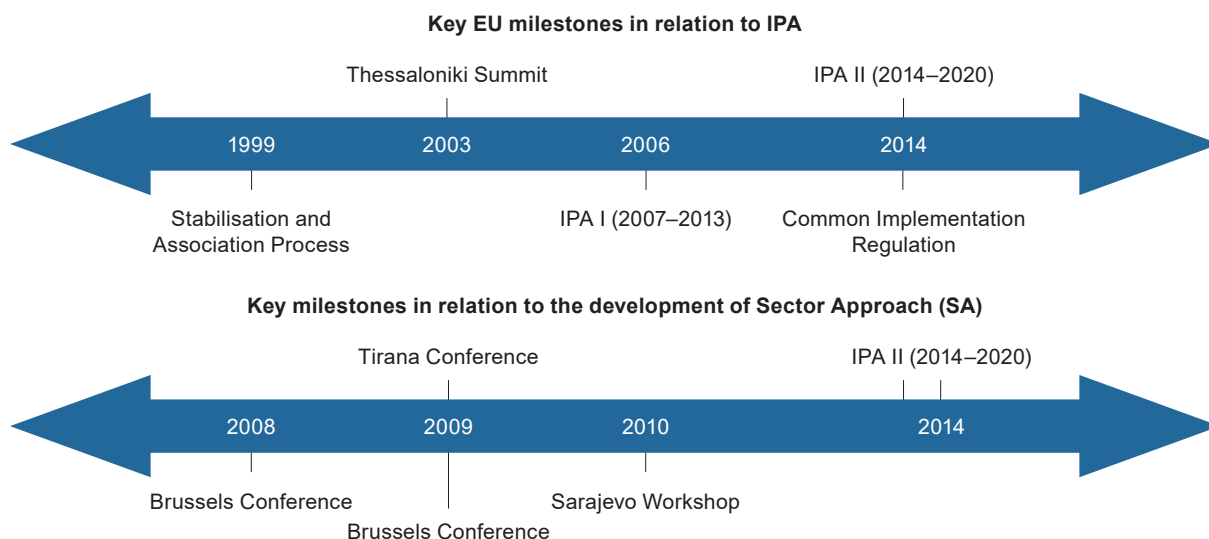
Moreover, IPA II adopted some new directions:

1. Stringent focus on “reform efforts” tailored to the specific situation of the beneficiaries;
2. Replacement of IPA I five components with five policy areas fundamentally similar to the objectives of the IPA I components, but accessible to both candidates and potential candidates;
3. Introduction of a performance-based approach enabling better monitoring of interventions and enabling a further reallocation of funds based on the countries performance-related accession and financial cooperation benchmarks (“performance reward”);
4. Adoption of a Common Strategic Framework (Article 5) which translates the political priorities of the enlargement policy into key actions which can receive assistance under IPA II;
5. Promotion of the SA, based on five + two criteria (as detailed below), according to which the assistance should be targeted to strategic sectors relevant to EU accession objectives and implemented through coordinated and coherent assistance packages at sector level.

SA also includes – when the conditions are right – the introduction of sector budget support (SBS) through the establishment of Sector Reform Contracts, which imply transferring the IPA allocations to the beneficiary accounts upon satisfactory measured reform progress. IPA II has an indicative budget of €11.698 billion (see Table 5 in section 5.2.1).

6 REGULATION (EU) No 231/2014 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 11 March 2014 establishing an Instrument for Pre-accession Assistance (IPA II), Official Journal of the European Union dated 15.03.2014, L 77/11.

Figure 1. Key milestones in the development of IPA and Sector Approach



IPA II Programming is based on the indicative strategy papers (ISP) or multi-country strategy papers (MCSP), which are the key strategic programming documents. The ISP set the frame for financial assistance over the period 2014–2020 by identifying the key sectors where substantial improvements and reforms are necessary, for each beneficiary to progress to EU membership. The IPA II strategic framework includes nine IPA II sectors (see Table 2). The first two sectors, “Democracy and Governance” and “Rule of Law and Fundamental Rights” have the larger allocation of shares, respectively 23% and 17%, while amongst beneficiaries Turkey has the largest share of 53%. The key IPA II programming document is the Action Programme (AP), which is composed of a number of Actions such as Sector Support Action and Stand-alone Actions. The AP translates the ISP priorities and objectives into Actions.

Adjustments to the IPA II implementation necessitated a simplification of the EC IPA II management structures. The different Commission DGs in charge of managing the five IPA I Components were streamlined to having DG NEAR in charge of the EU’s neighbourhood and enlargement policies, except for DG AGRI, which remained responsible for the rural development area. This simplification had various implications in terms of programme execution, which have been assessed in the evaluation.

Regarding the implementation, one single IPA II Committee (IPA Monitoring Committee) composed of the beneficiary and the EC, was in charge of the overall monitoring of the IPA implementation. All other policy areas were encompassed and Sector Monitoring Committees were foreseen (though being compulsory only in case of indirect management) to look after the implementation of sector strategies and related financial assistance.

3.2 The origin of sector approach

SA intends to be a way to support country level policy development and overcome fragmentation of assistance. The search for a stronger sector approach dates from 2008–2009, as stressed in the interviews at EC HQs and was put forward in various donor coordination conferences organised by the Commission (DG ELARG) since 2008, with the IPA beneficiaries, EU MSs and international organisations. In particular, a joint conference organised by the Commission and the Swedish Presidency of the EU in October 2009 on “Effective Support for Enlargement” led to Council conclusions on aid effectiveness:

“The Council welcomes the support provided to the enlargement process through financial assistance, in particular in the form of the Instrument for Pre-Accession (IPA), and emphasises the essential link between enlargement policy priorities and financial assistance, in line with the results from the recent conferences designed to improve aid effectiveness, and welcomes the efforts by the Commission to closely align IPA annual programmes with the priorities identified in the Progress Reports.”⁷

7 Council conclusions on enlargement/stabilisation and association process, 2984th GENERAL AFFAIRS Council meeting, Brussels, 7 and 8 December 2009

The donor coordination agenda aimed at improving aid effectiveness by applying the principles of the Paris Declaration and the Accra Agenda for Action. This included promoting the SA as a main tool for ensuring partner countries' ownership of development policy, strategy and spending. The sector approach also offered increased coherence between national policies, sector policies, resource allocation and spending practices. Donor coordination was strengthened to reduce aid fragmentation and help reduce transaction costs.

As none of the IPA beneficiary countries had a fully functioning coordination mechanism, the first step was building structures for aid coordination at the centre of IPA beneficiaries' governments, as a necessary condition for putting in place the sector approach from 2010.

A second step was to re-focus the priorities of the IPA MIPDs from a negotiation chapter perspective, to a sectoral perspective. This was achieved through the revision of the MIPDs for the period 2011-2013, which introduced the sector concept for the first time.

Finally, the basis for the fully-fledged implementation of the sector approach was set in the new IPA II Regulation proposal tabled by the Commission in 2012 and approved in March 2014, in its article 4(2).

"It shall mainly be directed towards helping the beneficiaries listed in Annex I to design and implement sector reforms. Sector policies and strategies shall be comprehensive and shall contribute to the attainment of the specific objectives set out in Article 2(1)."

The implementation of the sector approach, however, was still in its very early stages. Given the lack of structures and practice in IPA beneficiary countries, it remained weak (as stressed in Ecorys, 2013a). Moreover, the institutional structure of IPA I was still largely based on the negotiation-chapters structure, as well as sectoral responsibilities by the different Commission's DGs, built for the implementation of IPA I. Finally, there was still the need to develop specific guidance and tools for implementation.

There was also a political concern vis-à-vis SA, as stressed by the European Institute for Public Administration (EIPA, 2014, *The New Instrument for Pre-Accession Assistance – IPA II: Less Accession, More Assistance?*). Certain stakeholders at beneficiary level saw the formal introduction of SA as a way to dilute and prolong the goal of enlargement.

In 2013, in view of the launch of IPA II, the Commission prepared the SA guidelines, which include an explicit conceptual framework and specific procedures and tools for its implementation, including the provision of training and capacity development support measures aiming at raising awareness and technical competences, amongst both EC and beneficiary staff. This has been a turning point in the application of SA (as stressed by the mentioned Interim evaluation). This is also the reason why this evaluation considers specific SA inputs and tools included in the intervention logic.

Table 2. The nine priority sectors in IPA II

Democracy and Rule of Law	Competitiveness and Growth
1. Democracy and governance	3. Environment and climate action
2. Rule of law and fundamental rights	4. Transport
Focus on:	5. Energy
• Public administration reform, incl.	6. Competitiveness and innovation
• Public finance management	7. Education, employment and social policies
• Economic governance	8. Agriculture and rural development
• Protection of minorities, incl. Roma	9. Regional cooperation and territorial cooperation
• Migration	
• Freedom of the media	
• Fight against corruption and organised crime	

4 RECONSTRUCTION OF THE INTENDED INTERVENTION LOGIC (IL)

4.1 The IPA II strategic framework

The IPA II strategic framework may be represented as follows:

General objective:

- Beneficiaries comply with the European Union's values and progressively align to the Union's rules, standards, policies and practices, with a progression towards EU membership.

Specific objectives:

1. Political reforms implemented, according to Copenhagen criteria.
2. Economic, social and territorial development in place, with a view to smart, sustainable and inclusive growth, according to Copenhagen criteria.
3. Ability of beneficiaries to fulfil the obligations stemming from membership and alignment to the EU acquis, according to Copenhagen criteria.
4. Regional integration and territorial cooperation strengthened.

The sectoral approach is fundamental to the implementation of this strategic framework, with a focus on specific objectives 1 and 2. It is based on the understanding that the most effective way of achieving the political and economic reforms necessary to meet the first two Copenhagen criteria is to mainstream the reforms into the country political processes. This can be obtained by enabling the beneficiaries to establish and manage sound sectoral policies corresponding to the key reforms required by the accession goal. This approach aims at building on and extending the previous assistance under IPA I, which was arguably more focused on the technical rather than policy-oriented aspects of national reform processes.

4.2 The levels of the IL

The specific intervention logic of the sectoral approach may be reconstructed using a conventional five-level scheme⁸. We need first to nest the IL of the sectoral approach into the IPA II hierarchy of objectives. We therefore consider that the general objectives (or the long and medium-term impact) of the SA are derived from the IPA II Regulation. They include the IPA II general objectives (with respect to the long-term impact), i.e. the alignment to the Union and its acquis towards eventual Union membership. With respect to the medium-term impact, they include the IPA II specific objectives 1 and 2: political reform and economic reform successfully implemented in the key priority sectors.

The outcomes (or specific objectives) of the SA embrace any significant progress in the implementation of the accession related reforms, which involves changes in the behaviour of the key institutional stakeholders in the nine priority sectors, including – in the medium term – signs of change in the perception and life of the citizens. As a guarantee of the right direction of such progress, the accession dialogue has to strengthen its focus on the reform process.

The induced outputs include any significant improvement in sector policy management, such as results-based policies, institutional strengthening and coordination (organisational, legal and capacity changes), improved budget management and links with national budget, and awareness and participation of the civil society in the policy process.

The direct outputs include improved policy dialogue for programming and implementation of the assistance, stronger assessment and planning capacities at beneficiary level, and improved relevance of the programming process to strategic sectoral reforms.

⁸ This corresponds to the scheme used for Budget Support (OECD – Evaluating Budget Support, 2012), including a double level of outputs. The direct outputs correspond to the outputs produced directly by the external assistance put in place, and the induced outputs correspond to the outputs produced by the beneficiary thanks to the assistance put in place as well as other policy and non-policy factors. The conventional nature of such schemes should be stressed in order to maintain a practical and flexible approach when using them. One could use different schemes, to emphasise different issues, for instance including activities, merging the outputs, splitting outcomes and/or impacts, etc. At the end, the important thing is the understanding of the content of each step and the logical sequence linking them.

The SA related inputs⁹ include the basic IPA II inputs such as; dialogue framework, financial resources and capacity building resources. Additionally, other specific features transpire such as; awareness, training and guidance tools for sector assessment and planning in EU-accession priority sectors; specific policy dialogue capacities on sector strategies; specific technical capacities for sector strategies; new forms of assistance, such as sector coordinated actions, and sector reform contracts (SRC).

4.3 The theory of change

The SA provides some specific inputs within the IPA II package. As already summarised above, these include:

- A conceptual and explanatory framework that links the first two Copenhagen criteria (political and economic) with key sectoral reforms in nine priority sectors, with the relevant sub-sectors. The SA framework is proposed to the beneficiaries through the accession dialogue and supported by IPA II policy dialogue.
- Guidelines and tools, such as sector planning documents (SPDs).
- Sector policy dialogue.
- Specialised TA to strengthen sector policy capacities.
- New modalities of assistance, such as:
 - Sector Budget support
 - Coordinated sectoral programmes

Putting in place such inputs, through a number of qualified activities at both national and regional level (including dialogue sessions at different levels, systematic information, training, etc.) should generate¹⁰ a number of relatively direct outputs, namely:

- The beneficiaries should share and own the SA framework.
- They should strengthen their internal capacities for sector policy assessment and planning; and
- They should produce sectoral policy documents to initiate and facilitate the process of building and/or consolidating sound national sectoral strategies.

As a first consequence, sharing such a new approach would have direct effects on programming:

- The two parties should engage in close sector policy dialogue to review the programming process, strengthening its strategic focus and coherence in the key priority sectors and sub-sectors (in particular through SPDs). Enhanced relevance of the programming to the national strategies and strengthening of such strategies should reinforce each other along the implementation process. In particular:
- The IPA II programmes will reflect the national priorities, focusing the assistance on those sectors that the beneficiaries consider crucial in their accession process; and
- The objectives of the IPA II assistance, including the indicators to be monitored and discussed in the policy dialogue, reflect the indicators included in the national strategies and monitored by the national institutions.

The interaction between the beneficiary efforts to own and assimilate the sectoral approach – on the one hand – and the sector-oriented programming process – on the other – should already have produced at least some initial improvements in the sector policies. In addition, the new actions programmed and launched according to the sectoral approach should result in improved policy and institutional management.¹¹ Indeed, in the present evaluation it should be possible to identify some initial changes in this direction. The perception of the stakeholders is an important indicator of these initial changes. These

9 According to the flexible understanding of such schemes, activities are skipped to avoid redundancies. They are partly considered under the inputs (when addressed as the modality to put in place the inputs), and partly under the direct outputs (while assessing the direct results of the implementation of the inputs).

10 Here some assumptions should be considered, namely the assumptions 1 and 2 below, including the specific capacities on the EU side and adequate political motivations and incentives on the beneficiary side.

11 Here the second assumption is the most important, although the first assumption continues to be vital. In addition, the third assumption (flexibility) and fourth (macroeconomic and PFM management) become particularly relevant.

changes are not produced directly by the inputs and activities related to the sector approach but are the consequence of the new capacities acquired and the coherent policy decisions made by the beneficiaries; we identified the expected improvements as “induced outputs”. In particular, clear – although partial – improvements in the directions mentioned below should already be seen in a number of priority sectors:

- A stronger leadership and coordination in the priority sectors, including functioning Sector Working Groups (SWGs).
- Improved internal coordination of different ministries, agencies and related external bodies.
- Improved communication on sector strategy with the wider public and Civil Society Organisations (CSOs).
- Improved coordination of external support.
- Results-based management and improved M&E systems;
- A clear hierarchy of objectives and adequate indicators established at sectoral level.
- The indicators are monitored through adequate information systems, regularly reported and discussed for policy review.
- The strategy is translated into feasible action plans, including links to the national budget and possibly to medium-term sector budget frameworks.
- CSOs and the independent press are aware of the main issues at stake and start playing an active role, both as watchdogs of the public processes and partners in dialogue and implementation.

It is presupposed that the process of policy, institutional and financial restructuring of the key accession-related sectors supports their improved performance, allowing some key progress along the way to democratic and competitive development of societies (general objectives: Copenhagen criteria, particularly 1 and 2). We may call such steps the outcomes of the SA¹², which should be achieved due to the interaction and synergies of SA with other IPA supported actions (e.g. stand-alone actions), other external assistance and – of course – national processes. In general, such steps are not visible at this stage because of the emergent SA uptake in the countries, but it may be possible to identify some signs indicating that the process is underway, especially in the key priority subsectors in each country. The directions along which the evaluation has searched for such signs, with the help of national and international indicators, are indicated below:

- Key implementation steps in sectoral reforms addressing restrictive political and operational blockages (e.g. vetting judges in Albania).
- Improvements in the perception of sectoral performance by the general public (independent press, civil society, informed persons, as also reflected by international indicators over the period 2012-2017).
- Improvements in sector performance with reference to some specific signals (e.g. increased number of corruption cases prosecuted by the judiciary or facilitated procedures for access to land and to licenses for private enterprises).
- Crosscutting effects of the key sectoral improvements (e.g. improvements in justice or in education are positively perceived by private sector operators as facilitating businesses, etc.).
- A process outcome is important at this level: the further the sector reforms advance, the better political and policy dialogue are intertwined; or IPA II policy dialogue and accession-related dialogue are better integrated and feed each other. This is the major link between sectoral reforms and the goal of EU accession.

If the identified changes above are deep and sustainable, they will generate irreversible reform processes, which can differ in speed but be more or less straightforward. According to the first two Copenhagen criteria (impact), they should lead in time to the transformation of the societies, and then toward the perspective of accession¹³.

12 Here the most important is outcome 2, but also outcome 4.

13 For the speed and depth of such transformation, various context-related external and internal factors should be considered as facilitating / limiting the process.

4.4 Assumptions

The theory of change relied on a number of assumptions that the evaluation had to verify. In an evaluation, there are many implicit assumptions, which may be summarised in the concept that the work must be done well and there should not be highly destabilising externally driven events that radically change the context and invalidate the initial hypotheses. It is worthwhile making some of these assumptions explicit to attract specific attention, for instance:

On the EU side, a rich conceptual and operational framework such as the SA requires significant political commitment throughout the implementation and adequate capacities, which should be made available to both EUDs and EU-HQ:

- Among beneficiaries, a stronger link is required between policy reform processes and accession dialogue, including political incentives to incentivise better performance.
- Policy assessment in the many subsectors addressed.
- Support to partners' monitoring and evaluation processes.

On the beneficiary side, the SA requires higher motivation and incentives, at both political and administrative level, as it demands a stronger and more comprehensive political involvement of the sectoral stakeholders:

- Administrators should be adequately motivated, receive good training, with financial and career incentives.
- Political leaders should retain high motivation towards EU accession, as sectoral reforms present enormous political economic challenges.
- Assuming no catastrophic political/natural events, the programme should have significant built-in flexibility to adapt to the specific changing contexts and identify the most appropriate incentives in each of them.
- Additional criteria for SA are a sound macroeconomic framework and efficient and transparent PFM. They are included in SA evaluation, although they could also be considered among the assumptions, as their failure could be a serious destabilising factor affecting all the sector policies.

These are the key assumptions; considerations of relevance, efficiency, effectiveness and coherence should not be included among the assumptions but be part of the evaluation questions. This also takes into account the awareness and participation of civil society in supporting comprehensive reforms, which under IPA II is much more important than in the past.

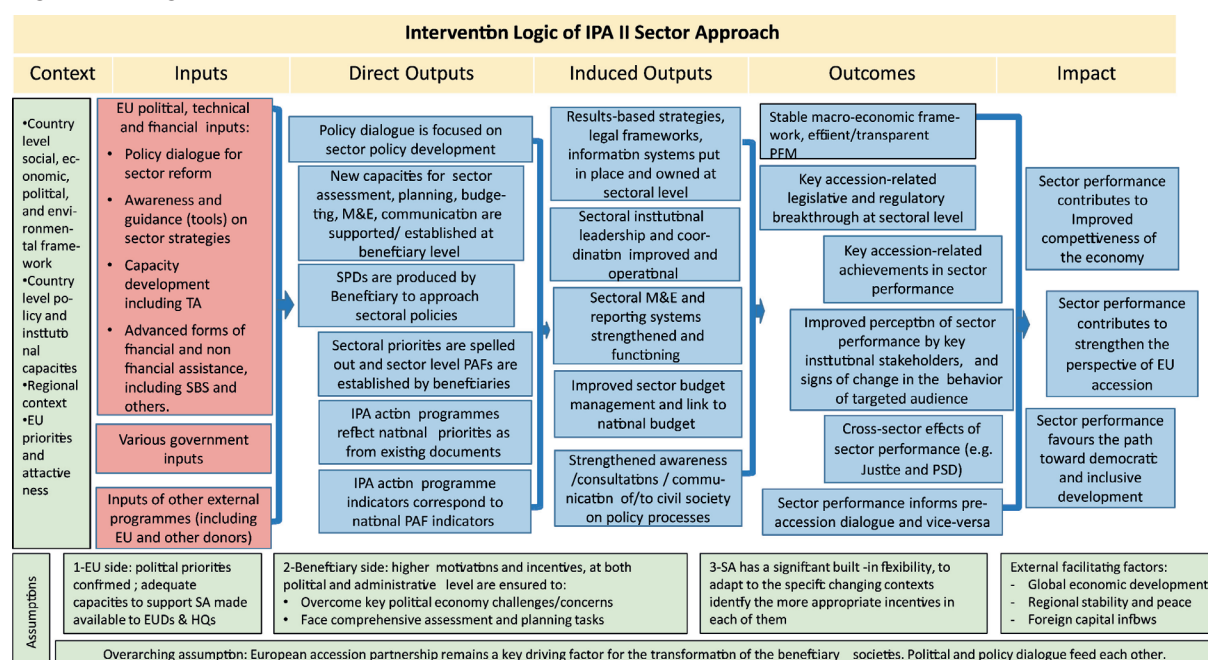
Finally, both facilitating and limiting external and internal factors (such as the internal political framework, regional stability and threats, country economic features and trends, natural stresses, etc.) should also be considered to help judge the pace and depth of the reform process.

4.5 The diagram

The diagram is a summary to provide a synoptic understanding of the IL, its process and the main contents of its different levels. Limited space does not allow many details to be shown without compromising intelligibility. To facilitate reading the diagram:

- Given the limited space, the different alignment of the boxes in some levels of the IL tries to indicate a timescale.
- According to the jargon of the theory-based programmes, the levels of control and influence of the parties on the different levels of the IL vary: the EU has direct control over inputs and an indirect control on direct outputs, while it has a direct influence on induced outputs and an indirect influence on outcomes. The beneficiary has a direct control on direct outputs and an indirect control on induced outputs, while it has a direct influence on outcomes.

Figure 2. Diagram of the IL



5 OVERVIEW OF THE IMPLEMENTATION OF THE SECTOR APPROACH

This chapter provides an overview of the implementation of the SA at the programming level and in terms of resource mobilisation. Supporting evidence and analysis can be found in Annex 8.

5.1 At programming level: the Mapping Study, Country strategies and Sector Planning Documents (SPDs)

The Mapping of Sector Strategies provides an assessment of the seven beneficiaries. The exercise produced a map of sector readiness (maturity) for SA, based on the analysis of the quantitative and qualitative information using a scoring methodology (HTSPE, 2014, p. 21).

The results of the Mapping Study are reflected in the Indicative Strategy Papers (ISPs) 2014-2020¹⁴. These develop the previous assessments and update the country level diagnoses of sector maturity, establishing the key sector priorities for each country. Table 3 shows the priority sub-sectors in the two priority sectors of Democracy & Governance and Rule of Law & Fundamental Rights.

14 In the case of Bosnia and Herzegovina, the ISP covers the period 2015-2017

Table 3. Country priorities in two sectors (Democracy & Governance and Rule of Law & Fundamental Rights) identified in their ISPs

Priority IPA II Primary and secondary sectors by ISP/Country							
IPA II Sectors	Albania	Bosnia & Herzegovina	the Republic of North Macedonia	Kosovo	Montenegro	Serbia	Turkey
1. Democracy & Governance							
1.1 Democratic Institutions	x		x	x	x	x	
1.2 Decentralization and sub-national government			x			x	
1.3 Public administration reform (PAR)	x	x	x	x	x	x	x
1.4 Public financial management (PFM)	x	x	x	x	x	x	x
1.5 Taxation		x		x	x	x	
1.6 Customs				x	x	x	
1.7 Economic governance	x	x	x	x	x	x	x
1.8 Statistics		x		x	x	x	x
1.9 Civil society	x	x	x	x	x	x	x
1.10 EU programs and agencies		x	x		x	x	x
1.11 Institution building for European integration	x	x	x	x	x	x	
2. Rule of law and fundamental rights							
2.1 Judicial reform	x	x	x	x	x	x	x
2.3 War crimes		x					
2.4 Fight against organized crime	x	x	x	x	x	x	x
2.5 Fight against corruption	x	x	x	x	x	x	x
2.6 Police reform		x	x				
2.7 Migration and asylum		x			x	x	
2.8 Border management and security		x	x		x	x	
2.9 Roma		x	x	x	x	x	x
2.10 Refugees and IDPs		x				x	
2.11 LGBTI		x	x	x		x	x
2.12 National minorities	x	x	x	x	x	x	
2.13 Intercommunity relations				x			
2.14 Freedom of expression and media freedom		x	x		x	x	x
2.15 Property rights	x						
2.16 Data protection							

An informal tool was created to start outlining sector strategies in the priority sector. This was managed by NIPACs with the assistance of EUDs, and occasionally, the relevant sector institutions. In May 2017, thirty-seven SPDs were available at EC HQ (six for Turkey, nine for Serbia, six for Montenegro, eight for the Republic of North Macedonia, five for Bosnia and Herzegovina and three for Albania).

Along these lines and with these tools, actual programming of IPA II started with an effort to combine an extensive heritage of multiple and fragmentary requests with the new guidelines, in a learning-by-doing process.

5.2 At the level of resource mobilisation¹⁵

5.2.1 Breakdown by sector

Table 4 below provides a breakdown of the indicative allocation by country under the IPA II instrument, for the period 2014-2020, with the exception of Bosnia and Herzegovina, where the period covered is 2014-2017. Table 5 provides an overview of the amounts allocated in the period covered by this evaluation (2014-2017). Table 5 is based on the analysis of the MIS database and excludes actions outside the scope of the evaluation (e.g. the CBC programme).

The analysis of the tables shows that the main sectors of IPA II support, foreseen for the period 2014-2020 in the country strategy papers were; Democracy and Governance, followed by Agriculture, Rule of Law and Fundamental Rights, Environment and Climate Change and Education, Employment and Social Policies. Based on the same data, the main recipient by far was Turkey, followed by Serbia and the Republic of North Macedonia, Albania and Kosovo. Montenegro was expected to be the smallest recipient, while data for Bosnia and Herzegovina did not cover the whole period. In terms of per-capita amount, Turkey's allocation was equivalent to about €58 per person, while Montenegro and Kosovo allocations were equivalent to more than €350 per person.

Table 4. Indicative allocations from country indicative strategy papers 2014-2020 (€m)

Sector/ country	Albania	Bosnia and Herzegovina	Kosovo	the Republic of North Macedonia	Montenegro	Serbia	Turkey	Total
1. Democracy and governance	223.5	31	111.3	123	46.9	278	956.5	1770.2
2. Rule of law & fundamental rights	97	33	123	83	52.3	265	624.9	1278.2
3. Environment & climate action	68			113	37.5	160	644.6	1023.1
4. Transport	56	***		113	32.1	127	442.8	770.9
5. Energy			100			125	93.5	318.5
6. Competitiveness & innovation	44	63.8	133	73	21.2	105	345	785
7. Education, employment & social policies	69	38	94.2	53	28.1	190	435	907.3
8. Agriculture & rural dev.	92		79.7	106	52.4	210	912	1452.1
TOTAL	649.4	165.8	645.5	664	270.5	1,508	4,453.9	8,305.3

Source: DG NEAR (2016a) *Covers period 2015-2017 – **and additional allocation for transport was done in November 2017.

¹⁵ Data was extracted during the inception phase, in May 2017. In the meantime, the amounts have certainly changed. This, however, does not affect the evaluation exercise.

The data contained in MIS on actual allocations (see Table 5 below) highlight some important divergences with the indicative allocations (Table 4). The sector that has attracted most support to date is Rule of Law and Fundamental Rights. This however, is mainly explained by the large amount of funding provided to Turkey in the context of the refugees' crisis, funds managed in the framework of IPA, but largely not in the IPA portfolio. Leaving this sector aside, there are also some significant changes in the relevance of other sectors. Democracy and Governance remains the most important sector after Rule of Law and it is the most important in absolute terms when Turkey is excluded from the sample. Agriculture is the sector that has received the least support despite being the second most important sector according to the indicative allocations. Transport has also overtaken sectors such as Environment and Climate Change and Education, that were expected to receive significantly more funding based on the indicative allocations. In total 57% of the total indicative allocations under IPA II had been committed by May 2017, including the mentioned refugee component, or 41% excluding refugees.

Table 5. Allocation per primary sector and country based on IPA II actions 2014-2017 (€m)

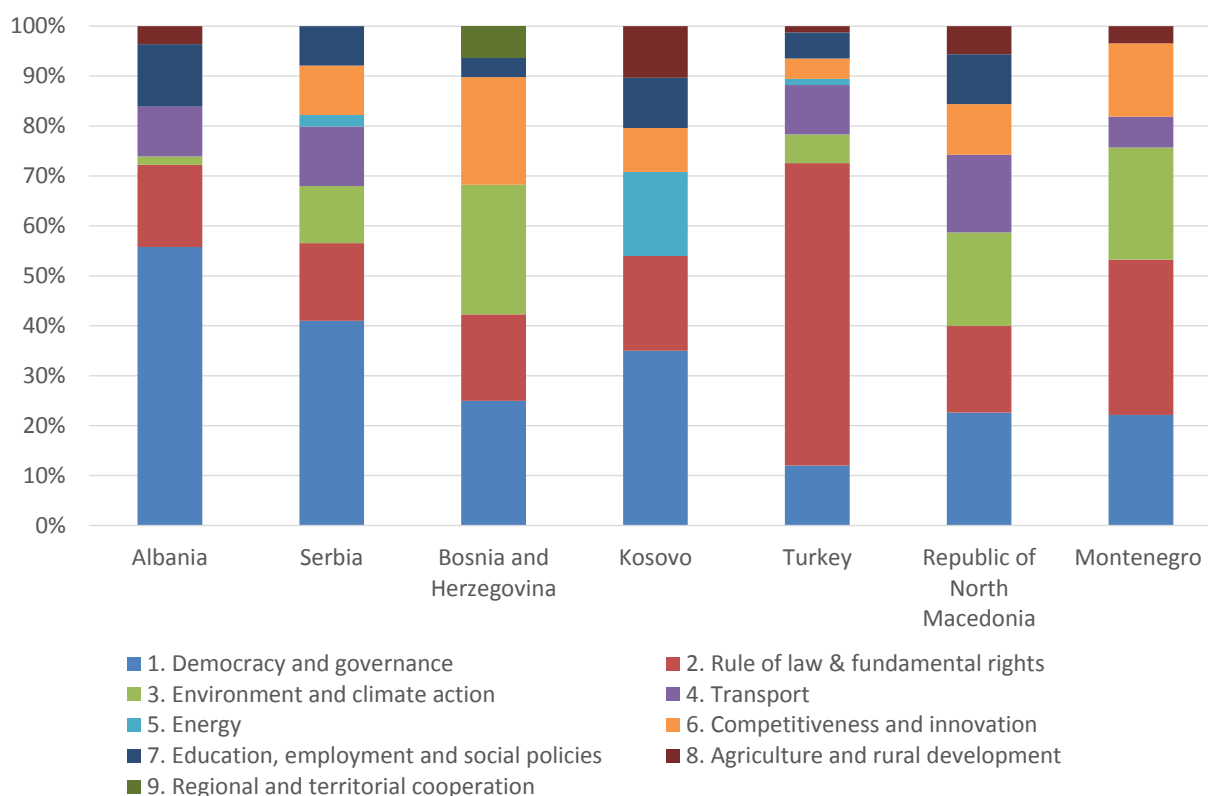
Primary sector	Albania	Bosnia and Herzegovina	Kosovo	the Republic of North Macedonia	Montenegro	Serbia	Turkey	Total
1. Democracy and governance	134.0	39.4	100.6	53.6	18.6	222.9	382.3	951.3
2. Rule of law & fundamental rights	39.5	27.3	54.6	41.1	26.0	84.6	1927.5*	2200.6
3. Environment and climate action	4.0	41.0	0.0	44.4	18.8	62.0	181.9	352.1
4. Transport	24.0	0.0	0.0	36.9	5.2	64.8	315.2	446.1
5. Energy	0.0	0.0	48.5	0.0	0.0	12.7	39.7	100.8
6. Competitiveness and innovation	0.0	34.0	25.2	24.0	12.3	53.7	129.8	278.9
7. Education, employment and social policies	30.0	6.1	29.0	23.7	0.0	42.9	166.2	297.9
8. Agriculture and rural development	8.7	0.0	29.7	13.3	2.9	0.0	39.3	93.9
9. Regional and territorial cooperation	0.0	10.0	0.0	0.0	0.0	0.0	0.0	10.0
Total	240.2	157.8	287.6	236.9	83.8	543.6	3181.8	4731.7

* Of this amount 625 M are the actual IPA allocation, while the remainder is the allocation for refugees, managed by IPA, but not included in IPA funds.

Source: MIS database, date of extraction May 5 2017

Figure 3 below provides an overview of the different sectors that are addressed in each of the seven countries and their relative importance compared to the total volume of IPA II support received to date. The graph shows that only two sectors are present in all seven countries: Democracy and Governance as well as Rule of Law. Three sectors are present in six out of the seven countries: Environment and Climate Action, Competitiveness and Innovation, and Education, Employment and Social Policies.

Figure 3. Sectors per country (in % of total country support)



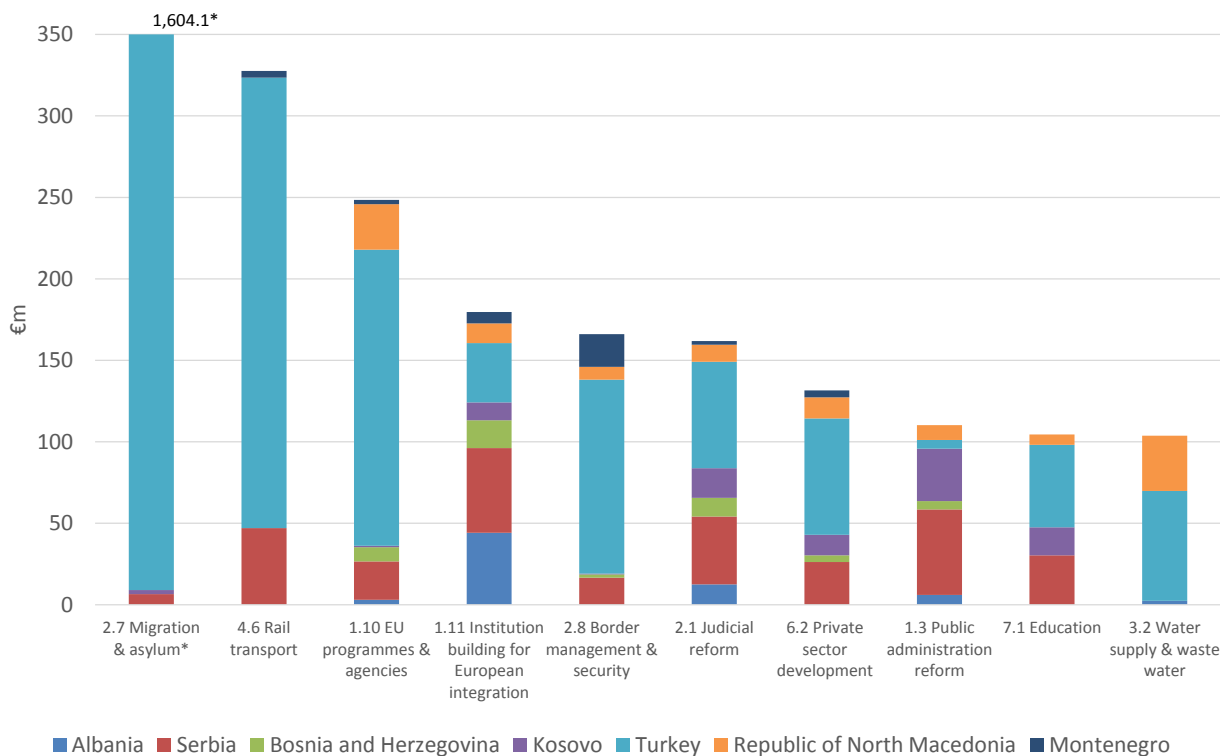
Source: Elaborated by the authors based on MIS data

5.2.2 Breakdown by sub-sector

Data from MIS has also been used to provide a detailed breakdown of IPA II support by country and sub-sector. The detailed table is available in Annex 9. Figure 4 below reflects the total value and country breakdown for the ten biggest sectors. The figure shows that the top ten sub-sectors by value of IPA II support are: 2.7 Migration and asylum, 4.6 Rail transport, 1.10 EU programmes and agencies, 1.11 Institution building for European integration, 2.8 Border management and security, 2.1 Judicial reform, 6.2 Private sector, development, 1.9 Civil society, 1.3 Public administration reform, and 3.2 Water supply and waste water. Four out of these sub-sectors are part of sector 1; three of them are from sector 2 and there is one each from sectors 4, 6 and 3.

The sub-sectors which are more frequent across the sample of countries are: 1.11 Institution building for European Integration (all seven countries), 2.1 Judicial reform (all seven), 2.4 Fight against organised crime (all seven), 1.3 Public administration reform (six, except Montenegro), 1.10 EU programmes and agencies (six, except Kosovo), 2.8 Border management and security (six, except Albania), 6.2 Private sector development (six, except Albania), 1.1 Democratic institutions (five, except Bosnia and Herzegovina and Montenegro), 2.5 Fight against corruption (five, except the Republic of North Macedonia and Turkey), 4.7 Road transport (five, except Bosnia and Herzegovina and Kosovo), 8.3 Food safety, veterinary and phytosanitary (five, except Bosnia and Herzegovina and Serbia).

Figure 4. Top-10 subsectors by value



Source: Evaluation team based on MIS data

* Out of this figure, approximately €1.3bn is the allocation for refugees, managed by IPA, but not included in IPA funds.

5.2.3 Breakdown by type of action and management mode

The analysis of the management mode in action shows that either direct or indirect management tends to dominate in the seven countries. The only exception is Serbia, and to a lesser extent Montenegro, where a more balanced distribution of the two modalities can be found. The unclassified projects category includes some which feature in the database but which we could not classify due to their absence from annual programmes.

Table 6. Management mode by country and number of actions (2014-17)

Management mode	Albania	Bosnia and Herzegovina	Kosovo	the Republic of North Macedonia	Montenegro	Serbia	Turkey	Total
Direct management	13	24	27	1	8	11	2	86
Indirect management*	4	4	4	12	15	15	25	80
Combination DM/IM	3	0	0	1	0	2	0	6
Unclassified	6	0	11	5	4	2	12	32
Total	26	28	42	19	27	30	39	204

* Includes delegated agreements.

Source: Analysis of the annual and multiannual programmes.

6 ANSWERS TO THE EVALUATION QUESTIONS¹⁶

6.1 EQ1. OWNERSHIP

To what extent have the Sector Approach assessment and programming tools been conceived in such a way as to reflect the current state of play and readiness of beneficiaries and ease their effective use/uptake?

Summary answer to the Evaluation Question

Formal ownership of the Sector Approach has been established among the key institutional stakeholders. The concepts that underpin the Sector Approach are now well understood by the main institutional players (DG NEAR, EU Delegations, National IPA Coordinators, sector lead institutions). A significant variance was however, noted between the formal implementation of sector approach processes and the actual commitment of political support and resources devoted to it by key stakeholders (EU included) and this has held back uptake of the sector approach. Perceptions of its benefits are mixed – staff within institutions dealing directly with IPA II recognise its value, even if this is sometimes limited to the realm of theory rather than practice. This appreciation of the sector approach generally does not extend to senior management/political level within beneficiary institutions or other institutional stakeholders. The various tools and templates for the sector approach are deployed largely as required. However, the sector-planning document's value is widely questioned by many stakeholders, whilst the sector-approach roadmap tool is unevenly employed and perceived as an administrative burden.

The definition of IPA II sectors pose problems in linking IPA II assistance to national sector strategies and priorities, especially in sectors with high heterogeneity. Sector assessments, as the basis for IPA II programming, exist in most programming documents, although their detail and quality vary. In terms of their incorporation into national policy processes, only limited evidence of it exists to date, with the most positive examples found for BS and multi-annual programmes. Capacity support has been used to varying degrees of usefulness/effectiveness, but evidence suggests that the more structured and systematic the capacity support is (such as in the Republic of North Macedonia), the more effective it is likely to be. SIGMA was noted as a valuable resource for public administration reform work, whilst the reduced visibility of some EC line directorate-generals from IPA II had consequences for some, but not all multi-annual programmes.

6.1.1 JC 1.1 SA process (including analytical tools and templates, stakeholders' participation, etc.) is known and owned by beneficiaries, and is currently being taken up by sectoral institutions.

SA processes are generally well known among EU and IPA II beneficiaries. The various tools and templates for SA are deployed largely as required.

The main institutional stakeholders involved in IPA II exhibit good general awareness of the concepts underpinning the sector approach (SA). This knowledge and awareness is deepest among the institutions that are most closely involved in the delivery of SA, i.e. the EU Delegations (we include the EU Office in Kosovo under this term), the National IPA Coordinators (NIPACs) and the sector lead institutions (SLI) that are responsible for SA in their IPA II sectors. The introduction of the SA was evidently a slow process and was not always accompanied by sufficiently clear guidance from DG NEAR HQ on how its application should be carried out in practice [as evidenced by the uncertainty surrounding the drafting of the Sector Approach Roadmap (SAR)]. Nevertheless, the evaluation found that the relevant authorities – primarily their key technical staff – are now well acquainted with the SA tools and guidelines and are generally able to deploy them in line with IPA II requirements. Some interesting variations in their use are evident. For example, SPDs are subjected to regular updates in some countries but not others. The same happens with different sectors within the countries. The SPDs themselves also exhibit significant heterogeneity in their content (e.g., sector level indicators in SPDs from the Republic of North Macedonia, Kosovo and Turkey vary greatly in quality and focus). This suggests that whilst the general awareness and knowledge of SA exists among the main IPA II stakeholders, the quality of this knowledge is not uniform, nor is its practical application by these stakeholders.

¹⁶ Refer to Annex 10 for a detailed evaluation matrix

This does not mean that these templates are well regarded by the stakeholders: The SPD's value is widely questioned, whilst the SAR is unevenly deployed and perceived as an administrative burden.

The generally good awareness and knowledge of SA processes has not been translated into high appreciation of their value. The main documents used for SA – the SPD and SAR – and the processes behind their deployment are not well regarded and their value is widely disputed among their users i.e. NIPACs, SLIs and even EUDs. There are several reasons for this negative perception. In the case of the SPD, its drafting is generally de-synchronised from the annual programming that, unlike the SPD, links directly to accessing IPA II funds and which is considered a greater priority by beneficiaries. The drafting of the SPDs also diverts limited staff resources away from more pressing programming and implementation issues for which they are responsible. Nevertheless, the SPD cycle has been diligently policed by the EUDs, even where they themselves are, at best, ambivalent about its overall value. As a result, SPDs are produced with varying regularity across all IPA II beneficiaries but rather than being the strategic guidance document they were intended to be, they are perceived and treated by their authors as a compliance tool. The SAR is viewed even less positively – not only is its value wholly unclear to the IPA II beneficiaries, but its deployment appears to be random. For example, while the SAR is not systematically applied in Montenegro, its completion in the Republic of North Macedonia is a pre-requisite for any IPA II support to a given sector. IPA II beneficiaries noted that, after completing the SAR, there was no formal feedback on its content, so they had no idea what consequences would stem from its drafting. SOPs have not been a problem as most of the main parties had already been acquainted with them under IPA I.

The definition of IPA II sectors poses problems in linking IPA II assistance to national sector strategies and priorities.

A key component of the sector approach are the **IPA II sectors** themselves. The variance between the definition and relevance of IPA sectors compared to national sectors is widely debated and is evidently a major obstacle to a smooth application of the SA. The main challenge is posed by identifying sector priorities for IPA II funding and then formulating IPA II sectoral objectives where the IPA II sectors contain more than one (and in some cases as many as 16) national sectors. This problem is most pronounced in (but not exclusive to) the two biggest IPA II sectors – Democracy and Governance, Fundamental Rights and Rule of Law – which cover national sectors as diverse as Democratic Institutions, PAR, and Customs and Civil Society in the former, and Judicial Reform, Border Management, LGBTI and Data protection in the latter. This problem is exacerbated further where these 'sub-sectors' contain even more national sectors, or are crosscutting e.g. PAR.

Formulating a coherent set of 'sector' priorities for IPA II funding from such diverse national sectors has posed a major challenge for those involved in programming IPA II, particularly for the SLIs charged with this task. Most national institutions covered by these heterogeneous IPA II sectors perceive them as an abstraction and continue to submit their project ideas without reference to the IPA II priorities defined for their sector. SPDs developed for this purpose demonstrate this difficulty – in many cases, they first provide (at best) 'sub-sectoral' analyses and then a series of discrete projects that are single-interventions repackaged as an IPA II response to sector needs.

Ownership of SA in terms of its formal acceptance by IPA II stakeholders is not the same as actual political and institutional ownership. There is significant variance between the formal implementation of SA processes and the actual commitment of support and resources devoted to it by all stakeholders (EU included). SBS has generally benefitted from good ownership.

Evidence from nearly all IPA II beneficiaries suggests that whilst SA processes have been formally accepted by the administrations and most of these are now being implemented, ownership in terms of political and institutional support for embedding SA into IPA II practice and integrating it into national planning, programming and M&E is often elusive. The participation of senior management in SA processes and forums was reported to be limited in most cases. Administrative staff noted that whilst they had the technical skills to deliver SA, they were often not empowered by their management to deploy them, or they lacked the necessary resources and mandate to carry out their responsibilities effectively.

In those countries where accession perspectives are distant, ownership of SA at the political level is most problematic. The introduction of SA processes is a complex, time-consuming effort and without any obvious political incentive for these countries. For example, in **Bosnia and Herzegovina**, a fundamental issue is the political leaderships' lack of interests towards the EU: whilst the declared foreign policy objective of the country is EU integration, in practice, the political standpoints of the entities are often unclear and can vary from entity to entity, or even from institution to institution. Thus, ownership of the EU process and by extension SA cannot be assumed. In **the Republic of North Macedonia**, beneficiaries' staff at operational level recognise the benefits of the SA for improved institutional and policy performance, but until recently this had not been the case at a political level. Ownership is evident in Turkey, where SA coincides with national policy priorities in some sectors (Competitiveness, Employment, Education and Social Policy). In any other politically contentious areas (such as Fundamental Rights), it has little political support. The deployment of SBS has benefitted from generally good institutional ownership due to the strong conditionality attached to it.

6.1.2 JC 1.2 Sector assessments are being streamlined into the National policy process

Sector assessments as the basis for IPA II programming exist in most programming documents, although their detail and quality vary.

In terms of their incorporation into national policy reform processes, the most positive examples are found for SBS and MAPs. Sector assessments; others are widely perceived as a formal requirement that diverts limited institutional resources away from more pressing programming and implementation issues.

Most IPA II programming documents contain sector assessments, although, in many countries, these were introduced only from the 2015 annual programme onwards (which coincided with the official implementation of the SA in those countries). Sector assessments form the basis of SPDs and these are done in all countries with varying degrees of frequency and diligence. In some countries, these assessments have had a lengthy consultation processes that are led by SLIs (e.g. Justice in Bosnia and Herzegovina). In others, these services of technical assistance supplement the (limited) capacities of the national partners. According to some extensive stakeholder consultations, the sector assessments in SBS and MAPs are the most comprehensive and robust. This has built ownership among the main participants in the programming process and has increased awareness among those stakeholders indirectly involved.

Sector assessments found in many action documents (ADs) for annual IPA II programmes, tend to be more cursory and present only limited assessments of the main sectoral challenges and analysis of the opportunity framework for any IPA II intervention. The case of **Kosovo** is also typical for most other IPA II beneficiaries. Here, sector assessments are conducted as part of the SPD cycle. In most sectors, these have been done once and there is an ongoing process of updating them. Kosovo institutions declared little enthusiasm for this process for reasons noted under JC 1.1., i.e. it diverts limited resources away from other more pressing programming and implementation issues. Sector assessments appear to have been generated almost exclusively for the purposes of IPA II. This was particularly evident in Serbia and Kosovo, but evidence suggests that the SBS preparations in **Albania** have influenced national policy processes to some degree, and there are some evident synergies between national strategies and the Sector Operational Programme (SOP) for Education, Employment and Social Policies (EESP) in **Montenegro**. These remain the exception rather than the rule.

6.1.3 JC 1.3 The SA package raises interest in and awareness of its value-added to improve quality of policy management and strengthen capacities toward a full uptake of the approach

Perceptions of SA benefits are mixed – Staff within institutions dealing directly with IPA II recognise its value, even if this is sometimes limited to the realm of theory rather than practice.

This appreciation of the SA generally does not extend to senior management/ political level within beneficiary institutions, or other institutional stakeholders.

SBS and MAPs exhibit the best examples of improved awareness of the benefits of SA.

Examples from IPA II beneficiaries largely confirm these trends, although each reflects specific circumstances that currently prevail there.

There is a good appreciation amongst those IPA II beneficiaries dealing directly with SA processes that regards, at least in principle; the sector approach has had clear benefits. These mostly comprise of the technical staff in NIPACs and SLIs that are directly charged with implementing the main tenets of SA. This positive perception extends to most but not all EUDs. Having said that, there was unanimous recognition that putting SA into practice requires a number of pre-requisites, which are, in most cases, not fully in place. These are primarily linked to capacity limitations within the NIPACs and SLIs, weak senior management support for the process within the IPA II beneficiary institutions, and institutional resistance to adopt new practices (both within the beneficiaries and some EUDs). Outside of the 'core' institutions of NIPACs and SLIs, awareness and ownership of the SA package is reportedly considerably lower – as evidenced from interviews with key stakeholders in IPA II beneficiaries such as the EUDs and SLIs. Exceptions to this can be found in the sectors where SBS and MAPs have been applied. In SBS, the lengthy and intensive preparatory process has drawn in all the main sectoral players (including the Ministry of Finance) and forged a much stronger appreciation of their roles (including senior management) in the SA and their expected levels of commitment. It has also raised awareness on how challenging the successful delivery of SBS will be for them. This was most evident in Albania, Serbia, and Kosovo but also for the PAR sector in Montenegro. In the case of the MAPs, the ownership built in the creation of SOPs under IPA I has been carried over to the new IPA II programmes (as noted in Montenegro, Turkey and partly the Republic of North Macedonia). Regarding individual beneficiary situations, in **Serbia**, a 'double track' policy management (EU and National) prevails (see EQ 6 for more on this). In **Turkey**, there are no incentives (apart from MEUA, MoJ having an overall strategy paper, supported by the SA approach) towards the uptake of SA. This is linked to the MEUA's responsibilities as NIPAC, which represents a small section of the overall institutions' duties. In **Montenegro**, most stakeholders recognise the theoretical value of the SA. However, in the Montenegrin context, its practical application outside of SBS and MAP is considered minimal. The main drivers in IPA II sectors are the accession negotiations and work done through the chapter working groups. SBS and MAPs are recognised as best examples of linkages between national and IPA II in the sector context. In the case of the EESP SOP, its explicit linkage towards EU structural fund preparations (ESF) further strengthens this. Due to the complex institutional arrangements within the **Bosnia and Herzegovina** administration, based on the constitution, there appears to be little shared agreement at political/senior management level as to the benefits of committing to SA, despite a good understanding of them among administrators at the technical level. The application of the SA in practice has been a slow and uneven process, with several examples of the SPD being delayed due to political blockages from one or another entity.

Capacity support has been used to varying degrees of effectiveness. Evidence suggests that the more structured and systematic capacity support is the more effective it is likely to be.

SIGMA was noted as a valuable resource for work related to PAR, whilst the departure of Line DGs from IPA II had consequences for some, but not all, MAPs.

IPA II beneficiaries' experience suggests that capacity support is not used coherently in most cases and is sometimes deployed on tasks that should ideally be covered by institutional beneficiaries.

The example from the Republic of North Macedonia could be a model for other IPA II beneficiaries to introduce SA more systematically.

Experience from other IPA II beneficiaries offers varying perspectives and illustrates that there has been no common approach to using capacity support. Where SBS has been the chosen aid modality, capacity support from SIGMA has been present and regarded as valuable for providing technical support to the main institutional stakeholders. However, interviews with stakeholders in the IPA II beneficiary countries confirmed that, in many cases, introducing SBS still posed a major challenge to their capacities. For MAPs, capacity support has not been as present as it had been under IPA I, which Line Directorate Generals (DG) from the EC (DG EMPL, DG REGIO) had provided long term with peer-to-peer capacity support. This approach had not only proved effective in building capacities within the operational structures benefiting from it, but had also built ownership of the programme at all levels – at a technical level, between DG operational staff and their IPA II counterparts, and at a political level between the ministries and DGs. The departure of these line DGs from IPA II was regrettable in the view of IPA II stakeholders, although the ownership built under the IPA I scenario appears not to have been eroded. For IPA II the support is linked to annual programmes and the capacity support was used in different ways. In **Kosovo**, there was no dedicated capacity support to introduce SA. In **Serbia**, it was noted that TA was difficult to mobilise. Capacity support proved to be inadequate for the complexity of the tasks, especially when BS was in place, and it was usually deployed later than necessary. In **Montenegro**, the beneficiary institutions' perception of the adequacy of capacity development support vary from sector to sector. Under PAR/PFM, capacity support was considered adequate, particularly the work of SIGMA in the development of the national PAF. Under the MAP for EESP SOP, the capacity support provided by DG EMPL when creating its predecessor was not continued, and the Montenegrin beneficiaries dealt with it in collaboration with the EUD/DG NEAR, as well as technical assistance for the ex-ante evaluation of the programme. Unlike for other beneficiaries, reportedly, this was not a major problem. TA support via the NIPAC was used to develop SPDs and reportedly, some ADs. It may seem that this has not served as capacity development but rather as an additional resource that Montenegro could use to carry out tasks that the institutions may have avoided otherwise. The use of some capacity support in **Bosnia and Herzegovina** was relatively limited. SIGMA closely collaborated with the PAR Coordinator's Office (PARCO) and this strengthened the latter's capacity. However, this collaboration reportedly did not spread beyond this institution into other layers of the administration. In **Turkey**, TA and capacity building were considered weak. Generally, exchange of expertise was in demand, but delivery tools were not easily accessible to beneficiaries. In addition, the apparent disappearance of some EC DGs in the MAPs made it more difficult. The case of **the Republic of North Macedonia** offered one example of a more coherent and systematic approach to capacity development. The decision to contract long-term (3 years) capacity support to the NIPAC and national authorities to accompany the implementation of the SA was welcomed by the Republic of North Macedonia. It was widely recognised that without sustained capacity development in support of the SA (such as the TA now in place), key elements of it (e.g. performance assessment frameworks to be used for IPA II) would have presented a major challenge to the authorities. In combination with the improved political climate in the country, this capacity support offered good prospects of building technical capacities and ownership – among the institutions of the Republic of North Macedonia, which was conspicuously absent in other IPA II beneficiaries.

6.2 EQ2. QUALITY OF PROGRAMMING

To what extent has the Sector Approach contributed to an improved pre-accession assistance programming (both at beneficiary and sector levels)?

Summary answer to the Evaluation Question

*The dialogue linked to the sector approach, principally through the sector working groups and the preparations of the sector reform contracts, has in nearly all cases made a **qualitative improvement to the programming** of IPA II interventions. BS programmes have evidently facilitated well-structured dialogue between stakeholders and have resulted in more inclusive and dynamic programming. Dialogue under multi-annual programmes is also in place but is not as strong as under IPA I, due to the apparent departure of some line directorate generals from the IPA II landscape. Inter-institutional dialogue is promoted through the sector working groups. This serves as a forum that was hitherto largely absent in IPA beneficiaries. Sector Monitoring Committees were created in some IPA II beneficiaries but so far, they are not fully operational.*

Sector assessments are most robust in BS and multi-annual programmes, both largely reflect national sector priorities. Sector planning documents are mandatory, and their value is primarily linked to the process used for their preparation via the sector working groups. The quality of the assessments is subject to several factors. The first drafts of SPDs struggled to provide coherent sector assessments, although the later versions showed an improvement, but this is often thanks to technical assistance. Sector assessments in ADs are usually only cursory and lack the sort of detailed analysis expected from them. The existence of national sector strategies to which IPA II sector assessments can be linked is important but only where these strategies are credible.

Action designs contain results that usually correspond to national sectoral priorities. In principle, IPA II actions should stem from **coherent intervention logic** at all programme levels with sound indicators backed-up by monitoring and evaluation arrangements. In practice, this has proven to be a major challenge, with limited coherence between the results at various programme levels. Sector reform contracts for BS programmes have generally contained a sound design, but some have suffered from poorly defined indicators that have complicated their implementation. Sector Operational Programmes have benefitted from IPA I and exhibit good sectoral focus. By contrast, the design quality of many sector-planning documents is sub-optimal, although some improvements were observed in later versions. ADs are hampered by similar limitations to those found in sector planning documents (imperfect intervention logics and indicators, weak risks and assumptions). Despite the efforts by DG NEAR to improve programme design, the situation is unlikely to improve in the near future, as this is a substantial challenge requiring sustained, long-term capacity building support.

6.2.1 JC 2.1 Improved sector policy dialogue for programming, including both the EU-beneficiary dialogue and the national internal sector dialogue

The dialogue linked to the SA, principally through the SWGs and the preparations of the SRCs has in nearly all cases made a qualitative improvement to the programming of IPA II interventions.

SBS have evidently facilitated structured dialogue between stakeholders and has resulted in better programming.

Elsewhere experience is mixed.

Dialogue under MAPs is also in place but not as strong as under IPA I due to the departure of EC line DGs.

Inter-institutional dialogue has been promoted through the SWGs. This serves as a forum that has hitherto been largely absent in IPA beneficiaries.

SMCs have been created but are not yet fully operational.

There was strong evidence from all IPA II beneficiaries that the sector approach had improved the quality and depth of sector policy dialogue. This applies primarily to the internal sector dialogue between IPA II beneficiary institutions, but also to the EU-beneficiary dialogue, boosted most notably through SBS in all the contexts where it was introduced. This is defined by structured, long-term and focused engagement on all elements of an SBS programme, with DG NEAR, EUDs and all the IPA II beneficiary institutions involved, along with external support where needed (e.g. SIGMA for PAR interventions). Sector policy dialogue between EU and the beneficiaries also occurs via annual programming missions and the JMCs (which does not significantly differ from IPA I) but also via the SWGs. The latter have had a much stronger influence on dialogue between institutions in the IPA II beneficiaries. Dialogue has been notably enhanced in Albania and Serbia largely thanks to SBS, as well as in Montenegro and Kosovo. Improved dialogue between the EC and beneficiaries **outside of SBS** was noted elsewhere, although this was affected by specific circumstances. In Montenegro, dialogue between the EC and the government was driven mainly through the negotiations linked to the *acquis* chapters, but SA reinforces it, particularly in certain sectors. In the Republic of North Macedonia, SA policy dialogue with the EC had been problematic until 2017, but the recent change of government provided a new impetus (although this was not necessarily linked to SA). In Turkey, government-EC dialogue on programming had improved in some sectors but stalled in others. **MAPs** also had a strong EU-beneficiary dialogue as their basis. Evidence from the field indicates that this dialogue was indeed in place. However, it did not represent an improvement over the situation under IPA I. In this case, the MAPs had previously benefitted from a structured dialogue with some Line DGs under IPA I components III & IV, but these had since left the IPA landscape for IPA II. Here, it was observed that the exchange of expertise between the SLIs in these countries and the EU, had not improved compared to IPA I. The capacity built within the Operational Structures (OS) under IPA I offset, to some extent, the absence of the specialist know-how from the line DGs.

The most notable improvement in the dialogue surrounding IPA II programming, was related to **Inter-institutional dialogue among IPA II beneficiary stakeholders**. This was evident in most sectors and most beneficiaries where the SWG was central to facilitating this improved dialogue. Many stakeholders noted that the SWG was the first occasion where they had the opportunity to discuss their priorities in an open forum. The SWG still suffered from some weaknesses linked to its leadership, composition and mandate. These are discussed in the beneficiary matrices in Volume II. Nevertheless, it represents a useful innovation. The example of Bosnia and Herzegovina is worth highlighting, where parallel discussions between the many institutions had defined the main programming approach under IPA I. This had changed fundamentally under IPA II, with the main institutions confirming that the SWG had improved the quality of dialogue among them over programming priorities (although Republika Srpska's official position towards SA processes was negative at the time of writing). Improvements were reported in specific sectors in Turkey and Serbia, but also in the Republic of North Macedonia. In Montenegro, the SWGs evidently benefited from the existence of the Chapter Working Groups, which had already put in place the networks needed for sector level programming. In beneficiaries with indirect management modality and in sector reform contracts (SRCs), **Sector Monitoring Committees (SMCs)** were being promoted and exist in the main sectors. However, in all sector operational programmes seen in the evaluation, these SMCs had not yet become operational as most IPA II assistance had not yet been implemented to any meaningful degree and they had no impact on dialogue linked to programming.

6.2.2 JC 2.2 Sector assessments and dialogue (including positive and negative cases) are reflected in Country strategies and Action programmes and used to orientate programming choices

ISPs and sector assessments have a loose relationship.

Sector assessments are most robust in SBS and SOPs.

SPDs have been drafted in all IPA II beneficiaries and their value is primarily linked to the process used for their preparation.

The quality of SPD assessments is subject to several factors.

The first SPDs struggled to provide coherent sector assessments, although the later versions show an improvement, but this is often thanks to TA.

Sector assessments in ADs are usually only cursory and lack the sort of detailed analysis expected of them.

The existence of national sector strategies to link IPA II sector assessments is important, but only where these strategies are credible.

Sector maturity is a key criterion for SBS support.

The relationship between country strategies and sector assessments was generally not strong, as **ISPs** were often developed before SPDs, SRCs and SOPs were drafted. ISPs provide overviews of strategic choices for IPA II funding and in most cases sectoral programming documents fall within the areas identified by the ISPs. Ideally, sectoral assessments should be conducted before preparing ISPs, but in practice, they were usually conducted later (Albania being the one exception).

Sector assessments constitute central elements of **SRCs and SOPs**. As these are linked directly to financing, unsurprisingly they were of good quality, generally. They outlined the challenges for the sector and the potential responses to them to be financed *inter alia* by IPA II. In PAR **SRCs**, direct support from SIGMA and the relevant Centres of Thematic Expertise (CoTE) at DG NEAR provided further quality inputs into the sector analysis, with good results. In the MAP sectors (EESP, Environment & Climate Change, Transport, Rural Development) the sector assessments in the **SOPs** are in many cases an update of those done under IPA I. It was noted that here the involvement of the sector lead institutions had been stronger and sector strategies were better assessed (Turkey). It was also noted that coherence between national strategies and IPA II documents was much clearer than in other sectors (Montenegro).

For those sectors not covered by SBS and SOPs, the sector assessment was captured within the SPD. It described the sector and its needs (part I), as well as the IPA II response to these needs (part II). SPDs were drafted in all IPA II beneficiaries and in many cases; this 'informal' document was periodically updated as needed. In principle, the SPD was a reflection of the dialogue within the SWGs and it is clear that the drafting process, played out through the SWG, was valuable in discussing institutional priorities and placing them within IPA II priorities, particularly in the early stages of SA. Beyond this, the SPDs' value became less clear. This is linked to the fact that the SPDs themselves are not financing documents and were less of a priority to the IPA II beneficiaries than, e.g. SRCs or SOPs. A range of other factors influences the SPDs' quality. SLIs were charged with their drafting, but in many cases, these institutions had limited analytical capacity. The heterogeneous nature of many IPA II sectors complicates developing a coherent assessment of sector needs. In addition, as noted in EQ1, the actual purpose of the SPD is not well understood by many stakeholders and, in many cases, it is perceived as an administrative burden that uses up resources that are needed for more pressing tasks. Finally, the often-limited appreciation of the SA in institutions outside the IPA II 'core' (EUD/NIPAC/SLI), often reduced their inputs into the SPD to one of merely submitting 'project ideas' for 'their sectors'. All of these factors affected not just the quality of the SPD, but also the way in which they were prepared and used. It was also noted that whilst some IPA II beneficiaries continue to regularly update their SPDs (mainly at the bidding of the EUDs), others such as Serbia, have let this process tail off, with the SPDs there gradually becoming outdated. The first round of SPDs (drafted after 2014) struggled to present any coherent sector assessment. This is unsurprising, as the parties involved in their drafting (from the EUDs to the NIPACs and SLIs) had to do this with limited guidance and no experience in the process. The second and third attempts done in 2016 and 2017 provided a better reflection of the sectors needs and how the IPA II beneficiaries wished to use EU funds in order to address them. The improvement can be attributed in part to the experience gained from the first versions of the SPDs, but also, to better guidance from DG NEAR. By this time, the NIPAC or SLIs had technical assistance at their disposal and used this to do the bulk of the drafting. As a result, recent SPDs from IPA II beneficiaries, such as Montenegro and the Republic of North Macedonia, contained good sector assessments. **ADs** also contained sector assessments that, in principle, derived from SPDs. The quality of these assessments varied significantly and there appeared to be no common approaches to them. Typically, they comprise a brief piece of text (around 1 page) with cursory information about the situation in the sector where the action was to be implemented. In some countries (Albania, the Republic of North Macedonia), the ADs had progressively improved their sector focus and sector assessments reflected it; however, in Kosovo the ADs from all three programming years under evaluation (2014, 15, 16), contained sector assessments that do not directly derive from the SPDs. One of the foundational building blocks of the SA was the notion of linking IPA II and **national sector strategies**. This should have ensured that IPA II directly supported the IPA II beneficiaries' efforts to reform their sectors but also to have improved IPA II funding and its effectiveness and sustainability. In several IPA II beneficiaries, a patchwork of sector (and sub-sector) strategies existed that in principle could have been used to cement the relationship between national and EU reform efforts. In practice, the situation was far more complex and dynamic. For example, the evaluators found that national strategies relevant to IPA II sector priorities had been adopted after ISPs & SPDs had been drafted. However, the SPDs had not been updated (e.g. in the Republic of North Macedonia). In others, some national strategies existed, but not all covered the IPA II sector in question (such as PAR in Bosnia and Herzegovina). Overall, the evaluators were under the impression that having national strategies in place undoubtedly helped, where these are credible documents. Nevertheless, the mere existence of a strategy is not a panacea, but neither is its absence excessively detrimental for IPA II. Sector maturity is a key criterion for SBS support. The evaluation found that stakeholders involved in programming took this seriously and that the process of preparing the sector assessments for SBS was lengthy (reportedly up to 2 years for PAR in both Kosovo and Montenegro). This was seen as being worthwhile as the process built on both ownership and capacity among the participants.

6.2.3 JC 2.3 Improved quality of actions' design and relevance of actions' results to national objectives

Action designs contain results that usually correspond to national sectoral priorities.

In principle, IPA II actions should stem from coherent intervention logic at all programme levels and contain robust indicators.

In practice, this has proven to be a major challenge, with limited coherence between the results at various programme levels.

SRCs have generally sound design, but some have suffered from poorly defined indicators.

SOPs have benefitted from IPA I and exhibit good sectoral focus.

SPDs design quality is generally sub-optimal, although some improvements are noted in later versions.

ADs are hampered by similar limitations to those found in SPDs.

Efforts by DG NEAR to improve programme design are unlikely to deliver change in the near future.

Either the results stated in IPA II interventions usually corresponded to government sectoral priorities, those explicitly stated in strategies or those not formalised but widely recognised by stakeholders. These results had an overtly sectoral character, which represented a step forward and can be attributed to the SA process that places the sector at the centre of policy dialogue. Programming documents under IPA I also made reference to national priorities, albeit in a less structured or rigorous way than under SA and without the sector as its principal reference point.

The introduction of the SA represented a considerable challenge for programmers, especially in its emphasis on delivering demonstrable sector-level change. In order to do this, programming documents should have contained, in theory, **coherent intervention logic** at beneficiary, sector and action levels (ISPs – SRC/SOP/SPD- ADs), underpinned by national PAFs with usable indicators, particularly related to project/programme outcomes at sector level. Under IPA I, there had been little emphasis placed on such principles outside of the SOPs (which had an explicit sector-level focus and contained detailed indicators and M&E arrangements).

Evidence from the evaluation indicated that the **coherence of results at various programme levels was, at best, mixed** and with little overall indication that the SA had significantly improved this aspect of programme design. The quality of individual programming documents varied widely. As may have been expected, SOPs and SRCs generally contained better-formulated results and supporting indicators. The assistance given by SIGMA in developing indicators and a measurement methodology (indicator passports) for PAR and PFM was an example of good practice. In several cases, indicators used for SBS programmes come from the strategy. Nevertheless, the evaluation identified several examples of SRCs with indicators that had to be revised several times, as they proved to be over-ambitious and a barrier to a realistic assessment of SBS performance (in Serbia and Albania). These posed an obvious risk to efficiency, as poorly defined indicators threatened the access to IPA II funding tranches. This situation evidenced a wider issue noted in SIGMA reports of IPA II beneficiary planning processes tending to be over-optimistic and not sufficiently evidence based.

SOP design followed on from their IPA I practice and contained results and indicators that were fit for purpose – but this could be attributed to SA.

SPD intervention logic and associated PAFs were a very mixed bag. The quality of their ILs was generally found to be sub-optimal (confused hierarchy of results was typical). Many SPDs contained objectives and indicators which did not link to either ISP or the ADs that should stem from them (e.g. an overall objective in ADs should in principle be specific objectives in the relevant SPD – this was very often not the case). Not all SPDs had indicatory tables, despite being mandatory (e.g. Turkey), while risks and assumptions exhibited basic weaknesses. In summary, the design of many SPDs was, in many respects, below the required standard. Some more recent SPDs that had benefitted from external TA were of better quality but with the value of the SPD openly questioned by many stakeholders, any consistent improvements were likely to be TA-driven, at least in the short term.

We note that all SPDs (apart from that for Fundamental Rights) are being revised. They all include indicators except for the Agriculture SPD, which includes small interventions in 3 chapters of the acquis – 11, 12, and 13 and is proving rather difficult to design.

AD designs also represent a mixed picture. They tend to suffer from the same weaknesses as those described for SPDs. This was to be expected as many of the institutions involved in the drafting and the quality assurance of the ADs, were the same as those for the SPDs. The challenges faced by the AD programmers were increased by time pressure that was generated by the annual programming cycle these documents are locked into. Thus, limited capacities to develop sector programmes are exacerbated by the need to deliver draft-programming documents to tight deadlines, with little space for revision or reflection of lessons learned. This was reported in all the IPA II beneficiaries.

The impression from this evaluation was that the challenges posed by sectoral programming needed to be addressed systematically. For the long-term capacity support of the type provided by EC line DGs under IPA I components III, IV & V. DG NEAR's efforts to provide occasional training workshops to IPA II beneficiary institutions, while being worthwhile, were unlikely to generate any fundamental overall improvement in the short to medium-term.

6.3 EQ3. IMPROVED SECTOR POLICY MANAGEMENT

To what extent is the Sector Approach becoming an effective tool to improve results-based policy management in the key accession-related sectors?

Summary answer to the Evaluation Question

Improvements in sectoral policies and the institutional framework for IPA II were largely confined to budget support programmes and multi-annual programmes. Overall, the NIPACs and sector lead institutions were only partly effective in leadership and coordination of the sector approach, although the situation varied significantly between IPA II beneficiaries and between sectors. Sector working groups generally did not play a significant role in improving sector policy management, but this again varies among the IPA II beneficiaries. Except for SBS programmes and some multi-annual programmes, performance assessment frameworks (at programme and sector level) and monitoring & evaluation arrangements were not in place across all IPA II beneficiaries; nevertheless, in some cases improvements were emerging. Both sector BS programmes and multi-annual programmes encouraged progress towards more strategic linkages between IPA II and national strategic and sector policy planning and the use of mid-term budgeting. Beyond these modalities, IPA II is locked into the annual programming cycle and thus programmers and implementers alike must adapt to the (primarily time) constraints it imposes.

So far, public opinion had not been effectively harnessed by the IPA II stakeholders to promote sector reforms targeted by IPA, although the Republic of North Macedonia offers one interesting positive example of good practice. There is some evidence that public opinion follows sector processes when there is an open political debate in which the media is involved, but this is not related to the sector approach (it happens today in Albania, it happened in the late 2000s and early 2010s in Serbia and Turkey). IPA II placed great importance on civil society's involvement in sector approach processes. In practice, civil society organisations were engaged in sector approach forums such as sector working groups and sector monitoring committees only formally, but the quality of their engagement was generally poor. As a result, these organisations (with few exceptions) were sceptical of the sector approach as an effective vehicle for integrating their views into programming and perceived their own participation in its forums as having little value to them.

Sector BS programmes and multi-annual programmes were generally well suited to deploying sector approach processes, although some difficulties in the use of budget support were linked to its conditionality and to the commitment on reform of IPA II beneficiaries' and a certain institutional volatility. Multi-annual programmes for the most part continued the work of IPA I components III, IV & V. The reduced visibility of some line Directorate Generals in IPA II was not a positive development, although most existing multi-annual programmes were able to adapt, albeit with some reported difficulties. Despite the benefits offered by both BS and multi-annual programmes, there were disincentives to their actual deployment. Multi-annual programmes were not utilised as widely as they should have been and provided the advantages they offered, appeared to be a missed opportunity.

Of the tools available to IPA II institutions to support the SA uptake, SIGMA has provided the greatest innovation by supporting IPA beneficiaries in the development of public administration reform strategies. In Albania, EURALIUS and PAMECA played similar roles to support the Judiciary and Police reforms. TAIEX and Twinning continued to be deployed in all IPA II beneficiaries and, generally, provided useful support, although its usage did not change since IPA I.

6.3.1 JC 3.1 The process of SA uptake is a significant factor of improvement of the sector policy and institutional framework

Improvements in sectoral policies and the institutional framework for IPA II were largely confined to SBS and MAPs.

The NIPACs and SLIs were only partly effective in leadership and coordination of SA, but this varied significantly between beneficiaries and sectors in them.

SWGs generally did not play a significant role in improving sector policy management, but this again varied among the IPA II beneficiaries.

The quality of institutional leadership and coordination of SA differs significantly among IPA II beneficiaries and presents a very diverse picture. **NIPACs** were found to be active to varying degrees in the coordination of SA processes e.g. circulation of guidance, participating in sectoral meetings, and often joint-chairing them, although their ability to do this effectively is conditioned by their institutional standing and staff capacity. At a sectoral level, the main players are the **SLIs**. Their effectiveness in leading the SA processes was more uneven than the NIPACs. The evaluation found that when the SLI had a strong SPO with good ownership of SA, the SA processes tended to work better. Where there was a homogeneous sector, it was easier to coordinate institutions that shared common strategic objectives (e.g. environment). When these elements were missing, or highly heterogeneous sectors had relatively weak SPOs, the SA processes tended to function poorly. The example of the Republic of North Macedonia was typical for other IPA II beneficiaries, i.e. the ability of the SLIs to 'lead' the SA processes varies significantly from sector to sector, as does their behaviour (some are passive, some very active, some tend to dominate the process, among others), i.e. there is no common standard among them. A final factor was the attitude towards the SA of the line ministries and/or other entities within an IPA II sector. Their awareness of the benefits of SA processes is generally lower than within the 'core institutions' and their resistance to SA-induced changes could very effectively have undermined the efficiency and the effectiveness of IPA II there.

Exceptions to this are found in the **MAPs and SBS**, when the SLI is better motivated and invariably coordinates the process better – examples of these can be found in Montenegro, Albania, Turkey and Serbia.

It was noted in EQ2 that **SWGs** had been valuable in facilitating dialogue on programming priorities. SWGs also were used (in principle) as a forum for sectoral and donor coordination. The evaluation found that IPA II beneficiaries differed in the use of the SWG for this purpose. In **the Republic of North Macedonia**, the SWG evidently served as both a forum for planning assistance under IPA II, as well as a more general opportunity for institutions to discuss policy issues. This represents a positive example. Elsewhere the picture is less positive. In **Kosovo**, many of the SWGs either have become redundant, or were at best only partially operational. In **Serbia**, SWGs are not really functioning, apart from programming, and although they exist on paper, they seldom meet. In some sectors, e.g. PAR, meetings of SWGs are redundant and unmanageable – a problem noted elsewhere. In **Bosnia and Herzegovina**, for instance, SA coordination and leadership is complicated by the large number of institutions in IPA II sectors, along with the generally limited capacities of the SLIs. In **Montenegro** and Serbia, which are negotiating countries, SWGs appear to play a secondary role compared to the Chapter Working Groups for accession negotiations (see also EQ 5 on this issue).

With the exception of SBS and some MAPs, functional M&E arrangements were not in place across IPA II beneficiaries, although some improvements are emerging.

Sound national M&E systems were a rarity in IPA II beneficiaries. They only existed in the framework of SBSs and some MAPs. In other sectors, these were mostly absent apart from the existence of some components needed for results-based management (RBM), e.g. action plans with indicators found in some sector strategies, some MISs that collect data on project performance exist, sector monitoring forums had been created or persisted from IPA I. Some SPDs even referred to performance assessment frameworks (for example in Turkey) but there was scant evidence that these were being used for IPA II or national purposes. A common observation of stakeholders canvassed from the field phase was that, as most IPA II interventions had yet to start in a meaningful sense, there was no great hurry to put in place the necessary elements of a sectoral M&E framework to track their performance. To some extent, this can be explained by the lack of explicit obligations for sectoral monitoring in the IPA II regulations (particularly for funds under direct management). More fundamentally, it illustrates a wider failure to appreciate the importance of M&E as a component part of results-based management upon which the SA is founded.

In **Serbia**, there was no results-based management or systematic M&E in most sectors. In the framework of PAR and PFM SBS, results of the comprehensive reform implementation were analysed and served as a base for inter-institutional and EU-Serbia dialogue. National M&E commissions existed for Judiciary reform and Chapter 23 and 24 Action plans, but their outputs (thousands of pages) were not easy to access and discuss with CSOs and external partners (apart from the accession negotiation fora). In **Montenegro**, strong sector strategies underpinned by viable national PAFs existed in the framework of the SBS programmes and EESP SOP. Elsewhere, PAFs were largely absent, with few sectors having the basic preconditions needed for their application. In **Bosnia and Herzegovina**, some sectors had the basis for national PAFs (such as PAR) but these were not complete and functional.

In **the Republic of North Macedonia**, some improvements were evident. Here, M&E systems emerged in the EUD, although this predated IPA II. Elements of M&E systems existed within many of the national institutions, but for the most part, these were neither coherent nor comprehensive for tracking and analysing sector performance. The TA for capacity building aimed to create national PAFs for all sectors and this will, if successful, directly contribute to the improvement of RBM. In the MAPs established for components III and IV of IPA I, PAFs were integral to the SOPs, although feedback suggests that they would need to function better than under IPA I to be of value.

SBS and MAP encouraged moves towards more strategic linkages between IPA II and national policy planning and the use of mid-term budgeting.

Beyond these modalities, IPA II was locked into the annual programming cycle and all that comes with it.

Regarding linkages between IPA II support and national sectoral policy processes and budgeting, the picture was clear: PAR (supported by SIGMA) developed the conceptual framework and the implementation tools, while SBS and MAPs created the conditions to put them into practice and encouraged commitment from both national and EC institutions to move towards more predictable, sector-level interventions. This was particularly evident in Albania and to a lesser extent in other IPA II beneficiary countries where SBS and MAPs were deployed. Outside these modalities, the evaluation found no solid evidence to suggest that SA had stimulated a move towards a mid-term sector budget planning perspective or fundamentally influenced national sector policy processes. This was evident in the Republic of North Macedonia, Bosnia and Herzegovina and Montenegro.

Most IPA II beneficiaries still functioned along an annual budgeting cycle without any mid-term budgeting framework (although some were moving towards MTF). Much of IPA II support, which followed the annual programming cycle, mirrored this. With much of the IPA II funding locked into this annual cycle, there was a much greater focus on contracting, implementation and disbursement of funds, i.e. IPA II became process driven. Feedback from IPA II beneficiary institutions confirmed that, for them, the main concern linked to the SA was the efficient commitment to their annual financing allocation rather than the strengthening of medium-term sector strategies.

6.3.2 JC 3.2 The public opinion and the CSOs are addressed by and involved in the policy management process

So far, public opinion has largely not been effectively harnessed by the IPA II stakeholders to promote sector reforms targeted by IPA, although the Republic of North Macedonia offered one interesting positive example.

The evaluation found that the main parties dealing with awareness and communication generally agreed that the current practice for IPA II in this area was not particularly effective in promoting key sector reforms. The EC lacked the specialist resources needed for such work, as well as a credible strategy for both HQ and EUDs to work with. In addition, the engagement of national IPA II beneficiary institutions would have been essential, but at the time, most parties had little appreciation of this concept. In **Bosnia and Herzegovina**, for example, the response from local institutions to the question of how they could use public opinion more effectively to promote their reform agendas was incomprehension or that this issue was not their responsibility. In **Albania**, there was significant attention from the media to the EU accession process and certain key reforms, especially in the Judiciary, were accompanied by an open political debate in Parliament and the country. In **Turkey**, MEUA promotes and coordinates the participation of CSOs to the IPA programming process, but not to national sector policies.

The most positive example found came from the EUD in **the Republic of North Macedonia**, which had taken an innovative approach to the promotion of the IPA II results and it had been piloted in one sector (Rural Development). However, it was described by the media as being an interesting counterpoint to the previously 'boring' campaigns run to promote EU projects by the EC and national ministries.

IPA II placed great importance on CSO involvement in SA processes.

In practice, CSOs were engaged in SA forums such as SWGs and SMCs only formally and the quality of their engagement was generally poor.

As a result, CSOs were sceptical of the value of the SA and perceived their own participation in its forums as having little value to them.

SA placed considerable emphasis on engagement of external stakeholders in its processes. In particular, great stock was placed on the involvement of CSOs in all the key phases of SA, i.e. programming, monitoring and implementation. The evaluation found that in most, but not all IPA II beneficiaries, CSOs had indeed participated in the preparation of SPDs, SRCs and SOPs as members of the SWGs. However, the quality of their engagement (in terms of numbers of CSOs invited, the frequency of their participation and the space given to them to contribute to discussions) was generally found to be poor. The strong impression is that CSOs had been incorporated into the SWG only formally and that, in reality, there was little added value in it, not only for the SA processes, but also for the CSOs themselves. For example, in **Kosovo**, CSOs were formally excluded from the SWGs created by the national authorities to respond to SA requirements, on procedural grounds. In **Bosnia and Herzegovina**, the PAR SWG included only 2 CSOs and the quality of their engagement (based on feedback from the CSOs) suggested that this was formal in character and had not allowed them to influence the SPD process in a significant way. In **Serbia**, CSOs were not included in IPA II policy process, apart from the programming. They were only invited as observers in the annual IPA Monitoring Committee. In **the Republic of North Macedonia**, aside from a few isolated examples of the involvement of CSOs in SWGs, involvement was very limited, primarily due to a lack of initiative from the SLIs.

Unsurprisingly, the perception of CSOs regarding the SA process and SWGs was almost completely negative. Those that had participated in SWGs and other programming activities stated that there was little point in them attending these events, as they were unable to meaningfully influence the documents under preparation. In Turkey, due to the efforts of the SLI, CSOs were associated in the programming process although most of them were sceptical about the transparency and the usefulness of such consultations. In other IPA II beneficiaries, CSOs were still confused about their actual role in the SWG and had not been given clear guidance by the SLIs (the Republic of North Macedonia, Montenegro). The CSO representatives contacted by the evaluation expressed a general willingness to be involved in SA processes (such as SMCs, or even as implementing partners for actions, such as under EESP SOPs). However, for them to commit their resources to the SA, this engagement would have needed to be more meaningful, as they perceived it as a mere box-ticking exercise and thus, a waste of their time.

6.3.3 JC 3.3 Improved quality of actions' design and relevance of actions' results to national objectives

<p><i>SBS and MAPs are generally well suited to deploying SA processes.</i></p>	<p>In general, both SBS and MAPs proved to be good instruments for the operationalising of the main tenets of the SA. Evidence from those IPA II beneficiaries deploying these programmes suggested that they encouraged more structured policy dialogue between the main stakeholders. This resulted in generally sound designs with usable national PAFs (albeit with problems related to definition of indicators). They also aligned IPA II and national sector policies more effectively than other forms of IPA II support. Nevertheless, both programmes were demanding in terms of time taken for their preparation and implementation, and the capacities of the institutions involved (both EC and beneficiary). In the case of SBS, a specific set of conditions had to be met to ensure that the programmes were delivered in an environment that was conducive to success. In most cases, this was proven an effective (but not necessarily efficient) approach to preparing beneficiary institutions for integrating SBS into their national reform processes.</p>
<p><i>Some difficulties in the use of SBS had been noted linked to its conditionality.</i></p>	<p>In some cases, however, the introduction of SBS had not been wholly successful. The pre-conditions mentioned above had led to potential SBS beneficiaries not availing themselves of the programme. This was most evident in Turkey, but also in the Republic of North Macedonia. In addition, there was evidence that these conditions, especially the adequacy of the sector strategy, had been partly forced in cases where there had been a strong political imperative to put SBS in place. Consequently, SBS had to deal with some additional difficulties in the initial phase, although the choice has proven itself as the right one.</p>
<p><i>MAPs for the most part continue the work of IPA I components III, IV & IV.</i></p>	<p>Most MAPs are a continuation of the IPA I component approach but still lend themselves well to delivering actions over a longer term multi-annual perspective and provided a level of flexibility to programming that is absent in IPA II annual programmes. Due to the work done under IPA I, the SOPs developed for IPA II were mature documents and the institutions responsible for them – the OS – largely had the capacity to programme and implement IPA actions at a sectoral level. This was largely absent elsewhere. The intense interaction between EC line DGs and IPA beneficiary institutions under IPA I had evidently influenced not only the nature of the SOPs, but also the way the IPA beneficiaries formulated their own programmes. This is being continued now in SOPs in Montenegro and Turkey. The perceived departure of some EC line DGs was undoubtedly a negative step for further nurturing this interaction. However, evidence suggested that the capacities developed under IPA I were still in place to deliver IPA II MAPs. Whilst efficiency problems had been evident in many MAPs, this was more a result of the inherent inefficiencies of decentralised/indirect management than any weaknesses in the MAPs themselves.</p>
<p><i>Despite the benefits offered by both SBS and MAP, there are disincentives to their actual deployment.</i></p>	<p>Despite the benefits offered by both SBS and MAP, there were disincentives to their actual deployment. As already noted, in Turkey, SBS conditionality acted as a deterrent against making use of the programme. Difficulties linked to indicators and delays in disbursement of financial tranches in other IPA II beneficiaries, allegedly also prevented other governments from adopting SBS. For example, in the Republic of North Macedonia, feedback from stakeholders suggested that the basic conditions were in place for the adoption of SBS in some sectors and that the EC had been exploring options for its introduction, but there was a noted reticence from the authorities to commit to this.¹⁷</p>
<p><i>MAPs are not utilised as widely as they might be. Given the advantages they offer, it appears to be a missed opportunity.</i></p>	<p>MAPs are a paradox as they offer some obvious benefits over other types of programmes. As noted in Montenegro, the SOPs had directly built relevant capacity for the use of EU structural funds and therefore explicitly helped in preparing these institutions for accession. However, they remained under-used in most IPA II beneficiaries. The reasons behind this could be partly attributed to the implementation modality (indirect management, except in specific cases) which limited their usage (for example, it was not deployed at the time in Bosnia and Herzegovina or Kosovo). Another disincentive relates to the perceived absence of some EC line DGs, and this should not be underestimated. The loss of long-term capacity support of this type is not replaceable through a TA contract and the complexity of setting up new SOPs cannot be underestimated. Perhaps the most prosaic reason for the relative lack of MAPs was the limited awareness of them among many IPA II stakeholders and the associated natural tendency to stick with known products rather than choosing an unknown. This came out clearly in discussions in several IPA II beneficiaries, both from national institutions and EUDs.</p>

17 Recent feedback from DG NEAR indicates that this is changing and one SBS programme is under preparation.

6.3.4 JC 3.4 Specific facilities/ tools for capacity development, such as SIGMA, TAIEX & Twinning have shown to be particularly suited to facilitate the SA uptake.

Of the tools available to IPA II institutions to support SA uptake, SIGMA has provided the greatest innovation by supporting the development of PAR and PFM SRCs in the region.

SIGMA, TAIEX and Twinning continued to be deployed to support IPA II implementation. There was no notable change in their relevance or effectiveness since the introduction of SA, apart from SIGMA, the contribution of which to build national strategic frameworks in PAR and PFM has become crucial. All the IPA II beneficiaries were at the time of the evaluation-experienced users of these tools.

SIGMA's work has helped to meet the preconditions for the introduction of PAR & PFM SBS as part of its wider efforts to introduce key elements of functional public administrations. This facilitating role is observable in many IPA II beneficiaries. In **Kosovo**, SIGMA played a key role in the preparation of both SBS interventions. SIGMA *inter alia* developed the baseline assessments (in 2015) and wrote a monitoring report (2016/17), which provided a base to strengthen dialogue and joint action for improvement of the indicator. It also developed prospective indicator passports for reform implementation, which could be integrated into indicators used for the SBS interventions. The benefits of SIGMA in this regard were considered high. In **Serbia**, SIGMA reports were a key tool for the assessment of PAR and PFM. They were widely used for the preparation of SBS, as well as for national PAR action plans, and are used for its assessment. In **Montenegro**, SIGMA's work helped to develop the PAR/PFM SBS programme development as it fits the needs of the SA and is recognised as an important provider of TA expertise in PAR and PFM issues. In **the Republic of North Macedonia**, SIGMA was a useful monitoring resource for the EC and played a proactive role in the development of the PAR strategy.

TAIEX and Twinning continued to be deployed in all IPA II beneficiaries' countries and generally provided useful support. However, their usage did not change under SA from IPA I.

Reportedly, **TAIEX** deployment under SA did not change from IPA I. It remained a useful tool for delivering targeted short-term assistance in specific areas. **Twinning** kept its relevance under SA. All IPA II beneficiaries used it, although not all of them exhibited the same level of demand. In **Kosovo**, for example, Twinning is extensively used to deliver assistance in specific areas linked to the European perspective, where EU MS assistance is considered most effective, and was seen as a primary tool to address issues arising from Kosovo's SAA commitments. Twinning in **Turkey** had been a constant since 2002 and was still perceived as a positive peer-to-peer mechanism for accession-specific capacity support, even when EU member states' interest in participating in Twinning is reportedly decreasing. In **Montenegro**, Twinning was relatively under-used, reportedly due to a reticence of national institutions to commit to the instrument due to capacity demands imposed on them.

In summary, it appears that adopting the sector approach did not change the use of either TAIEX or Twinning, both of which continued to provide useful and welcome support to meet the varying needs of the recipient countries.

6.4 EQ4. KEY STEPS IN REFORM IMPLEMENTATION, INITIAL OUTCOMES AND THEIR DIRECTION TOWARD IMPACT

To what extent has the use of the Sector Approach, in the two sectors of i) Democracy and governance and ii) Rule of Law and fundamental rights, started contributing to the improvement of sector policy reforms?

Summary answer to the Evaluation Question

Overall, there were few results to speak about in terms of outcomes, due primarily to the interventions having not yet reached maturity. Nevertheless, outputs of the sector approach were observable. The sector strategies developed could be considered as outputs and there was some evidence that these strategies – mainly via BS programmes – had influenced national sector policies. The specific circumstances in each IPA II beneficiary had influenced the adoption of sector strategies. The performance assessment frameworks developed for BS programmes and multi-annual programmes, also represented valuable outputs, although these have been created for the purposes of IPA II. Otherwise, national arrangements for assessing sector performance had usually only been partial at best. There was a concerted effort only in the Republic of North Macedonia to put performance assessment frameworks in place (via external technical assistance) for all IPA II sectors. Crosscutting themes appeared in sector strategies, as these are mandatory. The quality of the analysis tended to be cursory, but some good examples existed in some sector operational programmes and sector reform contracts.

The effectiveness of the bodies charged with sector leadership (the sector lead institutions) and coordination varied significantly by sector and IPA II beneficiary. In general, the key actors recognised the NIPACs as the coordination points for sector approach, even when their formal role was in fact limited. The sector lead institutions could be powerful and effective (such as finance ministries leading BS programmes in public financial management reform) with a natural respect of their status. Conversely, they could be agencies with wide agendas but a very limited mandate to deliver them. The sector working groups proved to be effective in the programming process and generated valuable outputs, although they are under-used.

National budgetary processes adapting to IPA II sector approach needs were only found in BS programmes and partly in multi-annual programmes. Outside of SBS and MAP, there was no consistent evidence to suggest that IPA II was encouraging a medium term budgetary perspective. There was also little evidence that sector budget transparency had increased thanks to SA even when, in principle, this should have been the case, especially for SBS.

There were few emerging SA outcomes to report at this stage. They were mainly linked to sector strategies (namely in PAR and PFM), where SBS was being deployed and high-level capacity development support was provided (SIGMA), and/or to effective high-level political dialogue in specific sectors. Apart from such specific cases, the SA outputs had not yet been taken forward and transformed into outcomes. Albania offered an example of some positive developments supported by high-level political dialogue (e.g. Judiciary), although it was questionable if these were attributable to SA alone. The accession negotiations, once opened, did not seem to be a major incentive towards SA uptake – indeed the focus on *acquis* requirements appeared to divert IPA II beneficiaries' attention away from SA towards more short-term goals related to negotiations.

6.4.1 JC 4.1 Reinforced results-based management of beneficiaries (quality of the strategy, M&E systems and reporting) at sector level

<p><i>The IPA II sector planning documents, SRCs and SOPs can be considered as outputs of the SA; there was some evidence that they had influenced national sector policies.</i></p> <p><i>The specific circumstances in each IPA II beneficiary had influenced the adoption of sector strategies.</i></p>	<p>SPDs, SRCs and SOPs were developed across all IPA II beneficiaries, with some differences. This could be considered as an output of the SA. As noted elsewhere, the extent to which they supported or influenced national sector strategies varies (see also EQ2 and EQ3). In terms of a direct effect of SA, the interplay between these IPA II outputs and their national counterparts was confined to SRCs and some SOPs. Evidence of SA outputs influencing the formulation or adoption of national sector strategies could be found in Serbia (PAR/PFM), Albania (PAR/PFM, Judiciary and others) and Montenegro (EESP SOP). This could be considered an outcome of the SA. In other sectors, to date there has been little sign of SA support having had any significant effect on their national counterparts and therefore it was not yet possible to talk about any outcomes emerging from this process (see JC 4.4).</p> <p>Inevitably, the specific circumstances of each IPA II beneficiary had influenced the adoption and adaption of national strategies, as shown by the case of SPDs. In the Republic of North Macedonia, SPDs had been developed for all sectors, although several were not fully up to date and had been superseded by some recently introduced national sector strategies. The amount of work involved in their updating and their perceived limited utility was regarded as a deterrent. Stakeholders remained either sceptical or uncertain of the value of the SPDs and the field mission suggested that in some sectors (innovation, PFM) they had lost their original purpose. Thus, the likelihood that these SPDs would have been a catalyst for improving national strategy seemed very low at the time. This also broadly reflected the likely effectiveness of the SPDs in Montenegro and Kosovo. In Bosnia and Herzegovina, aside from the SPDs themselves (whose quality was uneven at best), the result of the process of SPD preparation was in the networks and awareness of SA among the Bosnian institutions that had been either absent or fragmented until that time. This represents a positive output of the SA process.</p>
<p><i>The PAFs developed for SBS programmes and MAPs represented valuable SA outputs, although these have been created for the purposes of IPA II. Elsewhere there was little evidence of indigenous sectoral performance assessment arrangements emerging.</i></p> <p><i>There was a concerted effort only in the Republic of North Macedonia to put PAFs in place (via TA) for all IPA II sectors.</i></p>	<p>National PAFs for results-based management were in place in the framework of SBS programmes and MAPs. These also constituted SA outputs although, as noted in EQ3, some contain shortcomings (primarily linked to the adequacy of their indicators). As with the IPA II strategies, these SA systems had been mainly created for IPA II purposes and for the most part not mirrored by national arrangements for tracking sectoral performance (such as national action plans with realistic objectives and indicators, backed up by comprehensive and functional M&E arrangements).</p> <p>In Albania, indicators were reviewed with the establishment of SRCs and targets were adapted based on experience. The right selection of indicators was learnt-by-doing for both the beneficiary and DG NEAR. However, putting in place M&E systems owned and mainstreamed by the beneficiary institutions, for tracking and reporting sector performance, remained a challenge still to be addressed in a medium-term perspective.</p> <p>Outside of SBS and MAPs, these systems were not completed and lacked many basic elements to facilitate RBM. In some cases, there were systems in place for donor coordination but not for tracking sector performance (Kosovo). In others, some monitoring systems were in place and could be used to assess sector performance. However, most sectors lack reliable data, others have it but lack defined procedures for reporting, among other deficiencies.</p> <p>A common problem noticed was the weak quality of the indicators, both in the national strategies – usually found in the ‘action plans’ associated with them – and in the IPA related documents, i.e. SPDs and the ADs. This situation seriously complicated any meaningful assessment of the performance and achievement of results.</p> <p>In the Republic of North Macedonia, information systems existed within the EUD and some national administrations. The TA for capacity building aimed at providing guidance to integrate these information systems into functional PAFs to be included in national sector strategies. Both PAFs and the identification of robust indicators remained to be completed, so they were obviously not in place yet. Nevertheless, this example offered the prospect of improved sector performance overall and a wider benefit to the beneficiary.</p>
<p><i>Crosscutting themes appeared in sector strategies, as these were mandatory. The quality of the analysis tended to be cursory, but some good examples were present in some SOPs/ SRCs.</i></p>	<p>Regarding the extent to which crosscutting themes were integrated into sector strategies and actions, the main themes (gender, environment, and climate) were featured in the SRC/SOP/ SPDs, as per the requirements. The quality of the analysis presented on these issues varied, with certain SPDs and SOPs dedicating extensive space to gender issues (the Republic of North Macedonia, Turkey). Most of the strategies provided assessments that are more cursory. Document analysis showed that some of these issues had been integrated into objectives or indicators (except for example, climate change measures in some SOPs for environment). DG NEAR had the CoTE available to support programmers in integrating these issues into their SRC/SOP/SPD. In principle, these CoTEs had an important role to play, but feedback from stakeholders suggested that they were only of limited benefit, primarily due to their capacity limitations (a point highlighted also in the IPA II mid-term evaluation).</p>

6.4.2 JC 4.2 Reinforced institutional sector leadership and coordination

The effectiveness of the bodies charged with sector leadership and coordination varied significantly by sector and IPA II beneficiary.

In general, the key actors as the coordination points recognised the NIPACs for SA, although how effective they were in this role was open to question in many cases.

Likewise, the SLIs could be powerful and effective institutions (such as finance ministries leading SBS programmes in PFM, for example) with a natural respect due to their status. Conversely, they could be agencies with wide agendas but a very limited mandate to deliver them.

As noted in EQ3, the effectiveness of the institutions leading SA processes is dependent on several factors. In general, the NIPACs are recognised by the key actors as the coordination points for SA, although how effective they are in this role is questionable in many cases. Likewise, the SLIs can be powerful and effective institutions (such as ministries of finance leading SBS programmes in PFM) that have natural respect due to their status. Conversely, they can be agencies with wide agendas but with a very limited mandate to deliver them (such as the PARCO in Bosnia and Herzegovina). Generalising on such issues is unwise as each sector in every IPA II beneficiary presents a slightly different picture. There is a summary below on the circumstances of each of them:

In the **Republic of North Macedonia**, SLIs existed and performed their roles to varying degrees of effectiveness, with the best example being the one from Environment and Climate Change. This was reportedly due to their IPA I SOP experience and an effective SPO. In **Montenegro**, the effectiveness of the SLI varied and was largely predicated on its institutional standing, the heterogeneity of the IPA II sector as well as the individual appointed as SPO. Whilst this varied from sector to sector, it was evident that improved leadership and coordination did not emerge across the board.

SLIs were designated and operational in **Bosnia and Herzegovina**. Their effectiveness varied but was generally sub-optimal due to their relatively weak institutional positioning within the highly complex and fragmented administrative landscape. Nevertheless, their role in SA delivery was recognised by most of the key stakeholders and their formal standing was respected by them, i.e. they were mostly not circumvented or ignored (although difficulties have been noted regarding non-participation of institutions from the Republika Srpska entity in SA processes). Also, through their involvement in SA processes, they had developed their capacity to programme along sectoral lines and had a much better appreciation of the value of the SA for conceiving and designing interventions. This applied not only to the SLIs, but also to the NIPAC and all those Bosnia and Herzegovina institutions that were involved in IPA II. Given the circumstances, this qualifies as a valuable outcome. In **Turkey**, the leadership of the MoJ in the Judiciary sector was rather strong, as was their coordination capacity. SA in the Judiciary has been strong since IPA I, due to the centrality of Chapter 23 in the EU accession process and the political commitment of the Government. On the other hand, the MoI in the Home Affairs sector was a strong institution but had not produced a comprehensive strategy. Nevertheless, it had produced a number of sub-sectors policy papers and action plans (migration, IMB, Organised crime, etc.) oriented towards obtaining IPA assistance. In **Serbia** and in **Kosovo**, the leadership of the MoF for PFM was strong. In Serbia, the primacy of both the Ministry of Public Administration for PAR and MoJ for the Judiciary was well established and recognised by all parties. PFM and Justice have strong leadership in their respective Ministries in **Albania**. However, this was not the case of PAR, where the already mentioned institutional volatility affects the reform process.

As noted in EQ3, the SWGs had proved to be effective in the programming process and had generated valuable outputs, but thereafter were under-used.

So far, SWGs represented the main positive innovation from SA in many IPA II beneficiaries, and their functioning has been discussed in EQ3. They had been effective in the programming process, primarily through the stimulation of dialogue among institutional stakeholders in various IPA II sectors. SWGs also increased the awareness of the sectoral perspective and promoted the emergence of networks between the institutions drawn into the programming process. These all constituted SA outputs. Their limitations were the frequent absence of external stakeholders in their membership but also their exclusive deployment for preparing programming documents. Once the SPD or other sector plans were done, the SWG were not transformed in or replaced by sector coordination structures owned by the national stakeholders. They tended to become dormant, waiting for a different sector strategy to be discussed in the process of IPA programming. Nevertheless, SWGs represented a valuable outcome and a basis for further integrating IPA II achievements in national sector processes.

6.4.3 JC 4.3 Reinforced budgetary process for sector strategy implementation

National budgetary processes adapting to IPA II SA needs can only be found in SBS and partly in MAPs.

There was evidence in those sectors where SBS was being implemented, of some national budgetary processes being adapted to IPA II SA needs. MAPs also imply a medium-term budget perspective although, in practice, the MAPs examined for this evaluation were based around indicative annual funding allocation to act over a 3-year timeframe. Outside of SBS and MAP, there was no consistent evidence to suggest that IPA II was encouraging a medium term budgetary perspective. This was expected as most IPA II beneficiaries deployed annual budget cycles and a large portion of IPA II assistance was based on Annual Budget Allocations. In these cases, the only explicit linkage between IPA II budgeting and national budgeting was evident in (annual) co-financing arrangements for action (e.g. in the Republic of North Macedonia, Montenegro, Kosovo, Bosnia and Herzegovina). Many national sector strategies had associated 'Action Plans' and these implied budget allocations to deliver the measures outlined in the strategies. In practice, funding allocations were, at best, indicative and often did not correspond to the reality on the ground (e.g. Turkey, Serbia, and Kosovo).

There was little evidence that sector budget transparency had increased due to SA, even though, in principle, this should have been the case, especially for SBS and MAPs.

There was little evidence that sector budget transparency had increased due to SA. In principle, SBS and, to a lesser extent, MAPs should improve sector budget transparency. SBS conditionality should have ensured that PFM was functional and in place. This should have increased overall transparency of the sector budget process. Both SBS and MAP tied IPA II and national funding to robust nationally owned PAFs. That should have demonstrated that allocated funds were contributing to sector level change, or alternatively, have allowed the identification of reasons to justify why this was not happening.

In practice, the evaluation did not find any widespread signs of SBS and MAP being fully in place for the following reasons: firstly, many SBS and MAPs had yet to enter full implementation, and those that had, were experiencing initial problems. In addition, several key elements needed for the effective functioning of SBS remained absent (e.g. sector strategies not adapted as planned, internal audit and control systems not functioning). Government provision of budget information on the financing of sectors was also often sub-optimal, e.g. PAR in Albania.

Outside of SBS and MAPs, there was no indication that sector budget transparency had improved as a result of introducing SA.

6.4.4 JC 4.4 Initial outcomes are being achieved and recognised

There were only a handful of SA outcomes to report at this stage, linked to sector strategies where SBS was being deployed. Otherwise, they had yet to emerge. However, this may change over time.

Except for a few isolated examples, the SA outputs had not yet been taken forward and transformed into effects, e.g. some SA processes such as the SWGs being deployed for national programme formulation.

Albania offered an example of some positive developments, although it was questionable if these were attributable to SA alone.

There was no evidence of the public having any improved perception of sector performance thanks to the SA.

Primarily due to the reduced amount of IPA II actually implemented, there were few outcomes to emerge and report on. Nevertheless, as noted in JC 4.1, there was some evidence that IPA II support was influencing the formulation or adoption of national sector strategies in Serbia (PAR/PFM), Albania (PAR/PFM, Judiciary and others), Kosovo (PAR/PFM) and Montenegro (EESP SOP), and that it constituted an SA outcome. In the case of the SOPs, there were signs that either IPA II beneficiaries were reforming their own systems in anticipation of EU membership (Montenegro) or in recognition of the good practice it offered (Turkey). However, this was primarily an effect from the interaction with the line DGs under IPA I rather than a direct effect from SA.

The evaluation found that **Albania** has delivered some major achievements regarding PFM. For example, there was an overall improvement of the PFM and the management of the budgeting process. The public deficit and the debt had been significantly stabilised, thanks to improvement in data collection and processing. Much remained to be done in terms of efficiency and transparency, but the process was on the right track. Significant reform outcomes were also evident in the Judiciary. Important constitutional changes and the advances in the process of vetting (re-assessment) of Judges were aimed at creating the conditions for defeating the endemic corruption and ensuring the effective independence of judges. These reforms were supported by IPA II but were the consequence of a new vigorous political commitment of the Albanian government since 2014. The importance of the political dimension was shown by the fact that, in the same period, sector reforms in the Turkish Judiciary had been going backwards.

The improved sectoral dialogue generated by the SWG, the increased institutional awareness of the sectoral perspective and the networks that had emerged from the SA process were all outputs. The evaluators saw no sign that these outputs had been internalised by IPA II counterparts, or that SA processes had been adopted as national ones. For such a change to happen, substantial amounts of time were likely to be needed and were dependent on a wide range of factors, such as institutional capacities of IPA II beneficiaries (and EUDs) or political commitment to devote the necessary resources to continue with the reform processes the SA was supporting. External factors, such as the events in Turkey and changes in the government in the Republic of North Macedonia, also played a role in how SA effects would emerge.

There was no evidence of the public having any improved perception of sector performance thanks to the SA. The media followed issues related to the reform areas supported by IPA II (such as Judiciary and Corruption in Albania and Kosovo, Good Governance in the Republic of North Macedonia), and followed reform processes when they were accompanied by open political debates, but this was not viewed through the prism of IPA II or EU accession. As noted in EQ3, this was an area where much work remains to be done.

6.5 EQ5. DIALOGUE, COHERENCE AND COORDINATION

To what extent does the development of sector approach ensure an increased coherence of the IPA II assistance with the overall accession partnership, other EC instruments and the assistance of different external players?

Summary answer to the Evaluation Question

Sector policy dialogue on IPA II implementation was best developed in BS and multi-annual programmes. This was facilitated by the existence of forums for dialogue – the sector monitoring committees for monitoring sector reform contracts – and the performance assessment frameworks as a basis for discussions on sector progress. Under indirect management of IPA II, sector-monitoring committees should have been established to assess IPA II sector performance. However not all were found to be operational and where they were, the approach to sector monitoring remained heavily focused on implementation. Where there were no BS or multi-annual programmes, there was little evidence of dedicated forums for structured sector level policy dialogue related to IPA II during implementation. IPA II Monitoring Committees ensured formal programme level dialogue, but this did not use national indicators as a basis for discussion. Sector working groups could be used to discuss performance but were evidently not used for this purpose. Structured policy dialogue relevant to IPA II also occurred in other forums for the Stabilisation and Association Agreements, chapter-working groups for negotiations and via ad-hoc or special working groups dealing with, for example, public administration reform. Informal dialogue also occurred where formal forums did not function. Engagement of other sectoral stakeholders not directly involved in IPA II implementation was significantly lower. Although Civil Society should play an active role in IPA II dialogue, in practice, this did not happen, and this deepened civil society organisations' scepticism of the value of their engagement in IPA II.

The linkage and the two-way connection between IPA II implementation and accession perspective were evident. However, some at times paradoxical specificities should be noted: for instance, the opening of the accession negotiations in Serbia and Montenegro, instead of supporting sector approach uptake, seemed an obstacle to it, as the focus was put on the individual achievements of the acquis, including many technical and legal aspects. It was as if accession negotiations found it very difficult to re-establish a link between sectoral reforms and individual achievements of the acquis. On the other hand, the absence of an accession perspective was perceived as a disincentive for sector approach application in Bosnia and Herzegovina or Kosovo. Conversely, in Albania the distant accession perspective was felt as a challenge by the government, which bet on success in SA giving new impetus to the reform process. There is thus a very close link between the accession dialogue and the related perspectives – on the one hand – and the actual beneficiary engagement in the reforms on the other.

Coordination and complementarity between IPA II and other EC instruments was generally satisfactory. Ensuring such complementarity with the Western Balkans Investment Framework was more challenging due to its absence from sector approach programming or implementation structures. Stimulating synergies should have been, in theory, a benefit of sector approach. However, evidence suggests that this is not a major focus for IPA II programmers, so examples are only sporadic and scattered. Mechanisms for coordinating dialogue with external partners existed. Some of these – joint forums on sector issues such as public administration reform and public financial management reform led by the EU and national authorities – appeared to be generally effective. Sector working groups could (and perhaps should) have served as a forum for coordinating IPA II and external partner actions. However, except for a few cases, this did not happen. Formal donor coordination mechanisms existed, typically led by National IPA Coordination Units in several IPA II beneficiaries. However, often these forums would not work as well as expected. As a result, donors had formed their own parallel structures to ensure a more effective coordination of actions.

6.5.1 JC 5.1 Enlarging the scope and raising the level of sector policy dialogue on IPA II implementation between the EU and beneficiaries

Sector policy dialogue on IPA II implementation was best developed in SBS and MAPs.

This was facilitated by the existence of forums for dialogue – the SMCs for monitoring the SRCs – and the related PAF indicators as a basis for discussions on sector progress.

Under indirect management of IPA II, SMCs should have been established to assess IPA II sector performance. Not all SMCs were found to be operational and where they were, the approach to sector monitoring remained heavily focused on implementation.

When there was no SBS or MAPs, there were no dedicated forums for structured sector-level policy dialogue related to IPA II during implementation.

JMCs ensured formal programme level dialogue but did not use national indicators as a basis for discussion.

SWGs could be used to discuss performance but were not used for this purpose.

Structured policy dialogue relevant to IPA II also occurred in other forums via ad-hoc or special working groups dealing with, for example, PAR. Informal dialogue also occurred where formal forums did not function.

The engagement of other sectoral stakeholders not directly involved in IPA II implementation, was significantly lower.

Civil Society was expected to play an active role in IPA II dialogue but in practice, this did not happen.

This deepened their scepticism about the value of their engagement in IPA II.

The quality of this sector level dialogue, as far as it can be objectively assessed, was strongest where SBS programmes had been introduced. Here the linkage between political and operational level representatives of both beneficiaries and the EU was put in place at the start of these programmes and this had ensured a robust policy dialogue. These were underpinned by PAFs and dialogue was conducted via the SMCs.

SMCs had been established in some IPA II beneficiaries – as part of the SBS and MAPs dialogue structure. They provided the forum for joint EU-beneficiary monitoring of strategy implementation. They focused on a set of indicators related to national PAFs and included in the support programmes, according to the established financing agreements. Their indicators tended to be coherent with the national ones. The SMCs in Albania and Serbia linked to PAR/PFM had generated dialogue (both formal and informal) and had supported the strengthening of the indicators contained in the national PAFs. Also in Serbia, upcoming SMCs were expected to discuss the assessments carried out by the administration on the one hand and the EU consultants on the other. This further stimulated joint dialogue on sector performance.

In IPA II beneficiaries where indirect management of IPA II was in place, SMCs were obligatory within 6 months of the start of the FA. Evidence from the field found that in practice, this had happened only sporadically, and the approach to sector monitoring remained heavily focused on implementation. In the case of Montenegro, apart from the meeting of the SMC for IPA II 2014 Action Programme held in May 2016, which was considered constitutive, one 'overall' SMC for all sectors was convened in December 2017. This was a forum to discuss all issues in all sectors at once. The focus was on issues in contracting and programming, as few actions under SA had actually started, and there was no national PAF to speak about for these sectors. This combined forum was reportedly of limited practical value and represented only a stopgap before proper SMCs were put in place.

In the non-SBS sectors in Serbia, the dialogue on implementation lagged. In the Judiciary, it was dominated by the accession negotiation on Chapter 23 and the multitude of rather fragmented standards it included. In the Republic of North Macedonia, in the sectors using SOPs, the indicators in the programme documents were used to track performance. The TA for capacity development will attempt to devise sector level indicators owned by beneficiaries as part of the sectoral PAFs. This again represents a positive step, although these will be for IPA II, not national sectoral policies.

Where there was no SBS or MAPs and indirect management of funds was not deployed, evaluators found no dedicated forum for structured sector level policy dialogue related to IPA II during implementation. Also, as national PAFs are largely absent from these sectors, dialogue on sector level performance was likely to revolve around contracting and operational issues – not sector level outputs and outcomes. Evidence suggests that all these different types of dialogue did not draw on sector performance indicators (national or IPA II), as in most cases these did not exist in any meaningful sense.

Formal dialogue on IPA II implementation was in principle assured at both national and sectoral level. At a national level, this was structured around the IPA II (joint) monitoring committees. These convened in all IPA II beneficiaries and served the purpose for generating high-level dialogue on programming priorities, with appropriate levels of political representation attending. Evidence suggested that JMC discussions did not focus on national sector performance indicators, as these did not exist in any practical sense.

At the sector level, two forums existed for IPA II – the SMCs and SWG. As noted above, the SMCs were active only in certain sectors in some IPA II beneficiaries and their effectiveness varied. The SWG model offered a space where, in principle, dialogue at various levels (political, sectoral, and operational) could be conducted, provided a strong national ownership and guidance was established. However, as noted elsewhere, this model is used in practice almost exclusively for programming purposes as an IPA II related instrument.

Other forums for regular, structured dialogue that touches on IPA II were also in place. For example, those for the SAA process (with its working groups) engaged in dialogue, which can influence the use of IPA II funds, e.g. Kosovo. Policy dialogue on IPA II takes place indirectly via the Chapter Working Groups in those IPA II beneficiaries that have opened negotiations. In Montenegro, for example, discussions took place on how IPA II funds could be used to address immediate and upcoming issues emerging from chapter negotiations. This however, tends to push the SA to the margins of using IPA II in favour of more short-term, accession-negotiation priorities (see also below).

In most IPA II beneficiaries, a series of sector specific working groups could be found – the most common being those dealing with PAR (i.e. EU Special Group on PAR set up as part of the SAA framework). These were reportedly a valuable forum for facilitating structured dialogue on specific sectoral issues (as reported in Albania and Bosnia and Herzegovina, for example).

There was evidence of significant informal EU-Beneficiary policy dialogue in IPA II beneficiaries. Examples of this phenomenon were widespread for example in Albania (in the PAR and PFM), Kosovo (most sectors), Serbia (PAR/PFM) and Montenegro (EESP SOP). This informal policy dialogue appeared to fill the gaps left by the, often-dysfunctional, sector level forums.

EU-Beneficiary dialogue tends to involve beneficiary institutional actors. Outside of the national administrations, the participation of other sectoral stakeholders is much lower. Civil society is for the most part not involved in dialogue, except as part of their formal inclusion in the programming processes (see EQ2 for more on this). For example, in Albania, the institutional actors involved in delivery of SBS programmes were present in the various forums, but CSOs did not participate regularly, with some exceptions in anti-corruption. In Kosovo, there was very limited involvement of external stakeholders. SMCs were yet to be established so there was no forum for sector level dialogue to take place with stakeholders, both internal and external to the programme. As a general observation, CSOs appeared to have been partly engaged in the programming process (with this being most evident under the SRC for the BS programme) but their involvement was minimal during the implementation. This dissatisfaction of CSOs in the quality of their engagement in IPA II processes can be found in e.g. Serbia, Bosnia and Herzegovina, Kosovo, the Republic of North Macedonia and Montenegro – see also Volume 2 of this report for country-specific findings).

6.5.2 JC 5.2 Strengthening the link between sector policy dialogue on IPA II implementation and accession negotiations

The linkage between IPA II implementation and accession negotiations was evident.

Instead of supporting SA uptake, opening negotiations for accession can act as an impediment to it

The absence of an accession perspective was noted as a disincentive for SA application in some IPA II beneficiaries, whilst it generated a positive political reaction in others.

There is a noted disconnect in some IPA II beneficiaries between the political level dialogue between the EU and the beneficiaries and the actual use of IPA II.

This is manifested in IPA II support being programmed into sectors where EU reports have identified little or no progress in the adoption of key reforms.

Two important phenomena were noticed in relation to policy dialogue at a political level and its impact on IPA II performance. The first was the effect of accession negotiations on the use of IPA II and SA uptake. The second was the disconnect between the policy dialogue at political level and IPA II implementation.

Regarding the first point, it was observed that in IPA II, beneficiaries with the clearest accession perspective (Montenegro and Serbia) tended to be much more focused on using IPA II to support their accession negotiations (and meeting acquis requirements), rather than targeting long-term sector-level change via SA (which are developmental goals). This tendency to prioritise the (typically) shorter-term goals highlighted by the negotiations, vis-à-vis the more 'abstract' (and resource-heavy) sector transformation, represented a pragmatic approach on the part of the IPA II beneficiaries (especially for Montenegro with its small administration). Thus, rather than stimulating SA uptake, the perception there was that SA actually hindered the negotiation process, as it drew limited institutional resources and political attention away from the short-term goals emerging from the negotiations. By contrast, the reforms noticed in Albania were occurring in a context where the accession perspective was much less clear than in either Serbia or Montenegro: the Albanian government reacted to this weak perspective and accelerated key reforms to change it.

In Bosnia and Herzegovina and Kosovo, the absence of a clear accession perspective – and associated political incentives – was an important factor in weakening efforts to embed and internalise SA into the beneficiary institutions. In combination with other weaknesses (see EQ 2), this absent accession perspective restrained a more thorough application of the SA.

In the case of the second issue, this phenomenon was strongly evident in Kosovo and Bosnia and Herzegovina, but in Serbia and the Republic of North Macedonia too. In Kosovo, the disconnect between the institutions at an operational and political level, led to the latter often having a weak grasp of the interdependence of political decision-making, operational policy dialogue and the programming of IPA II support. This led to situations where strategies that underpinned IPA II support had nominal support from the political level but, at the same time, as in the case of the agriculture sector, they were not approved by Parliament and were thus in a state of limbo.

In Bosnia and Herzegovina, this was evident in the PAR sector, where significant shortcomings in the reform process formed the core of the political discussions between the two parties and these were highlighted in the EC Progress Reports. At the same time, the SA process was running, and the SPD was identifying 'priorities', even though these were not endorsed by the political leaders from the Bosnia and Herzegovina entities. The levels of effectiveness or sustainability in any of the IPA II interventions, given the absence of political support and high-level ownership of PAR, could thus only be broadly estimated. In Serbia, the EC reported on bottlenecks and problems within key reform sectors such as justice. Additionally, in PAR, while the institutional and legislative framework had made some progress, the implementation was lagging due to weak political commitment.

Aside from these two general observations, some specific examples from IPA II beneficiaries were worth noting. In the Republic of North Macedonia, linkages between IPA policy dialogue and political reporting to the EC appeared to have been fairly strong. In the past, the absence of political will to push through key reforms has been highlighted in the EU progress reports and ultimately led to re-allocation or suspension of IPA funds to the relevant sectors. Under IPA II, this generally positive approach was maintained. In Turkey, the last country reports on enlargement (end of 2016 and 2017) clearly highlighted the retrograde steps in the judiciary reform process, namely in the independence of judges and the freedom of expression. Consequently, clear political positions have been adopted that are well coordinated and coherent with the IPA decision to suspend sector assistance.

6.5.3 JC 5.3 IPA II establishes synergies and complementarities with other EC instruments, such as EIDHR, IcSP and CSO/LA

Coordination and complementarity between IPA II and other EC instruments was generally satisfactory.

Ensuring such complementarity with the WBIF was more challenging due to its absence from SA programming or implementation structures.

Stimulating synergies should in theory be a benefit of SA but evidence suggests that this is not the major focus of IPA II programmers, so examples were only sporadic and scattered.

Coordination with IPA II and the EIDHR and other instruments such as the IcSP was done via the EUDs (as well as DG NEAR HQ) and their IPA II beneficiary institutional interlocutors. Evidence from across the board suggested that these arrangements were functional and ensured basic complementarity. In Turkey, the EIDHR has had a very important role, especially in the last years, to ensure continued defence of HR. EIDHR intervention was very well integrated and its funds were managed by the EUD. Its country allocation (€5m per year) was the largest in the world.

Regarding the WBIF, funding applications are dealt with via the national investment committees (NICs), created for this purpose in the IPA II beneficiaries. In Kosovo, complementarity with IPA II is not an issue as IPA II funds were not anticipated for infrastructure investments. By contrast, evidence from Montenegro suggested that WBIF was not always integrated into the SWG and SPDs programming processes. This was also observed in the Republic of North Macedonia. In Turkey, blending, particularly through the intervention of the EIB group, namely the EIF for SMEs, could have been used much more, especially in the framework of MAPs, but there was low awareness among both DG NEAR and the EUDs of the use of this approach.

Whilst in theory the SA should have helped to build synergies between IPA II and other instruments, in fact, it was not a major focus for IPA II programmers or implementers. The reasons behind it varied for each of the IPA II beneficiaries. The primary reason seemed to lie in the absence of functional forums that would have enabled the identification and planning of these synergies. For example, in Kosovo, synergies of IPA II and other actions could have been identified via the SWG structures had they been functional. In practice, any potential synergetic effects were likely to be identified via discussions between EC and national operational staff. This did not constitute a more systematic process as anticipated by the SA. In Montenegro, synergies between IPA II and other funding instruments were not a major focus of IPA II programmers or implementers, because of the limited funds available from other sources.

6.5.4 JC 5.4 Strengthening sector dialogue led by national institutions and coordination with other external partners

Mechanisms for coordinating dialogue with other external partners exist. Some of them – joint forums on sector issues such as PAR and PFM led by the EU and national authorities – appeared to be generally effective.

SWGs did not function as the forum for coordinating IPA II and external partner actions as they could (or should).

Formal donor coordination mechanisms existed, typically led by NIPAC.

In several IPA II beneficiaries, this forum did not work as well as expected and, as a result, donors formed their own parallel structures to ensure more effective coordination of actions.

Mechanisms for ensuring sector dialogue with external partners existed in all IPA II beneficiaries. These tended to be outside the SA institutional architecture, i.e. they were not incorporated into the SWGs or SMCs specifically created for SA. Instead, they were found in the various sectoral forums to which key external partners – primarily IFIs and international organisations – were invited and where they could contribute. Typically, these were joint forums led by the EU/EC and the national authorities. Examples of this included the inter-institutional PFM working group in Albania, involving the World Bank and the IMF, among other donors. Here, the World Bank had renewed its involvement in the sector due to the IPA II SRC and had provided resources and expertise to the Ministry of Finance. Mechanisms for donor coordination were set up and functioned within the framework of the anticorruption SRC with the involvement of the World Bank, EBRD, UNDP and OSCE. In addition, the Task Force for Judiciary reform in Serbia, managed by the WB, met the most important donors that supported the implementation of Chapter 23 and the EU was an observer. In Bosnia and Herzegovina, the PAR task force included both national as well as EU and external partners. It was reportedly an effective mechanism for both dialogue and coordination in a complicated sector.

SWGs, if they were adequately owned by the national institutions, could also serve as a forum for coordinating external partners' activities in a given sector. They offered the ideal space for discussions during the programming process, on the national sector reform areas that could potentially be targeted by different donors (with EC covering those in line with IPA II priorities and bilateral donors or international organisations/IFIs dealing with others that are in line with theirs). In practice, this was evident in only a small number of examples, e.g. the transport SWG in Serbia and Kosovo. Here the SWG model established by the Kosovo government has, as its primary function, donor coordination. Unfortunately, the SWGs acting as a forum for donor co-ordination were reported to be dysfunctional in many cases and thus of little actual value. In other IPA II beneficiaries, the SWGs do not serve as a mechanism for coordinating external partners' programmes with IPA II, as none of them were invited to participate (Bosnia and Herzegovina, the Republic of North Macedonia, Montenegro), or the SWGs in specific sectors are defunct (e.g. in the Judiciary SWG in Serbia, Kosovo). In Turkey, no functioning mechanisms were recognised in terms of external partners' coordination and dialogue.

Formal donor coordination mechanisms existed in the IPA II beneficiaries that were parallel to the sector forums. These were invariably put in place prior to the introduction of the SA. These tended to be led by the NIPAC and their effectiveness was, again, dependent on the IPA beneficiary in question. In general, they did not duplicate the IPA II dialogue ongoing in the aforementioned forums. Some NIPACs had developed databases containing lists of donor interventions in each of the sectors (Kosovo), although external partners did not consider the high value of such a tool.

In several cases, other forms of coordination mechanisms had emerged, often in response to existing formal structures that may have been only partly functional (e.g. Montenegro, Kosovo, Bosnia and Herzegovina, the Republic of North Macedonia, and Serbia). These have generally been created by the donors themselves (often with the EUD in the leading role) and are a pragmatic response to the needs of external partners to more effective coordination of their sector support. These include most of the main external partners and donors, although some (such as China) evidently preferred to remain outside such mechanisms.

In terms of specific complementarity between IPA II actions and those of external partners, the impression was highly mixed, depending on the beneficiary in question. The overall view was that any such complementarity was a result of specific circumstances, e.g. the existence of a functional donor coordination mechanism (either formal or otherwise), a good sector manager at the EUD, a strong SPO in the SLI. In the case of Albania, several positive examples were noted in the PAR, PFM and Judiciary areas. Complementarity of actions was also considered largely satisfactory in Montenegro, Bosnia and Herzegovina, and the Republic of North Macedonia. In Serbia, most donors' support was aligned with the priorities of EU accession and tried to be as complementary as possible, although some (e.g. China) pursued a different approach.

6.6 EQ6. VALUE ADDED

To what extent is the Sector Approach adding value to what other support actions do?

Summary answer to the Evaluation Question

In principle, IPA II stakeholders consider the added value of the sector approach positive. However, whether this could be translated into practice via coherent national policies, M&E systems and better sector level results remain to be proven. The sector approach contributed to better IPA II-specific policies, primarily in those sectors using BS and multi-annual programmes. These also had some positive influence on national policy sector development. Otherwise, IPA II and national strategies tended to remain separated from one another, with little sign of the former influencing the latter.

The establishment of functioning monitoring and evaluation systems that facilitate the assessment of IPA II sectoral performance was still ongoing. Apart from in BS and multi-annual programmes, these were largely absent. Comprehensive sectoral monitoring and evaluation systems could be found only where it was obligatory, i.e. for sectors supported by sector reform contracts and sector operational programmes. Where there was no such immediate requirement, it was largely absent. Clear requirements on establishing sector monitoring and evaluation from DG NEAR may help, as could dedicated technical assistance for supporting all elements of the sector approach. The embedding of monitoring and evaluation into national systems as part of the rollout of the sector approach was an ambitious objective that depends inter alia on the emergence of a culture of results-based management in IPA II beneficiaries. There were few signs of coherent national sector monitoring and evaluation systems in existence or appearing in response to the sector approach. Because of this, there was a risk that double-track monitoring and evaluation models could appear, as was observed in Serbia, where EU pressure to establish monitoring and evaluation led to the creation of systems exclusively dealing with IPA II and ignoring national policies.

Contextual factors played a notable role in the successful deployment of sector approach. Three key factors were identified as being critical to the success of sector approach generally, i.e. political support for the sectoral approach as a policy objective, institutional commitment to its introduction; and the capacity of the institutions dealing with the sector approach to oversee and roll out its implementation. Each IPA II beneficiary exhibited a different profile about these factors. In Albania, the government's strong support for EU integration affected positively the SA uptake. In Serbia and Turkey, formal government support for accession was not reflected in the adoption of sector policies. The lack of a clear accession perspective weakened the political incentives for introducing IPA II reforms in Kosovo, the Republic of North Macedonia and Bosnia and Herzegovina, whilst Montenegro represented a paradox – with good progress on accession negotiations weakening the application of SA due to (inter alia) capacity constraints.

Complementarity between sector approach-programmes and stand-alone IPA II actions were mixed. There were some good examples of the sector approach encouraging programmers to avoid stand-alone actions or use them only to complement the main pillars of the approach. The more common practice among IPA II beneficiaries was, however, to remain focused on projects and then fuse them into a sectoral or pseudo-sectoral programme. The example of the multi-annual programmes suggested that it was not impossible to build a system with a clear sector focus, but for this to happen, time and long-term peer-to-peer support (such as that provided by the EC line directorate generals) were required.

6.6.1 JC 6.1 SA has helped IPA II beneficiaries to establish sound and coherent sector policies better than would have happened just relying on their internal processes

In principle, the added value of the SA was considered good by IPA II stakeholders.

However, whether this could be translated into practice via coherent national policies, M&E systems and better sector level results remained to be proven.

Most stakeholders held positive views on the sector approach, in principle, but viewed this very much from the perspective of its potential, rather than actual benefits that it had so far delivered. This was particularly evident from the results of the e-survey, which found overall a strong perception of added value of SA over prevailing practices. This was, however counterbalanced by the findings of the field phase, which identified significant gaps between the potential added value of SA and the actual chances of this emerging in practice.

Regarding improved sector policies, evidence indicates that the deployment of SA has contributed to **better sector policies, at least in relation to IPA II sectors/subsectors**. This was most explicit in relation to SBS and MAPs, where the influence of the SA encouraged structured dialogue with many key stakeholders in the sector and resulted in SRCs and SOPs that generally constituted improvements on whatever sectoral policies existed before their introduction.

The SA contributed to better IPA II-specific policies, particularly in those sectors using SBS and MAPs.

SBS and MAPs also had some positive influence on national policy sector development.

Otherwise, national strategies and the SA tended to remain separate from one another.

Functioning M&E systems that facilitated IPA II performance assessment are still being established.

Outside of SBS and MAPs, these were largely absent.

Stakeholders observed that the embedding of IPA II actions into national M&E systems was an ambitious objective and depended on the emergence of a culture of results-based management. As this was currently not in place, there was a risk that two-track M&E models could appear, as was observed in Serbia.

IPA II sector M&E existed only where it was obligatory, i.e. for indirect management, SRCs and SOPs. Where there was no such immediate requirement, it was absent.

Clear requirements on establishing sector M&E from DG NEAR may help, as could dedicated TA for supporting all elements of SA including building national PAFs.

There were few widespread signs of coherent national sector M&E systems appearing in response to the SA. These were only likely to emerge in the end.

Contextual factors played a notable role in the successful deployment of SA.

Outside of these two modalities, the process of preparing SPDs (as noted elsewhere) helped to generate valuable dialogue between the institutional stakeholders but **there was little evidence that the SPDs emerging from this process could be considered a step forward in sector level planning**. Where these were used strictly as a compliance tool (the Republic of North Macedonia), this ensured that local institutions got used to developing sector documents along these lines. However, this is evidently at the expense of ownership of the SPDs themselves, which is generally weak. In Montenegro, stakeholders reported that the SA moved national institutions towards conceptualising IPA II assistance in sectoral terms but this had yet to be translated into policies that are more coherent. Some SPDs in Turkey and Bosnia and Herzegovina also captured sector needs better than before.

The extent to which SA pushed **national sector policy development** was much less evident (as was noted under EQ4) and varied among IPA II beneficiaries. What was clear was that the relationship between national sector policy development and SA related processes was complex and not always linked. **The best-case scenario was to be found in SBS programmes for Albania, Montenegro and Serbia and in Turkey and Montenegro MAPs**. Here, improvements were noted in the alignment of national and IPA II strategies for the relevant sectors. Also, there was clear added value in the process of building national PAFs that these programmes had enhanced (see below), as well as in the increased capacity of staff involved in the programmes within the participating institutions (both national and in EUDs).

Beyond these examples, **national strategies and the SA tended to remain separate from one another**. The dissonance between the e-survey results and actual situation on the ground was most pronounced in Kosovo and Bosnia and Herzegovina. Here, the positive benefits of SA on national policies reported in the e-survey were disputed by the interviewed stakeholders and at odds with the actual situation on the ground found by the evaluation. In Turkey, the situation in key non-MAP sectors had experienced significant changes over the last 10 years but, at present, the situation was less conducive to SA in key sectors, such as the Judiciary, than in the past.

The establishment of stronger, national M&E systems to track sector performance based on SA represented a major challenge and was linked to the existence of a **culture of results-based management within the IPA II beneficiary sectors**. Ideally, there should have been national systems into which IPA II M&E could have been incorporated. In practice, such national systems were largely absent outside of SBS and MAPs and therefore the embedding of IPA II into national M&E practice was, at the time, some way off. Indeed, the bulk of stakeholders noted that this was a highly ambitious expectation given the state of play within IPA II beneficiary administrations.

Like sector strategies, the **fit-for-purpose M&E systems linked to the SA were largely confined to the SRCs and MAPs**. In principle, these should have been used for assessing IPA II measures, as well as for delivery of the related national policy. SBS required the development of indicator passports that had been created in Albania, Montenegro, Serbia and Kosovo for PAR/PFM interventions. These were valuable tools, previously inexistent. MAPs also had their own sub-sector PAFs, although the indicators tended to be less robust than those used in SBS and did not affect the overall sector strategies. Nevertheless, IPA II beneficiaries confirmed that these PAFs (which had mostly been developed under IPA I) were being upgraded and would be used to track the current SOPs.

Serbia exhibited one concerning example, that of the M&E for IPA supported programmes being functional, but not being mainstreamed in the Serbian policy management. The **creation of a two-track model**, with the existence of M&E for IPA II programmes but none for national measures, was explicitly mentioned in the e-survey and confirmed in the field phase. The absence of a well-established culture of results-based management within a great many IPA II beneficiary institutions meant that such two-track scenarios for M&E might have become the norm as pressure built from DG NEAR to put such arrangements in place as IPA II implementation progressed.

Interestingly, the state of play in IPA II implementation played an important role in the **perception among stakeholders of the need to introduce M&E systems, both for tracking national sector performance and IPA II interventions**. It was noted that many NIPACs, SLIs and even EUDs did not appreciate the urgency of quickly establishing such systems to track the progress of IPA II interventions, before their implementation had meaningfully progressed. This was particularly noticeable in those IPA II beneficiaries under direct management, where no legal requirements existed for it to happen. The situation suggested either a fundamental failure to understand the programme cycle, or some institutional resistance to commit resources to putting national PAFs in place. Comments from stakeholders during interviews indicated that compliance was the main incentive for introducing sector level PAFs. Where the regulations were required (for SOPs and SRCs), these were (or are being) established. Where no such compliance was required, these systems were largely absent. Given the fact that creating and running properly owned PAFs had significant time and resource implications (and few IPA II beneficiaries have such resources at their disposal), their absence was understandable.

Three key factors identified in Kosovo were critical to the success of SA generally, i.e. political support for SA, institutional commitment to its introduction and the capacity of the institutions dealing with SA.

Each IPA II beneficiary exhibits a different state of development.

In Albania, the government's strong support for EU integration positively affected SA uptake.

In other IPA II beneficiaries, formal government support for accession was not reflected in the adoption of sector policies.

Several stakeholders understood the **absence of a clear and unambiguous set of requirements from DG NEAR for sectoral M&E** of IPA II as a weakness. They considered that such requirements would at least act as a stimulus to improve IPA II M&E arrangements and potentially serve as a blueprint for building national PAFs.

Only in the Republic of North Macedonia were there signs which indicated that such an M&E for IPA II was emerging, and even there this was thanks to the external TA contract setting up PAFs for all sectors. This again implied a lack of institutional commitment to creating such systems on the part of the IPA key players, i.e. without externally financed expertise such a system would likely have not emerged.

Unsurprisingly, the evaluation found **no systematic evidence of coherent national sector M&E systems appearing in response to the SA**. Elements of indigenous M&E systems were found to exist in various IPA II beneficiaries and in most cases, these were the vestiges of M&E systems created by previous donor-led interventions. These seemed to be used for reporting on actions linked to IPA II (such as the PARCO MIS used for PAR in Bosnia and Herzegovina). However, they were found incomplete, as they would have needed significant additional support to become functional for the purposes of tracking IPA II support as a subset of national policy performance. Nevertheless, this fragmented national M&E landscape, the slow pace of IPA II M&E introduction and the limited appreciation of the value of M&E, as part of results-based management, made the emergence of coherent national PAFs from SA a distant hope rather than a dead certainty.

Contextual factors had a major influence on each of the IPA II beneficiaries' ability to make use of SA. In Kosovo (though also in all other IPA II beneficiaries), three of these were explicitly identified as being critical to SA success:

- 1) sustained and sincere political support to SA, which in Kosovo and Serbia was noted as being currently merely declaratory;
- 2) institutional commitment within national institutions and also some EUDs to applying the key tenets of the SA, with the related weakness resulting in a failure to make the SA processes work better and;
- 3) the capacity of institutions to actually make the SA work in practice, e.g. SLIs were reportedly mostly very weak and there was a strong dependency on TA among them.

It was noted that in some IPA II beneficiaries, there had been long-term commitment towards EU accession and this had been supportive of SA uptake. This was most noticeable in Albania, where the government in place since 2014 had been providing a strong push to EU integration and an opportunity for the implementation of SA. In other beneficiaries, such as Serbia and Turkey, the formal support of the government for EU accession had not been reflected in government's adoption of sector policies linked to IPA II reform agendas. Here, the pace of their adoption had been slow and, in the case of Turkey in some sectors (such as justice) this process was stalled and had gone backwards since the early 2010s and particularly since the 2016 coup attempt.

In some instances, a change in government could present an opportunity. The difficulties arising from the policies of the previous government in the Republic of North Macedonia acted as a constraint to better progress in implementing reforms from IPA I. The election of a new government in 2017 came with the opportunity to improve the situation, although the failure to resolve the so-called 'name issue' was widely cited as a major handicap in pushing through changes linked to IPA II.

In the Republic of North Macedonia, Kosovo and Bosnia and Herzegovina, stakeholders observed that the lack of a clear accession perspective in these beneficiaries was undermining the reform efforts targeted by IPA II. It was noticed that, without any obvious political incentives linked to accession, senior officials were much more likely to pay lip service to EU accession efforts within their institutions. In the Republic of North Macedonia and Kosovo, this had led to a tangible sense of de-motivation among key staff within the administrations dealing with key reform areas (such as justice & rule of law), leading to their departure.

Montenegro represents something of a paradox. The accession perspective acted as a strong incentive in sectors with structural fund linkages (ESF, EAFRD), as well as in PFM, and was clearly having a strong effect on institutional behaviour. Otherwise, the accession negotiations appeared to be weakening SA uptake (see also EQ5) as they take priority for the limited institutional resources available for EU-related issues. Finally, Bosnia and Herzegovina was handicapped by its complex institutional landscape, the problematic levels of political engagement in IPA II and wider ownership of EU integration. The evaluation found that reaching agreement on developing country-wide strategies in key sectors was, at a political level, highly challenging. Given these circumstances, planning sector budget support has till now not been considered.

6.6.2 JC 6.2 There is complementarity between SA and stand-alone actions

Complementarity between SA and stand-alone IPA II actions was mixed. There were some good examples of SA encouraging programmers to avoid stand-alone actions or use them only to complement the main pillars of SA.

The more common practice among IPA II beneficiaries was to remain focused on projects and then fuse them into a sectoral or pseudo-sectoral programme.

The example of the MAPs suggests that it was not impossible to build a system with a clear sector focus. Nevertheless, for this to happen, time and long-term per-to-peer support was required.

The overall picture of complementarity between SA and stand-alone IPA II actions was mixed. In some IPA II beneficiaries (the Republic of North Macedonia and Serbia) evidence suggested that the SA had encouraged programmers to avoid unconnected actions. IPA II interventions were thus generally included within a sectoral framework, which – at least in terms of programming – was coherent and responded to national and IPA II priorities. In Albania, there was a similar situation. Stand-alone actions had mainly been used to prepare sectors with a more comprehensive view on approaches, like SBS. This was also true when – as in the case of Justice – the preparation had lasted for several years.

Despite this, the evaluation found that unconnected actions were prevalent and often had only limited complementarity. In Montenegro, for example, feedback suggested that in most sectors outside of MAP/SBS, national institutions preferred one-off actions. SWGs often served as a forum for fusing these project requests into a sectoral priority. As such, SPDs could sometimes appear to be merely long-lists of project ideas rather than interventions coherently targeting sector priorities (see also EQ2). This phenomenon was also observed first hand in the Republic of North Macedonia and was reportedly common practice in Kosovo, Bosnia and Herzegovina and Serbia. In Turkey, apart from the MAPs, all the actions were unconnected.

Not to say that SA was condemned to fail in this regard – however it suggested that it would take time and commitment of the main SA players to move from the ‘project’ mentality that was deeply engrained in many of them, towards a more sophisticated appreciation of the sector approach. A positive inspiration of this change of mind-set could be found in the MAPs that had been built under IPA I (with the help of the line DGs) and which now represented a (largely) functional model for sector planning and implementation under IPA II.

In Montenegro, stand-alone actions could additionally emerge from chapter negotiations processes running alongside SA ones. Finally, at the time recent ‘performance reward’ (€8m) given to Montenegro was likely to result in further one-off actions (in areas not planned to receive support from current IPA II assistance). Rather than perceiving this as a benefit, programmers stated that this extra funding represented an additional headache for them, as they strived to find an area that could quickly absorb this unplanned ‘windfall’. How this corresponds to the underlying SA philosophy of programming based on addressing sector needs rather than disbursing funds was unclear.

7 SUMMARY OF THE MAIN FINDINGS AND OVERALL ASSESSMENT

This chapter provides a summary of the main findings of the evaluation conducted between May 2017 and October 2018 and the overall assessment of SA in the period considered. The evaluation is unable to consider information that might have surfaced after April 2018, when the data collection ended.

7.1 Summary of the findings

Ownership and mainstreaming of SA into beneficiary policy management were a major challenge, while understanding of the tools and their application to the IPA programmes was no longer a problem. The main obstacles to ownership and mainstreaming of SA were **political commitment**, **bureaucratic resistance** (which however could be significantly reduced by strong political commitment), and institutional **capacity**. The rigidity in the identification of sectors and sometimes the complexity of the procedures have been further obstacles to ownership.

SA produced a **strong improvement in the IPA programming process**, especially in terms of dialogue (among the institutions involved and between EU and beneficiaries) and coherence, despite some initial difficulties. Sector Planning Documents (SPDs) prepared by beneficiary institutions for EU integration – with the EUDs' support – facilitated the initial understanding of the process, although they had lost their role in setting comprehensive sectoral orientation during the process, often without being replaced by more solid sector strategic documents. The Sector Working Groups (SWGs) had facilitated the inter-institutional consultation and the participation of civil society, although their role as consolidated structures beyond the programming phase varied and appeared rather vague or even incoherent.

No credible Sector Performance Assessment Frameworks (PAFs), Monitoring and Evaluation (M&E) systems and medium-term budgets (MTBF) were established in country systems, even in the priority sectors, although significant differences exist among beneficiaries and sectors. In some sectors, however, positive dynamics were established:

- When **sector budget support (SRCs)** programmes were in place, the PAFs, M&E systems and MTBFs supported during the preparation phases and agreed in the financial agreements, were comprehensive and worked effectively. This provided beneficiary institutions with the opportunity to appropriate and mainstream such approaches in a medium-term process. Such positive dynamics are particularly visible in PAR and PFM, which benefit from high-quality capacity development support through SIGMA.
- Similar positive effects arose where **Multi-Annual Programmes (MAPs)** were established, though being limited to the sub-sectors involved. Most of such programmes had been a vehicle to transfer EU sector policy models and good practice to beneficiaries, due also to the direct participation of the Commissions specialised DGs. This was an IPA I legacy that was under risk of being lost under IPA II.
- The **Judiciary** had not yet benefited from multi-annual comprehensive support but had been at the centre of the accession negotiations in most beneficiaries and had received a continuous flow of assistance. In different beneficiary contexts, its strategy, action plans and policy management tools had evolved, although political complexities and/or contentious situations had hampered the establishment of multi-annual support so far.

Even when multi-annual sector assistance was put in place, the transition from the externally provided opportunities (IPA support) to their actual appropriation depended upon the political commitment of the beneficiaries. When such political commitment was weak, a **two-track system** was established, and an IPA-related policy management coexisted with the mainstream traditional policy management. This situation was sometimes inspired by opposing principles and thus put in place opposing practices.

CSOs' participation was mainly limited to programming (through SWGs), under the pressure of EUDs and the beneficiary institutions in charge of EU affairs. They should participate in sector monitoring, but this did not take place regularly. In many cases they were not invited to IPA sector monitoring committees (SRCs), whilst in other coordination instances, they were observers. In several contexts, CSOs were heavily discriminated against. In others, their involvement was rather formal. Generally, the trust in the role they could play in the IPA supported reform processes was low.

Some **outcomes of the SA** were visible in terms of institutional improvements in different beneficiary contexts. Such improvements had required enormous political and institutional difficulties to be overcome, involving constitutional changes, long parliamentary confrontations and complex institutional arrangements. In addition, even if difficult, it had been proved that it was possible to go backwards. Such processes normally take years and it would have been naïve to imagine that they could produce tangible results for the population in a short period. Having said that however, there were beneficiaries with an important EU accession political momentum where progress is strong in the Judiciary, in PFM and other key sector policies. Conversely, there were cases where the political momentum for EU accession seemed stalled, or weakened and clear retrograde steps were being made especially in the Judiciary and fundamental rights. On the other hand, some sector policies in poor areas with little advocacy, trialled thanks to the IPA supported MAPs, had produced significant results for the final beneficiaries (e.g. farmers, small entrepreneurs and workers, local actors), yet with minimal effects on general public opinion and political feedback.

IPA policy dialogue and Accession dialogue were not strongly linked. The most successful reform processes so far was initiated thanks to the political commitment of the beneficiary institutions at the highest level towards public opinion and the EU. Apart from highly contentious situations (as with the requirement that Turkey should immediately lift the state of emergency), there were contexts where the political dialogue should have been stronger on the delays and inefficiencies of certain sector reform processes, especially in the Judiciary and Public Administration. Only political dialogue could address, for instance, the frequent problem of formal compliance with the *acquis* and the inconsistency of the actual implementation practices.

The benefits were widely recognised, because SA favours dialogue and increased coherence, predictability and transparency of the assistance programme. Beyond programming, however, it extended to all phases and dimensions of assistance only when it was supported by open and non-instrumental political commitment of the beneficiary, multi-annual supports (SRCs and MAPs) and high-level capacity development (SIGMA, EURALIUS, etc.).

7.2 Overall assessment

Most stakeholders recognised SAs' great potential for improving sector policies and implementing reforms in the IPA II beneficiaries. On the other hand, it was partly realized only through SBS and – to a lesser extent – MAPs, thanks to their strategic dialogue framework and their financial and capacity development incentives. Even in such cases, however, the results were inchoate and not consolidated because they heavily depended upon the political commitment of the beneficiaries and the clarity of the political perspectives vis-à-vis the EU. An additional explanation of this dichotomy between relevance and effectiveness was that the intervention logic of the SA was very ambitious, as it required many decades of very little results-based administrative culture to be overcome.

This assessment included different components, which are disaggregated and explained through the following conclusions.

8 CONCLUSIONS

8.1 The clusters of the conclusions

The conclusions are structured in clusters as follows:

- Cluster 1. Addresses the main factors of SA success: (i) the alignment of the assistance to the accession negotiations, which was referred to in the overall assessment as the clarity of the political perspective in the relationship between the EU and the beneficiary; (ii) the political commitment of the beneficiary; (iii) the role of qualified and continuous capacity development support. The last conclusion of this general cluster contains a critical summary of the results of the SA implementation.
- Cluster 2. Addresses the involvement of the citizens in the policy processes supported by IPA II SA, including: (i) the role of the Civil Society organisations, their advocacy and participation; and (ii) the awareness and the perception of the wider public of the beneficiary policy processes and the role of IPA II.
- Cluster 3. Addresses the main achievements (SA effectiveness) in terms of sector policy development.
- Cluster 4. Addresses the IPA II aid modalities (SA efficiency), including a view of their strengths and weaknesses.

8.2 Cluster 1: Key general conclusions: focus on political dimension and capacities

8.2.1 Conclusion 1: Accession process and IPA SA should be further aligned

IPA II had rather radically changed its approach compared to IPA I: from stand-alone actions focusing specific accession achievements, to supporting comprehensive sector reforms as the necessary framework to allow any specific achievement. Individual achievements in some key accession chapters often relate to different sectors and the corresponding sector reforms are at the base of how successful they proved to be. This should have implied an increased consideration of the accession negotiation processes in sector reform processes supported by IPA SA, which does not appear to have taken place systematically. On occasions, the sector reform process did not sufficiently integrate the negotiation process, and provide new incentives for its acceleration. When negotiations for accession were open, emphasis of the accession dialogue was sometimes put on individual achievements rather than on sector reforms as the key factors of such achievements. This perceived misalignment between negotiation processes and IPA SA has partly limited the potential of the innovation introduced by the IPAII Sector Approach.

This conclusion is based mainly on EQs 1 and 5

8.2.2 Conclusion 2: Political commitment was the key determinant of the success

An open political commitment of the beneficiaries at the highest levels towards the reforms, vis-à-vis the EU and their own public opinions, was the main determinant of the success of Sector Approach, especially in the main sectors of Democracy and Governance, Rule of Law and Fundamental Rights. Such commitment helped with the mobilisation of bureaucracy, ensured political guidance of the processes, extended responsibilities to parliaments and fostered the involvement of civil society. Under IPA II, a significant positive example was provided by Albania, while there were some negative examples of relapse compared to a successful past in other important countries.

Overall, it is fair to conclude that where there was sufficient political and administrative backing to the sector approach, SA did help to drive forward stronger national strategies and thus better position the countries towards achieving the pre-requisites for eventual accession to the EU.

This conclusion is based mainly on EQs 1, 4, 5 and 6

8.2.3 Conclusion 3: Capacity was the second determinant of success

Working on medium-term sector strategies, results-based frameworks, M&E systems and medium-term budgeting, implies a revolution in the way of operating and – even more so – of thinking of the beneficiary institutions. They need continuous effective support over a long-term period, but their absorption capacities are low and the institutional setup is often volatile. Quality TA – apart from some permanent missions and mechanisms, like SIGMA, EURALIUS and others, which mobilise high quality expertise and are well rooted in the beneficiary administrations – is not easily available. In addition, the Commission's DGs REGIO and EMPL, which had a direct responsibility in running specific IPA I components, have a much reduced role (apart from DG AGRI). Most beneficiaries complain about the loss of their direct involvement in the execution, thus hampering effective transfer of EU expertise and institutional models.

This conclusion is based mainly on EQs 1, 3 & 4

8.2.4 Conclusion 4: Some initial results, going in the right direction are evident, but the way forward is complex and long

In PAR, PFM, the Judiciary and Home Affairs, Education and Employment – thanks to specialised TA (e.g. SIGMA) and the use of SBS – IPA II SA supported beneficiary institutions in outlining their visions and strategies and testing new policy management tools to address key sector reforms in view of the accession process, in accordance with European values and principles. In some areas, like the Judiciary, such changes had involved complex constitutional reforms and radical restructuring of key national institutions. SA played an important role in such changes, although in Rule of Law and Fundamental Rights, since IPA I, other important factors had also influenced both positive and negative changes.

In other sectors, related to Competitiveness, Regional and Social Cohesion, Agriculture and Rural Development, among others, some progress was also evident. However, bearing in mind that reforms due to the support of IPA II are still in the early stages in these wide-ranging sectors, the main contribution is from the Sector Operational Programmes (SOPs) since IPA I, which contained initial significant elements of SA (see C14).

All such institutional progress, however, remained dependent upon the IPA support and were not yet sustainable and mainstreamed into national systems.

This conclusion is based mainly on EQs 3 & 4

8.3 Cluster 2: Involving people is still a challenge

8.3.1 Conclusion 5: CSOs' participation remains weak

CSOs were involved in the IPA programming process, thanks to the support of the EUDs and the beneficiary institutions for EU accession, through the Sector Working Groups (SWGs).

Such SWGs, however, were not mainstreamed in the beneficiary policy processes, even when sector coordination was strongly supported by IPA, (e.g. when SBS are in place). Consequently, they either disappeared or were marginalised during implementation and the CSOs' participation remained on paper. On a positive note, some CSOs were invited to participate in wide consultation bodies, as happened in Albania with the Integrated Programme Management Groups, which ensured information, communication and broad coordination among the sector stakeholders.

The two main priorities of the Guidelines for EU support to civil society in enlargement countries 2014-2020 were only partially implemented:

- a. Building a conducive environment for CSOs' existence and participation was not pursued by the governments and was not supported by IPA as a key crosscutting issue. CSOs' participation relied on specific mechanisms led by NIPAC (especially for participation in IPA programming) and provisions/institutional arrangements linked to specific IPA supported programmes;
- b. Building the capacities of the Civil Society was better addressed by IPA through specialised facilities, tools and instruments (including CSO Facility, EIDHR, CSOs foundations, and specialised funds). Some of these were instead managed by the governments, thus running the risk of compromising the independence of the CSOs, which in some countries may be detrimental.

In most beneficiary contexts, CSOs were not involved in assessments of the results or reviews of effectiveness and among them, a sentiment of dissatisfaction prevailed.

This conclusion is based mainly on EQs 2 & 3

8.3.2 Conclusion 6: Awareness of public opinion was not a priority

The EUDs supported public opinion campaigns in only a very few contexts and this did not seem an IPA priority in most cases. In a few exceptions (e.g. the Republic of North Macedonia and Montenegro), successful awareness campaigns had been tested at national and/or local levels. Beyond the specific communication and visibility campaigns linked to single projects, the attempts to systematically inform and sensitise public opinion on the values and the challenges of the reforms supported were rather limited.

On the other hand, EUDs' capacities to inform and influence the wider public in beneficiary countries were limited if there was no open engagement at the beneficiaries' highest level towards the relevant reforms and/or free media that could disseminate the most significant messages.

Support by public opinion was also generated by the programmes (generally SOPs) which had a direct incidence on the welfare of certain sectors of the population through the creation of employment or investment opportunities. The effects on public opinion of this type of programme, however, were limited to the number of direct beneficiaries and not extended to a wider public.

This conclusion is based mainly on EQs 3 & 4

8.4 Cluster 3: Sector support effectiveness

8.4.1 Conclusion 7: Sector definitions may have created rigidities instead of facilitation

The definition of the nine sectors and sixty-seven sub-sectors established in the guidelines for implementation of SA did not always help beneficiaries to understand and own them.

- There were self-evident sectors (or sub-sectors) like the Judiciary, PFM, Interior or Transports, for which normally there were consolidated ministries.
- There were also rather complex sectors, like PAR or EESI, which implied the participation of different institutions in the absence of a pre-existing coordination framework or institutional leadership.
- There were also areas, which could be considered as being either crosscutting themes or sectors, or even both, according to the specific contexts (like gender, CSOs, human rights).
- There were contexts in which some subsectors needed to be addressed jointly with others and contexts where this aggregation was not acceptable.

In all such cases, the rigidity of the definitions and the proposal of one-fits-all solutions generated delays and misunderstandings.

This conclusion is based mainly on EQs 1 & 2

8.4.2 Conclusion 8: The tools for SA implementation showed some inconsistencies and rigidities

SPDs varied according to the contexts and the level of appropriation of SA by the leading institutions. Nevertheless, SPDs represents a practical tool that played an important role in shaping sector strategies and priorities for IPA assistance. Apart from the cases when they were mainly a TA product (developed with little institutional engagement), they often helped the leading institutions to think in terms of SA and to initiate a move in that direction. In the best cases, SPDs were gradually replaced by national strategies owned by the sector leading institutions. Therefore, they were no longer updated. In other cases, however, they continued to be updated by the beneficiary institutions dealing with EU affairs, because – due to the weak appropriation of the sector approach by the SLIs – they were the only tool to ensure a minimum sectoral coherence in view of IPA programming.

A similarly diversified and sometimes confused situation existed with the Sector Road Maps. They were used as appendices to the SPDs, or aide-memoires of the reform benchmarks even when SRCs were in place, or conversely were not used at all. Although it did not seem a major problem, the variety in interpretations and some confusion about the role of such tools was a common issue.

SWGs are a key tool for consultation and coordination under IPA II and in some cases; they played a wider coordinating role for the external stakeholders in the beneficiary policy processes. In the majority of cases, they played a significant role during IPA programming, but tended to disappear during the implementation. They were supposed to put together different beneficiary institutions involved in sector reform implementation, some interested donors, development agencies and CSOs, to allow an exchange and a better coordination of their respective tasks. In practice, their composition was redundant and seemed unmanageable in many contexts during implementation. Attempts to replace them with tools that are more manageable have not yet produced viable alternatives, as in Albania, where rather new coordination structures called Integrated Programme Management Groups led by the OPM were created. The volatility and redundancy of the sector coordination and consultation tools was a serious problem, especially for CSOs, which risked being cut off from the consultations during the implementation.

For monitoring purposes, IPA did foresee some tools e.g. ROM, EUDs' own monitoring, Sector Monitoring Committees and IPA Monitoring Committee. Internal monitoring of the beneficiary institutions were mentioned in the action documents, but did not seem mandatory in the FAs in order to execute sector programmes supported by IPA. In the framework of SRCs, especially in PAR and PFM, there was a strong focus on building internal monitoring systems, but these were at an initial stage, even in PAR, which had been benefitting from SIGMA assistance. In this context, IPA SMCs became the most significant driver for sector monitoring deadlines, often linked to EU disbursement schedules, where the actual progress in reform implementation was discussed in depth and – in the case of SRCs – was based on PAFs that included comprehensive outcome indicators and not only progress on activities.

This conclusion is based mainly on EQs 2, 4 and 6

8.4.3 Conclusion 9: Positive policy development in democracy and good governance

Most beneficiaries undertook comprehensive reforms on the public administration, which were the basis for setting good governance standards required by the accession process. Through the establishment of SRCs, or in the process of their preparation, progress was made to establish sector and subsector strategies, new institutional setup and policy management tools (PAF, M&E systems, initial medium-term budgeting). SIGMA support in PAR and PFM was crucial in this respect. None of these tools, however, existed independently of the IPA assistance, although in some cases there was visible progress and promising signs of appropriation by the beneficiaries. Furthermore, governance gains in sectors not covered by PAR (with PFM) were largely absent.

In PFM, the policy development experience was more encouraging. In general, the different Ministries of Finance – being stronger institutions and more used to dealing with external assistance – had tighter control over the sector policy management tools supported by IPA II. In several cases (SRCs), IPA support contributed to catalyse the ongoing and past support from various international stakeholders.

This conclusion is based mainly on EQs 3 & 4

8.4.4 Conclusion 10: Positive and negative policy development in rule of law and fundamental rights in some countries

In this area, the Judiciary was at the centre of the IPA priorities in various beneficiary contexts and the focus was on the independence of judges and prosecutors and a more equal, efficient and qualitative Justice system. Since IPA I, the sector was widely supported in several contexts with a view to a comprehensive sector reform. Unlike other sectors, the Judiciary had not yet benefited from an SRC under IPA II, but the centrality of the sector in the accession process ensured continuous intensive assistance.

Some beneficiaries had already made significant sector policy and institutional achievements before the establishment of SA (under IPA I) but there were significant relapses in the 2010s.

Other beneficiaries (Albania) profited extensively from the IPA II SA to support their political commitment towards sector reform.

In both cases, the political momentum determined the direction of the sector processes and – in the negotiation countries – change was catalysed by the interim benchmarks.

This conclusion is based mainly on EQs 3 & 4

8.4.5 Conclusion 11: Positive policy development in other sectors

In Education, Employment and Social Inclusion, some progress in sector policy management (stronger sector leading institutions, comprehensive strategies, initial results based management tools, including PAFs with objectives, indicators and targets, M&E and improved budgeting) were made thanks to SRCs in Serbia and Albania. Additionally, (to a lesser extent) because of the IPA I Sector Operational Programmes in the Republic of North Macedonia, Montenegro and Turkey.

In Agriculture and Rural Development, Regional Cohesion and Competitiveness as well as Environment and Transport, despite the persistence of low governance standards, there was positive sector policy reform (although not attributable to IPA II SA) through the SOPs financed by IPA I and relaunched by IPA II, although with limited value added (see Conclusion 14).

This conclusion is based mainly on EQs 3, 4 and 6

8.5 Cluster 4: Aid modalities of IPA II have improved compared to IPA I, although many inefficiencies persist

8.5.1 Conclusion 12: Persisting inefficiencies in implementation

The perception of beneficiaries and other international cooperation agencies was that the EU support took so long between conception and implementation that it was always difficult to grasp the political momentum for effective assistance. This issue was partly addressed by IPA II, thanks to a certain re-centralisation of aid, through the introduction of multi-annual budget support, the strengthening of the facilities for assistance to NIPACs and project preparation, among others. Nevertheless, there were still long delays.

Apart from country-specific circumstances, there were two common causes of such delays across most countries: (1) the complexity of indirect management (particularly SOPs), including low administrative and absorption capacity of beneficiaries (as stressed by the European Court of Auditors) and cumbersome procedures for accreditation. (2) The lack of upfront specialised TA, which in most cases obliged long and contentious (between EUD and government) TOR preparation and tendering (e.g. SRC in Serbia). Peer to peer specialised TA was essential to fill the capacity gaps, as shown by the mechanisms in place in PAR (SIGMA) and in other sectors/beneficiaries (EURALIUS; etc.). In many cases, however, when TA is not available upfront from specialised facilities or other similar arrangements, it may cause inefficiencies and/or may not have the necessary expertise to adapt to specific needs and institutions and flexibility in timing.

This conclusion is based mainly on EQs 3 & 4

8.5.2 Conclusion 13: Budget support was shown to be a powerful but complex tool for sector reforms when focusing on policy and institutional change

IPA II introduced a new form of multiannual programme, implemented by SBS. SBS allowed a medium-term perspective and a high level of ownership and, being run directly by the DG NEAR and the EUDs, it avoided the inefficiencies of indirect management. SBS represented a significant incentive for the sector institutions involved, although not mandatory it was intended that most of its financing would reinforce the sector budget for institutional strengthening and implementation of reforms.

SBS appears to enable in-depth policy dialogue during the preparation for improved institutional coordination, identification of Performance Assessment Frameworks (PAFs), establishment of M&E and reporting systems and appropriate budgeting.

During the implementation, such dialogue continues and helps the institutions acquire a method that should be gradually appropriated and internalised. The process is long, but the direction seems right.

On the other hand, SBS has shown itself to be a rather complex tool, because specific pre-conditions must be in place for its decision, although its very process of preparation may help fill the gaps, when the commitment of the counterpart is high.

This conclusion is based mainly on EQs 2, 3 & 4

8.5.3 Conclusion 14: SOPs helped beneficiaries to test new policies and approaches and acquire EU good practice in sectors with significant local investment components, but their inefficiencies were high

SOPs were a legacy of IPA I Components 3, 4 and 5, designed to mirror structural funds (Social and Regional Cohesion and Agriculture and Rural Development). They were implemented in the Republic of North Macedonia, Montenegro and Turkey. IPA II relaunched most of them, although the implementation of the new projects lags behind. Beneficiaries appreciated the SOPs, because they fit-in very well their programmes and the need to test new sub-sector policies and approaches as well as transferring experience and best practice gained from well-functioning EU models. In addition, they provided a strong incentive in the accession process, because (1) they anticipated a sort of 'EU status' through the use of a typical EU policy tool, such as the structural funds; and (2) they allow(ed) a close relationship with 3 EC line DGs, which was an important source of lessons learnt. The beneficiaries appreciate the continuing direct involvement of DG AGRI, but feel that DGs REGIO & EMPL are less overtly visible in IPA II. The weakening of the accession incentives and the inefficiencies already mentioned in Conclusion 12 risked jeopardising the positive features of this modality, which continued to be appreciated by beneficiaries.

This conclusion is based mainly on EQs 2, 3 & 4

8.5.4 Conclusion 15: The level of incentives was too low (political incentives, investment, quick institutional strengthening)

Apart from the political incentives addressed in the general conclusions, the beneficiaries complained about the limited incentives provided by IPA to both administrations and targeted populations in the SOPs, which were the main counterparts of the assistance.

Considering the present modalities, the SRCs provided financial resources aimed at strengthening the institutional capacities. This was widely recognised and contributed to raise the institutional commitment. On the other hand, the staff perceived little personal gain in being involved in the processes: the institutional setup remains volatile and subject to often arbitrary political influence, thus leaving staff feeling insecure. In addition, TA, including peer-to-peer training, exchange of experience and expertise, which could better motivate the staff, was not easy to mobilise in all sectors.

Regarding the SOPs, they included significant investment components, which were appreciated by both the institutional beneficiaries and the targeted citizens and entrepreneurs. In addition, they represented a pre-accession modality of aid, which provided useful learning for the institutions and the staff involved. The problem was that the inefficiencies of this modality (complexity and length of the procedures and low administrative capacities) remain high. Additionally, with IPA II, there were no longer direct contacts and exchanges with DGs REGIO & EMPL of the European Commission, as DG NEAR had taken over their role but did not have the same competences.

SOPs, being the only tool for training the national authorities to operate in systems similar to those of the EU Structural Funds, were also the main mechanism used for combining institutional support with specific investments. The different institutions and/or mechanisms, such as WBIF, EIB and EBRD, were not used to reinforce the existing institutional support programmes, to which they could provide a valid integration. They were used either to manage individual investment projects, or to run autonomous programmes, e.g. under delegated cooperation.

This conclusion is based mainly on EQs 1, 4 & 6

8.6 Conclusion 16: Turkey is a particular case.

Turkey is a case in which IPA successfully supported sector policy reforms for years before the adoption of SA. Significant achievements were made in the reform of Judiciary and fundamental rights up to the early 2010s and the implementation of SOPs in various sectors – despite significant inefficiencies – ensured a significant transfer of EU expertise in inclusion and cohesion structural policies and agriculture and rural development. By the early 2010s, particularly after the events of Gezy Park (2013) and after the attempted coup of July 2016, the political context had changed profoundly and the sector reform process suffered from a major setback. The social and political environment and the status of the fundamental freedoms did not allow CSOs and human rights activists to operate freely. IPA II programmes have been largely stopped in Judiciary and other politically sensitive areas, while some new SOPs in Competitiveness and Employment were formulated but have not yet started. A decision on substantial reduction-reorientation of IPA support was awaited. Interventions aimed at protecting CSOs' freedom of expression and survival were being developed.

9 RECOMMENDATIONS

9.1 Recommendation clusters

The recommendations are structured along four clusters, similarly to the conclusions. They do not include sector-specific recommendations, however, as it was considered that all the lessons learned related to SA at the sector level, also relate to cross-sector issues.

The Figure 5 shows the different clusters and the link between EQs, conclusions and recommendations.

Figure 5 Major links between EQs, conclusions and recommendations

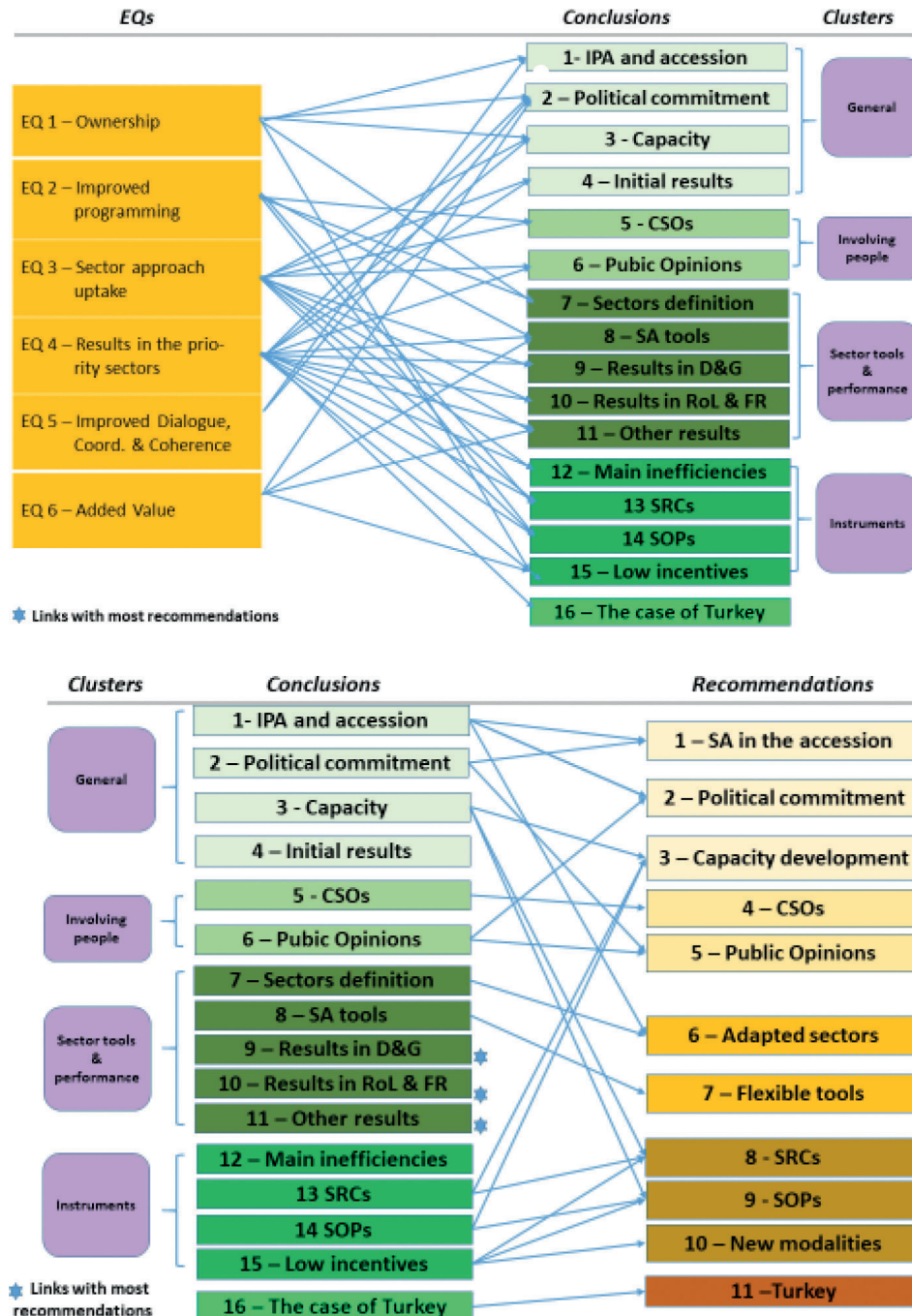


Table 7. Prioritisation of recommendations

No.	Recommendation	Importance*	Urgency*
1	Prioritise SA in the accession negotiations	4	4
2	Require beneficiaries' open political commitment on sector reform	3	4
5	Inform and involve the wider public	3	3
4	Regulate, control and reinforce the participation of CSOs	3	3
3	Reinforce Capacity Development	3	3
8	Improve SRCs by better using preparatory phases and protecting institutional frameworks	3	2
10	Strengthen incentives and better reward performance	3	1
9	Review and relaunch SOPs, these being conducive to political and institutional frameworks and shorten the approval process	3	1
11	Protect the achievements in Turkey	2	4
6&7	More flexibility for sector identification and implementation of the SA tools	2	4

* 1 = low, 4 = high

9.2 Cluster 1: General recommendations: strengthen political dimension and capacities

9.2.1 Recommendation 1: Sector reforms should be used better and integrated further in the assessment of the progress under the accession negotiations

The 2018 *Western Balkans Strategy* (WBS) reflected the need to put key reforms at the centre of the accession negotiations, as already emphasised by the “new approach” to the rule of law negotiation chapters introduced in 2011 and then strengthened by the ‘fundamentals first’ principle in 2014. The strategy confirms a particular emphasis on key reforms in Rule of Law and Fundamental Rights, Democracy and Governance and Competitiveness, including Education, Employment, and Access to market and Entrepreneurial Development. It recognises that the conditions for accession are linked to deep changes in such areas and sets out six specific flagship initiatives to support the sector reform process. Putting key reforms at the centre enhances the enlargement process, involving both the countries where the negotiations are open (Serbia and Montenegro) and other beneficiaries where the dialogue is carried out through the SAA committees.

Accession negotiations have a broader scope than IPA Sector Approach, but a *better integration* of progress in the implementation of sector strategies into the assessment of the achievements in terms of chapters’ standards should be pursued. The “new approach” to the rule of law chapters in the negotiation process, including the use of ‘interim benchmarks’, tackling the chapters early in the accession process, opening these chapters on the basis of action plans to enable the establishment of convincing track records, and the strengthened importance of these chapters for the overall pace of negotiations already represents progress and a further opportunity to put the key sector reforms at the centre.

Closer interaction between the EU policy and technical cooperation functions at local and HQ level is also necessary. Co-operation data and reports should be drafted to better inform the negotiation and SAA process. In turn, documents relevant to the accession negotiation and SAA should take due note of these cooperation data and reports, notably monitoring data, wherever relevant. Similarly, programming should benefit from policy inputs as regards priorities and conditions for assistance.

This recommendation is linked to:

- 5) Conclusion 1
- 6) Conclusion 2

Main implementation responsibility: European Council, DG NEAR (Directorates A and D and relevant CoTEs), EU negotiators in Accession and SAA, line DGs involved in negotiations, EUDs political and operational components.

Specific guidance: the recommendation should be incorporated during the process of implementation of the new Western Balkans Strategy and its implications for accession priorities. It should be stressed in multilateral and bilateral meetings with beneficiaries. A new impetus should be given at the level of the EUDs for stronger collaboration between the staff in charge of the accession negotiations and of IPA II. The collaboration should aim at highlighting the crucial steps of the reform process in the negotiations and focusing on the most important accession bottlenecks in both programming and implementation of the assistance.

Possible modalities and timing: urgent recommendation to accompany the appropriation of the new WB strategy by the relevant stakeholders.

9.2.2 Recommendation 2: Beneficiaries at the highest level should ensure open political support to sector reforms in the areas of Democracy and Governance, Rule of Law and Fundamental Rights and Economic Governance, to create adequate guidance and incentives for SA uptake.

EU negotiators, representatives and staff, in all their contacts with the beneficiaries, should highlight the importance of the beneficiaries giving the highest priority in public agendas and a high level of visibility to the key reforms related to the accession process. Such high visibility would promote political debate in the parliaments (even if indirectly), motivate public administration, promote public understanding and possible support through adequate awareness campaigns and ensure the highest and transparent control of the results chain.

Institutional support should be ensured, to protect the institutions in charge of leading the reforms from instability, to motivate staff to take ownership of and drive through reforms and to provide the related financial means for action.

This recommendation is linked to:

- 7) Conclusion 1
- 8) Conclusion 2
- 9) Conclusion 6

Main implementation responsibility: EU political representatives, EU and EC staff – especially DG NEAR (Directorates A, D and R), MEIs and NIPACs involved in the programming process and establishment of the FAs, in their contacts with the beneficiary high-level staff and representatives.

Specific guidance: In all high-level political and technical dialogue, encourage open political support to sector reforms as part of a good governance framework, which is a cross-sector dimension of any sector reform.

Possible modalities and timing: the recommendation could accompany, as the previous one, the process of implementation of the new Western Balkans strategy, with specific regional guidance. In addition, a specific fiche on government accountability initiatives (towards Parliament and public opinion), and not just the usual visibility campaigns run by the projects, could be included in the FAs.

9.2.3 Recommendation 3: Assistance should strengthen institutional capacity development wherever political commitment and institutional stability are ensured as well as improve tools and programmes to upgrade capacities and systems of the beneficiary administrations and reward their competencies.

Political commitment and some institutional stability being a pre-condition, capacity development of the institutions involved and support for appropriation of EU policy models, approaches and good practices should become the main service provided by IPA. Institutional capacity support should work closely with the support being provided by PAR to enhance the implementation of horizontal legislation and the extension of new governance standards to the various sectors. This would enable administrative bodies to better collaborate with people and would ensure them incentives, in terms of institutional strengthening, staff expertise, and recognition of reform-minded and effective individuals. Capacity development should not replace institutional and personal responsibilities as often happens with traditional TA, but should empower institutions and staff, by supporting the strengthening and/or establishment of new systems and skills. It should become a key concern in IPA programming and be closely monitored, through specific monitoring provisions (e.g. existing methods for capacity assessments), during implementation.

Different mechanisms and tools should be strengthened, expanded, better used and coordinated such as:

- Strengthening the existing facilities and special programmes, such as SIGMA, TAIEX, Twinning, EURALIUS, PAMECA, etc. In particular TAIEX is suggested to be strengthened and extended by the WB's Strategy;
- Extending the participation in EU programmes, as suggested by the WB's Strategy. Such participation is very important, although it cannot easily adapt to the demand;
- Ensuring coherence of and horizontal consistency of the sectoral approaches and institutional arrangements supported by TA, through the mainstreaming of the rules and mechanisms established by the ongoing public administration reforms;
- Expanding specialised TA available upfront, by setting up new facilities and/or sector framework contracts. These could be established in the different contexts through delegated arrangements with the EU MS, and/or on the model of some of the existing facilities/ special programmes mentioned above, and/or in the more traditional way of regional framework contracts in two or three key policy areas, thus reinforcing the role of CoTEs. Spot TA, contracted for specific programmes, should be limited as far as possible;
- The line DGs of the Commission should be more overtly involved in the candidate countries, especially as the accession perspective is relaunched in the medium term. The beneficiaries have negatively perceived the reduced direct involvement of DG REGIO and EMPL under IPA II. Supported by adequate resources, some line DGs could participate in setting up specialised sector support teams and/or to ensure the widest participation of IPA beneficiaries in the EU programmes.

The target should be to provide upfront qualified and diversified services for capacity development, to avoid undergoing complex and often contentious procedures for drafting TOR, tendering and contracting TA, with the related rigidities and inefficiencies.

This recommendation is linked to:

- 10) Conclusion 3
- 11) Conclusion 13
- 12) Conclusion 14

Main implementation responsibility: DG NEAR (Directorates A, D, R, and relevant CoTEs) and EUDs and, later on, line DGs.

Specific guidance: the implementation of this recommendation is a complex exercise, as it requires some rationalisation and planning for the medium term. The enlargement process may last for decades, as the next possible deadlines are established for 2025. This implies the need to create a solid and multifaceted structure for technical support, to ensure competencies, availability and flexibility, although with competitive mechanisms. The existing regional instruments – SIGMA and TAIEX – should be strengthened to ensure that their capacity and coverage respond to future demands. The SIGMA model (a specialised highly qualified sector institution supported by EU and other partners, e.g. MS) could be extended to other sectors (RoL, Competitiveness, Environment) to create a system of solid specialised regional facilities for peer-to-peer capacity development, including exchanges between beneficiaries. Connections with MS expertise should be encouraged, while maintaining adequate levels of diversification in the technical offer. The present CoTEs may be incorporated in the system of facilities or may become DG NEAR (and line DGs') tools to interact with them. EUDs should be able to draw on the support of specialised staff from such facilities. The issue should be addressed with a comprehensive approach to set up a plan for the creation of peer-to-peer capacity development tools, which should be continuously available and designed to respond to the diversified and long-term demands of EU candidate countries. This may result in a rationalisation of the existing tools, with possible gains in efficiency.

Possible modalities and timing: the recommendation could start being implemented relatively soon, considering the time necessary for planning and implementation, in view of the establishment of IPA III: as a first step, a framework of the available tools for capacity development and a plan of action to fill the gaps should be established.

9.3 Cluster 2: Involving potential future EU citizens

9.3.1 Recommendation 4: A twofold approach is necessary toward CSOs: (1) supporting beneficiary administrations to set strategies and rules to enhance substantive CSO participation; and (2) supporting CSOs to strengthen their capacities, advocacy and networking.

This recommendation corresponds to the guidelines of the EU support to civil society in enlargement countries 2014-2020, which on the one hand focuses on building an environment conducive to substantive participation by CSOs and on the other supporting their capacity development.

Given the evidence gathered which shows that CSO participation – apart from the IPA programming process – is often merely nominal with little if any practical input, we propose that IPA should support the beneficiaries to design and implement a strategy to ensure that CSOs are truly independent and to enhance their substantive participation in the policy process. Such participation should become mandatory for the public administration, be properly regulated (which is not yet the case) and be systematically enforced. It should no longer be entrusted to the uncertain institutional dimension of the SWGs (apart from their function in IPA programming), among others. Beyond the statutory and fiscal provisions for CSOs, the strategy should encompass their regular inclusion in policy consultations at sector level, but also their access to calls for proposals for service delivery, based on competence and transparency.

It is also necessary that IPA provides direct support (or facilitates access to various support sources) to CSOs to strengthen their capacities, advocacy, networking, and ensure – when the environment becomes hostile – their survival. Through the Civil Society Facility (CSF), EIDHR and various self-managed tools, different opportunities should be offered on a competitive basis, such as: training, participation in international fora, small funds on thematic campaigns, etc.

This recommendation is linked to:

- 13) Conclusion 5

Main implementation responsibility: DG NEAR (Directorates A and D, and the CoTE Civil Society).

Specific guidance: detailed practical guidance and specific empowerment should be put in place for the implementation of the existing guidelines, to assist EUDs and NIPACs to address the two priorities highlighted in the recommendation. The EUDs and MEIs could start reviewing their programmes according to this recommendation. The support to the beneficiary strategies should lead to strengthening the existing legislation where necessary as well as better regulate the participation of the CSOs in the policy processes and enhance the implementation. Especially where a sector benefits from comprehensive IPA support (as in the case of e.g. SBS operations), CSO consultation should be a condition, not only in programming, as it is. CSOs participation in implementation should become a key issue in policy dialogue in all sectors.

Possible modalities and timing: a regional seminar could help assess the ongoing sector experience and the existing conditions for the implementation of this recommendation. The recommendation could be implemented by the structures in place, though conditionality may be required for upcoming TA to ensure that CSOs are properly included.

9.3.2 Recommendation 5: Communication to and raising the awareness of the wider public on the main reform themes should become a priority of IPA programmes, and – whenever possible – beneficiary institutions should be in the front line to inform and mobilise public opinion.

A better understanding of the pre-accession reform process by the wider public should become a key priority in all beneficiary contexts. The modalities and means should adapt to the level of freedom of the media and the specific sensitivities, but the communication programmes should be diversified, able to address different groups of population and be attractive. On the one hand, they should use the existing general media, while on the other they should mobilise specialised CSOs to address specific institutional environments, such as education, rural development (agriculture and diversification of rural employment, the environment, natural resource management etc.), civil servants (especially within the institutions involved in reform implementation), the liberal professions, etcetera. The content should focus on critical awareness and not on superficial consensus (EU, not as myth, but as an opportunity), using story telling from beneficiary experience and EU MS, open public debates, Q&A spaces, etc. This would require strengthening the existing expertise in the EUDs and at the HQ. Some initial examples of success are in the Republic of North Macedonia and in Montenegro.

Since the information / mobilisation of public opinion should become a political priority of beneficiaries in the pre-accession process, it should be addressed in the related negotiations (R1&2). The beneficiaries should be involved in and lead such awareness programmes. This means that annually an awareness package could be programmed, including action by beneficiaries, action by the EUDs and joint campaigns.

This recommendation is linked to:

- 14) Conclusion 6
- 15) Conclusion 2

Main implementation responsibility: DG NEAR (Directorates A and D), EUDs, NIPAC and SLIs.

Specific guidance: DG NEAR should support the beneficiaries in establishing priorities and guidelines to highlight citizens' awareness as a priority of the reform process. This should help to raise public awareness of both the political and policy dialogue with the EU relating to sectoral programmes and the wider accession negotiations. The EUDs could help beneficiaries to test awareness campaigns in selected fields. Of course, much depends upon the attitude of the beneficiary (see Rec. 2 above) and the level of freedom of expression. Specific campaigns, following the example of the Republic of North Macedonia or diversified actions as in Montenegro, could be put in place, with a view to attracting public interest and debate on the issues related to the reform processes supported by EU.

Possible modalities and timing: the recommendation should be implemented as soon as possible, in collaboration with media experts at local level, starting with well-focused topics and where possible minimum cost, for example using "talk shows" on the radio, television debates between national experts etc.

9.4 Cluster 3: Improving sector level support

9.4.1 Recommendation 6: The identification of sectors and areas of intervention should take into account the beneficiary's experience and preferences, while establishing stronger connections with the Chapters of the acquis.

A distinction should be made between sectors that – despite the involvement of multiple institutional bodies – refers to consolidated leading institutions (e.g. clearly identified and politically strong Ministries, as in the cases of Judiciary, Home Affairs, PFM, Transport, etc.) and policy areas where different peer institutions are brought together (maybe temporarily) to conceive and implement comprehensive integrated strategies and action plans, with the purpose of making deep institutional and policy changes (e.g. Education Employment and Social Inclusion – EESI – or PAR if not led by a single ministry). The distinction should focus not so much on the nature of the programmes, but the complexity of the institutional framework. In complex areas with divided multi-institutional responsibilities, sector reform must take into account the existing responsibilities and focus on inter-institutional coordination and complementarities, avoiding the imposition of hierarchies. A flexible approach of this kind has proved necessary in Albania and Montenegro, where the PM office has taken the lead in public administration reform that stretches across several governmental institutions.

Flexibility is also needed when addressing complex sectors/areas having both crosscutting and thematic dimensions, such as Human Rights, Gender Equality, CSOs, PAR and others.

The necessary expertise must be put in place. For instance, focal points at EUDs for gender should be created or strengthened; CoTEs should be reinforced through external contributions (R3) and should be enabled to discuss and apply solutions adapted to the particular context, including a stronger link with EUDs.

The identified sectors and the related support strategies should always spell out and underline implications for the pre-accession negotiations, since IPA is a wider pre-accession programme and not only for development. It should be specified which are the accession Chapters and the related accession benchmarks that a sector strategy and the related IPA support will help to meet; such benchmarks should be better used to design support strategies and indicators, with closer collaboration of the EUDs' political and cooperation sections.

This recommendation is linked to:

- 16) Conclusion 7
- 17) Conclusion 1

Main implementation responsibility: DG NEAR Chapter desks, EUDs, CoTEs, NIPACs.

Specific guidance: when addressing a sector to identify the needs for assistance, the first question should be which institutions are sufficiently strong and motivated that would support the reform process in a complex area (e.g. PAR, EESI). The programme may be appropriately tailored according to the institution(s) identified. For example, one could initially set an Employment and Social Inclusion programme, and then combine it with an Education programme. An all-encompassing EESI programme is not immediately obligatory. Such flexibility could avoid the problem of weak institutions which were unable to lead the process (e.g. EESI in Albania), or institutional conflicts which led to its paralysis (e.g. EESI in Serbia).

Another key issue is that, when defining an assistance programme, it should be spelled out in detail which accession chapters are addressed by the supported reform to avoid any duplication, ensure that the key incentive to the reform (the accession perspective) is clear and facilitate the exchange between IPA and the negotiation process.

Finally, key horizontal governance standards, as developed by the PAR process, and related capacity development measures should be applied when addressing reforms in the various sectors in the different beneficiaries.

Possible modalities and timing: this recommendation should inspire the programming dialogue, to better identify sectors and limit institutional demotivation, fragile institutional settings and etcetera. The link with the accession chapters may be strongly facilitated if (see Rec. 1) the political sections of the EUDs are actively involved in the programming, as stressed by the NEAR guidelines on Linking Planning, Programming, Monitoring and Evaluation – 2016.

9.4.2 Recommendation 7: SPDs and SWGs, and the criteria for SA should be adapted and managed with flexibility

Adapting the Sector Planning Documents to different contexts should be accepted, as they are rather informal tools under beneficiary responsibility: their templates are not prescriptive, and they are not mandatory after SA maturity. In most cases, they were used at the beginning of IPA II to provide a coherent sector framework for identifying IPA assistance priorities. Once the leading institutions control the strategic process and comply with the SA requirements, SPDs are no longer needed. The gradual disappearance of the SPDs as a temporary tool should be accepted as SLIs take on the SA and are able to enter into dialogue and negotiate the priorities for sector assistance with IPA. This is the case for most sectors and sub-sectors that benefit from a SRC, a SOP or intensive multiannual assistance such as Justice. However, certain flexibility should be kept ensuring the beneficiary institutions (namely MEIs and SLIs) find a common understanding.

Both the SPDs and the promoted strategies should assess the need for reform and highlight the related priorities, in view of two intertwined objectives: (i) improving growth, social inclusion, democracy and peace for the beneficiaries and (ii) facilitating the acquisition of the EU standards and the EU accession process. The accession objective should never be blurred, as it is at the basis of the assistance, and it is essential to motivate the beneficiaries.

SWGs should be consolidated as a positive tool for the programming phase but they respond to too many needs and tend to become a redundant tool during the implementation. Therefore, stakeholders' consultation must be addressed with increased attention and during implementation. SWGs should be replaced by a diversified set of tools for each reform programme, inter-institutional consultations and meaningful consultations with CSOs should be mandatory. The latter should be regulated by law (as already happens in certain cases), but in the meantime the institutions benefitting from EU support should make themselves available in the most effective and transparent way, e.g. periodical ad hoc meetings, inviting CSOs to regular M&E meetings and etcetera.

Donor coordination is a different issue, most countries require it to be regulated and it can assume different forms, depending on the contexts and actors (regular institutionalised consultations led by the beneficiary, donor coordination groups, donor joint sector projects, special groups on specific issues, etc.). Trying to institutionalise such consultation and coordination under a standard model does not work. Given the high importance of donor coordination for SA, optimal solutions adapted to beneficiary context and to specific sectors involved should be identified.

M&E systems and other results-based management tools should be put in place by all SLIs engaged in sector reform, according to coherent horizontal public administration models and procedures regulated by law. When an IPA comprehensive sector and/or thematic support programme is established, such systems and tools become mandatory in practice, i.e. part of the FA. Although IPA support works for full appropriation of such systems and tools by the beneficiary SLIs and helps them toward their mainstreaming into the national sector strategies, a certain duality of approaches may coexist in the national sectors for years, due to the enormous complexity of the changes required. Here a flexible approach should be adopted:

- It can be accepted that, during a certain period of time, the new systems and tools coexist with previous practices (two-track), provided that their adoption is not just formal and they are owned and gradually mainstreamed by the leading and the main executing institutions (easily verified through specific capacity development assessments).
- It can also be accepted temporarily that M&E systems and tools often function only in relation to IPA-supported programmes and report to IPA-related Sector Monitoring Committees, provided there is evidence of building SLIs' capacities for results-based management.

This recommendation is linked to:

18) Conclusion 8

Main implementation responsibility: SLIs, EUDs, CoTEs and NIPACs

Specific guidance: this recommendation addresses the flexibility necessary to effectively deal with the different tools of SA management. Instead of referring to standard tools and definitions (SPDs, SWGs, owned and non-owned M&E systems), it is better to remember that behind such tools/definitions there are key functions. SPDs are documents for planning support to sector policies that may be continued and updated if necessary but should not hamper the leading institutions in their sector leadership and development of fully-fledged national sector strategies, enshrined in their mandates. SWGs are a consultation tool, but what is important is that (i) inter-institutional consultation and (ii) CSO consultation take place. If the SWG are redundant, it could be re-formatted or another mechanism should be identified. Donor coordination may be done in many ways; it is not necessary to have a standard 'tool'. M&E systems are very important, and it may be accepted that initially they are conceived and set up for the IPA programme (when this is comprehensive as in the case of a SRC), provided that the functions of data collection such as processing, reporting and assessing are fully established and consolidated within the institutions involved, with the aim to widen their scope to the whole institution.

Possible modalities and timing: this may be implemented soon and gradually. It is mainly linked to a technical attitude, to shift from the rigidity of the previous guidelines to an approach that prioritises the new functions and capacities to be created or strengthened in the beneficiaries, as stressed in the new DG NEAR Guidance Note on Addressing Capacity Development in planning/programming, monitoring and evaluation.

9.5 Cluster 4: Enhanced efficiency and improved aid modalities

9.5.1 Recommendation 8: SRCs have shown to produce promising outputs since the preparation phase. The modality should be improved through the introduction of more flexibility (e.g. on general assessments and indicators) and stronger accompanying measures, particularly for mobilisation of specialised TA.

It is advisable to target the establishment of a SRC and launch its preparation, when it corresponds to the context and the institutions involved have fulfilled clear initial steps to comply with SA criteria and are willing to go forward. The SRC preparation may be formalised as a type of programme and extended to one or two years, since targeting a SRC has shown to be a strong incentive for the administration to mobilise and participate in sector assessments, strategic dialogue around PAFs and related indicators, improved reporting and budgeting.

Identifying the indicators of a SRC is a crucial step. Indicators must be coherent with the beneficiary strategy (either included in it or reflecting additional compatible and shared priorities) and proportioned to the baseline. They must identify significant changes and steps forward, the achievement of which is a consequence of institutional change (underlining significant political decisions, changes in institutional behaviour, changes in institutional structures implying new equilibria of power, etc.).

The implementation of SRCs must be supported by some form of regulation keeping them independent of destabilising political intervention, including possible institutional volatility and key staff mobility (R2). More attention should be put on the sector dialogue, including considering institutional stability as a feature of the sector strategic framework to be assessed under the general conditions of the SA and monitored in the implementation.

SRCs need to be supported by strong accompanying measures aimed at capacity development at the institutions involved. This is essential and it increases the incentives of the stakeholders to actively participate. Capacity development will be needed especially in order to build deeply internalised results-based management systems, to respond to the new legal frameworks that were being established through PAR in the different beneficiary contexts, particularly to improve PAFs (indicators and baseline) and strengthen assessments, reporting, linkages between M&E and decision-making processes, etc.

It should be remembered that BS includes funds, dialogue and capacity development and cannot be run in the absence of one of these three components.

This recommendation is linked to:

- 19) Conclusion 13
- 20) Conclusion 3

Main implementation responsibility: DG NEAR (BS service), CoTEs, EUDs

Specific guidance: in several sectors, the perspective of setting a multiannual BS is an incentive per-se for the beneficiary institution. The preparation for BS has been shown to be a very important phase since that is when the strategies are effectively completed and key tools like PAFs and M&E systems are put in place. This recommendation emphasises the role of the preparatory phase, even if it lasts for two years only before launching BS and even when, as in some cases, it seems that the conditions for BS have not been attained. The key condition for launching the preparation of BS is the institutional and political commitment, including the solidity of the institution involved (protection from staff and structural volatility). The fundamental role of the capacity development measures to accompany BS must never be overlooked, as they are its third component (in addition to funds and dialogue).

Possible modalities and timing: this recommendation should especially be kept in mind during the programming phase, to negotiate with the beneficiary and design appropriate BS preparation and execution programmes. The political and institutional assessment should be more important than the technical assessments in deciding whether to start BS preparation. One option for getting complementary technical assistance mobilised quickly – in the absence of available facilities, which would be optimal (R3) – is to use the SIEA Framework contracts for example. This way, it should be feasible to prepare TORs for the complementary TA during the SRC process, launch the tender with a suspension clause, select the contractor and sign the contract immediately upon signature of the SRC.

9.5.2 Recommendation 9: SOPs should be relaunched with simplified implementation procedures, combination with other modalities (Blending, Development Banks and specialised funds), strengthening the EU learning component (TA linked to Commission's DGs)

SOPs should be reviewed and relaunched in most beneficiary contexts. They are important medium-term tools for the beneficiary to acquire and test EU consolidated sector policies and approaches. They have the capacity to provide direct benefits to target groups of population (entrepreneurs in agriculture and other sectors, workers and the unemployed), and/or improve the environment and the economic infrastructure. For this reason, SOPs allow large groups of the population, which normally are outside the main information circuits, to experiment and recognise the benefits of EU supported policies.

Serious efforts should be made to simplify programme design and mechanisms for implementation. The SOPs should ensure solid policy frameworks and institutional responsibilities, to allow and coordinate the participation of different development agents (banks, TA partners and others) for implementation. The administrative burden of the management institutions should be much reduced (e.g. merging the procedures for the Entrustment Budget Implementing Tasks – EBIT – for different projects, simplifying the accreditations and other procedures), without undermining their political leadership and responsibility.

Finally, a way to ensure stronger direct involvement of the Commission's DGs REGIO and EMPL as readily accessible policy advisors and institutional mentors for identifying such programmes and for backstopping during their implementation should be foreseen wherever this is deemed relevant and compatible with the available resources. This can include sectoral TA groups permanently connected with/guided by the DGs as suggested (R3), or lighter forms of direct participation during programming and monitoring.

This recommendation is linked to:

21) Conclusion 14

22) Conclusion 3

Main implementation responsibility: DG NEAR (A3, A5, D1, D3, R5), EUDs

Specific guidance: in the preparation of IPA III, this typology of intervention should be reviewed, keeping three priorities in mind: (i) simplified processes for the accreditation of beneficiary agencies, (ii) a strengthened investment component through blending and (iii) a strengthened learning process, through a stronger direct involvement of the Commission's DG REGIO and EMPL. Point (i) is outside of the competencies of the evaluation team; although stakeholders have expressed several reasonable ideas to speed up the processes such as unifying the procedures for EBIT, allowing the recognition of the structures for more than just one project, etcetera. Point (ii) adequately addressed in Rec. 10. The third point is rather complex, as it would require specific resources that the line DGs may not have today. The problem could be addressed in the framework of the implementation of the Rec. 3 on reinforcing capacity development. Specific TA networks and/or facilities in employment, competitiveness and etcetera could be created with the participation, or under the guidance, of the relevant line DGs to avoid an additional burden on their budget.

Possible modalities and timing: a task force may be established under the coordination of DG NEAR, including the relevant line DGs, to identify simpler modalities for implementing the SOPs and specialised tools for transferring EU expertise to the accession beneficiaries in the areas related to EU cohesion and competitiveness policies. If the work starts soon, it will be ready for IPA III.

9.5.3 Recommendation 10: New aid modalities should be tested to increase the incentives (especially investments) and better reward performance.

Investment components should be increased, including public investment in infrastructure and private investment mainly in SMEs. This should be obtained mainly by attracting external resources. Future renovated SOPs may be conducive for this. Investment however must be also promoted outside of SOPs, in combination with support to sector policies: for instance, promoting digitalisation of the Judiciary and e-governance in PAR, and/or facilitating green investment for addressing environment policy reforms.

IPA programmes should ensure, as much as possible, a mix of institutional support and investment facilitation, by blending different modalities, combining SOPs, SRCs and various annual sector actions with investment components supported through specialised institutions and tools, such as WBIF, EIF, EBRD, EIB and other international agencies. Specific capacities in investments and blending should be established at regional level, or – when appropriate – at the EUDs.

Conditional grants, apparently compatible with the present regulations although not used so far, might be an innovative modality to increase incentives for policy and institutional reforms where the conditions for SRCs and/or SOPs are absent, or in combination with them. When quantitative targets under the influence of the beneficiary institution may be easily established – both in terms of the available infrastructure (e.g. number of people served by wastewater treatment in Environment) and in terms of institutional achievements (e.g. backlog of cases, average times for case completion in the Judiciary) – this aid modality could be put in place. Disbursement-linked indicators could enable the results to be rewarded, providing that adequate capacity building will be put in place for successful implementation.

This recommendation is linked to:

23) Conclusion 12

Main implementation responsibility: DG NEAR, EU related IFIs, EUDs, NIPACs

Specific guidance: increased investment would be a key improvement in IPA implementation. This should mainly happen through blending investment with the main support modalities, namely SRCs and SOPs. A specific responsibility for blending should be established at EUD and/or regional level, because it requires specific competencies and networks. Another innovation could include testing of conditional grants. Trials could start with existing sector support programmes (SOPs, or other comprehensive support), to ensure an adequate policy framework.

Possible modalities and timing: all such modality improvements should be fine-tuned in view of IPA III. A working group in DG NEAR could be established to study the conditions for their implementation.

9.6 Recommendation 11: Protecting the achievements in Turkey.

Independently from the decisions on the EU-Turkey relationship and the amount or type of future EU assistance, the process of pre-accession in Turkey has catalysed a deep reform sequence. This modernisation of the institutions and society cannot be demolished overnight. Even so, there is still room to respond to the demands of CSOs, HR activists, reform minded sectors of the public administration, researchers and students to cultivate their relationships with the EU, participate in the European networks and European programmes. Specific programmes are already in place to provide direct support to CSOs in the present difficult context; for other groups, access to EU programmes is also in place. This part of the IPA programme should continue and be intensified.

On the other hand, wide segments of the Turkish policy makers and administrators have experimented with and appreciated European agriculture and rural development and structural policies. If coherent with the new EU policies and financial decisions, this activity should also be continued because it can contribute to keeping the most remote areas linked to a certain process of exchange and modernisation. The continuation of the SOPs is threatened by the inefficiencies of indirect management, more so than in other contexts. If they are to continue, specific innovations should be introduced, such as blending and conditional grants, as explained in Rec. 9 and 10.

The general idea and the wish is that maintaining and cultivating contacts with the groups of the Turkish society that are able to appreciate the value of the EU relationship, would help the country to accelerate a return to democracy and inclusive growth.

This recommendation is linked to:

24) Conclusion 16

Main implementation responsibility: DG NEAR (Directorate A). EUD in Turkey

Specific guidance: the interim review should be integrated according to two priorities, which should be taken into account in the ongoing and/or the next programming exercise: (i) protecting CSOs and advanced groups, through direct support and participation in as many EU programmes as possible; and (ii) reviewing the existing SOPs, through the introduction of (a) direct management components (e.g. conditional grants), and/or (b) components to boost investment, e.g. by delegating cooperation to IFIs, and/or (c) multiplication of capacity development opportunities, e.g. through study trips, twinning, etc.

Possible modalities and timing: ongoing programming. A special group could be created by EUD and MEUA to review the programming decisions and formulate recommendations for the new programming.