

**Evaluation Final Report**

**COWI**

**Evaluation of the CARDS  
Programmes**

**Country: Montenegro**

**Sectors:**

**Public Administration Re-  
form, Justice and Civil So-  
ciety Development**

**Date: July 2009**



**The views expressed are those of COWI A/S and do not necessarily reflect those of the European Commission.**

This report has been prepared as a result of an independent evaluation by COWI A/S being contracted under the IPA programme.

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## Sector Sheet

Projects selected for evaluation by individual cluster
<b><i>Good Governance and Institution Building</i></b>
<ul style="list-style-type: none"><li>▪ <b>Public Administration</b> (Implementation of Budgeting and Salary System Reforms, Strengthening Local Self Government, Capacity Building HR Management Agency &amp; Line Ministries, Capacity Building of the Public Procurement Commission, Support to Public Administration Reform, Montenegro, Capacity Building in Treasury Management &amp; Fiscal Reporting, Public Administration Reform)</li><li>▪ <b>Judicial Reform</b> (Advisory Support to Prosecutors Training, Joint Initiative with COE for Prison Reform, TA to Judicial Training Centre, Supply of IT Equipment to Courts in Montenegro, Support to the Judicial Training Centre Activities)</li></ul>
<b><i>Democratic Stabilisation</i></b>
<ul style="list-style-type: none"><li>▪ <b>Civil Society</b> (Integration by Adult Literacy &amp; Vocational Training, TA to Trade Unions, Improvement of Reproductive Health, The Full Integration of People Living with Disabilities, The Social Care &amp; Child Protection Reform, Second Joint Initiative EAR-COE in the Legal Media Field)</li></ul>

***Public Administration Reform:*** Assistance in this cluster comprised reforms in key areas such as: Public Administration Reform and Budgeting and Salary System Reforms. The EU support also aimed at capacity building in Ministries and HRM Agency, Public Procurement Commission and development of new legislation, and strengthening of the local self government.

***Judicial Reform:*** Assistance included actions aimed at capacity building in the judicial institutions through development of the training programmes for court staff, judges, prosecutors and judicial reform. Moreover, the assistance was also provided through the supply of equipment to the courts.

***Civil Society:*** Assistance to this sector focused on building free and independent media through modernisation of the legal framework. In the more recent perspective, EU support aimed at capacity building of the trade unions and integration of the most vulnerable groups into society through the grants.

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## Preface

This evaluation covers CARDS assistance from the 2001-2006 national programmes to Montenegro. The total CARDS allocation to Montenegro in the period was M€ 59.21, and by September 2008 97 %<sup>1</sup> had been contracted.

This report was prepared by COWI A/S during the period from January 2008 to June 2009 and reflects the situation as of 30 April 2009, the cut-off date for the report. The preparation of the report was preceded by an inception phase, which took place in November and December 2008. The factual basis is the monitoring reports<sup>2</sup>, project documentation and other evaluations. Other findings are based on analysis of Financing Agreements, formal programme documentation, strategic and planning documentation and other relevant, published materials. The interviews with the main parties involved in the programming and implementation of this assistance took place in the period from January to May 2009.

The report examines the progress of the programme towards the objectives stated in the formal programming documents, i.e. Financing Memorandum, Project Fiches, etc. It is intended to provide strategic and operation management information for the Commission Services, the Monitoring Meeting and the beneficiaries. It draws conclusions and puts forward recommendations and provides a judgement on sectoral and sub-sectoral (cluster) performance. Comments on the draft report were requested from the following parties:

Parties invited	Comments received
European Commission, DG Enlargement, Evaluation Unit (E-4)	yes
European Commission, DG Enlargement, Montenegro Team	yes
The European Commission Delegation in Montenegro	yes
Secretariat for European Integration	yes
Ministry of Justice	yes
Human Resource Management Agency	yes
Judicial Training Centre	yes
Ministry of Interior	-
Ministry of Education and Science	yes
Ministry of Health, Labour and Social Welfare	-
Employment Agency of Montenegro	-
Centre for Vocational Training	-
Ministry of Finance	yes (by experts) <sup>3</sup>
Union of Municipalities	-
Trade Union of Workers in Public Administration and Judiciary	-
Public Procurement Commission	yes (by experts)

<sup>1</sup> EAR webpage, <http://ec.europa.eu/enlargement/archives/ear/montenegro/montenegro.htm>.

<sup>2</sup> For those projects where these are available.

<sup>3</sup> For projects in the Ministry of Finance and the Procurement Commission comments were from expert and not from the institution.

## List of Acronyms

CEFTA	Central Europe Free Trade Agreement
CFCU	Central Finance and Contracts Unit
CoE	Council of Europe
CS	Civil Society
CSD	Civil Society Development
CSO	Civil Society Organization
CSP	Country Strategy Paper
CTUM	Confederation of Trade Unions of Montenegro
DG ELARG	Enlargement Directorate-General
DIS	Decentralised Implementation System
EAR	European Agency for Reconstruction
EC	European Commission
ECD	European Commission Delegation
ECLO	European Commission Liaison Office
EP	European Partnership
EU	European Union
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
GTZ	Deutsche Gesellschaft für Technische Zusammenarbeit
HBS	Household Budget Survey
HR	Human Resource
HRM	Human Resource Management
HRMA	Human Resources Management Authority
IFIs	International Financial Institutions
IMF	International Monetary Fund
IPA	Instrument for Pre-accession Assistance
JTC	Judicial Training Centre
LSMS	Living Standard Measurement Survey
MDG	Millennium Development Goals

Retrospective Evaluation of CARDS Programmes in Montenegro

MIP	Multi-Annual Indicative Programme
MoEI	Ministry for European Integration
MoF	Ministry of Finance
MoI	Ministry of Interior
MoJ	Ministry of Justice
MoHLSW	Ministry of Health, Labour and Social Welfare
MTEF	Medium Term Expenditure Framework
NAO	National Authorising Office
NGO	Non-Governmental Organization
NPI	National Programme for EU Integration
OSCE	Organization for Security and Co-operation in Europe
PAR	Public Administration Reform
PARIM	Public Administration Reform in Montenegro
PPA	Public Procurement Agency
PPC	Public Procurement Commission
ROM	Result-oriented Monitoring
SAA	Stabilization and Association Agreement
SAP	Stabilisation and Association Process
SEI	Secretariat for European Integration
SNV/NL	Netherland Development Organisation
SPO	Senior Programme Officer
TA	Technical Assistance
TOR	Terms of Reference
TUPAJ	Trade Union of Workers in Public Administration and Judiciary
UNDP	United Nations Development Programme
USAID	The US Agency for International Development's
WB	The World Bank
WTO	World Trade Organisation

## Executive Summary

### Scope and Objectives

The purpose of this retrospective evaluation of CARDS in Montenegro is to provide accountability for past assistance and lessons learned for decision making on improvement of pre-accession aid under IPA. This report encompasses three sectors: Justice, Public Administration Reform and Civil Society Development. The evaluation is based on a sample of 19 projects which have been subject to interviews and desk research. The evaluation covers CARDS 2001-2006, and the sample is drawn from all six years on a representative basis. The evaluation took place in the period January-May 2009.

Evaluation Question	Conclusions
1. Was CARDS well focused on the objectives of the Stabilisation and Association Process (SAP) and the pre-accession strategies?	CARDS was focused on the objectives of the relevant planning and strategic documents, but the documents were not adequately detailed and developed.
2. What were the results and impacts and are these results and impacts sustainable?	Due to limited institutional and absorption capacity only some projects show results and short-term impacts. Some results and impacts may be sustainable if supported by sufficient staff and resources
3. Have the results and impacts been achieved in an efficient manner?	In general, results and impacts have not been achieved in an efficient and effective manner due to the lack of experienced institutions
4. To what extent has CARDS supported the cross-cutting issues: 1) gender equality and inclusion of minorities, 2) promotion of sustainable development including protection of the environment and 3) strengthened the effectiveness/efficiency of donor coordination?	CARDS has addressed the gender equality and inclusion minorities, primarily in civil society development projects but there has been less focus on sustainable development. Donor coordination, especially at sectoral level has to be further developed.

### Overall Evaluation Findings

The CARDS assistance has overall responded to the needs in the sectors, but the needs have not been fully identified and assessed:

- Projects are in compliance with strategic documents, but project design has been made without in-depth institutional assessment and only limited national strategies. Limited links between CARDS and existing sectors strategies have contributed to lack of real needs identification. (18-20, 47-49, 67-68, 70, 87)
- Some projects have had components with very different recipients and target areas contributing to making projects very complex. Assessment of assumptions and risks has been limited and so has use of project management tools such as log-frames with adequate indicators. (21, 23, 50, 69, 88)

While project efficiency in general has been good, ownership and commitment have been a concern in some projects:

- Contractors have overall been efficient and flexible in implementation, but in some instances they met a lack of ownership which delayed implementation. Also approval of



legislation and establishment of institutions have also delayed implementation. (25-27, 53, 74-75, 90)

- The limited resources to implement projects impacting efficiency may partly reflect that there have been many competing tasks following independence in 2006. (28, 54, 91)

Projects have in general resulted in the planned effects, but capacity to implement the outcomes is a concern:

- Irrespective of implementation problems, projects have overall met most of their project objectives. A few projects did not reach any or most of their objectives due to lack of ownership or missing commitment. The projects were designed with focus on the delivery of specific outputs rather than on capacity building. (30-33, 77, 93)
- Lack of staff and the instability of new ministries and institutions is a key obstacle to achieving full effectiveness and fully using and implementing the outputs. Intermittent participation in training has been a problem in some of the sectors reducing effectiveness of training. (56-58, 94)

Some short-term impacts can be identified, medium and long-term impacts are more uncertain:

- Some project results in public administration reform and justice will have impacts beyond the immediate institution and project environment. However, knowledge of these impacts are limited to the institutions involved except in civil society development and a few other projects which have managed to disseminate results beyond the project environment. (35, 37, 60, 80, 95)
- Monitoring of overall and medium to long-term impacts only takes place in a very limited number of ministries. Due to lack of policy and more strategic functions, monitoring of policy impacts is limited. (38, 81, 96)

Developing institutional capacity and ownership is a precondition for sustainability:

- Lack of staff and budget allocations is a key impediment to sustainability of capacity building projects. Adding to this is the institutional instability which makes sustainability of project uncertain. A culture of transfer of knowledge still has to be developed especially in an administration with high staff turnover. (40, 41, 43, 62, 83, 85, 98)
- Ownership of project results is mixed in CARDS projects. Ownership has in some projects been present at the time of the planning and programming phases, but has been missing with regard to implementing the operational commitment or resources. (42, 63, 84, 85, 99)
- Sustainability has only been directly addressed in a few projects as part of the reporting. Many projects do not address sustainability of outputs at any length or depth, if at all, in the final reports. (62, 83, 100)

### Performance rating

Sector	Relevance	Efficiency	Effectiveness	Impact	Sustainability	Overall
Public Administration Reform	MS	MS	MS	MS	MU	MS
Judicial Reform	MS	MS	MU	MS	MU	MS
Civil Society	MS	MS	S	MS	MU	MS
Total	MS	MS	MS	MS	MU	MS

Highly Satisfactory=HS; Satisfactory=S; Moderately Satisfactory =MS; Moderately Unsatisfactory=MU; Unsatisfactory = U; Highly Unsatisfactory= HU.

## Recommendations

**(1) Human Resources Management needs to be further developed** for EU integration. As part of an updated PAR strategy, HRD units to be set up in the line ministries and IPA should address the many vacancies and staff turnover in ministries and institutions. Use of conditionality should secure staff and budget for partaking in IPA projects.

**(2) Functional reviews of government organisation** should be carried out in order to secure solid institutional and needs assessment. These functional reviews should also be undertaken in order to be able to employ staff efficiently, both at central and local levels. Functional reviews should aid the development of future IPA capacity and institutional development projects with the detailed needs assessment of the institutions.

**(3) The implementation of existing sectoral strategies should be strengthened** as well overall policy functions. The sector strategies should furthermore assist the Government in targeting and prioritising the limited budget and human resources and should be an important input to a future MTEF. Functions such as budgeting and policy are only developed in some ministries and often limited to a few persons. This process should be supported by the IPA programme and other donors.

**(4) Careful planning and sequencing of IPA assistance** will be important in order to ensure sustainability and ownership. With many new and developing institutions it is important that assistance is sequenced and planned adequately and that institutions have the basic set-up in place. Conditionalities should be developed and/or enforced, securing ownership of the projects and ensure that IPA funding will be directed towards the government policy and reform priorities.

**(5) Donor coordination and programming capacity** should be supported in the IPA programmes. Donor coordination should be carried out by both the Government and the donors, led by the Government. The Government should enhance its donor coordination and programming function and ensure that line ministries take care of their sectoral coordination.

**(6) More focus on sustainability in project design and implementation** in future IPA projects. Encourage recipients and contractors to address sustainability in terms of staff, financial resources and institutional stability in projects. Specific attention in the project documentations should be dedicated to sustainability as well as the requirements for staff and financing to be set aside in order to achieve sustainability.

**(7) Support to Civil Society should focus more on the capacity development of Civil Society organisations.** It is important that future projects put more effort into ensuring sustainability and that this is addressed specifically and in a detailed manner in the reports.

**(8) Increase monitoring of projects** for timely follow-up and implementation adjustment, and management of projects. The monitoring helps the stakeholders follow-up on recommendations, implement changes and keep a record on the implementation. It is generally recommended to monitor most projects (except for very small projects). Also the ECD will need to be more proactive in addressing weak progress and final reporting and lack of addressing issues such as sustainability.

**(9) Crosscutting issues need to be made operational** and project partners need clear instruction on requirements. Within each project, clear instructions and requirements should be given

in the ToR on which cross-cutting activities are expected within the project and/or in the project results (e.g. in a pieces of legislation) as well as in the reporting.

## Kratak pregled

### Opseg i ciljevi

Cilj ove retrospektivne evaluacije CARDS-a u Crnoj Gori je da pruži prikaz ranije pomoći i naučenih lekcija važnih za donošenje odluka o unapređenju pretpristupne pomoći u skladu sa instrumentima za pretpristupnu pomoć (*engl.* "IPA"). Ovaj izvještaj obuhvata tri sektora: pravosuđe, reformu državne uprave i razvoj civilnog društva. Evaluacija je zasnovana na uzorku od 19 projekata koji su bili predmet intervjua i istraživanju dokumenata. Evaluacija obuhvata CARDS 2001-2006, a uzorak je uzet iz svih šest godina na reprezentativnoj osnovi. Evaluacija je vršena u periodu januar-maj 2009. godine.

Pitanja evaluacije	Zaključci
1. Da li je CARDS bio dobro fokusiran na ciljeve procesa stabilizacije i pridruživanja i pretpristupne strategije?	CARDS je bio fokusiran na ciljeve relevantnih planskih i strateških dokumenata, ali dokumenta nisu bila u dovoljnoj mjeri razrađena i razvijena.
2. Koji su bili rezultati i uticaji, i da li su ti rezultati i uticaji održivi?	Zbog ograničenoj institucionalnog kapaciteta i kapaciteta absorpcije, samo neki od projekata pokazuju rezultate i kratkoročne uticaje. Neki rezultati i uticaji mogu biti održivi ako ih podrži dovoljan broj kadrova i resursa
3. Da li su rezultati i uticaji postignuti na efikasan način?	Uopšteno govoreći, rezultati i uticaji nisu postignuti efikasno i djelotvorno zbog nedostatka iskusnih institucija
4. U kojoj mjeri je CARDS dao podršku interdisciplinarnim pitanjima: 1) rodna ravnopravnost i inkluzija manjina, 2) unapređenje održivog razvoja uključujući zaštitu životne sredine i 3) ojačana djelotvornost /efikasnost koordinacije donatora.	CARDS se bavio rodnom ravnopravnošću i inkluzijom manjina, prvenstveno u projektima razvoja civilnog društva. Međutim, manje je bio fokusiran na održivi razvoj, koordinacija donatora, naročito na sektorskom nivou, mora se još razvijati.

### Opšti nalazi evaluacije

Uopšteno, pomoć CARDS-a odgovorila je na potrebe u sektorima, ali potrebe nisu u potpunosti identifikovane i procijenjene:

- Projekti su usklađeni sa strateškim dokumentima ali idejni projekat napravljen je bez temeljne institucionalne ocjene i samo ograničenim nacionalnim strategijama. Ograničene veze između CARDS-a i postojećih sektorskih strategija doprinijele su nedostatku prave identifikacije potreba. (18-20, 47-49, 67-68, 70, 87)
- Neki projekti imali su komponente sa veoma različitim korisnicima i ciljnim oblastima, što doprinosi kompleksnosti projekata. Ocjena pretpostavki i rizika bila je ograničena, pa tako i upotreba instrumenata za upravljanje projektima, kao što su logički okviri sa adekvatnim indikatorima. (21, 23, 50, 69, 88)

I dok je efikasnost projekata generalno dobra, u nekim projektima vlasništvo i obaveze predstavljaju razlog za zabrinutost:

- Ugovorne strane su uopšteno efikasne i fleksibilne u implementaciji, ali u nekim slučajevima nailazile su na nedostatak vlasništva, što je dovodilo do odlaganja implementacije. Pored toga, implementaciju je takođe odlagalo donošenje zakonskih akata i osnivanje institucija. (25-27, 53, 74-75, 90)

- Ograničeni resursi za implementaciju projekata koji utiču na efikasnost mogu djelimično odražavati činjenicu da se javilo mnogo suprotstavljenih zadataka nakon sticanja nezavisnosti 2006. godine (28, 54, 91)

Projekti su generalno rezultirali planiranim efektima, ali kapacitet da se implementiraju rezultati je predmet zabrinutosti:

- Bez obzira na probleme implementacije, projekti su generalno ostvarili većinu svojih ciljeva. Nekoliko projekata nije ostvarilo ni jedan ili većinu svojih ciljeva usljed nedostatka vlasništva ili nedostatka posvećenosti. Projekti su osmišljeni tako da fokus bude na dostavljanju konkretnih rezultata, a ne na izgradnji kapaciteta. (30-33, 77, 93)
- Nedostatak kadrova i nestabilnost novih ministarstava i institucija predstavlja glavnu prepreku u postizanju pune djelotvornosti i potpune upotrebe i implementacije rezultata. Samo povremeno učešće u obukama predstavlja problem u nekim sektorima jer smanjuje djelotvornost obuka. (56-58, 94)

Neke kratkoročne uticaje moguće je identifikovati, dok su srednjoročni i dugoročni uticaji neizvjesniji:

- Neki rezultati projekata u reformi državne uprave i sudstva odraze se i van granica neposrednog okruženja konkretne institucije ili projekta. Međutim, poznavanje ovih uticaja ograničeno je samo na institucije koje su učestvovala, osim kada je u pitanju razvoj civilnog društva i nekoliko drugih projekata koji su uspjeli da rezultate prenesu van granica okruženja tog projekta. (35, 37, 60, 80, 95)
- Praćenje ukupnog i srednjoročnog i dugoročnog uticaja vrši se samo u veoma ograničenom broju ministarstava. Usljed nedostatka politike i više strateških funkcija, praćenje uticaja politike je ograničeno. (38, 81, 96)

Razvoj institucionalnih kapaciteta i vlasništva osnovni je preduslov za održivost:

- Nedostatak kadrova i raspodjele budžeta osnovna su prepreka u održivosti projekata izgradnje kapaciteta. Pored toga, tu je i nestabilnost institucija, koja čini održivost nekog projekta neizvjesnom. Kulturu prenosa znanja još treba razvijati, naročito u administraciji sa velikim odlivom kadrova. (40, 41, 43, 62, 83, 85, 98)
- Vlasništvo nad rezultatima projekta u CARDS projektima je mješovito. U nekim projektima vlasništvo je bilo prisutno u fazama planiranja i programiranja, ali izostajalo je u pogledu implementacije operativne obaveze ili resursa. (42, 63, 84, 85, 99)
- Održivošću se direktno bavilo samo nekoliko projekata u dijelu izvještavanja. Mnogi projekti ne bave se detaljno i opširno održivošću rezultata u finalnim izvještajima, ukoliko se uopšte i bave ovim pitanjem. (62, 83, 100)

### Ocjena rezultata

Sektor	Važnost	Efikasnost	Djelotvorost	Uticaj	Održivost	Ukupno
Reforma državne uprave	UZ	UZ	UZ	UZ	UNZ	UZ
Reforma sudstva	UZ	UZ	UNZ	UZ	UNZ	UZ
Civilno društvo	UZ	UZ	Z	UZ	UNZ	UZ
Ukupno	UZ	UZ	UZ	UZ	UNZ	UZ

Veoma zadovoljavajuće=VZ; Zadovoljavajuće=Z; Umjereno zadovoljavajuće=UZ; Umjereno nezadovoljavajuće=UNZ; Nezadovoljavajuće=NZ; Veoma nezadovoljavajuće=VNZ.

## Preporuke

**(1) Upravljanje ljudskim resursima treba dalje razvijati** u svrhe EU integracija. Kao dio ažurirane strategije reforme državne uprave, neophodno je osnovati jedinice za razvoj ljudskih resursa u resornim ministarstvima, a IPA treba da se bavi pitanjem mnogih slobodnih radnih mjesta i odlivom kadrova u ministarstvima i institucijama. Upotreba uslovljenosti treba da obezbijedi kadrove i budžet za učešće u IPA projektima.

**(2) Funkcionalne prikaze državne organizacije** treba vršiti kako bi se obezbijedila solidna ocjena potreba i institucija. Ove funkcionalne prikaze treba vršiti i da bi se efikasno upošljavali kadrovi na centralnom i lokalnim nivoima. Funkcionalni prikazi treba da pomognu razvoj budućim IPA projektima razvoja kapaciteta i institucija, sa detaljnom ocjenom potreba institucija.

**(3) Implementaciju postojećih sektorskih strategija treba ojačati** kao i ukupne funkcije politika. Sektorske strategije treba da dodatno pomognu Vladi prilikom određivanja ciljeva i prioriteta ograničenog budžeta i ljudskih resursa, i trebaju biti važan input za budući srednjoročni okvir za troškove. Funkcije kao što su budžetiranje i politika razvijene su samo u nekim ministarstvima i ograničene su samo na par lica. Ovaj process treba da podrže IPA program i drugi donatori.

**(4) Pažljivo planiranje i slijed IPA pomoći** biće važno kako bi se obezbijedila održivost i vlasništvo. Imajući u vidu mnoge nove i institucije u razvoju, važno je da pomoć ima adekvatan slijed i plan, kao i da institucije imaju osnovno uređenje. Uslovljenosti treba razviti i/ili sprovesti, obezbijediti vlasništvo nad projektima i obezbijediti da finansiranje IPA-e bude usmjereno na prioritete državne politike i reforme.

**(5) Koordinaciju donatora i kapacitet programiranja** treba da podrže IPA programi. Koordinaciju donatora treba da vrše Vlada i donatori koje usmjerava Vlada. Vlada treba da unaprijedi svoju funkciju koordinacije donatora i programiranja i obezbijedi da se resorna ministarstva staraju o svojoj sektorskoj koordinaciji.

**(6) Veći fokus na održivost idejnih projekata i njihovu implementaciji** u budućim IPA projektima. Podstaći korisnike i ugovorne strane da se bave održivošću u smislu kadrova, finansijskih resursa i institucionalne stabilnosti u projektima. Posebnu pažnju u projektnoj dokumentaciji treba obratiti na održivost, kao i na zahtjeve vezane za kadrove i finansije koje treba izdvojiti da bi se postigla održivost.

(7) Podrška civilnom društvu treba da se **više fokusira na razvoj kapaciteta organizacija civilnog društva**. Bitno je da budući projekti ulože veće napore u obezbjeđivanje održivosti i da se ovim pitanjem zasebno i detaljno bave u izvještajima.

**(8) Povećati monitoring projekata** radi pravovremenog nastavka i prilagođavanja implementacije, kao i upravljanje projektima. Monitoring pomaže stakeholderima da slijede preporuke, implementiraju promjene i vode evidenciju o implementaciji. Generalno se preporučuje da treba vršiti monitoring većine projekata (osim veoma malih projekata). Takođe, Delegacija EK treba da bude više proaktivna u bavljenju slabim napretkom i finalnim izvještavanjem i nedostatkom bavljenja pitanjima kao što je održivost.

**(9) Interdisciplinarna pitanja treba da budu operativna** i partneri na projektu treba da dobiju jasne instrukcije o zahtjevima. U okviru svakog projekta treba dati jasne instrukcije i zahtjeve u projektnom zadatku: koje se interdisciplinarne aktivnosti očekuju u okviru projekta i/ili rezultata projekta (npr. djelovi zakonskih propisa) kao i u izvještavanju.

# 1 Introduction

## 1.1 Objectives and Scope of Evaluation

1. The purpose of this retrospective evaluation of CARDS in Montenegro 2001-2006 is to provide lessons learned and accountability for decision-making on improvement of pre-accession aid and financial assistance to Montenegro. The evaluation questions were established in the Terms of Reference (ToR) and indicators used for this evaluation are included in Annex 3. The evaluation questions are outlined as follows:

- Was CARDS well focused on the objectives of the Stabilisation and Association Process (SAP) and the pre-accession<sup>4</sup> strategies?
- What were the results and impacts, and are these results and impacts sustainable?
- Were the results and impacts achieved in an efficient manner?
- To what extent has CARDS supported the crosscutting issues: 1) gender equality and inclusion of minorities, 2) promotion of sustainable development, including protection of the environment, and 3) strengthened the effectiveness/efficiency of donor coordination?

2. The evaluation of CARDS in Montenegro is based on a sampling of projects financed by CARDS in the period from 2001-2006 from the macro sectors: Good Governance and Institution Building and Democratic Stabilisation. In these two macro sectors, three sub-sectors were established as listed in the table below, and the sample of projects was selected from these<sup>5</sup>. The aim was to identify sectors which had not undergone recent larger evaluations by the European Agency for Reconstruction (EAR). It was furthermore the aim that the sectors should be of relative importance in the CARDS programme as well as to the future Instrument for Pre-accession Assistance (IPA) programme. Civil Society Development was included although not very large in budget. However, it was assessed to be important for the future programme. In all sectors, the focus has been on capacity and institution building projects relevant for future IPA programmes.

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<sup>4</sup> Montenegro was not a candidate or potential candidate country during most of the period covered by the evaluation.

<sup>5</sup> The choice of sectors for the evaluation was based on discussions with the European Commission Liaison Office (ECD) and the DG ELARG during the inception phase.

Table 1 - Scope of evaluation

Macro Sector	Sub-sector/ Cluster	Projects evaluated			Total CARDS M€
		Interviews + Desk Studies	Desk Studies	CARDS M€	
Good Governance and Institution Building	Public Administration Reform	7	1	8.24	13.50 <sup>6</sup> (17.50)
	Judicial Reform	2	2	1.27	11.50 (11.50)
Democratic Stabilisation	Civil Society	2	4	1.21	2.00 (2.00)
<b>In total</b>		<b>11</b>	<b>8</b>	<b>10.72</b>	31.21 (35.83)

3. The factual basis is desk studies of the monitoring reports, evaluation reports<sup>7</sup>, project documentation, financing agreements, formal programme documentation, strategic and planning documentation and other relevant published materials from other donors and International Financial Institutions (IFIs). The interviews with the main parties involved in the programming and implementation took place in the period from January to May 2009. Interviews were only conducted for projects financed in the period from 2004-2006 as interview persons for older projects are difficult to identify.

4. Access to project documentation has been an issue for this evaluation, especially for projects in the first part of the period. In particular, the closure of the EAR<sup>8</sup> has made access to documentation difficult and two projects originally selected for the evaluation was only partly evaluated as no project documentation was available from Commission archives. For other projects, the documentation was requested from contractors and experts as very limited project documentation was available from the Commission archives. Likewise, limited access to interview persons, i.e. recipients, due to staff turnover in ministries, and as EAR task managers were no longer in place, has also been a limitation in connection with data collection.

## 1.2 Country Context

5. Following a referendum, Montenegro became an independent state in June 2006. Since then the Government has concentrated its efforts around establishing the institutions of an independent country. The Montenegrin Government declared economic and social reform a national project, with eventual EU membership as the prime target<sup>9</sup>. Montenegro had little direct involvement in the conflicts during the break-up of Yugoslavia, but was host to thousands of refugees from Bosnia and Kosovo. At the end of the conflict the economy was in crisis and the infrastructure, institutions and services in bad shape and outdated.<sup>10</sup>

6. Montenegro is one of the smallest countries in Europe with 620,000 inhabitants. Total Gross Domestic Product (GDP) is approximately €2.148 million<sup>11</sup> (2006). A GDP per capita of

<sup>6</sup> Figures from the Terms of Reference cumulated assistance 2002-2006. Figures in brackets are based on the Annual Action Programmes and Sector fiches

<sup>7</sup> Only a limited number of the projects included in this evaluation had been monitored or part of a midterm or sector evaluation.

<sup>8</sup> As this evaluation was depended on the finalisation of the EAR evaluation, the exact scope in terms of sectors and projects could not be established in the ToR. It was therefore not possible before the closure of the EAR to secure the documents necessary.

<sup>9</sup> Delivering on Promises: The work of the European Agency for Reconstruction in Montenegro. EAR September 2007.

<sup>10</sup> WB Country Partnership Strategy 2007.

<sup>11</sup> EU Progress Report 2008.



just below €3,443 (2006) is comparable to or higher than other Western Balkan countries. Still, per capita incomes remain well below recent EU members except for Bulgaria. The economy is open and Montenegro is in the process of joining the World Trade Organization (WTO)<sup>12</sup>, and has joined the Central Europe Free Trade Agreement (CEFTA). Reflecting its small size, the economy is very narrowly based. Services make up about 60 % of the economic activity. Tourism is a key component of the economy, and a major source for growth, especially along the Adriatic coast. Manufacturing, particularly the aluminium industry, makes up about a quarter of the total economy, and more than half of exports. Agriculture comprises about 15 % of the economy. Agriculture is, however, a significant source of income for many people in the poorer northern regions of the country<sup>13</sup>.

7. Montenegro experienced significant growth in the period 2005 to 2008 with increasing growth rates at 4.2 % in 2006 and 10.7 % in 2007. In 2008, growth fell to 7.5 % and due to the global economic crisis, the GDP growth for 2009 is only estimated at 2 %<sup>14</sup>. Forecasts indicate that only modest rebound should be expected in the medium term. The reasons behind the growth has been large Foreign Direct Investment (FDI) inflow, primarily into the tourism sector and associated real estate and banking<sup>15</sup>. The growth in the economy has been underpinned by introduction of the Euro, banking sector restructuring, privatisation and strengthening of market infrastructure<sup>16</sup>.

8. Due to the global recession and the fall in growth in Montenegro, the fiscal surplus will probably decline in 2008 and deficits are projected for 2009 and beyond. Expenditures have increased with a 30 % hike in the public sector wages and increased transfers<sup>17</sup>. According to the International Monetary Fund (IMF), the public administration has potential for reducing expenditure as public administration employment is well over the European norm, and a public administration reform could contribute to ease the pressure on public expenditures<sup>18</sup>.

9. Poverty in Montenegro is limited, but remains a persistent problem. Annual living standard measurement surveys (LSMS) in Montenegro in the period from 2002-2004 suggest that between 9 and 12 % of the population live in poverty<sup>19</sup>. Figures suggest that poverty has remained relatively stable over the period. However, an even larger percentage of the population is vulnerable to shocks; a 20 % increase in the poverty line would double the number of people considered to be living in poverty<sup>20</sup>.

10. Progress has been achieved as regards upgrading the country's administrative capacity and proceeding with the reform of public administration, a key European Partnership (EP) priority. Consolidation of the central administration has continued. It now includes 13 ministries, 14 directorates, three secretariats, nine institutes and one agency. The Law on public administration was harmonised with the constitution. A Law on civil servants and public employees, covering the status, responsibilities, and powers of State officials, was adopted in July 2008. Civil servant salaries have been standardised and increased by a Law adopted in May 2008. The code of conduct, promotion and assessment of civil servants require further improvement. The

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<sup>12</sup> WTO Website. Members and Observers.

<sup>13</sup> WB Country Partnership Strategy 2007

<sup>14</sup> IMF Country Report No. 09/88, March 2009

<sup>15</sup> Ibid.

<sup>16</sup> Ibid.

<sup>17</sup> IMF Country Report No. 09/88, March 2009

<sup>18</sup> Ibid

<sup>19</sup> Based on a poverty line of 2\$ per day in 2000 prices.

<sup>20</sup> Ibid

draft law on conflicts of interest, which is expected to provide clarification concerning incompatible activities and to address certain loopholes, is yet to be adopted<sup>21</sup>.

11. Overall, progress has been made in strengthening the legislative framework for public administration. Some progress has been made in human resources management and local government reform. However, lack of human and financial resources combined with structural weaknesses and corruption continue to hamper the overall effectiveness of the public administration and, as a whole, administrative capacity remains limited<sup>22</sup>. Regarding local government, the amended Law on financing local government increased the financial independence of municipalities. An action plan for local government reform adopted in December 2007 provides for harmonisation of over thirty legislative acts between local and central government. A joint central/local government commission made up of five ministers and four mayors was established in November 2007 to coordinate decentralisation activities and monitor implementation of the action plan<sup>23</sup>.

### 1.3 The CARDS Programme in Montenegro

12. The European Union (EU) has been the largest donor in Montenegro during the period evaluated, and the assistance provided by CARDS has aimed at facilitating Montenegro's progress towards the creation of a democratic and multiethnic society by: I) Democratic Stabilisation; a) facilitating returns and enhancing economic and social sustainability of minority communities; b) increasing the participation of media and civil society in the democratic dialogue; II) Good Governance and Institution building focusing on the Judiciary, border crossing and police and public administration reform; III) Economic and Social Development through advancing Montenegro transition to a market economy supporting energy, transport and environment as well as economic development, agriculture, and the internal market and labour market development<sup>24</sup>.

13. In the period covered by this evaluation, the CARDS programme has been guided by the Country Strategy Paper (CSP) 2002-2006 (for the Federal Republic of Yugoslavia) and two Multi-annual Programmes (MIPs): MIP 2002-2004 and MIP 2005-2006. Furthermore, the EP document outlines the main EU priorities for Montenegro, and the government adopted a national programme for EU integration (NPI) covering the period 2008-2012 in June 2008. The first European Partnership (EP) was published in 2006 (covering both Montenegro and Serbia) followed by an EP in 2007 following independence. Montenegro participates in the Stabilisation and Association process (SAp), the EU's policy framework for the Western Balkans. The Stabilization and Association Agreement (SAA) was signed in October 2007 and an Interim Agreement entered into force in January 2008. Montenegro has started the implementation of the SAA in preparation for the full ratification.

14. The European Commission (EC) published its regular Montenegro 2008 Progress Report and has done so each November since 2005. The report describes the relations between Montenegro and the Union, assessing progress achieved in democratic development, rule of law, human rights, protection of minorities and regional issues. It also reviews Montenegro's economic situation and capacity to implement European standards, following the priorities set by the EP.

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<sup>21</sup> EU Progress Report 2008.

<sup>22</sup> Ibid.

<sup>23</sup> Ibid.

<sup>24</sup> EAR Annual Report 2007.

## 2 Performance of CARDS

15. This chapter presents the three sector assessments - Public Administration, Justice, and Civil Society Development - undertaken for this evaluation. Each assessment is introduced by a short sector description and outline of the key areas and projects supported by the CARDS in the sector covered by this evaluation. The assessments are structured according to the five evaluation criteria: relevance, efficiency, effectiveness, impact and sustainability.

### 2.1 Public Administration Reform

16. *The Montenegrin administration and regulatory structures required assistance through capacity building support in strengthening the legal framework to meet the EU standards.* Strengthening of the civil service and development of the public administration to enable an efficient administration system delivering services on a satisfying level was required from the beginning of the evaluation period. The human resources management authority (HRMA) was therefore set up to support the overall management of human resources in the public administration. Moreover, there was a need for assistance to the local governments due to decentralisation and shifting of the responsibilities to the local level. Progress on strengthening local authorities' administrative and management capacity remains slow and the capacity of the municipalities for financial management, including budgeting, public procurement and allocation of grants, will require further improvement<sup>25</sup> in the future.

17. *The EC assistance focused on support to the reforms in areas such as: Public Administration Reform* (Capacity Building HR Management Agency & Line Ministries (2005) PARIM CB, Support to Public Administration Reform (2004) PARIM II and Public Administration Reform (2002) PARIM I). The CARDS support also aimed at capacity building in ministries and HRM Authority and development of new legislation. The assistance also included support to public finance in budgeting, salary system reforms (Implementation of Budgeting and Salary System Reforms (2006), and Capacity Building in Treasury Management & Fiscal Reporting (2004)) and public procurement (Capacity Building of the Public Procurement Commission 1 and 2 (2005)). As a part of the Public Administration Reform, the assistance also comprised strengthening of the local self-government (Strengthening Local Self Government (2006).

#### Relevance

18. *The projects financed by the CARDS programme are overall included in the EU strategic documentation.* The objectives of the projects are generally better reflected in the EP 2004 and 2006 than in the CSP 2002-2006. The CSP is very general in its nature covering Serbia,

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<sup>25</sup> EU Progress Report 2008.

Montenegro and Kosovo, and there are few details about each country and sector. Most of the projects are directly reflected by MIP 2002-2004 and 2005-2006. Some projects or objectives are, however, not directly mentioned, but can be read into the overall objectives of public administration reform (PAR) aims reflected in the MIPs.

19. ***The PAR Strategy for Montenegro 2002-2009<sup>26</sup> includes the PAR project (PARIM II and PARIM CB) as well as the local government projects.*** The public finance projects are also included, although not directly mentioned in the strategy. The PAR Strategy sets out to guide the reform of the public administration in Montenegro. The public administration reform has aimed at bringing public administration closer to EU standards and international best practices. The modernization programme has included measures to increase overall efficiency in the delivery of public services, principally by (a) further decentralization; (b) improving public service delivery quality; (c) establishing competitive structures; (d) creating a client-oriented public service; (e) accelerating administrative modernization, inter alia through increasing provision of e-government options; (f) ensuring continued deregulation; and (g) strengthening management and monitoring. The adoption of the PAR strategy, together with a clearly defined action plan, represented an important step towards the modernization of Montenegro's public administration<sup>27</sup>.

20. ***The projects have clearly met the large needs for reform of the public administration and recipients have to a large extent been involved in the planning.*** The PARIM I and II projects were designed to meet actual needs in the form of reforming the public administration, developing the legislation and setting up the necessary institutions to do this. The public finance projects also reflected a clearly identified need and urgent priority in addressing better public expenditure management. The project supporting the Strengthening of Local Self Government, the PARIM II, and the two public procurement projects were relevant and well-designed to meet the requirements and, generally, the capacity of the recipients for development. Overall, the recipients confirmed that they or their institution had been involved in the planning and the design of the projects, except for the salary part of the Implementation of the Budget and Salary Reform, where the HRMA had not been involved in the design.

21. ***However, in particular the later projects (PARIM CB and the Implementation of the Budget and Salary System Reforms) have possibly been too ambitious in their scope and too short in duration.*** These two large projects were characterised by each having two large main components with two different (partially) recipient groups. The PARIM CB had the HRMA as one key recipient and the Secretariat for EU Integration (SEI) as the recipient for the Approximation of Law part. The Implementation of the Budget and Salary System Reform had the Ministry of Finance (MoF) Budget Department as key recipient of the budget component. The Ministry of Finance Treasury Department, the HRMA and the Ministry of Interior were the key recipients for the salary component. The impression is that combining two relatively complicated topics (as well as politically sensitive) and not directly related areas with different recipient groups may have impacted on the overall performance of these projects. These projects were possibly also designed with too short implementation periods as both were prolonged - PARIM CB was initially expected to last 18 months but the final duration was 26 months mostly to accommodate the European Integration part of the project.

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<sup>26</sup> Public Administration Reform Strategy in Montenegro 2002-2009. Ministry of Justice. March 2003.

<sup>27</sup> Montenegro Beyond the Peak: Growth Policies and Fiscal Constraints. World Bank PEIR, November 24, 2008

22. ***CARDS projects in the PAR sector have supplemented each other well and have potentially good complementarity with other sectors.*** From the design side, there is good complementarity and coherence between the projects of the PAR Sector and, overall, the choice of projects has been good. It is clear that the concentration on a few key areas has been well considered and designed. The link to the project supporting the Union of Employees in Public service funded under Civil Society Development (CSD) has been well designed. The cross sectoral links, between this project and the PAR projects as well as the Salary Reform project, are highly relevant and appropriate. The extent of the cross fertilisation between these projects is, however, difficult to assess, but there has been participation in steering committees and events across the projects. Coordination with other donors appears to have been good and there have been few issues of overlap in the sectors, as the donors have coordinated amongst themselves. There have only been a few larger donors in the public administration sector, including the EU, USAID, GTZ, and the Dutch.

23. ***Project design has overall been of mixed quality, log-frames have in general been developed,*** although these are not always revised and adjusted to final results and achievements at the end of the project for the final report, indicating that these may not be used for project management. Objectives are often set at too low a level referring only to the project itself, or objectives are very broad and difficult entailing that real socio-economic impact indicators cannot be derived from the log-frames. For example, the local self government has as overall objective "To facilitate the implementation of the Work Programme for Better Local Government in Montenegro in the field of legal framework for decentralisation and capacity building for local government", which should rather have been a specific objective. Indicators are of varying quality and often not SMART (Specific, Measurable, Achievable, Reliable and Timely). In several cases, "institution x strengthened" is used as an indicator. Assumptions and risks are in general assessed in ToRs and inception reports, and in some case response measures or measures to mitigate the risk have been included. The projects which encountered implementation problems (PARIM CB and Implementation of Budget and Salary Reform) did have detailed assessment of risks in the inception reports, but mitigating measures were not well developed and corrective measures were taken too late.

24. Overall, the rating of relevance of the projects in the PAR sector is **Moderately Satisfactory**.

### **Efficiency**

25. ***Projects have overall had a good efficiency and delivered the outputs and activities as planned.*** Good cooperation between the projects and the consultants is also reported by both the recipients and the contractors. Projects such as the procurement projects and the budget part of the Implementing Budget and Salary Reform delivered as planned. The project supporting local self-government was also well implemented and provided the activities on time. The cooperation around establishing the training strategy for local self-government was good and as it also involved other donors (UNDP, OSCE, SNV/NL, CoE, USAID) and projects, this was particularly important.

26. ***Capacity of recipient institutions in terms of sufficient and qualified staff to work with the consultants has been an issue which may have impacted project efficiency.*** The capacity in the HRMA increased over the period during which the two PAR projects (PARIM II and PARIM CB) were implemented. As the second project aimed to assist in the setting up of the agency and only the director had been hired by the time of project start, it was not expected that the capacity of the HRMA should already be in place. With the third project (PARIM CB),

the HRMA was in place and the character of the project changed to become more of a capacity building project. However, even taking this into consideration, the assessment is that there have been too limited resources to receive the assistance in the PARIM II and PARIM CB, both in the HRMA, the SEI and the ministries involved. A key issue has been that the staff of the HRMA has had little or no prior experience with Human Resource Management (HRM) when recruited and therefore have had to be trained after hiring. This has impacted the capacity and the speed of the HRMA to take on board the activities implemented by the projects as well as the task given to it by the government. Language capacity (English language) is low and an issue in a number of projects.

**27. *Delays in implementation have occurred in several projects due to institutions not being in place as planned, lack of flexibility of contractors and lack of staff resources in implementing institutions.*** PARIM CB second component, which focused on supporting the SEI, experienced problems in delivery. This was assessed to be due to a mixture of lack of staff and experience in the recipient institution and lack of flexibility with the consultants. A key issue in this component of the project has been that there was not sufficient staff in the implementing institution to work with the consultant's experts. The first procurement project experienced considerable delays as the setting-up of the Public Procurement Agency (PPA)/Department was seriously delayed and the Public Procurement Commission (PPC) became the main recipient of this project. Therefore tasks had to be shifted between the two institutions once the Procurement Agency/Department was established. The first public procurement project was not fully efficient as the project had to partly implement the activities with the PPC and partly redesign the project in order to be able to deliver to the PPA when this was established. It is, however, the assessment that this did not seriously affect the overall efficiency of the two procurement projects.

**28. *Capacity problems are not only an issue in public administration, projects report on difficulties in identifying local experts to work on projects.*** Several projects reported delays in identifying qualified local individual experts as well as companies to support the implementation. In areas such as IT and public relations, there was a lack of appropriate local consultants to work on projects. The procurement projects faced serious delays in setting up the web-based part of the project, which is very important for transparency, due to lack of local consultants to work on IT.

29. Overall rating for efficiency in the public administration sector is **Moderately Satisfactory**.

### **Effectiveness**

**30. *In spite of mixed efficiency, most projects reached their objectives and have overall been effective.*** A Public Administration Strategy 2002-2009<sup>28</sup> was developed by the PARIM I project, and HRMA was created to have responsibility for civil servants' selection and training during the PARIM II project. The public finance projects managed to implement a number of important improvements in the public expenditure management and both increase the Ministry of Finance's capacity to manage the budget process and instruct the ministries. An important milestone has been that the budget 2009 now contains ceilings. The public procurement projects supported the development of the secondary legislation, the establishment of new institutions, delivered training (public procurement officers and training of trainers) and initial devel-

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<sup>28</sup> Public Administration Reform. Strategy in Montenegro 2002-2009, Ministry of Justice. March 2003

opment of transparency measures (websites). However, this component could not be finalised during the project due to the lack of local IT consultant.

**31. *The Salary part of the Implementation of Budget and Salary did not achieve the planned objectives aimed at public sector salary reform to improve recruitment.*** The salary part of this project faced the problem that it was unclear who was responsible for this component. A difficult and very political issue, such as a reform of the salary system, requires commitment at the highest level in order to avoid that the process is stalled. Real commitment and ownership of the salary reform was missing at the time of the project implementation and the necessary legislation was not adopted, making it impossible for the project to progress on key reform issues. Also, inputs to developing the outputs were not provided in time, i.e. the salary data needed for the work on the new system was not made available to the consultants in time. Consultations requested by the experts on drafts and proposal were very difficult as there was no overall responsible counterpart for the salary component in the Ministry of Finance. The project supporting the SEI in dealing with the challenges of legal harmonisation, management of EU funds, and coordination and communication<sup>29</sup> experienced problems in implementing the communication strategy, partly due to the lack of human resources on the recipient side, which therefore only achieved its objectives to a certain extent.

**32. *Support to local government level was effective and managed to achieve considerable progress both at the central and local level as well as with the Union of Municipalities.*** The Union of Municipalities has been strengthened through the support from the project, including the development of a training strategy for local government staff. The functions of local governments were analysed, and local municipalities' staff received pilot training<sup>30</sup>. The training of local government officials is very crucial as the capacity of current staff is low, and it is very important to attract and train new and younger staff for the municipalities. Best practices were also developed.

**33. *Overall, recipients were satisfied with the assistance received.*** The projects supporting public procurement and local self-government have been well received and the recipients have been very satisfied with the support provided, which was deemed very appropriate and adapted to the requirements of the recipients. The PARIM projects have overall also been well received, although the last project was assessed as being less of a success compared to the first two phases (the three projects were all implemented by the same contractor and, to a large extent, the same team). The recipients were satisfied with public finance projects, in particular the support to the Budget and the part related to performance appraisal support which was delivered directly to the HRMA.

34. The overall rating of effectiveness for PAR is **Moderately Satisfactory**.

### **Impact**

**35. *The key impact of the support to the HRMA has strengthened the agency as a training organiser and provider.*** The HRMA ran various training programmes for civil servants, set up the first phase of a central HRM information system, and started establishing a central human resources register with the aim of covering all public employees and civil servants in Montenegro. Out of 148 training courses planned in 2007, some 85 were carried out. However, the attendance at the training courses was often limited. In July 2008, the Government adopted strategies for training civil servants and local government employees. The HRMA is also re-

<sup>29</sup> Delivering on Promises: The work of the European Agency for Reconstruction in Montenegro. EAR September 2007.

<sup>30</sup> Ibid.

sponsible for recruitment procedures in the public administration, which are in general regarded as transparent albeit not merit-based<sup>31</sup>, and various activities have been organised to raise awareness of job opportunities in the public sector.

**36. Continued reforms in salary systems and reduction of the overall wage bill of the public administration will be key, the CARDS project had little impact on this.** Some legislative progress has been made in order to adopt laws that regulate the salaries and compensation of civil servants, state employees, state official and employees in the Judiciary by, amongst others, increasing the decompression of wage rates and introducing a performance appraisal system, although this has not been implemented in all ministries and institutions<sup>32</sup>. Some of the legislation was adopted or amended during 2007 and became effective in 2008, but substantially more legislation will be need to continue the reform. The salary component of the Implementing Budget and Salary Reform had little impact on assisting with the implementation of the reform as the suggestions and proposals have not been implemented in the law.

**37. The impacts on the public finance sector are mixed.** The PPC was fully developed during the projects and has begun its work. The impacts on creating a more transparent public procurement system are estimated to be good. The Public Procurement Directorate was set up and the administrative tasks separated from the PPC. The PPC rendered decision on 223 appeals in 2008<sup>33</sup> and the PPC initiated a public awareness campaign for bidders on their rights. Information is made available to all stakeholders by publishing tenders and selection decisions on the PPA's website. The impacts on budget progress are best in the budget part of the Implementation of the Budget and Salary Reforms. The salary reform part of the project will not have the impacts stated in the log-frame due to low implementation rate, as mentioned above. There is, however, little doubt that the budget part of the project will impact future budget preparation as well as the overall public expenditure management, as important new procedures have been introduced in the MoF management of the budget process.

**38. Prospect of impacts on the Local Self Government project are good, so far.** However, the long-term impacts will depend on the availability of resources and whether the current activities will be implemented by the various stakeholders.

39. The overall assessment of impact in the PAR sector is **Moderately Satisfactory**.

### **Sustainability**

**40. Future sustainability will depend on critical reforms in the public administration.** The projects supporting PAR have all impacted on the key problems facing the Montenegrin public administration. The administration is overstaffed in certain parts and understaffed in other parts. The overall ratio of employees is very high, all institutions have a large number of vacancies - some key institutions are more than 50 % under their targets. I.e. in May 2008 the SEI had 45 % vacant positions and the Ministry of Foreign Affairs 75 %<sup>34</sup>. Furthermore, performance appraisal is in practice not implemented in the ministries and job descriptions and classifications are not developed<sup>35</sup>, indicating that staff may not have the qualifications required to hold their jobs and positions and that follow-up on performance does not take place. Implementation of the civil service legislation needs to be pursued more consistently, espe-

<sup>31</sup> Montenegro Public Service, SIGMA, May 2008.

<sup>32</sup> Montenegro Public Service, SIGMA, May 2008.

<sup>33</sup> Commission for the Control of Public Procurement Procedures (not dated).

<sup>34</sup> Montenegro Public Service, SIGMA, May 2008.

<sup>35</sup> Montenegro Public Service, SIGMA, May 2008 .



cially concerning recruitment. The administrative capacity of the central management body, the HRMA, needs to be strengthened, and a merit-based appraisal system needs to be established<sup>36</sup>.

41. *The EU integration structures are still in the making and will need to be further developed to take over the full responsibilities for the coordination*, the legal approximation and programming of IPA and other community programmes, but the larger needs are in the HRMA and the SEI for PAR and overall coordination of EU integration process. These issues have all been addressed, to a larger or lesser extent, in the projects funded by CARDS in this sector and some progress has been made, but there is still a long way to go before the administration can fulfil the requirements needed for EU accession.

42. *The public finance projects in budgeting and procurement, but not in salary, are overall assessed as sustainable*. The institutional set-up for public procurement is overall assessed as good. The PPC is well functioning and now runs a state of the art website. The initial issues related to the public procurement department have been solved, as mentioned above, but the department faces similar constraints regarding the rest of the MoF in terms of shortage of staff and competition with the private sector (as well as other public and international institutions). IT, training and public awareness are issues which have to be addressed in future projects as procurement is decentralised in Montenegro with 1000 contracting authorities<sup>37</sup>. A new IPA project was allocated under IPA 2007 which was to continue the activities of the CARDS-funded procurement projects. Full enforcement of the legislation adopted in 2006 will depend on the availability of central institution resources for supporting and monitoring public procurement efficiently<sup>38</sup>. The sustainability of the budget part of the project within the MoF is good, but the roll-out to line ministries<sup>39</sup> will need to be underpinned with future efforts from the MoF or donor funded projects. The previous and current levels of the support to the MoF are, however, not assessed to be continued as key donors will be scaling down their support (USAID and GTZ). As mentioned above, the salary part of the project is probably not sustainable without further support from IPA.

43. *The key issue for local self-government is to increase the capacity of the staff working in the municipalities and secure funding for the capacity development*. Substantial efforts are being made in the project with regard to initial training and preparation of a comprehensive training plan for the municipalities. The HRMA is involved in preparing and running training for the municipalities. However, the main issue is that the training plan is not funded. There is currently no funding for the training of municipalities and the planned training is within HRMA's existing budgets. Future funding of the activities initiated by the projects in the sector will be a prerequisite for any sustainability and progress. In particular, the HRM and training plans and programmes developed during the CARDS projects seem to be at risk of not being implemented or only partially implemented/continued due to lack of funding. When considering that the key issue in Montenegro is the capacity of the staff and the administration in general, this should be a priority.

44. The overall rating for sustainability in the PAR sector is **Moderately Unsatisfactory**.

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<sup>36</sup> Montenegro Public Service, SIGMA, May 2008.

<sup>37</sup> Commission for the Control of Public Procurement Procedures (not dated).

<sup>38</sup> EU Progress Report 2008.

<sup>39</sup> Montenegro Public Service, SIGMA, May 2008.

## 2.2 Judicial Reform

45. ***The main effort in the Montenegrin Judiciary was focused on issues concerning the poor law enforcement and insufficient judicial system, lack of qualified staff and equipment.*** In June 2007, the Government adopted a comprehensive strategy for the reform of the Judiciary aiming at strengthening of the rule of law and institutional capacities and adaptation of EU standards. A Commission for implementation of this strategy was formally established in June 2008. Furthermore, the powers of the Judicial Council have been strengthened and new procedures and code introduced. Reorganisation has also taken place in the Ministry of Justice (MoJ), improving the structures and creating new specialised departments. There are, however, a number of outstanding issues on legislation, which will have to be adopted and implemented to obtain a better performing judicial system<sup>40</sup>.

46. ***The assistance within CARDS programmes included actions aimed at capacity building in the Judiciary*** through development of training programmes for court staff, judges, prosecutors and judicial reform (Advisory Support to Prosecutors Training (2005), Technical Assistance (TA) to the Judicial Training Centre (2003) and Support to the Judicial Training Centre Activities (2003). Furthermore, the assistance has also been provided through the supply of equipment to the courts (Supply of IT Equipment to Courts in Montenegro (2003)). The support also included support to the establishment of a probation system (Joint Initiative with Council of Europe (CoE) for Prison Reform (2005)).

### Relevance

47. ***The projects financed by the CARDS programme are overall included in the strategic documentation EP, CSP and MIPs.*** The objectives of the projects are generally better reflected in the EP 2004 and 2006 than in the CSP 2002-2006, which as mentioned before is very general in its nature. Most of the projects are directly reflected by the MIP 2002-2004 and 2005-2006 except for the project on the probation service.

48. ***Irrespective of the lack of sector strategy, the projects were relevant and linked to the needs of the recipient.*** There is little doubt that the projects have been relevant to the needs of reforming the judicial system, but as the Judicial Sector Strategy<sup>41</sup> was only developed in 2007, this has not been used for the programme and design of the projects as such. The objectives of the projects are nevertheless reflected in this strategy. The projects supporting the Judicial Training Centre (JTC) have all be very relevant at the time. The JTC project supporting the prosecutors was very timely as it coincided with the adoption of a new law, which was going to considerably change the responsibilities and the working methods of the prosecutors in Montenegro. The new law introduces possibilities for the prosecutors to be more proactive and take actions on their own. The project was therefore very relevant in terms of meeting the demands and training requirement of the prosecutors before the law came into force. It has to be mentioned that the law is not confirmed by parliament yet<sup>42</sup>.

49. ***Needs and institutional assessment may not have been fully carried out in the probation service project.*** The project supporting the probation service was also relevant in terms of reforming the penitentiary system in Montenegro. However, it may have been initialised at a very/too early stage when neither the MoJ nor other relevant institutions were ready to build an alternative sentencing system (the first one in Western Balkan has been established in Kosovo as the only country so far). Although the MoJ had been involved in the development of the

<sup>40</sup> Delivering on Promises: The work of the European Agency for Reconstruction in Montenegro. EAR September 2007.

<sup>41</sup> Strategy for the Reform of the Judiciary 2007-2013.

<sup>42</sup> The Law on Criminal Procedures was adopted by the Government on March 5, 2009 and by Parliament July 27, 2009.

project together with the CoE, the project ran into many problems with regard to who were the responsible institutions in the implementation phase. It is likely to believe that the project's assessment and design had been made based on assessment of needs only and not on an assessment of actual institutional capacity to set up this completely new area. Among the many priorities for the MoJ, this may not have been the most urgent, although there is no doubt about the importance, also considering the long-term cost reductions resulting from alternatives to imprisonment.

**50. *Recipients and responsible institutions have generally been involved in the design and preparation of projects.*** Key stakeholders were involved in the preparation of the projects as well as the design. It is not totally clear if all relevant stakeholders were fully involved in the probation service projects and this may have led to lack of ownership of the project at the stage of the implementation. The JTC projects were building on previous assistance to the JTC and the needs were known and the institution involved in the assessment. In none of the projects have log-frames been used. The reporting is in general output or activity driven - focusing more on what has been delivered and less on sustainability. Some of the reporting was therefore difficult to use for the evaluation.

**51. *Coordination with other donors does not seem to have been an issue.*** Due to limited number of donors (USAID, OSCE, Netherlands, Austria, UNDP, and EU CARDS) in the sector, overlap does not seem to have been an issue. Project documentation in general provides good overview of the donor assistance in the sector.

52. The assessment of the relevance for project in the Judiciary sector is **Moderately Satisfactory**.

### **Efficiency**

**53. *The CARDS projects in the sector have experienced mixed efficiency.*** The projects supporting the JTC have in general experienced very good cooperation between recipient and contractors. The main issue in this project was that the number of prosecutors expected to participate in the training in the project supporting the prosecutors was lower than expected<sup>43</sup>. The contractor was not aware that the number was lower than calculated and this resulted in costs which could have been avoided<sup>44</sup>. Training is not easily fitted into the time planning of the prosecutors, especially when they had to travel to training venue. The other JTC projects were well implemented by the JTC, but also faced issues on the attendance which will be discussed below.

**54. *The Joint Initiative with CoE for Prison Reform was not implemented efficiently as there was too little staff resources within the MoJ to partake in the implementation.*** The interest and participation of other stakeholders, i.e. the Ministry of Social Affairs, were also very limited as the stakeholders were already overburdened with other new tasks that they had recently taken over. The project even came to a hold/standstill at a certain point as the stakeholders disagreed on which models to choose. This further delayed implementation. There was also a very large turnover of staff with the contractor, i.e. CoE, which may have contributed to the delays in the implementation, as none of the CoE staff, neither at headquarters nor in Montenegro, were involved throughout the projects, and in addition there was no CoE staff on the project in Montenegro during the final 6 months.

<sup>43</sup> 30 participants were expected, but only 12 came on average.

<sup>44</sup> There was a misunderstanding on the number of participants which was only cleared late in the project

55. The overall assessment of the efficiency in the sector is **Moderately Satisfactory**.

### **Effectiveness**

56. *The effectiveness of CARDS projects in the sector has on average been lower than anticipated.* In general, the projects in the justice sector have not been as effective as expected since implementation problems have impacted the recipients, both the direct recipients and the end beneficiaries.

57. *In the project implemented by the JTC, the effects have been mixed.* The Advisory Support to Prosecutors Training did not manage to train as many prosecutors as planned, but did carry out all the trainings as scheduled. An additional challenge has been the busy schedule of the prosecutors. They had to attend to other business during the training and, as a result, they did not attend the full training. The main problem here appeared to be that many prosecutors do not have replacement possibilities when they are away. The Support to the JTC managed to build on the activities of the JTC and a large number of trainings and courses were implemented - however, similar problems concerning attendance have also been observed in these projects for similar reasons, namely that judges are overburdened with work and in addition have to be trained in a number of issues (also IT and languages).

58. *The project supporting the probation service was not effective,* as the project objectives in effect were not achieved. The project did manage to carry out a legislative review, as well as awareness raising activities on the issues of establishing a probation service and the socio-economic benefits this will have. Furthermore, documentation was developed which provides the stakeholders with the basis for establishing the probation service in the future, but the project did not reach the objectives set.

59. The assessment of the effectiveness in the justice sector is **Moderately Unsatisfactory**.

### **Impact**

60. *There have been some impacts in all projects in terms of awareness and capacity building.* All the projects in the justice sector have aimed at improving their particular part of the justice sector. As log-frames have not been used (or are not available) in the projects, the indicators for impacts are absent. Impacts have therefore been assessed based on the overall objectives and not on the indicators. There have been impacts in the projects implemented with the JTC in terms of setting up and providing a training system as well as an institution which will address the need for training the Judiciary and the prosecutors. For the Joint Initiative on Prison Reform, which attempted to set up a probation service, the key impact will be the awareness this has raised about the probation service with key stakeholders in Montenegro.

61. The assessment of the projects in the sector is **Moderately Satisfactory**.

### **Sustainability**

62. *The Sustainability of the training and capacity building project in the justice sector will depend on the capability to sustain the training efforts in the future.* The projects involving the JTC have all aimed at partly supporting the JTC as a training institution and partly providing concrete training courses. The JTC, which was originally financed fully by the donors, has been taken over by the Judicial Council, which financially covers the main core functions of the JTC. The JTC is, however, still dependent on donor funding to carry out new training development. Whereas trainers now exist in Montenegro for many of the training courses for judges undertaken by the JTC, the training of the prosecutors will be more difficult to replicate

without the donor support. Train-the-trainer was not as such included in the support to the prosecutor project, but was suggested by the project as a measure to improve sustainability in the future. This is the only project in the sector which directly addressed the issue of sustainability in the final report.

63. ***Developing the probation service will demand additional donor support.*** Although the "blueprint" for a probation service in Montenegro has been developed by the CoE, the assessment is that establishing a probation service in Montenegro will need a new donor-funded project as well as a budget allocation. The assistance provided through CARDS is not sustainable in itself as almost none of the objectives were reached.

64. Sustainability in this sector is assessed as **Moderately Unsatisfactory**.

## 2.3 Civil Society (CS)

65. ***Civil Society Development has improved and the Government now has an NGO office, but NGOs remain donor dependent.*** Projects in the CSD sectors tend to be donor driven and although there are some 3,500 civil society organisations (CSO) registered in Montenegro, many are new and have limited capacity to represent citizens' concerns and assume a credible watchdog function. CSOs are now recognised by the Government as key partners in the reform process and are increasingly used in the dialogue with the Government<sup>45</sup>.

66. ***CARDS support has focused on increasing the involvement of CS in the policy-making process and enhancing the social dialogue.*** The projects supported have concentrated on social issues and service delivery and included capacity building of the CS through support to professional associations, strengthening their capacities so that they can participate in the public dialogue and contribute to transformation and development. In the more recent perspective, EU support aimed at capacity building of the trade unions and the CSOs (TA to Trade Unions (2006), Improvement of Reproductive Health (2006), The Full Integration of People Living with Disabilities (2006) and The Social Care & Child Protection Reform (2006)). The latter was carried out in the form of grants addressing social issues, poverty, unemployment and gender inequality of the most vulnerable groups (Integration by Adult Literacy & Vocational Training (2006)). Support was also provided to the strengthening of the media and Second Joint Initiative EAR-CoE in the Legal Media Field (2003).

### Relevance

67. ***The projects financed by the CARDS programme are overall included in the strategic documentation EP, CSP and MIPs.*** The CSD programme for Montenegro is described in the 2006 Support to Civil Society in Montenegro<sup>46</sup>. The overall objective of the programme is to support CSOs in implementing partnerships addressing social and economic sectors defined in the Development and Poverty Reduction Action Plan of Montenegro. This objective is reflected in the CSP, which aims at increasing the involvement of CS in the policy-making process and enhancing the social dialogue, and in the MIP 2005-2006, which aims at strengthening CSD through partnerships with international NGOs. The projects selected under the 2006 CS support programme correspond to both the strategies and the Civil Society Development Programme as these aim at supporting the CS in developing a dialogue with the Government for the development of social or health-oriented services.

<sup>45</sup> Delivering on Promises: The work of the European Agency for Reconstruction in Montenegro. EAR. September 2007.

<sup>46</sup> 2006 Support to Civil Society in Montenegro. Guidelines for Grant Applicants. EAR. 2006.

**68. *The CSD Programme focuses on the poverty reduction strategy and less on capacity building of NGOs.*** It is noted that the emphasis of the CSD Programme is on supporting the partnerships and the priorities of the Development and Poverty Reduction Strategy of Montenegro<sup>47</sup>. The programme document states that the aim is to support the social partnerships between local and EU CSOs with the aim of addressing social issues. The programme overall prioritises projects which support vulnerable groups, women and ethnic minorities. The more general support to strengthening the skills and capacity of the CS as such is included, but in the context of the overall social and poverty reducing priorities. The emphasis in the programme was thus on the social issues and much less on developing the capacity of the CSOs in organisational issues, fund raising, advocacy and public awareness raising.

**69. *The Grant Application forms are often very elaborate and detailed on activities and output.*** Most of the projects seem to have had good and comprehensive needs assessments carried out by international NGOs, who know their sectors well and have experience from many other countries. The project supporting reproductive health has, for example, a comprehensive needs assessment and analysis of the situation in Montenegro on the issue, clearly setting out the starting point for the project. However, most projects have a tendency to overestimate how much can be done both within the time frame and at times also for the funding - and therefore all reporting reflect delays due to local institutions, lack of legal framework and capacity of local NGO. Log-frames are attached to the grant application, but were only found in a few projects as part of the inception report and in very few as part of the final report. In general, log-frames seem to be a formal exercise and not used in the project design, implementation, management and monitoring.

**70. *Grant applications in general do not reflect the needs of the local NGOs and give very limited attention to institutional capacity and capacity building.*** Overall, the aim of the Civil Society Development Programme was to address priorities of the Poverty Reduction Programme. This was to be done by supporting local NGOs in partnerships and, through these, by strengthening the capacity (in general not specifically of the NGO) in advocacy and public awareness. However, mostly the grant applications do not elaborate on the development of the capacity of the institutions subject to the activity of the projects or on the institutions which are to monitor the outcomes of the project. Likewise, the issue of the development of the local NGO is rarely mentioned in the application forms. Most the evaluated CSD projects were managed by an international partner (NGO or other) with a local NGO as partner. This management model was chosen due lack of capacity of local NGOs to assume the role of implementing partner and the limited budget of the programme. The average size of the CSD projects were around €150.000 (excluding the much larger (€404.716) TA to Trade Unions, which was a tendered assistance project). It would not have been possible for a local NGO to implement a project with such as large project budget.

**71. *Involvement of key stakeholders was not always secured.*** The involvement of local stakeholders in the planning and design of the projects varies between projects. In some projects, the involvement and role are clear and visible, i.e. the Roma project supporting literacy, where the local Roma organisation had an important role. In other projects, it is less evident such as in the TA to Trade Unions where a number of important stakeholders were not included from the beginning, but only after the project started. The project was conceived in a steering committee for the PARIM (public administration reform) project and was therefore well coordinated with projects in this sector. However, the stakeholders in the social dialogue are wide and key min-

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<sup>47</sup> Montenegro Development and Poverty Reduction Strategy (DPRS). 2003.

istries (Ministry of Labour and Social Services) only joined at a later stage, and also the employers' organisation joined the project later. The ToR were not written by experts who knew the social dialogue. This gave some design problems in the beginning of the project with regard to where to anchor the dialogue at the local or central level. The project was designed for 15 months, and later prolonged to 19 months including a budget extension.

**72. *Coordination with other programmes and activities are for projects in this sector, due to the varied themes and topics, mostly done directly through the projects themselves.*** There is much emphasis on listing the activities of other related activities in a majority of the Grant Application Forms. The Evaluation Team did not find reason to assume that coordination with other projects was particularly ineffective in this sector and interviewed project stakeholders were aware of other activities in the sector, e.g., activities supporting the Roma community.

73. Overall, the rating for relevance in this sector is **Moderately Satisfactory**.

### **Efficiency**

**74. *Cooperation in the sector - often between an international NGO and a local equivalent or a local ministry - has been good or is reported as such in the evaluated projects.*** Planning and management of the projects as well as eligible expenditures have been an issue in a few of the projects, leading to activities that were not approved by the EAR. The reporting has been an issue in some of the projects, as some reports include many details on outputs delivered, but very little on what has been done in order to ensure the sustainability of the activities (as mentioned below). Contractors show considerable flexibility in implementing the activities, taking into account that they deal with new institutions or institutions with limited capacity and funding. Many of the final reports have been approved by task managers although these do not appear to comply with the requirements and without addressing the issues of sustainability. The reporting in this sector is, as mentioned elsewhere, very output focused and sustainability and impacts have not been considered in any length and in-depth, if at all.

**75. *Overall, the efficiency has been assessed as relatively good and the outputs get delivered, but not always as planned.*** As the sector often deals with vulnerable groups and public institutions, which are not very well developed, delays are experienced in almost all projects. Implementation plans agreed in steering groups cannot be fulfilled for the same reasons. In the Legal Framework in the Media Field, some of the project activities were not implemented as the legal framework was not in place to carry out the workshop on legislation. As mentioned above, the overestimation of the capacity of the recipient institution may have led to lack of implementation of activities and later sustainability. In the TA to Trade Unions, the assessment according to the team leader is that with three times the time budget and no financial extension they would have achieved much more. A complex project including many actions and networks has to have sufficient time to develop. The time budget set for the project was too limited. Broad participation and networking are essential for building the social dialogue in a country where the concept has not been developed.

76. Efficiency in the civil society sector is assessed as **Moderately Satisfactory**.

### **Effectiveness**

**77. *The projects are overall effective and often driven by very dedicated staff on all sides.*** Many of the activities of the projects in the sector have had immediate effect in the area where these were active. A project such as Improvement of Reproductive Health supported the actual carrying out of health checks of pregnant women, which also had a peer effect and demonstra-

tion effect for doctors. Research campaigns and public debates were organised to raise awareness about the rights and needs of disabled people. As a result, the Law on Vocational Training and Employment of People with Disabilities, drafted by CSOs, was adopted by the Government.

**78. Assistance was provided to trade unions to increase their role in social dialogue and play their part in the ongoing public administration reform.** The support to the trade unions as well as other social dialogue partners created an awareness in the unions (TUPAJ, CTUM), at the employers, in a number of key ministries (Ministries of Health, Labour & Social Welfare, Interior and Finance) and at local level. The project also supported the organisational development of the unions. The media play a critical part in any modern democratic society, and drafting and implementation of laws on media, broadcasting and public broadcasting services were an effect of the project for supporting the media. This project was furthermore extended to assist in the transformation of public broadcasting through management and editorial training<sup>48</sup>.

79. The overall effectiveness of projects in Civil Society Development is **Satisfactory**.

### **Impact**

**80. Overall, there are some immediate and institutional impacts in most projects.** The Social Care & Child Protection Reform projects supported the development of a Strategy for the Protection of Children. This was recognised, both in the EU Progress Report 2008 and the Millennium Development Goals (MDG) Monitor<sup>49</sup>, which, however, also reflected that implementation of this was slow and required an increase in the political commitment and the allocations in the state budget. The cooperation between CSOs (local and EU based) and the Government in the area of social welfare/protection resulted in the development of the National Strategy for Elderly People, and the project between CSOs and the Centre for Vocational Training and the Employment Agency aimed at providing employment for young Roma. This project has seen an increase in the awareness of the issues within government institutions as well as in the Roma population. The impact of the TA to Union is primarily that the organisations involved are now equipped to deal with the social dialogue as well as the press. The unexpected involvement of the employers is very important for the future dialogue also because the employers have good international and EU links. The dynamics of the social dialogue is there and the concept of active membership and contributions has been planted. The reproductive health project has raised much awareness about the importance of education of doctors among stakeholders and other groups. Awareness was also raised directly amongst women, especially young women, on reproductive health.

**81. Long-term impacts are more difficult to assess as impacts are not necessarily follow-up by the institutions.** As many of the projects have not directly addressed the continuation of the activities after the end of the projects, the medium to long-term impacts are more uncertain. In the Roma literacy project, the initial activities are positive, but whether these will actually be anchored and whether the participating persons will get a job or keep a job would have to be monitored, and further support and supervision would probably be needed. There are, however, no mechanisms to monitor these developments with most of the participating institutions. The aim of the TA to Trade Unions was to support the trade unions in playing their role in the social dialogue. The project indicators were an improved social dialogue and functioning tripartite social dialogue and the project has contributed towards this objective and the basis is in

<sup>48</sup> Delivering on Promises: The work of the European Agency for Reconstruction in Montenegro. EAR September 2007.

<sup>49</sup> MDG Monitor: Tracking the Millennium Development Goals. September 2008.



place. The question remains, however, how strong the trade unions are as partners and how well the tripartite social dialogue functions. This question can only be tested in the future and there are still limitations in the bargaining power of state employees<sup>50</sup>.

82. The overall rating for civil society development with regard to impacts is **Moderately Satisfactory**.

### **Sustainability**

83. ***Sustainability is a major concern in the projects funded under the Civil Society Development, both for the project activities and the local NGOs.*** Although sustainability considerations are a requirement in the application form, it is directly and specifically addressed in the reporting in almost none of the assessed projects. The reporting is generally activity and direct output oriented, e.g., number of seminars conducted, purchase of lift for disabled, etc. But the reporting format<sup>51</sup> requires the projects to address and reflect on the issues of sustainability and secure how the activities continue after end of project. This is not reflected on in any depth in most of the projects evaluated in the sector. Projects, such as Reproductive Health for example, state that some activities will be continued, but not by whom or how this will be funded or organised. In general, there is no discussion on the sustainability of the direct project activities themselves such as developing a strategy or awareness campaign, nor is there in the reports any discussion on the sustainability of the assistance and support provided to the local NGO as part of the partnership (except for the TA to Trade Unions). How the NGO is going to continue its activities both in general and in relation to the actual activities of the project is not addressed in most of the reports.

84. ***The project sample contains good examples of projects which have demonstration effects and initial impacts, but it is not clear how the activities are continued by the central and local government institutions.*** The Roma project sets out to develop and carry out literacy training for Roma groups, and after initial difficulties it was very successful in training both adolescents and adults from the Roma community so that they had minimum literacy skills and therefore were more trainable for labour market initiatives. Courses were developed and important lessons learned on how to conduct this training and in terms of integrating Roma in the labour market. The key organisations involved would be very interested in continuing the training, but this is not possible due to lack of funding - both from the budget as well as from donors. In the TA to Trade Unions, the unions will need further funding to conduct research and to modernise so that they can attract members - current membership drivers are difficult to assess.

85. ***Ownership of processes and continuation of activities by local NGOs are unclear.*** Although many of the projects have had effects in involving local partners such as NGOs and government institutions, the real transfer of ownership is probably in its early days. The strategies developed are in some cases, as mentioned above, not implemented by the government institutions responsible. It is uncertain whether the local NGOs involved are ready to follow up on the strategies and issues left behind when the project ended. In the Roma literacy and training project, the capacity of the local Roma organisation had clearly been raised, but the organisation needs funding to continue the activities and advocacy initiated by the projects. Also the government institutions involved in the project, primarily the Ministry of Education and agencies under this ministry, were very interested in the results and activities, but limited access and prioritisation of funding hamper the further development.

<sup>50</sup> Progress Report 2008.

<sup>51</sup> Standard PRAG format for Grant projects have been used.

86. The sector rating for sustainability is **Moderately Unsatisfactory**.

## 2.4 Overall Findings

### 2.4.1 CARDS assistance has responded to the needs in the sectors, but these have not been fully identified and assessed

87. *Projects are in compliance with strategic documents, but project design has been made without in-depth institutional assessment and national strategies.* The projects funded under the CARDS 2001-2006 are overall in compliance with both EU strategic documents (EU Partnership, CSP, MIP) and national strategies. Recipients in general confirmed that they have been involved in the planning and design of the projects. It has been difficult to assess the link of CARDS to national strategies as existed in one of the sectors, e.g., the PAR Strategy, but needs are reflected in the projects in PAR and justice. CSD has primarily supported the implementation of the Poverty Reduction Strategy. The lack of sector strategies may have contributed to the limited needs assessments for the individual projects and also to the lack of an institutional assessment (justice). Functional reviews of all line ministries could be a very valuable support to the future design of institution and capacity building projects.

88. *Some projects had two different, not directly complementary components with very different recipient and target groups.* The complexity of the project design was too great in larger projects, and consequently the transfer of knowhow and thereby the sustainability has been jeopardised (justice and PAR). The key issue has been the detailed design of projects and the specific assessment of the capacity and capability of the institutions to receive the project. Assessment of assumptions and risk is overall addressed in PAR. In justice and CS, assessment of risks and the response are limited. Needs assessments seem to have been made, but without taking into consideration whether the institutions had the capacity to address this need. Project tools such as log-frames and indicators have not been actively used in all sectors and in the justice sector, these are not available in the project documentation.

89. Overall rating of relevance for all the sectors is **Moderately Satisfactory**.

### 2.4.2 While project efficiency has in general been good, ownership and commitment have been a concern in some projects

90. *Contractors have in general been efficient and flexible in their implementation, but in some instances they met a lack of ownership which delayed implementation.* Many contractors have shown a great deal of flexibility in adapting to the situation and the lack of resources in the institutions. In one case, the contractors did not have staff in place locally (justice). The situation regarding the recipient institution staff and resources varies between projects and sectors and is a key issue for the Montenegrin administration (PAR, justice and CSD). Some projects have experienced delays as they have met a lack of ownership (justice and PAR). Serious delays have been observed in the process of establishing the new institutions due to technical circumstances (justice and CS). Also, delays in development or approval of legislation have been an issue of concern for project implementation (justice and CS).

91. *Montenegro has become an independent state in the period covered by the CARDS programme. This may have impacted efficiency as there have been many competing tasks.* The establishment of Montenegro as an independent state has surely impacted the priorities of an

already overstretched public administration. Whether this has also directly impacted efficiency of projects overall, which were designed and planned at a time when the institution was part of the State Union (all sectors), is uncertain. There were no unambiguous examples of this having impacted the project implementation in the project sample for this evaluation, although some projects were not priorities by the administration at the time of implementation (PAR and justice).

92. The overall rating of efficiency in the sectors is **Moderately Satisfactory**.

### **2.4.3 Projects have in general resulted in the planned effects, but capacity to implement the outcomes is a concern**

93. *Irrespective of implementation problems, most projects have met most of their project objectives.* Overall, most projects have met many of their operational objectives and delivered the outputs required by the ToR. A few projects or project components did not achieve the objective (justice and PAR) due to missing commitment or lack of ownership from the recipient institutions (justice and PAR). The projects were designed with focus on the delivery of specific outputs rather than on capacity building (justice, PAR and CSD). This problem was also identified in the final EAR evaluation<sup>52</sup>, namely that in order to satisfy the terms of the contracts, the contractors focused on carrying out activities themselves instead of involving the recipients, which would have required additional time and may not have been possible within the time frame of the contract. The EAR evaluation found that this may have had serious consequences for the local ownership of the projects and their outcomes.

94. *Lack of staff and the instability of new ministries and institutions impact effects.* Lack of staff and capacity with staff have in many projects been identified as key obstacles to achieving full effectiveness and thereby using and implementing projects results. As a key outcome of many projects is capacity building through coaching and training, the actual participation of the beneficiaries in the training is an important issue. The effect of the training is reduced when training beneficiaries are not able to fully attend the training (justice and PAR). There could have been more focus on developing train-the-trainer capacity as a sustainability measure (justice). There is, e.g., a very low level of English in the administration, and many have to work with translators (PAR and justice).

Overall effectiveness in the CARDS sectors has been **Moderately Satisfactory**.

### **2.4.4 Some short-term impacts can be identified, medium and long-term impacts are more uncertain**

95. *Some project results in PAR and justice will have impacts beyond the immediate institution and project environment.* Knowledge of these impacts is often limited to the direct beneficiaries and in most cases not even shared within the same institution. However, there are several examples of projects which have managed to raise the awareness of the project and the project results beyond their organisation and project environment, and thereby spreading awareness of the impacts further afield either in the administration or in the general public. The training projects both in justice and PAR as well as a number of the civil society projects have managed to extend the results beyond the direct recipients and their institutions.

<sup>52</sup> Lesson Learned to Lessons Applied, p. 17, 2008, EAR.

96. ***Monitoring of overall and medium to long-term impacts only takes place in a very limited number of ministries.*** As most ministries and institutions are in the process of establishing and developing policies, strategies and EU integration functions, the monitoring of the impacts and effects of policies, as well as EU and other donor projects, are limited. Awareness needs to be further developed among ministries for measuring results and impacts of their policies. Impacts of the Civil Society projects are not monitored and recorded beyond some of the involved stakeholders - the impacts are therefore largely unknown at policy level in the ministries concerned.

97. Overall rating of impacts of CARDS in the sectors is **Moderately Satisfactory**.

#### **2.4.5 Developing institutional capacity and ownership is a precondition for sustainability**

98. ***Lack of staff and budget allocations is a key impediment to sustainability of capacity building projects.*** Adding to this is the budget uncertainty and lack of institutional stability which make sustainability of project results uncertain. For many projects finalised more than two years ago, it is difficult to find people who would still know the project (because they are not in the same position any more) and a culture for transfer and sharing of knowledge will still have to be developed.

99. ***Ownership of project results is mixed in CARDS projects.*** Ownership is a key issue of the sustainability discussion as projects and activities are only sustainable in the cases where the Government/institution shows ownership of the project and its outcomes. Ownership issues are also assessed in the EAR evaluation, which emphasises the many problems of ownership in Government and institutions in transition. Ownership of the reform process is, however, the most important factor in capacity building projects and without this success is unlikely<sup>53</sup>. Ownership has in some projects been present at the time of the planning and programming phases, but has been missing with regard to implementing the operational commitment or resources (PAR, justice and CSD).

100. ***In the sample, sustainability has only been directly addressed in a few projects as part of the reporting.*** Despite sustainability being a key issue for most projects, sustainability is not a fixed part of most final reports. Many projects do not address sustainability of output at any length or depth, if at all, in the final reports (justice). This is a particular problem in the CSD projects but this has not been a key concern in monitoring reports for other sectors either.

101. Overall rating of the sustainability of CARDS is **Moderately Unsatisfactory**.

#### **Other observations**

102. Formal monitoring<sup>54</sup> has only been carried out for around 25 % of the project sample (which primarily included the TA project of the programmes) and relatively few of the projects financed after 2004 have been subject to monitoring. Taking into consideration the changing environment in which the CARDS programmes have been implemented, this share is far too limited. For the evaluation team, this has been an additional challenge as the institutional memory of the EAR in most sectors is gone, many recipients are no longer in place, and the only documentation left for the evaluation has been the project documentation itself.

<sup>53</sup> Lessons Learned to Lessons Applied, 2008, EAR.

<sup>54</sup> Monitoring report made available to the evaluation team on CD-ROM by DG ELARG.

103. The evaluations carried out by the EAR (around 60) have been a useful addition to the monitoring, but they do not cover all projects and sectors in the programme. Montenegro seems to be particularly underrepresented in the evaluations. The specific Impact Evaluation of EAR Support to Institutional Capacity Building carried out for the other EAR countries was not done for Montenegro. As many of the evaluations cover all four countries, they are good instruments for comparisons and overall policy assessments, but as input to a country-based programme evaluation they are difficult to use as most findings are of a general character and individual country findings are limited.

### **Performance ratings**

104. The table below is a summary of the rating of the 19 projects included in the evaluation. The ratings per project have been included in Annex 2.

*Table 2 - Performance rating*

<b>Sector</b>	<b>Relevance</b>	<b>Efficiency</b>	<b>Effectiveness</b>	<b>Impact</b>	<b>Sustainability</b>	<b>Overall</b>
Public Administration Reform	<b>MS</b>	<b>MS</b>	<b>MS</b>	<b>MS</b>	<b>MU</b>	<b>MS</b>
Judicial Reform	<b>MS</b>	<b>MS</b>	<b>MU</b>	<b>MS</b>	<b>MU</b>	<b>MS</b>
Civil Society	<b>MS</b>	<b>MS</b>	<b>S</b>	<b>MS</b>	<b>MU</b>	<b>MS</b>
Total	<b>MS</b>	<b>MS</b>	<b>MS</b>	<b>MS</b>	<b>MU</b>	<b>MS</b>

HS = Highly Satisfactory; S = Satisfactory, MS = Moderately Satisfactory; MU = Moderately Unsatisfactory; U = Unsatisfactory; HU = Highly Unsatisfactory

### 3 Thematic and Crosscutting Findings

105. Having examined the different sectors and the overall performance of CARDS, this chapter will look at the crosscutting evaluation questions towards the key thematic areas of the assistance to Montenegro. Indicators for these questions have been included in Annex 3.

#### 3.1 CARDS has supported gender equality and inclusion of minorities in civil society development

106. *The strategies for the CARDS assistance have all included references to the inclusion of minorities and protection of their rights.* The Federal Republic of Yugoslavia Country Strategy 2002-2006 and the MIP 2005-2006 include gender and minorities as crosscutting issues in order to ensure that all projects pay due attention to gender mainstreaming and inclusion and protection of minorities, but not as a specific focus. The EP 2006 had a specific focus on minorities and human rights and specifically mentioned the implementation of the act on gender equality and the importance of ensuring mainstreaming of women's rights in all existing policies and legislation. More apparent is the awareness of issues regarding gender equality in the MIPs, which have objectives at the strategic level on gender and minorities, but include little in terms of directions at the operational project level. The evaluation of minorities as a crosscutting issue undertaken by the EAR in June 2007 finds that the MIPs only briefly addressed the minority issues<sup>55</sup>.

107. *Gender and minority issues were primarily addressed in CSD projects.* Whereas the gender issues are recognised at the level of the strategic documents, there is no or little information on how to make this operational at the project level. The strategic documents primarily change for IPA 2007 to become more specific in terms of gender and minority issues, and the annual programmes also increasingly specify gender issues to be taken into account in the projects<sup>56</sup>. For CARDS it is difficult to see which operational approach has been taken as different approaches have been in play. The overall operational approach of the CARDS crosscutting issues is not addressed in the Annual Reports of the EAR<sup>57</sup> and has therefore been difficult to assess. In CSD, the entire programme is focused on minorities, gender and vulnerable groups and all projects therefore have an angle on gender and minorities.

108. *The public procurement project made specific recommendation on how to include gender and minority in the procurement manuals also of the EAR.* The procurement project re-

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<sup>55</sup> Minorities, a crosscutting issue for interventions of the EAR EU14/043/06, June 2007.

<sup>56</sup> IPA 2007 Programme for Montenegro.

<sup>57</sup> Annual Report 2007 and 2008, EAR.

flected in the final reports that the crosscutting issues should be included in the manual development and training as part of the Social Criteria. In the PAR and justice sectors, gender and minority issues were only mentioned under reporting. The public administration reform projects make very general reference to gender and minorities. It appears not to have been at the core of activities and is not mentioned specifically in the reports related to concrete activities such as strategy and legal preparation. In some projects, gender and minorities are not mentioned at all in the ToR, but appear in the reporting, but more as a formality than as an operationally addressed issue. Cross-cutting issues are absent in the public finance, local government projects and justice projects. Monitoring reports, where available, mostly do not address the contractor performance related to the cross-cutting issues.

### **3.2 CARDS has not promoted sustainable development including protection of the environment**

109. *Most of the projects in all sectors do not address the environmental issues.* Considerations on sustainable development relating to the environment have only to a very limited extent been included in the design of the project (except for the public procurement projects). In general, specific considerations regarding the environmental impacts and results (direct or indirect) of the projects were not highlighted or developed in the project documentation in all three sectors. This probably stems from the fact that environmental issues have received limited focus by the ToR.

### **3.3 CARDS has only to a very limited extent strengthened the effectiveness/efficiency of the donor coordination**

110. *Donor coordination was until recently carried out by the Prime Minister's Office and based on the 2002-2007 economic development plan.* This coordination was overall and did not go into the operational level, but provided an overall overview of where the different donors were active and the projects. As there have never been many donors in Montenegro, the need to set up a large structure was limited. However, because there are not many donors, these need to be coordinated well in order not to waste funds, and in the future this becomes even more important. The Lessons Learned to Lessons Applied 2000-2008<sup>58</sup> evaluation carried out by the EAR draws attention to the fact that efforts by the donor community should be enhanced. The report underlines the necessity of increased donor willingness to share information and work together as well as to integrate their approach into the national strategies. This is also underlined by the Ad Hoc Report on Donor Coordination which finds donor arrangements generally weak, but states that there are good initiatives<sup>59</sup>. The report underlines that in general, in Western Balkan on further alignment of donor assistance, there is a high degree of alignment between national strategies and EU agenda and that EU donors tend to use the pre-accession agenda as a filter for their assistance. With regard to implementation systems, there is a long way to go and donors tend to use their own systems due to lack of transparency<sup>60</sup>.

111. *The current donor coordination is characterised by limited overall capacity to coordinate and a very delayed attempt to establish a database.* In 2008, a large donor conference

<sup>58</sup> Lessons Learned to Lessons Applied 2000-2008.

<sup>59</sup> Ad Hoc Interim Evaluation. Donor Coordination. Ad Hoc Report. March 2009. Albania, Croatia and FYROM, findings for Montenegro included insofar that data exist. The evaluation will overall look at effectiveness of donors' coordination on the Paris Declaration on Aid Effectiveness. The report uses the criteria of Ownership, Alignment, Harmonisation, Managing of Results and Mutual Accountability.

<sup>60</sup> Ibid.

with EU member states was organised and the SEI is in the process of setting up sector coordination meetings. There is a committee for EU integration and IPA at deputy minister level. A database funded by the UNDP has been under development for the last two years, but has not yet become operational. The design of the database has been too ambitious and the consultants have not been able to advise the SEI on a proper balance between requested information and what in reality is possible and needed. Lessons learned from other countries concerning donor databases appear not to have been reflected in the design. Stakeholders now agree that the database has to be simple and provide basic data for coordination at sectoral level.

**112. *There is limited experience in programming of EU Programmes, and the programming of CARDS was to a large extent carried out by the EAR with limited involvement of the stakeholders.*** Programming of CARDS programmes as well as IPA 2007 and 2008 were primarily carried out by the EAR<sup>61</sup>. For 2009, the SEI and the ministries got assistance from the UNDP Capacity Development Programme to help with the fiches. Furthermore, capacity is being built in the sectoral ministries, such as the Ministry of Environment, which will increasingly be able to do their own programming. Ministries are now asked to prepare projects (concept on 2 pages), increasing the programming capacity of the ministries, and the Committee on EU will discuss and select the proposals to be forwarded to the EU. However, this is also an issue of qualified staff and some ministries are very large and have many agencies and face difficulty in coordination. The SEI is very important for the integration process and is currently building capacity to coordinate the programming process, but has very varied staff resources,

**113. *There is a very comprehensive action plan for EU integration, but at the moment there is no link to the budget*** (IPA is guaranteed co-finance - preferential treatment). A Medium Term Expenditure Framework (MTEF) has not yet been developed although attempts were made in the first public finance project (mentioned under PAR). Developing a MTEF is recognised as an important future activity for coordinating the EU and donor funding<sup>62</sup>. The Ad Hoc Report on Donor Coordination<sup>63</sup> in general found that there is moderate ownership and that EU strategies tend to dominate over local strategies in terms of resource allocation in Western Balkan. It is recommended to secure a close link between national and sector strategies and medium-term budgets both in terms of budgets and size.

**114. *Decentralised implementation, Evaluation and Monitoring are under development, but at initial stages.*** The MoF is beginning to set up a structure for DIS with Senior Programme Officers (SPO) in all ministries and National Authorising Officer in the Ministry of Finance. The CFCU is being established and beginning to development capacity, but it will take a while before it is operational. Monitoring of EU programmes as well as of the Action Plan for EU Integration will become requirements as the EU pre-accession process continues. The Ad hoc Evaluation found that results based monitoring has been little used in Western Balkan until now, and information sharing on donors and use of donor databases only takes place in a few countries<sup>64</sup>.

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<sup>61</sup> These were finalised by the ECD.

<sup>62</sup> Ad Hoc Interim Evaluation. Donor Coordination. Ad Hoc Report. March 2009.

<sup>63</sup> Ibid.

<sup>64</sup> Ibid.



## 4 Conclusions and Recommendations

115. This chapter focuses on lessons learned in order to improve the future IPA assistance to Montenegro. Taking into account lessons about the programming and implementation of the CARDS assistance is key to strengthening the IPA assistance. This chapter highlights the main conclusions found in the previous analysis, underlines lessons learned and makes recommendations in areas which can have an impact on the IPA programme in Montenegro and in other IPA countries.

### 4.1 Conclusions

***Conclusion 1: CARDS was focused on the objectives of the CSP and the pre-accession strategies (EP), but the documents are not very detailed***

116. The objectives of the CARDS projects were overall well focused on the CSP and the EP (from 2004 onwards). The CSP 2002-2006 is a combined document for Serbia, Montenegro and Kosovo and details of the different areas are limited, but the overall priorities can be determined from the CSP. The CSP attempts to set up results and indicators, but at a very general level, stating overall development and reconstruction goals. The indicators are often a mix of the activities, the results and targets. The EP of 2004 and 2006 covering the last three years of the programme period is also reflected in the objectives of the projects. The MIPs relevant for the period 2002-2004 and 2005-2006 correspond largely to the projects implemented. It has been difficult to assess CARDS against national sector strategies as these do not exist in most sectors (PAR and now justice). Lack of institutional needs assessments in justice and PAR may have contributed to inadequate project design or needs assessments, which have impacted the performance of CARDS. The problems of accurate needs assessments reflect both a lack of capacity, especially in the sector ministries, for project design and development.

***Conclusion 2: Due to limited institutional and absorption capacity only some projects show results and short-term impacts***

117. Overall, most projects have achieved results or delivered outputs, only a very small number did not achieve their objectives at all. Short-term impacts or effects can be detected in several projects in all sectors - but a general concern is that a lack of institutional capacity as well as ownership will limit the medium-term impacts. CARDS assistance has had effects in supporting the development of new institutions (PAR) and legal framework or strategies (PAR and CSD) in a majority of the sectors. The CARDS assistance has focused on training of beneficiaries in a majority of the projects (justice and PAR) rather than on training-of-trainers and developing training capacity. This approach has made capacity building vulnerable to staff turnover and movements and has not strengthened the sustainability of the projects. But it is diffi-

cult to determine this, as many projects have not reported on sustainability in the final report and thereby not included the prospects for the long-term effect of the training.

***Conclusion 3: Some results and impacts may be sustainable if supported by sufficient staff and resources***

118. Projects in all three sectors have managed to support the development of institutional and legal frameworks, but it is difficult to judge whether the institutional, legal and strategic work prepared will be fully sustainable as this is not addressed by the projects. The civil society projects have supported the development of a number of strategies, but it is recorded that these are not fully implemented by the Government. Sustaining the results of many of the projects will demand significant investments from both the state budget and the donors. Some of this assistance is already included in the IPA programmes 2007-2009, but substantial budgets and other donor funds will be needed to continue the support to PAR and the justice sector. Further development of the administration in terms of staff numbers and competences as well as the top level in the ministries engaging in the reform processes will be prerequisites for sustainability in the justice sector and PAR.

***Conclusion 4: In general, results and impacts have not been achieved in an efficient and effective manner due to the lack of experienced institutions***

119. The assistance under CARDS has largely delivered the outputs in a well-managed way, although exceptions and differences are seen in the performance between the sectors and types of assistance. CARDS has overall performed better in more concrete and specific technical projects than in strategic and planning projects (PAR, justice and CSD). Delays have been noted in the implementation due to lack of administrative capacity and staff to implement projects in the ministries and because the legal framework was not in place (PAR, justice and CSD). Considerable extensions have been observed in some projects (Justice and PAR) indicating that projects were designed with a too short time line. Monitoring was only carried out for a limited number of projects which may have resulted in actions not being taken in time to correct the underperforming projects.

***Conclusion 5: CARDS has addressed the crosscutting themes in civil society development, but the donor coordination has to be developed***

120. The CARDS projects have in a general manner addressed the crosscutting issues gender and minorities, but generally not sustainable development. The former were, however, often not really mentioned or specified in the ToR, or often only under reporting requirements. And when they were, not in a very operational and concrete manner, which indicates that the project partners may not have been aware of what was expected from the projects in terms of gender and minorities. There were of course projects which specifically focused partly or fully on crosscutting issues gender and minorities, especially in the Civil Society Development sector. Sustainable development and the environment are not addressed in the CARDS projects, except in the public procurement projects. Donor coordination and programming are generally weak points and will need to be addressed by the Government.

## 4.2 Lessons Learned & Recommendations

121. To address the key findings and conclusions of the evaluations, the following actions are recommended. The five strategic recommendations are based on a number of findings that emerged during the evaluation and should be addressed when programming future assistance to Montenegro. The second group is operational recommendations, which could be taken into account when implementing the remaining CARDS, also in those sectors not covered by the evaluations, and future IPA assistance.

### Strategic Recommendations

#### ***Recommendation 1: The development of the Human Resources Management is key to future development and EU integration***

122. Efforts have been undertaken in the CARDS programme to strengthen the HRD in the public administration. However, much of the PAR strategy (2002-2009), which was introduced in 2002, still needs to be implemented which should be considered in an update of the PAR strategy and action plan, in the event that this is not already planned. HRD units have not been set up in the line ministries as planned in support the HRMA Training Strategy<sup>65</sup> and the HRMA is struggling to develop its capacity. Without serious development of the HR in Montenegro, the administration will not be able to meet the requirements for the EU integration process, let alone the obligations of membership. IPA should support this development and address the issue of ministries and institutions with a high number of vacant positions. Addressing this issue should be a conditionality in future programmes. Conditionality should also be introduced in terms of ensuring the commitment of the institutions to secure that staff and budget are in place for partaking in the assistance projects<sup>66</sup>.

#### ***Recommendation 2: Support functional reviews as part of PAR in order to secure solid institutional and needs assessment***

123. In order to support the further development of the Montenegrin administration and to address the HR issues, undertaking functional reviews<sup>67</sup> will be very important. Recent analysis point to the fact that the administration has too many entities with overlapping functions and competing responsibilities. These are inefficiencies which are costly to the country<sup>68</sup>. The EU integration process has already added to this and will add more as it proceeds. In order to be able to employ staff efficiently, functional reviews should be undertaken, both at central and local levels. The functional reviews would also support the development of future IPA capacity and institutional development projects and the detailed needs assessment of the institutions.

#### ***Recommendation 3: The implementation of existing sectoral strategies should be strengthened as well overall policy functions***

<sup>65</sup> Civil Service Training System in Montenegro, Human Resource Management Authority. January 2006

<sup>66</sup> The evaluation team has not looked into conditionality already used in IPA 2007-2009.

<sup>67</sup> Functional review aim at identifying core governmental functions, eliminating duplication, and consolidating and/or merging similar services from different Ministries. Functional reviews assists in the reshaping of programs, and the restructuring of some or entire Government Ministries and agencies (Modernising the Federal Civil Service. Nick Manning/Neil Parison. Washington. July 2001).

<sup>68</sup> Montenegro Beyond the Peak: Growth Policies and Fiscal Constraints. World Bank PEIR, 24 November 2008.

124. At present, there are sectoral strategies in the sectors analysed, i.e. the PAR Strategy and the Justice Reform Strategy, as well as in a number of areas supported through the CSD. The main issue of the strategies is that they are developed by various projects and donors, but not implemented following completion. The sector strategies should furthermore assist the Government in targeting and prioritising the limited budget and human resources and should be an important input to a future MTEF. Functions such as budgeting and policy are only developed in some ministries and, where present, the function is often limited to a few persons. It is a key issue in any reform process that the capacity for policy is developed as also underlined by the Lessons Learned to Lessons Applied 2000-2008 by the EAR. The report highlights that "projects implemented within a government strategy and policy framework proved much more sustainable"<sup>69</sup>. This process should be further supported by the IPA programme and other donors.

***Recommendation 4: Careful planning and sequencing of IPA assistance will be important in order to ensure sustainability and ownership. Conditionality should be used to ensure this***

125. Lessons from Montenegro and other countries in the region show that if weak ministries are overloaded with difficult Acquis implementation, before they have the necessary capacity, they will not be successful, and this may lead to frustration with key staff. It is therefore especially important in the context of Montenegro, which has so many new and developing institutions, to ensure that assistance is sequenced and planned correctly and that institutions have the basic set-up in place needed to run its core functions before starting the more complicated implementation of the Acquis. Needs assessments and functional reviews (as mentioned above) therefore need to seriously address the issues of readiness and capacity. Sector strategies should be a starting point for the programming and the project development phase setting the objectives and assessing development needs of key institutions. Conditionalities should be introduced in order to secure ownership of the support projects and ensure that IPA funding will be directed towards the government policy and reform priorities<sup>70</sup>.

***Recommendation 5: Donor coordination and programming capacity should be supported in the IPA programmes***

126. Donor coordination has been identified as a weakness on both the donor and government sides. Donor coordination should be carried out by both the Government and the donors, led by the Government. The Government should enhance its donor coordination and programming function and ensure that line ministries take care of their sectoral coordination. For the latter to happen, more efforts in terms of staff need to be made by the Government, and the EU should consider supporting this area. In addition, the ECD should take the lead where appropriate in securing the coordination on the donor side of key EU integration sectors. The ECD in Montenegro has already been active in assisting the government in developing the donor coordination with a focus on securing good sectoral coordination. The Lessons Learned evaluation sees improved donor coordination as a key to coordinating assistance, to avoiding not only overlap but also contradictory project approaches, and to optimising the use of scarce resources in the line ministries<sup>71</sup>.

## **Operational Recommendations**

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<sup>69</sup> Lessons Learned to Lessons Applied 2000-2008 EAR. October 2008.

<sup>70</sup> Conditionalities have already been introduced in the project fiches for IPA 2007 and onwards.

<sup>71</sup> Lessons Learned to Lessons Applied 2000-2008, p. 8.

***Recommendation 6: More focus on sustainability in project design and implementation future IPA projects***

127. The projects in all the sectors covered by this evaluation have focused more on delivery of outputs than on the anchoring of results in the organisations in question. Increasing awareness of recipients and contractors that they have to address sustainability in terms of staff, financial resources and institutional stability in the projects from the start, is the first step in the direction of improving sustainability of projects. Very few reports of the CARDS programme address this issue directly, and it is recommended that a specific chapter in the ToRs, inception reports and final reports is dedicated to the description of how sustainability is ensured and what staff and financing will be set aside in order to achieve sustainability. If no budget funding is to be set aside, donor possibilities should be identified.

***Recommendation 7: Support to Civil Society Development Sector should focus more on the development of Civil Society as such***

128. Civil Society Development in CARDS was very focused on addressing the priorities of the Poverty Reduction Strategy, more than on developing Civil Society as such. It is noted that the Civil Society programmes covered by IPA especially 2009, less so 2007, have a different focus and will be more focused on the networking and capacity development of the NGOs, while at the same time supporting important social initiatives. It is, however, important that future projects put more effort into ensuring that sustainability is addressed specifically and in a detailed manner in the reports. According to the ECD these issues have already been addressed in the new programmes and in the dialogue with the CS. Although awareness has been raised and individuals have been made interested in a topic/theme, this is no guarantee that there is funding and support to continue the activity.

***Recommendation 8: Increase monitoring of projects for timely follow-up and implementation adjustment, and management of projects***

129. Relatively few projects under CARDS 2002-2006 were monitored (around 25 % of the sample used for this evaluation), and this may have resulted in late reactions to non-performing projects and difficult circumstances (Justice and PAR). The Result-oriented Monitoring (ROM) reporting has already taken over the IPA and a few CARDS projects are also monitored by ROM. The monitoring helps the stakeholders follow up on recommendations, implement changes and keep a record on the implementation, which is not done in the same "objective" manner by the project reporting. It is generally recommended to monitor most projects (except for very small projects, e.g., Framework Contracts). In the future, task managers in the ECD will need to be more proactive in addressing weak reports and lack of addressing issues such as sustainability.

***Recommendation 9: Crosscutting issues need to be made operational and project partners need clear instruction on requirements***

130. Even though cross-cutting issues are increasingly addressed in the IPA programme documentation, it will need to trickle down to the project implementation. In order to avoid that crosscutting issues become a matter of "ticking-off-the-box" by projects without necessarily being given in-depth attention, a clear strategy and operational guidelines to the purpose should be developed. Within each project, clear instructions and requirements should be given

in the ToR on which cross-cutting activities are expected within the project and/or in the project results (e.g. in a pieces of legislation) as well as in the reporting.

### 4.3 Conclusions and Recommendations Table

Issue	Conclusion	No.	Recommendation	Ref.	Action by	Deadlines
Impact/efficiency/relevance	<ul style="list-style-type: none"> <li>▪ The further development of the administration in terms of staff numbers and competences, as well as the top level in the ministries engaging in the reform processes, will be prerequisites for sustainability in the Justice sector and PAR.</li> <li>▪ Without serious development of the HR in Montenegro, the administration will not be able to meet the requirements for the EU integration process let alone the obligations of membership.</li> <li>▪ The CARDS assistance has focused on direct training in a majority of the projects more than on training-of-trainers and developing training capacity.</li> <li>▪ Capacity building is vulnerable to staff turnover and movements and has not strengthened the sustainability of the projects.</li> </ul>	1	<ul style="list-style-type: none"> <li>▪ However, much of the PAR strategy, which was introduced in 2002 still needs to be implemented and an update of the strategy may be timely. HRD units have to be set up in the line ministries in support of the HRMA Training Strategy as planned and the HRMA has to further develop its capacity.</li> <li>▪ IPA should support this development and address the issue of ministries and institutions with staff vacancies turn.</li> <li>▪ Conditionality should be introduced in terms of ensuring the commitment of the institutions to secure that staff and budget are in place for partaking in the assistance projects</li> </ul>	116, 117, 119, 122	HRMA, line ministries MoI, SEI, ECD	
Relevance/efficiency	<ul style="list-style-type: none"> <li>▪ Lack of institutional needs assessments in justice and PAR, may have contributed to inadequate project design or needs assessment, which has impacted the performance of CARDS.</li> <li>▪ The problems of accurate needs assessment reflect both a lack of capacity, especially in the sector ministries for project design and development.</li> </ul>	2	<ul style="list-style-type: none"> <li>▪ In order to support the further development of the Montenegrin administration and to address the HR issues, undertaking functional reviews will be very important. Analysis points to that the administration has too many entities with overlapping functions and competing responsibilities. These are inefficiencies which are costly to the country.</li> <li>▪ In order to be able to employ staff efficient functional reviews should be undertaken, both at central and local levels. This should also be support for future IPA capacity and institutional development projects and a detailed needs assessment of key institutions to be supported by IPA.</li> </ul>	116, 119, 123	HRMA, Line ministries, SEI, ECD	

			<ul style="list-style-type: none"> <li>▪ The sector strategies should be a starting point for the programming and the project development phase setting the objectives and assessing development needs of key institutions</li> </ul>			
Relevance	<ul style="list-style-type: none"> <li>▪ It has been difficult to assess CARDS against national sector strategies as these do not exist in most sectors.</li> </ul>	3	<ul style="list-style-type: none"> <li>▪ At present there are sectoral strategies in the sectors analysed i.e. the PAR Strategy and the Justice Reform Strategy as well as in a number of areas supported through the CSD.</li> <li>▪ The main issue of the strategies is that they are developed by various projects and donors but not implemented following completion. The sector strategies should furthermore assist the Government in targeting and prioritising the limited budget and human resources and should be an important input to a future MTEF.</li> <li>▪ Functions such as budgeting and policy are only developed in some ministries and, where present, the function is often limited to a few persons.</li> </ul>	116, 124	Line ministries, MoF, SEI	
Efficiency/effectiveness	<ul style="list-style-type: none"> <li>▪ CARDS has overall performed better in more concrete and specific technical projects than the in overall strategic and planning projects.</li> <li>▪ Delays have been registered in the implementation due to lack of administrative capacity and staff to implement projects in the ministries and because the legal framework was not in place.</li> <li>▪ Considerable extensions have been observed in some projects indicating that projects were designed with a too short time line resulting.</li> </ul>	4	<ul style="list-style-type: none"> <li>▪ Careful planning and sequencing of IPA assistance will be important in order to ensure sustainability and ownership, conditionality should be used to ensure this.</li> <li>▪ Lessons from other countries in the region show that if weak ministries are overloaded with difficult Acquis implementation, before they have the necessary capacity, they will not be successful, which may lead to frustration with key staff.</li> <li>▪ It is therefore especially important in the context of Montenegro, which has so many new institutions, to ensure that assistance is sequenced and planned correctly and that institutions have the basic set-up in place needed to run its core functions before starting the more complicated implementation of the Acquis.</li> <li>▪ Conditionalities should be introduced in order to secure ownership of the support projects and secure that IPA funding will be directed towards the government policy and reform priorities</li> </ul>	117, 119, 125	SEI, ECD, HRMA	
Relevance/Efficiency and Cross Cutting issues	<ul style="list-style-type: none"> <li>▪ Donor coordination and programming are generally weak points and will need to be addressed by the Government</li> <li>▪ The Lessons Learned evaluation sees improved donor coordination as a key to coordinating assistance and to avoiding not only overlap but also contradictory project approaches and to optimising the use of</li> </ul>	5	<ul style="list-style-type: none"> <li>▪ Donor coordination and programming capacity should be supported in the IPA programmes</li> <li>▪ Donor coordination should be carried out by both the Government and the donors, led by the Government. The Government should enhance its donor coordination function (at present only one person) and ensure that ministries take care of their sectoral coordination. For the latter to happen, more efforts in terms of staff need to be made by the Government, and the EU should consider supporting</li> </ul>	116, 119, 110-114	SEI, ECD, line ministries	



	scarce resources in the line ministries		<p>this area.</p> <ul style="list-style-type: none"> <li>▪ The ECD should take the lead where appropriate in securing the co-ordination on the donor side of key EU integration sectors.</li> </ul>			
Sustainability/effectiveness	<ul style="list-style-type: none"> <li>▪ Sustaining the results of many of the projects will demand significant investment from both the state budget and the donors.</li> <li>▪ Some of this assistance is already included in the IPA programmes 2007-2009, but substantial budgets and other donor funds will be needed to continue the investments in key infrastructure in PAR and the justice sector.</li> <li>▪ Projects in have focused on delivery of outputs rather than on the anchoring of results in the organisation in question.</li> </ul>	6	<ul style="list-style-type: none"> <li>▪ Focus more on sustainability in project design and implementation especially the remaining ongoing CARDS projects</li> <li>▪ Increasing awareness of recipients and contractors that they have to address sustainability in terms of staff, financial resources and institutional stability in the projects from the start is the first step in the direction of improving sustainability of projects.</li> <li>▪ It is recommended that a specific chapter in ToR, inception report and final report is dedicated to the description of how sustainability is ensured and what staff and financing will be set aside in order to achieve sustainability.</li> <li>▪ If no budget funding is to be set aside, donor possibilities should be identified</li> </ul>	117, 118, 127	SEI, ECD, line ministries	
Sustainability/impact	<ul style="list-style-type: none"> <li>▪ The civil society projects have supported the development of a number of strategies but it is recorded that these are not fully implemented by the Government.</li> <li>▪ Civil Society Development in CARDS was very focus on addressing the priorities of the Poverty Reduction Strategy, more than on developing Civil Society as such.</li> </ul>	7	<ul style="list-style-type: none"> <li>▪ Support to Civil Society Development should focus more on the development of Civil Society</li> <li>▪ It is however important that projects put more effort in the future in order to secure that the CSD projects address sustainability seriously.</li> </ul>	118, 117, 119, 128	ECD, line ministries,	
Efficiency	<ul style="list-style-type: none"> <li>▪ Monitoring was only carried out for a limited number of projects which may have resulted in that actions have not been taken in time for correcting the underperforming projects</li> </ul>	8	<ul style="list-style-type: none"> <li>▪ Increase monitoring of projects for timely follow-up and implementation adjustment, and management of projects</li> <li>▪ It is generally recommended to monitor most projects (except for very small projects e.g. Framework Contracts). Task managers in the ECD will need in the future to be more proactive in addressing weak reports and lack of addressing issues such as sustainability.</li> </ul>	102-103	ECD, SEI	
Cross-cutting issues	<ul style="list-style-type: none"> <li>▪ The CARDS projects have in a general manner addressed the cross cutting issues gender, and minorities but generally not sustainable development.</li> <li>▪ The reports are not very operational and</li> </ul>	9	<ul style="list-style-type: none"> <li>▪ Crosscutting issues need to be made operational and project partners need clear instruction on requirements</li> <li>▪ In order to avoid that crosscutting issues become a matter of "ticking-off-the-box" by projects without necessarily being given in-depth attention, a clear strategy and operational guidelines to the</li> </ul>	106-109, 120	ECD	

	<p>concrete and it does indicate that the project partners may not have been aware of what was expected from the projects in terms of gender and minorities.</p> <ul style="list-style-type: none"> <li>▪ Sustainable development and the environment are not addressed in the CARDS projects.</li> <li>▪ There were projects, which specifically focused partly or fully on crosscutting issues: gender and minorities especially in the Civil Society Development sector.</li> </ul>		<p>purpose should be developed.</p> <ul style="list-style-type: none"> <li>▪ Within each project, clear instructions and requirements should be given in the ToR on which cross-cutting activities are expected within the project and/or in the project results (e.g. in a pieces of legislation) as well as in the reporting.</li> </ul>			
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## Annex 1 Scope of Evaluation - List of Projects (desk studies and interviews)

Programme/ Project number	Year	Programme/Project Title	Allocation (in €)	Implementation	
				Start date	End date
<b>Public Administration Reform</b>					
06MON01/04/001	2006	Implementation of Budgeting and Salary System Reforms	1.658.800,00	01.12.06	28.02.09
06MON01/04/002	2006	Strengthening Local Self Government	643.977,36	09.01.06	30.11.08
05MTG01/01/001	2005	Capacity Building HR Management Agency & Line Ministries (PARIM CB)	2.405.879,34	12.09.06	31.12.08
05MON01/01/007	2005	Capacity Building of the Public Procurement Commission 2	150.000,00	11.09.07	07.09.08
05MTG01/01/002	2005	Capacity Building of the Public Procurement Commission 2	299.135,63	09.11.07	09.11.08
04MTG01/01/001	2004	Support to Public Administration Reform, Montenegro 1 (PARIM I)	544.978,01	10.10.06	10.10.07 <sup>72</sup>
04MTG01/01/004	2004	Capacity Building in Treasury Management & Fiscal Reporting	769.145,10	31.01.05	30.09.06
02MTG01/01/001	2002	Public Administration Reform (PARIM)	1.768.784,89	04.07.02	04.01.04
<b>Justice</b>					
05MTG01/04/006	2005	Advisory Support to Prosecutors Training	249.989,81	27.05.08	27.12.09 <sup>73</sup>
05MTG01/04/005	2005	Joint Initiative with COE for Prison Reform	162.684,00	04.12.06	03.12.08
03MTG01/01/003	2003	TA to Judicial Training Centre	95.850,00	? <sup>74</sup>	?
03MTG01/01/007	2003	Supply of IT Equipment to Courts in Montenegro <sup>75</sup>	412.036,60	19.12.03	19.03.04
03MTG01/01/008	2003	Support to the Judicial Training Centre Activities	345.760,28	01.12.03	30.11.05
<b>Civil Society Development</b>					
06MON01/02/006	2006	Integration by Adult Literacy & Vocational Training	163.095,90	02.07.07	08.07.08
06MON01/02/001	2006	TA to Trade Unions	404.716,10	14.11.06	14.02.08
06MON01/02/004	2006	Improvement of Reproductive Health	150.253,51	02.07.07	08.07.08
06MON01/02/005	2006	The Full Integration of People Living with Disabilities	147.720,61	06.02.07	07.04.08 <sup>76</sup>
06MON01/02/007	2006	The Social Care & Child Protection Reform	164.004,90	02.07.07	08.07.08
03MTG01/02/001	2003	Second Joint Initiative EAR-COE in the Legal Media Field	178.880,00	13.08.03	13.02.05

<sup>72</sup> Dates given in inception report

<sup>73</sup> Project already completed

<sup>74</sup> Contact not available date cannot be detected from other documents

<sup>75</sup> Project not fully assessed as reporting is not available

<sup>76</sup> Dates given in final report

## Annex 2 Performance rating per project and sector

Cluster/Criterion	Relevance	Efficiency	Effectiveness	Impact	Sustainability	Overall
<b>Public Administration Reform</b>						
Implementation of Budgeting and Salary System Reforms (2006) (D+I)	MS	MS	MS	S	MU	MS
Strengthening Local Self Government (2006) (D+I)	S	S	S	MS	MS	S
Capacity Building HR Management Agency & Line Ministries (2005) (D+I)	MS	S/MS	MU	MS	MU	MS
Capacity Building of the Public Procurement Commission 2 (2005) (D+I)	MS	S	S	S	MS	S
Capacity Building of the Public Procurement Commission 1 (2005) (D+I)	MS	MU	S	S	MS	S
Support to Public Administration Reform (2004) (D+I)	S	S/MS	MS	MS	MS	MS
Capacity Building in Treasury Management & Fiscal Reporting (2004) (D+I)	MS	MU	U	U	U	MU
Public Administration Reform (2002) (D)	S	S/MS	MS	MS	MS	MS
<b>Total</b>	<b>MS</b>	<b>MS</b>	<b>MS</b>	<b>MS</b>	<b>MU</b>	<b>MS</b>
<b>Judicial Reform</b>						
Advisory Support to Prosecutors Training (2005) (D+I)	S	S	MS	MS	MS	S
Joint Initiative with COE for Prison Reform (2005) (D+I)	MS	U	HU	U	HU	U
TA to Judicial Training Centre (2003) (D)	S	S	MS	S	MS	S
Supply of IT Equipment to Courts in Montenegro (2003) (D)	S <sup>77</sup>	-	-	-	-	-
Support to the Judicial Training Centre Activities (2003) (D)	MS	S	S	MS	MS	MS
<b>Total</b>	<b>MS</b>	<b>MS</b>	<b>MU</b>	<b>MS</b>	<b>MU</b>	<b>MS</b>
<b>Civil Society</b>						
Integration by Adult Literacy & Vocational Training (2006) (D+I)	MS	S	S	S	S	S
TA to Trade Unions (2006) (D+I)	MS	MS	S	MS	MS	MS
Improvement of Reproductive Health (2006) (D)	S	MS	S	S	MS	MS
The Full Integration of People Living with Disabilities (2006) (D)	S	MS	MS	MS	MU	MS
The Social Care & Child Protection Reform (2006) (D)	MS	S	S	MS	MS/MU	S/MS
Second Joint Initiative EAR-COE in the Legal Media Field (2003) (D)	MS	MS	MS	MS	S	MS
<b>Total</b>	<b>MS</b>	<b>MS</b>	<b>S</b>	<b>MS</b>	<b>MU</b>	<b>MS</b>

\* Project under implementation, D - Project selected to Desk study, D+I - Project selected to Interview and Desk study

<sup>77</sup> Only partly assessed due to lack of documentation

## Annex 3 Evaluation Questions and Indicators

### RETROSPECTIVE EVALUATIONS OF CARDS PROGRAMMES IN Kosovo and Montenegro - EVALUATION QUESTIONS, INDICATORS AND DATA SOURCES

Level 1 Assessment of key issues	Level 2 Specific evaluation questions	Level 3 Indicators	Main data sources
Relevance	R.1 To what extent do the programmes/projects address the needs and priorities identified in progress reports, SA Agreements, Strategy papers, partnerships and country/sectoral strategies	<ul style="list-style-type: none"> <li>- CARDS is focused on the objectives of pre-accession strategy</li> <li>- A high level of consistency between Programme objectives and the needs assessment in strategy papers</li> <li>- The allocation of resources to different macro sector areas and projects reflect the strategy</li> <li>- The programmes have a high quality</li> </ul>	<ul style="list-style-type: none"> <li>- EU Strategic documentations (other)</li> <li>- Kosovo and Montenegro CARDS Programme documents</li> <li>- Progress reports</li> <li>- CARDS Evaluations</li> </ul>
	R.2 To what extent have the stakeholders in Kosovo and Montenegro and relevant DGs been involved in the needs assessments and contributed to the design of the programmes/projects?	<ul style="list-style-type: none"> <li>- Consultation processes are/were in place at the time for involvement of stakeholders in needs assessment and programming</li> <li>- Key recipient stakeholders have been involved in needs assessment and programming</li> <li>- Civil society has been consulted and involved in the planning of the activities</li> </ul>	<ul style="list-style-type: none"> <li>- Documentation on programming process (incl. programming documents)</li> <li>- Survey and interviews</li> <li>- Evaluations</li> <li>- Consultation procedures</li> </ul>
	R.3 To what extent were the programmes designed in a manner relevant to the needs and problems identified in the partner countries?	<ul style="list-style-type: none"> <li>- The programmes are based on national (recipient country) strategic and planning documents (national development plans, poverty reduction strategies etc.)</li> <li>- Programme alignment with other (donor) needs assessment and coordination ensured complementarity between CARDS programme and other programmes</li> <li>- Quality of programme/project documentation, log-frame, objectives, indicators etc.</li> </ul>	<ul style="list-style-type: none"> <li>- Programming documents (log-frames etc).</li> <li>- Kosovan and Montenegrin strategic and planning documents</li> <li>- Project documentation</li> <li>- Other donor documentation</li> <li>- Interviews</li> <li>- Evaluations</li> </ul>

Level 1 Assessment of key issues	Level 2 Specific evaluation questions	Level 3 Indicators	Main data sources
Efficiency	EFI.1 To what extent have the outputs of the projects been produced, and have they been produced in time as planned?	<ul style="list-style-type: none"> <li>- The projects are successfully completed and outputs delivered</li> <li>- The key stakeholders consider the outputs and activities satisfactory</li> <li>- The project activities are implemented timely</li> <li>- Measures in place to support implementation of projects and delivery of outputs</li> </ul>	<ul style="list-style-type: none"> <li>- Project documentation</li> <li>- Survey and interviews</li> <li>- Monitoring and evaluations</li> </ul>
	EFI.2 Could similar results have been achieved at a lower cost or more results to the same costs (value-for-money)?	<ul style="list-style-type: none"> <li>- Costs are reasonable compared to equivalent programmes in comparable regions/countries</li> <li>- Quality of project management (reaction - adaptation) to changes and risks in implementation</li> <li>- Did the project achieve unplanned results</li> </ul>	<ul style="list-style-type: none"> <li>- Project documentation</li> <li>- Other donor/programme documentation</li> <li>- Survey and interviews</li> </ul>
Effectiveness	EFE.1 To what extent have the operational objectives of the programmes/projects been achieved or are in the process of being achieved?	<ul style="list-style-type: none"> <li>- Actual outputs correspond to planned outputs</li> <li>- The programmes outputs are assessed to contribute to the overall objectives by key stakeholders</li> <li>- The project results are being implemented/used as intended/planned</li> </ul>	<ul style="list-style-type: none"> <li>- Programme and project documentation</li> <li>- Survey and interviews</li> <li>- Monitoring</li> </ul>

Level 1 Assessment of key issues	Level 2 Specific evaluation questions	Level 3 Indicators	Main data sources
Impacts and likely impacts	<p>I.1: To what extent have the impacts contributed to the achievements of the objectives?</p> <p>I.2 To what extent have the projects (outcomes and results) had an impact: short, medium and long term?</p>	<ul style="list-style-type: none"> <li>- The achievements of the project (short-term) is rated positive by recipients (government institution and other beneficiaries), member states, and donors</li> <li>- The impacts have contributed to the achievements of the objectives (short-term)</li> <li>- Systems and institutions in place for implementing results and securing impacts (short to medium term) i.e. government institutions are in place and have been involved in needs assessment, programming and project development</li> <li>- Systems in place for monitoring global impacts in the long-term</li> <li>- In the long-term, the accession process has been improved as a result of the programme</li> </ul>	<ul style="list-style-type: none"> <li>- Programme and project documents</li> <li>- progress reports and country reports</li> <li>- Survey and Interviews</li> <li>- National strategic documents</li> <li>- reports on assessment of public institutions in country</li> </ul>
Sustainability or likely sustainability	S.1 Are the results and impacts of the programmes/projects likely to continue after EU funding ends?	<ul style="list-style-type: none"> <li>- Measures have been put in to place to secure/increase sustainability of activities including methods to assess pre-conditions for sustainability.</li> <li>- The project forms part of the overall priority of the organisation/beneficiary and is identified in sector strategy</li> <li>- The beneficiaries have been involved in preparation of the project (ownership)</li> <li>- The intervention integrate well into the beneficiary organisation/institution</li> <li>- The beneficiaries have the financial and human resource to use the intervention</li> <li>- The organisation have a proper management system to integrate the results of intervention in the organisation</li> </ul>	<ul style="list-style-type: none"> <li>- National strategies</li> <li>- Sectoral strategies and assessments</li> <li>- Reports on assessment of public institutions in country (in general and in specific)</li> <li>- Interviews and survey results</li> </ul>

Level 1 Assessment of key issues	Level 2 Specific evaluation questions	Level 3 Indicators	Main data sources
Thematic and Cross-cutting questions	C.1 The extent to which CARDS support gender equality, inclusion of minorities, protection of the environment and complementarity with other donors.	<ul style="list-style-type: none"> <li>-The thematic issue were directly or indirectly included in projects</li> <li>- These project have had an impact</li> </ul>	<ul style="list-style-type: none"> <li>- Assessment of the criteria above</li> <li>- Programme and strategic documentation</li> <li>- Progress reports</li> <li>- Interviews and survey</li> <li>- Monitoring and evaluation</li> </ul>
	C.2 The extent to which CARDS support strengthened the development of civil society	<ul style="list-style-type: none"> <li>- Projects in place to support civil society</li> <li>- Measure incorporated in CARDS projects in general to support civil society</li> </ul>	<ul style="list-style-type: none"> <li>- Assessment of the criteria above</li> <li>- Programme and strategic documentation</li> <li>- Progress reports</li> <li>- Interviews and survey</li> <li>- Monitoring and evaluation</li> </ul>



## Annex 4A List of Interviews

Name of Institution	Name of person/position	Date
DG ELARG Montenegro Unit	Anne de Ligne, Assistance Desk	7.11.2008 and 27.05.2009
DG ELARG Evaluation Unit	Goran Segerlund, Head of Unit	7.11.2008
DG ELARG Evaluation Unit	Mose Apelblat, Task Manager	7.11.2008
EAR, Podgorica	Regina De Dominis, Programme Manager	19.11.2008
ECD, Podgorica	Pierre-Yves Bellot, Task Manager	19.11.2008 23.02.2009 26.02.2009
EAR, Thessaloniki	Lennart Almqvist, Head of Evaluation	20.11.2008
ECD, Podgorica	Velibor Spalevic, Task Manager	19.11.2008
ECD, Podgorica	Dragan Radanovic, Task Manager	23.02.2009 09.03.2009
ECD, Podgorica	Jadranka Milic, Task Manager	23.02.2009
ECD, Podgorica,	Kick-off meeting, See Annex 4B	23.02.2009
The World Bank	Jan-Peter Olters, Country Manager (Tel: +382 20 403 295)	26.02.2009
EDC, Podgorica	Nicola Bertolini, Head of Operations	11.03.2009
DG ELARG Montenegro Unit	Robert Schweighofer, Task Manager	27.05.2009
DG ELARG Montenegro Unit	Olympia EOCLEOUS, Sectoral Desk JLS	Outstanding (TI)
<b>Public Administration Reform</b>		
HRM Authority	Jadranka Djurkovic, Deputy Director (jadranka.djurkovic@uzk.cg.yu, Tel: +382 20 202 290)	24.02.2009 11.03.2009
Ministry of Finance	Nikola Vukicevic, Deputy Minister (Tel. +382 67 241 000, nikola.so.bd@t-com.me)	24.02.2009
Council of Europe	Natasa Kraljevic, Programme Advisor (natasa.kraljevic@coe.int)	25.02.2009
Implementation of Budgeting and Salary System Reforms, Ministry of Finance	Stuart Webster, Team Leader (twisint@indigo.ie, +382 69 447 536)	25.02.2009
Union of Municipalities	Ljubinka Radulovic, Vanja Sarovlah (+382 20 620 097)	26.02.2009
UNDP	Milica Begovic	09.03.2009
EAR	Dejan Mijovic, Task Manager (dmijovic@ifc.org, +382 69 321 981)	09.03.2009
OSCE	Rafaela Zoratti (rafaela.zoratti@osce.org, +382 67 626 010); Lloyd Tudyk (Robert-lloyd.tudyk@osce.org, +382 67 626 006)	10.03.2009
Ministry of Interior Affairs and Public Administration	Dragan Pejanovic, Deputy Minister	10.03.2009
Secretariat for European Integration	Ana Vucadinovic, Head of the EU IS (ana.vucadinovic@gov.me, +382 67 671 119);	10.03.2009

	Katarina Perazic, Advisor (kristina.perazic@gov.me)	
PROCON-PIU	Jadranka Vojinovic (procon.cg@gmail.com, +382 67 437 800)	10.03.2009
Public Procurement Control Commission	Katarina Radovic, General Secretary (katarina.nabavka@mn.yu, +382 67 605 608)	11.03.2009
SNV	Aleksandra Redzic (aredzic@snvworld.org, +382 67 263 614)	11.03.2009
Danilovgrad Municipality	Vidoje Pevicevic, Deputy Mayor (+382 69 697 468)	12.03.2009
Capacity Building on HRM Agency and Line Ministries	Borivoj Kos, Team Leader (bori_kos@yahoo.com, +381 063 1542564, )	26.03.2009 (TI)
Capacity Building in Treasury Management and Fiscal Reporting	John Channon, Team Leader (+44 1446 711487, John.Channon@opml.co.uk)	23.03.2009 (TI)
Capacity Building for the Public Procurement Commission	Sven-Eric Hargeskog, Team Leader (sven-eric.hargeskog@telia.com, +46 70 20 66 020)	30.03.2009 (TI)
Implementation of Budgeting and Salary System Reforms, Ministry of Finance	Hugh Grant, Salary Expert	25.05.2009 (TI)
<b>Judicial Reform</b>		
CoE	Lado Lalacic, Project Officer (tel: +33 (0)3 88 41 29 76, <a href="mailto:lado.lalacic@coe.int">lado.lalacic@coe.int</a> )	18.02.2009 (TI)
Judicial Training Center of Montenegro	Maja Milosevic (Phone: + 382 20 201 890, Fax: + 382 20 201 892, <a href="mailto:coscg@cg.yu">coscg@cg.yu</a> )	24.02.2009
ECD, Podgorica	Maya Koteva, Task Manager	09.03.2009
ECD, Podgorica	Donka Prodanova, <a href="mailto:donka.prodanova@ec.europa.eu">donka.prodanova@ec.europa.eu</a> , +386 68 882 221	10.03.2009
Advisory Support to Prosecutors training	Ingrid Gruber (+43 664 16 13 024, <a href="mailto:i.gruber@usw.at">i.gruber@usw.at</a> )	16.03.2009 (TI)
CoE	Sophie Kwasny, Project Manager (Sophie.KWASNY@coe.int, +33 (0)3 90 21 43 39 )	25.03.2009 (TI)
Ministry of Justice	Milan Krsmanovic	25.03.2009
<b>Civil Society</b>		
Roma Scholarship Foundation (FSR)	Aleksandar Zekovic (Tel: +382 67 599 810 email: <a href="mailto:fsr@t-com.me">fsr@t-com.me</a> )	24.02.2009
Trade Union for Public Administration and Judiciary	Zoran Masonicic, President of Judiciary and PA TU (Mob. +382 69 016 289, <a href="mailto:zoran.sind@cg.yu">zoran.sind@cg.yu</a> )	24.02.2009
Centre for Vocational Training	Ljiljana Garic; (Tel.: +382 (0)20 482 104, <a href="mailto:cso.garic@mn.yu">cso.garic@mn.yu</a> )	25.02.2009
Employment Agency of Montenegro	Sandra Sipka (Tel.: +382 (0)20 405 240, <a href="mailto:sandras@mn.yu">sandras@mn.yu</a> ; Nada Radovanic, Nevena Sukovic)	25.02.2009
Integration by Adult Literacy and Vocational Training	Christian Geiselmann, Coordinator (00359 2 9892718)	26.03.2009 (TI)
TA to Trade Unions	Peter Michalzic, Team Leader (tel: +43 19 25 18 63, GSM: +43 699 111 55 424, <a href="mailto:peter.michalzic@chello.at">peter.michalzic@chello.at</a> )	27.03.2009 (TI)

TI - Telephone Interview

## Annex 4B Kick-Off Meeting

Name of Institution	Name of person/position
Employment Agency of Montenegro	Sandra Sipka, Senior Career Adviser (sandras@mn.yu, 067/855790)
Roma Scholarship Foundation	Vesna Delic, Programme Coordinator (vesrasulic@yahoo.com, 068/529068)
Union of Municipalities	Stanko Maric, Secretary General (uom@cg.yu, 020/620097 and 020/620123)
Centre for Vocational Training	Ljiliana Garic, Contact point (cso.garic@mn.yu, 020/664183)
Insurance Supervising Agency (AGENCIJA ZA NADZOR OSIGURANJA)	Branko Barjaktarovic, Senior Advisor (branko.barjaktarovic@ano.co.me, 020/442854)
Ministry of Finance	Milan Markolovic, Advisor (milanbar@cg.yu, 020/244904)
Ministry of Justice	Milan Krsmanovic, Advisor (krsman@cg.yu, 020/407509)
Euro Info Correspondence Centre Directorate for Development of SMEs	Zarko Djuranovic, Head of EICC (zarko.djuranovic@euroinfo.cg.yu, 020/406310)
SEI Secretariat for European Integration	Aleksandar Drljevic, Advisor (aleksandar.drljevic@gov.me, 241703)
SEI Secretariat for European Integration	Dunja Necevic, Advisor (dunjanecevic@gov.me, 020/242317)
Trade Union for Public Administration and Judiciary (TUPAJ)	Zoran Masonicic, President (sind-upcg@t-com.me, 020/230218 or 069016289)
Confederation of Trade Unions of Montenegro (CTUM)	Vladimir Krsmanovic, International Department (vladok@cg.yu, 068/813426)
ECD	Velibor Spalevic, Task Manager (velibor.spalevic@ec.europa.eu, 067/201222)
Ministry of Economic Development	Dragan Vukcevic, Head of Department (kvalitet@mn.yu, 020/232283)
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## Annex 5 List of Documents<sup>78</sup>

No.	Type of document	Title	Author	Date
1.	EU Strategies	Enlargement Strategy and Main Challenges 2008-2009	European Commission	05.11.2008
		Enlargement Strategy and Main Challenges 2007-2008	European Commission	06.11.2007
		Federal Republic of Yugoslavia Country Strategy paper 2002-2006 (with annex Multi-Annual Indicative Programme 2002-2004)	European Commission	n/a
		Stabilisation and Association Agreement between the European Communities and Montenegro	Council of the European Union	21.09.2007
		European Partnership 2004 with Serbia and Montenegro including Kosovo	Council of the European Union	26.06.2004
		Montenegro 2007 European Partnership	Council of the European Union	17.01.2007
		European Partnership 2006 with Serbia and Montenegro including Kosovo *	Council of the European Union	30.01.2006
		Montenegro 2008 Progress Report	European Commission	
		Montenegro 2007 Progress Report	European Commission	06.11.2007
		Montenegro 2006 Progress Report	European Commission	08.11.2006
		Serbia and Montenegro 2005 Progress Report	European Commission	09.11.2005
2.	EU Multi-annual Indicative Programmes	Multi-Annual Indicative Programme 2005-2006 (Serbia and Montenegro including Kosovo as defined by the United Nations Security Council resolution 1244)	European Commission	n/a
		Multi-Annual Indicative Programme 2002-2004 for Serbia and Montenegro	European Commission	n/a
		Multi-Annual Indicative Planning Document for the Republic of Montenegro 2007 - 2009	European Commission	n/a
		Multi-Annual indicative Planning Document for the Republic of Montenegro 2008-2010	European Commission	n/a
3.	EU Annual Programmes	Financing Proposal for IPA National Programme 2007: Component I	European Commission	n/a
		Financing Proposal for the National Programme for Montenegro under the IPA – Transition Assistance and Institution Building Component – for 2008	European Commission	n/a
		Cards Action Programme 2006 for Montenegro	European Commission	n/a
		Annual Action Programme for 2005 Community Assistance to the State Union of Serbia and Montenegro	European Commission	n/a
		Annual Action Programme for 2005 Community Assistance to Montenegro	European Commission	n/a

<sup>78</sup> Monitoring and evaluation reports for individual projects are not included as well as individual project documentation.

		Action Programme 2004 for Montenegro	European Commission	n/a
		Annual Action Programme 2003 for Montenegro	European Commission	n/a
		Annual Action Programme 2002 for Montenegro	European Commission	n/a
		An Additional Support Programme for Montenegro in 2001	European Commission	n/a
		A Support Programme for Montenegro in 2001	European Commission	n/a
4.	EU Sector fiches <sup>79</sup>	Civil Society Development sector fiches 2006 and 2003	European Agency for Reconstruction	n/a
		Public Administration Reform sector fiches 2001-2002, 2004-2006		
		Justice and Home Affairs/Integrated Border Management sector fiches 2003, 2005		
5.	EAR Documents	Contract list - signed by EAR from 03/05/2001 to 26/09/2008, Montenegro	European Agency for Reconstruction	26.09.2008
		Quarterly Report to the European Parliament April to June 2008	European Agency for Reconstruction	2008
		Annual Report 2007	European Agency for Reconstruction	30.05.2008
		Delivering on Promises: The work of the European Agency for Reconstruction in Montenegro.	European Agency for Reconstruction	09.2007
6.	EU Evaluations	Evaluation of the assistance to the Balkan Countries under CARDS regulation 2666/2000, vol. I-III	Development Researcher's Network Consortium (commissioned by the European Commission)	06.2004
		Result-Oriented Monitoring (ROM) for the CARDS/Western Balkan countries. Annual Report 2006	INTEGRATION International Management Consultants (commissioned by the European Commission)	n/a
		Court of Auditors Special Report No 5/2007 on the Commission's management of the CARDS programme with Commissions replies	European Court of Auditors	27.11.2007
		Lessons learned to lessons applied 2000-2008	European Agency for Reconstruction	2008
		Evaluations 2001-2008 by sectors	European Agency for Reconstruction	10.2008
		Ad hoc Interim Evaluation. Donor Coordination Ad hoc Report. Albania, Croatia and the former Yugoslav Republic of Macedonia	MWH Consortium for the European Commission	25.03.09
7.	National	Public Administration Reform. Strategy in Monte-	The Ministry Of	03.2003

<sup>79</sup> partially available on the EAR webpage -> Main sectors -> choose one sector -> scroll down, click Kosovo -> scroll down and choose year -> the sector fiches are under linked numbers

	<b>Strategies</b>	negro 2002-2009	Justice The Republic of Montenegro	
		Economic Reform Agenda for Montenegro 2002-2007	Government of Montenegro	2004
		Strategy for the Reform of the Judiciary 2007-2012	Ministry of Justice, Government of Montenegro	2007
		Poverty Reduction Strategy of the Union of Serbia and Montenegro	the Union of Serbia and Montenegro	2003
		Law on Budget of Montenegro for 2008	Government of Montenegro	31.12.2007
		NPI	Government of Montenegro	2008
		Civil Service Training System in Montenegro	Human Resource Management Authority	01.2006
<b>8.</b>	<b>Other donors strategies and evaluations</b>	Sida Country Report 2007 Montenegro.	SIDA	04.2008
		Country Partnership Strategy for Republic of Montenegro for the period FY07-FY10	The World Bank	15.05.2007
		Doing Business 2009. Country Profile for Montenegro	The World Bank	2008
		Human Development Report for Montenegro	UNDP	2005
		Montenegro Beyond the Peak: Growth Policies and Fiscal Constraints. Public Expenditure and Institutional Review	World Bank	24.11.2008
		County Report No. 09/88,	IMF	03.2009
		Tracking the Millennium Development Goals, factsheets	MDG Monitor	08.2008
<b>9.</b>	<b>PAR</b>	Montenegro Public Expenditure Management System	SIGMA	05.2008
		Montenegro Public Service	SIGMA	05.2008
		Montenegro General Administrative Law Framework	SIGMA	05.2008
		Commission for the Control of Public Procurement Procedures	PPC	(not dated)
<b>10.</b>	<b>Judicial Reform</b>	Corruption in Montenegro 2007: Overview over Main Problems and Status of Reforms	Chr. Michelsen Institute/ SIDA	2007
<b>11.</b>	<b>Civil Society</b>			
<b>12.</b>	<b>Regional Documents</b>	Regional Strategy Paper 2002-2006	European Commission	n/a
		Regional Multi-Annual Indicative Programme 2005-2006	European Commission	n/a
		Western Balkans: Enhancing the European perspective	European Commission	05.03.2008
		IPA Multi-Annual Indicative Financial Framework for 2008-2010	European Commission	n/a