Montenegro is one of seven countries on the path to European Union membership. The EU is providing assistance in the form of policy dialogue, technical expertise and financial support, to enable Montenegro to meet the conditions for membership. In 2020, the European Commission engaged a team of experts to assess the effectiveness and performance of its assistance to Montenegro from 2012 to 2019. In this period, the EU allocated EUR 384 million of national level assistance, plus additional financial assistance through regional programmes. The evaluation drew on in-depth studies of interventions in Public Administration Reform, Rule of Law and Environment sectors, the Economic Reform Programme dialogue and overall funds management process.

This learning brief describes some of the key lessons learned that would inform the planning and implementation of EU cooperation in Montenegro, and potentially to a wider audience.

The lessons learned are structured according to the ‘policy cycle’.
**Issue identification**

Purpose of the step: Clearly defining the priority public policy issue to be addressed, and ensuring it is ‘owned’ by someone with the authority to act.

Lessons: The EU accession process and associated policy dialogue were a powerful means for identifying policy issues. Exposure to policy dialogue at the European level and access to the same policy support facilities as EU Member States enhanced ownership of structural reform policies. The enhanced prestige and credibility was a powerful incentive for policymakers to take ownership.

**Policy definition**

Purpose of the step: Clearly defining the desired outcome of the policy, including indicators to measure achievement.

Lessons: Quality of policy definition is improved when there is a supporting ‘eco-system’ of knowledge, research and networks. To compensate for the country’s small size, it is essential to ensure networking and peer exchanges between country, regional and EU experts. Good indicators are set when: i) stakeholders agree what the indicator represents, ii) the indicator represents a meaningful stage in the progress of reform, iii) data collection is feasible. Indicators are motivating and helpful when baseline values are recorded on time and data is regularly monitored and published.

**Strategy development**

Purpose of the step: defining the major steps in how the policy will be implemented, costs and institutions responsible.

Lessons: Experience from public administration reform showed the importance of investing in a substantive consultative process to develop plans for how to achieve reforms. There is a trade-off between the degree and breadth of consultation and the necessarily technical vocabulary and specificities. Less specialised participants in consultation need facilitation and support to be meaningfully included.

**Allocation of means**

Purpose of the step: Ensuring that the appropriate resources and mechanisms are in place to support implementation. Includes budget allocations, legislative powers, institutional mandates and political support.

Lessons: Funding instruments like IPA need to be able to respond rapidly to identified policy needs. Delays in financing reduce the likelihood of the instruments making a contribution to desired policy outcomes. Similarly, from the side of Government, it makes more sense to plan for policy implementation independently of funding source, and to identify appropriate funding sources to respond to the need; and not to plan on the basis of funds available from a particular instrument.

**Institutional Capacity**

Purpose of step: ensuring that responsible institutions have the appropriate legal framework, skilled personnel, equipment and organisational processes to deliver on the policy.

Lessons: The SIGMA initiative provided long term objective monitoring against agreed standards for public administration reform, and high-level advice and analysis which contributed to a more strategic and effective approach to building institutional capacity. The initiative can serve as an exemplar for other sectors.

Elsewhere, approaches to capacity building were often superficial, and based only on training and skills development. There were few examples in which organisational capacity was seen holistically, comprising systems, structures, resources, people and strategy. Future capacity building support needs to be based on theories of change, defining institutional capacity outcomes, how they will be achieved, and how outcomes will be measured. Local knowledge, mutual trust and long-term engagement are critical factors in the provision of quality technical assistance for capacity development.

**Delivery**

Purpose of step: to put into practice the services and processes required to achieve policy outcomes.

Lessons: Projects to deliver institutional change do not always lead to improvements in service provision. Barriers include poorly defined change projects, absent or inadequate setting of targets and indicators for improved service delivery (e.g. quality, volume), and inadequate budgets to maintain and sustain increased organisational capacities. Monitoring of project outcomes must go beyond the lifetime of individual projects and continue to assess improvements in delivery. Similarly, indicators of service delivery must not just count what can be counted, but go to the heart of the desired policy – e.g. not the number of border patrols, but increased border security.

**Inspection and Monitoring**

Purpose of step: ensuring appropriate data to understand improvements in service provision, regulatory standards, other policy outcomes and their effects.

Lessons: Resources need to be allocated for defining methods and collecting data for monitoring and inspection. Resources include finance, but also people and an organisational mandate to inspect and monitor.

**Evaluation**

Purpose of step: to assess whether policy issues have been addressed effectively, and to identify further action needed.

Lessons: Evaluation tended to focus on project and intervention level, with insufficient attention paid to policy level evaluation. Evaluation was a low priority for both beneficiary and the EU. Effective learning from policy interventions can enrich the ‘policy eco-system’.