



# Evaluation of Sector Approach under IPA II

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Evaluation carried out on behalf of the European Commission

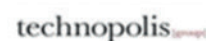
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## Evaluation of Sector Approach under IPA II

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

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## List of acronyms

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



FRONTEX	European Border and Coast Guard Agency
FWC	Framework contracts
HQ	Headquarters
IB	Institution Building
IcSP	European Instrument contributing to Stability and Peace
IFI	International Financial Institution
IL	Intervention Logic
IM	Indirect Management (the management of EU funds and their implementation are ensured by a non-EU partner)
IMB	Indirect Management with the Beneficiary (the management of EU funds and their implementation are ensured by the beneficiary)
IOM	International Organisation for Migration
IPA	Instrument for Pre-Accession Assistance
IPARD	Rural Development component of the Instrument for Pre-accession Assistance
IPMG	Integrated Policy Management Groups (Albania)
IR	Inception Report
ISP	Indicative Strategy Paper
ISPA	Instrument for Structural Policy for Pre-Accession
JC	Judgement Criterion
JMC	Joint monitoring committee
KPI	Key Performance Indicator
KS	Kosovo <sup>1</sup>
LA	Local Authority
M&E	Monitoring and Evaluation
MAAP	Multi-Annual Action Plan
MAP	Multi-Annual Programme (sometimes used as a synonymous of SOP)
MBP	Multi-Beneficiary Programme
MCSP	Multi-Country Strategy Paper
MFF	Multi-Annual Financing Framework
MIPD	Multi-Annual Indicative Planning Documents
MIS	Management Information System
MNE	Montenegro
MS	Member State
MTEF	Medium-Term Expenditure Framework
MTR	Mid-Term Review
NIPAC	National IPA Coordinator
OECD DAC	Development Assistance Committee of the Organisation for Economic Co-operation and Development

1 This designation is without prejudice to positions on status, and is in line with UNSC 1244 and the ICJ Opinion on the Kosovo Declaration of Independence.

OPM	Office of the Prime Minister
PAF	Performance Assessment Framework
PAR	Public Administration Reform
PFM	Public Financial Management
PHARE	Poland and Hungary: Assistance for Restructuring their Economies
PI	Partnership Instrument
QC	Quality Control
QSG	Quality Support Group
RACER	Relevance, Acceptability, Clarity, Easiness, Robustness
ReSPA	Regional School of Public Administration
RHP	Regional Housing Programme
ROM	Results-oriented Monitoring
SA	Sector approach
SAA	Stabilisation and Association Agreements
SAPARD	Special Accession Programme for Agriculture and Rural Development
SAR	Sector Approach Road M
SBS	Sector budget support
SF	Structural funds
SH	Stakeholder
SIGMA	Support for Improvement in Governance and Management
SLI	Sector Lead Institution
SMC	Sector Monitoring Committee (in the case of SRCs)
SMSC	Sector Monitoring Sub-Committee
SOP	Sector Operational Programme (sometimes used as synonymous of MAP)
SPD	Sector Planning Document
SRB	Serbia
SRC	Sector Reform Contracts
SWG	Sector Working Groups
TA	Technical Assistance
TAIEX	Technical Assistance and Information Exchange instrument of the European Commission
TEN-T	Trans-European Transport Network
TEU	Treaty of the EU
TUR	Turkey
WB	World Bank
WBs	Western Balkans
WBS	Western Balkans Strategy (EU 2018 strategy)
WBIF	Western Balkans Investment Framework
WBT	Western Balkans and Turkey

# ANNEX 1 TERMS OF REFERENCE

## 1. MANDATE AND GENERIC OBJECTIVES

Systematic and timely evaluation of its programmes, activities, instruments, legislation and non-spending activities is a priority<sup>2</sup> of the European Commission<sup>3</sup> in order to demonstrate accountability and to promote lesson learning to improve policy and practice.

The generic purpose of the evaluation is to provide an overall independent assessment and evidence on the use and scope of sector approach<sup>4</sup> in planning, programming and implementation processes under IPA II, while also considering the evolution of the sector approach since the launch of the idea in the Conference on Effective Support for Enlargement held in Brussels in October 2009.

## 2. EVALUATION RATIONALE AND SPECIFIC OBJECTIVES AND EVALUATION USERS

### 2.1 Specific objectives

To provide an assessment in both qualitative and quantitative terms on the relevance, conditions of implementation and performance of EU pre-accession assistance in its sector approach, particularly its efficiency, effectiveness and added value Regarding the achievement by candidate countries of their commitments for EU membership.

To provide to the Commission lessons learned and recommendations to improve the Sector Approach uptake under IPA II. Results of the evaluation should also feed the finalisation of the Staff Working Document related to the IPA II Mid Term Review (to be finalised in the third quarter of 2017).

### 2.2 Evaluation users and stakeholders

The main users of this evaluation include the European Commission, the Council of the European Union, the European Parliament and candidate and potential candidate countries.

## 3. BACKGROUND

### 3.1 EU pre-accession assistance framework

In 1987, Turkey applied to join what was then the European Economic Community, and in 1997 it was declared eligible to join the EU. Following the Helsinki European Council in 1999, a pre-accession orientation was introduced to European Commission's financial assistance programmes with Turkey. Accession negotiations started in 2005.

2 EU Financial Regulation (art 27); Regulation (EC) No 1905/2000; Regulation (EC) No 1889/2006; Regulation (EC) No 1638/2006; Regulation (EC) No 1717/2006; Regulation (EC) No 215/2008.

3 SEC(2007) 213 "Responding to Strategic Needs: Reinforcing the use of evaluation"; Better regulation package

4 For the purpose of the present evaluation, sector approach is defined as a process which aims to broaden government and national ownership over public sector policy and decisions on resource allocation within the Sector, thereby increasing the coherence between sector policy, government spending and the achievement of results.

Sector Approach characteristics include:

- national leadership; the Sector Approach promotes the national ownership by supporting a government owned policy and strategy;
- single budgetary framework;
- functional sector/donor coordination.

On a practical level, working with a Sector Approach means defining a coherent set of actions, which will transform a given Sector and bring it up to European standards. It involves an analysis of the conditions in that particular Sector, the needs for changes, the actions required to bring about these changes, the sequencing of the actions, the actors and the tools. It could include adoption of the *acquis*, works, institution-building activities, etc.

The evaluation may also be of interest to EU Member States, civil society organisations and the general public.

The stakeholders include:

- National IPA Coordinators (NIPACs), authorities and structures responsible for design, implementation, monitoring and reporting the assistance, beneficiaries of pre-accession assistance and other national stakeholders,
- EU stakeholders (non-exhaustive list): EU Delegations/EU Office in the Western Balkans and Turkey, DG NEAR; DG EMPL, and DG AGRI, EU Member States, European financial institutions.
- Non EU stakeholders: non EU IFIs.

At Thessaloniki Summit in 2003, the EU granted all countries of the Western Balkans a clear perspective of EU membership, subject to fulfilment of the necessary conditions, in particular the Copenhagen criteria<sup>5</sup> and the conditions of the Stabilisation and Association Process (SAP).

The SAP is the European Union's policy towards the Western Balkans, established with the aim of eventual EU membership. Western Balkan countries are involved in a progressive partnership with a view of stabilising the region and establishing a free-trade area. The SAP sets out common political and economic goals although progress evaluation is based on countries' own merits.

The SAP was launched in June 1999 and strengthened at Thessaloniki Summit in June 2003 taking over elements of the accession process. It rests on:

- Contractual relationships (bilateral Stabilisation and Association agreements<sup>6</sup>);
- Trade relations (autonomous trade measures<sup>7</sup>);
- Financial assistance (the Instrument for Pre-accession Assistance – IPA<sup>8</sup>);
- Regional cooperation and good neighbourly relations.

In the course of the negotiations, EU and candidate countries conclude Accession Partnerships<sup>9</sup> that include commitments which have to be implemented by the date of accession, at the latest, unless specific transitional arrangements have been agreed. Such partnerships identify priorities for action in order to support efforts to move closer to the European Union within a coherent framework. The Partnerships also provide guidance for financial assistance.

EU pre-accession assistance, planned by the Commission in conjunction with candidate countries authorities, aims at supporting countries in their progressive alignment with the standards and policies of the European Union, including where appropriate the EU *acquis*, with a view to membership<sup>10</sup>.

The IPA (Instrument for Pre-accession Assistance)<sup>11</sup> was established by the Council of the European Union (EU) in July 2006 as the Community's main legislative instrument under the 2007-2013 financial framework to underpin EU policy and provide financial assistance to the eight recipient beneficiaries which are candidate countries or potential candidate countries for membership of the EU (Albania, Bosnia and Herzegovina, Croatia, The former Yugoslav Republic of Macedonia, Montenegro, Serbia, Kosovo<sup>12</sup> and Turkey).

The IPA II was established in 2014 for the period 2014-2020<sup>13</sup>. It provides assistance to IPA II beneficiaries (Albania, Bosnia and Herzegovina, The former Yugoslav Republic of Macedonia, Iceland<sup>14</sup>, Kosovo, Montenegro, Serbia and Turkey) in accordance with the Enlargement policy framework defined by the European Council and takes due account of the Communication on the Enlargement Strategy and the Progress Reports comprised in the annual Enlargement package of the Commission, as well as of the relevant resolutions of the European Parliament.

Assistance under IPA II is mainly focused on a selected number of policy areas that would help the beneficiaries strengthen democratic institutions and the rule of law, reform the judiciary and public administration, respect fundamental rights and promote gender equality, tolerance, social inclusion and

5 Established by the Copenhagen European Council in 1993 and strengthened by the Madrid European Council in 1995, the so-called Copenhagen criteria are:

- stability of institutions guaranteeing democracy, the rule of law, human rights and respect for and protection of minorities;
- a functioning market economy and the ability to cope with competitive pressure and market forces within the EU;
- ability to take on the obligations of membership, including the capacity to effectively implement the rules, standards and policies that make up the body of EU law (the 'acquis'), and adherence to the aims of political, economic and monetary union.

6 Refer to: [http://ec.europa.eu/enlargement/policy/glossary/terms/saa\\_en.htm](http://ec.europa.eu/enlargement/policy/glossary/terms/saa_en.htm)

7 Refer to: <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=cellar:9129ee12-9a91-415f-9b40-439c02a357b3>

8 Refer to: [http://ec.europa.eu/enlargement/policy/glossary/terms/ipa\\_en.htm](http://ec.europa.eu/enlargement/policy/glossary/terms/ipa_en.htm)

9 Accession partnerships define the framework of the accession process. More information can be found at [http://ec.europa.eu/enlargement/policy/glossary/terms/accession-partnership\\_en.htm](http://ec.europa.eu/enlargement/policy/glossary/terms/accession-partnership_en.htm)

10 Refer to 4.1.

11 Council Regulation (EC) No 1085/2006 of 17 July 2006

12 This designation is without prejudice to positions on status, and is in line with UNSCR 1244 and the ICJ Opinion on the Kosovo Declaration of Independence

13 REGULATION (EU) No 231/2014 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 11 March 2014

14 Iceland requested not to be regarded as a candidate country.

non-discrimination. It is also aimed at enhancing their economic and social development with a view to attainment of the targets of the Europe 2020 strategy for smart, sustainable and inclusive growth (the 'Europe 2020 Strategy') and progressive fulfilment with the Copenhagen criteria.

Where appropriate, IPA II contributes to cross-border cooperation programmes, as well as measures that are established and implemented under the European Neighbourhood Instrument and any other EU external financing instrument, where the beneficiaries participate.

## 3.2 Sector approach<sup>15</sup> under pre-accession assistance

### 3.2.1 From IPA I to IPA II

The benefits of sector approaches for IPA I beneficiary countries were first discussed in conferences (Brussels 2008, Tirana 2009) held by the European Commission and partners on donor coordination and enlargement in the Western Balkans and Turkey. Another conference held in 2009 in Brussels concluded that a move to a sector-wide approach would improve the effectiveness and efficiency of financial assistance. A sector wide approach would strengthen ownership of IPA beneficiary countries and increase harmonisation and alignment among donors that are working towards specific well-defined results. A follow-up workshop in March 2010 in Sarajevo was designed to identify working methods for the formulation of sector approaches and to deepen understanding of their application in the context of enlargement<sup>16</sup>.

In the later years of IPA I, specific tools were introduced to support annual programming of financial assistance to cover the sectors identified in the Multiannual Indicative Planning Documents (MIPDs), i.e. Sector Identification Fiches (SIF) which included an assessment of the potential for developing a Sector Approach and aimed at demonstrating the consistency between the MIPD and the programmes. Detailed interventions were then itemised during the Formulation Phase in Sector Fiches (SF).

IPA II is aimed at being more strategic and result-oriented, ensuring more sustainable results in improving the readiness of the countries for membership. In its Article 4, the IPA II Regulation stipulates: 'Assistance shall be targeted and adjusted to the specific situation of the beneficiaries listed in Annex I, taking into account further efforts needed to meet the membership criteria as well as the capacities of those beneficiaries. Assistance shall be differentiated in scope and intensity according to needs, commitment to reforms and progress in implementing those reforms. It shall mainly be directed towards helping the beneficiaries listed in Annex I to design and implement sector reforms. Sector policies and strategies shall be comprehensive and shall contribute to the attainment of the specific objectives set out in Article 2(1)'.

The Sector Approach, though not formally mentioned as such, is therefore a central element of the IPA II programming exercise. Moving to the extent possible and as early as possible towards a Sector Approach for planning pre-accession assistance is expected to be a strategic target for all Beneficiaries.

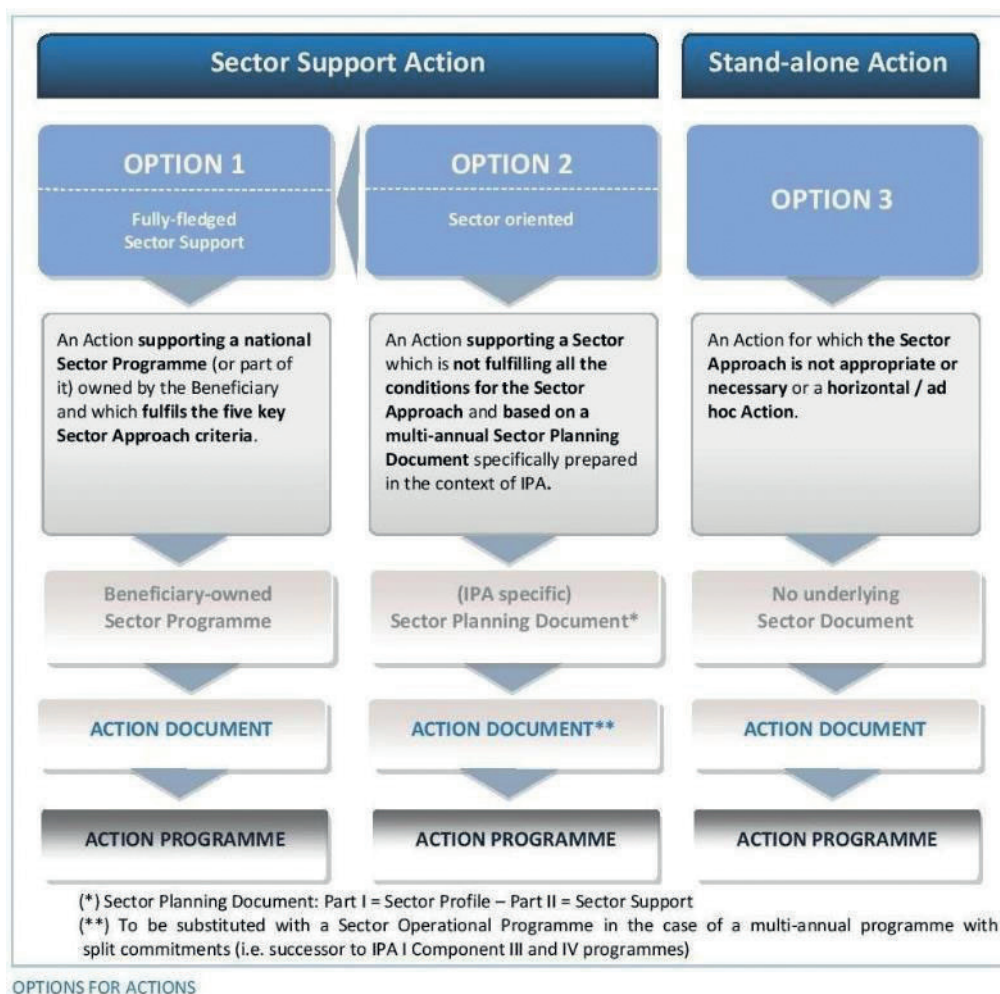
For programming of IPA II, the main elements of IPA I previous fiches are merged into one single Sector Planning Document, to be used mainly for so-called Sector Oriented Actions;

Actions not fulfilling all the necessary criteria for a fully-fledged sector approach (for which an existing national Sector Programme would be the main reference document) but aiming towards it.

<sup>15</sup> Please refer to footnote 3.

<sup>16</sup> Implementing sector approaches in the context of Enlargement, Challenges and lessons learnt from the Sarajevo Workshop 22-24 March 2010, A 'How to' note, Ministry of Finance and Treasury of Bosnia I Herzegovina and European Commission, October 2010

The types of Actions can be summarised as follows:



### 3.2.2 Objectives of the sector approach

A number of evaluations on the 'Transition Assistance and Institution Building (TAIB)' Component of IPA were carried out by the European Commission over the period 2007-2010, which highlighted the frequent lack of strategic focus of the project-based programming approach and concluded that this was weakening the prospects for achieving any planned impact. Three key reasons were more particularly referred to:

- IPA Component I programmes were mostly composed of stand-alone projects prepared annually with the result that a wide range of different government policies were targeted each year and projects rarely addressed the same policy objectives in successive years (i.e. they lacked continuity and were poorly sequenced to meet policy objectives), having essentially the purpose of filling *acquis-related* gaps;
- most projects addressed specific problems and were prepared by small groups of specialists within government institutions; this often resulted in poor institutional ownership because little attempt had been made to involve a broader community of experts and stakeholders<sup>17</sup> and highlight the relevance of projects with national policy agendas;
- the objectives formulated by IPA I planning and programming documents were often too general to assess either the results or the impact of individual projects by means of evidence-based indicators.

A sector perspective, though not encompassing all elements of the fully fledged sector approach, was present in the programming of the other IPA components (most notably III and IV, for which the imple-

17 A specific evaluation on Turkey "Evaluation on stakeholders' participation in programming and implementation of pre-accession assistance in Turkey" had also pointed out the poor involvement of stakeholders both in programming and implementation of operations.



mentation had started earlier on), where a sector strategy was supposed to exist, a clear need assessment and a lead institution were required and a multi annual programming was foreseen, though there was not an holistic approach, the soft (acquis related) dimension being under the responsibility of DG Enlargement for the TAIB component).

Basically on the basis of the findings related to the IPA I component, a Sector Approach was progressively introduced in the programming of financial assistance in 2012 and 2013.

The objective of programming for the period 2014-2020 is to strengthen the intervention logic, ownership and impact of financial assistance by focussing assistance on the achievement of national sector policy objectives and results which are relevant for accession.

The shift toward a Sector Approach is politically very relevant, as budget constraints faced by Member States and International financial institutions make the case for a more efficient, sustainable and results oriented pre-accession assistance: a strategy-based approach to (annual or multi-annual<sup>18</sup>) programming based on the countries' needs and strengths can contribute to more effective and results driven pre-accession aid. Moreover, while ensuring greater ownership of national authorities over the programmes, the Sector Approach is aimed at maximising the potential for complementarity and leverage between different modes of support, and helps rationalise it through an appropriate division of labour. To be more precise, a Sector Approach is aimed at:

- promoting/reinforcing sector policy dialogue and structural reforms, while empowering national authorities and enabling tighter links between Enlargement policy objectives and financial assistance;
- allowing to move towards more targeted and focused assistance (i.e. get away from the “Christmas tree” approach) – a Sector Approach can help lever large scale reforms and achieve more ambitious policy outcomes and better value for money than through isolated projects;
- granting better focus on prioritising and sequencing, based on serious needs assessment and risk analysis;
- allowing to better demonstrate the impact and results of limited financial resources (added value of IPA) – i.e. in a world of scarce resources, assistance needs to be concentrated on areas where donors can have an added value and reach greater results and impact;
- helping build the capacities at national level for the 5 pillars underpinning the Sector Approach: a) policy development and strategic planning i.e. ability to set medium to long term priorities consistent with EU integration objectives to achieve smart, sustainable and inclusive growth; b) ensuring that line ministries have the administrative capacity to lead and efficiently implement policies and programmes; c) improving public financial management and national budgeting systems (including a closer link between activity and budget planning by developing medium-term budget frameworks); d) improving monitoring and evaluation capacity, as well as encouraging a focus on results-based programming; e) strengthening capacity to manage donors.

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18 Even though sector approach is being currently considered mainly in the framework of annual programs, countries such as Turkey, The former Yugoslav Republic of Macedonia and Montenegro are considering it in the framework of multi-annual programs. Indeed, IPA II assistance is also implemented under indirect management through multi-annual action programs with split commitments as referred to in Article 189(3) of the Financial Regulation and Article 6(3) of the Common Implementing Regulation. Such programs were already in place during IPA under the responsibility of DG REGIO, EMPL, and AGRI covering regional development, human resources development and rural development. The IPA II assistance through multi-annual programs follows a logic which is by definition closer to the sector approach.

In IPA II the regional development programs and the education, employment and social policies programs are managed by DG NEAR according to the same multi-annual perspective. These programs were prepared by the Commission on the basis of sector operational programs drafted by the relevant operating structures. The sector operational programs were established in close consultation with the Commission and the relevant stakeholders.

The sector operational programs contain all the information required by the related Commission instructions, including inter alia:

- a.) an assessment of medium term needs and objectives;
- b.) an overview of the consultation of the relevant stakeholders;
- c.) a description of the chosen strategic actions;
- d.) a financial table specifying, for each year, for each action and, in an indicative way, for each related activity the total amount of the Union contribution;
- e.) the proposed evaluation and monitoring modalities;

### 3.2.3 Rules and principles for sector identification and sector approach assessment

The situation varies from one IPA II Beneficiary to another and it is obvious that it is not possible to deliver financial assistance in all of them solely by means of interventions based on the Sector Approach, and this for the following two main reasons:

- not all key accession-relevant Sectors are deemed to meet the minimum requirements for the successful adoption of a Sector Approach at a given point in time and may still need to be further developed by the IPA II Beneficiary authorities;
- an indicative list of major projects, if any;
- where relevant, a description of the national structures and authorities for the management and control of the operational program, in accordance with Article 10 and Annex A to this Agreement. The Sector Approach is neither appropriate nor necessary for all areas of accession preparation, e.g. some of the more specialised parts of the *acquis* require narrow technical support which can be delivered by means of stand-alone actions.

The first step for sector identification for the IPA II Beneficiary is to identify which Sectors/Sub-Sectors from those identified in the Indicative Strategy Paper are suitable for a Sector Approach.

The European Commission has defined a list of the (Primary) Sectors to be used for planning (i.e. indicative Country Strategy Papers) and programming (Action Programmes).

The following Sectors have been agreed as the overarching Sectors under which priorities for IPA II interventions should be defined in the indicative Country Strategy Papers:

- Democracy and governance
- Rule of Law and fundamental rights
- Environment and climate action
- Transport
- Energy
- Competitiveness and innovation
- Education, employment and social policies
- Agriculture and rural development
- Regional and territorial cooperation

The aim of the Sector list is to ensure a harmonised and consistent approach for reporting purposes mainly. This list of broad Primary Sectors (which roughly correspond to the objectives of IPA and which are used for categorising the key priorities in Strategy Papers) is also broken down into more specific Secondary Sectors (the purpose of which is to further break down reporting at the level of Action Programmes).

All the selected Sectors should have relevance for EU accession and/or socio-economic development. This entails that the Sector policy objectives for a given IPA II Beneficiary should address specific political and/or legal and/or administrative reforms that have been identified in past Progress Reports as being necessary for national compliance with the Copenhagen criteria.

The next step in order to determine the Beneficiary's readiness to adopt a Sector Approach for IPA II programming is the Sector Approach Assessment. This is a crucial exercise to be carried out in the very early stages of the planning and programming process. It is also continuous process, which needs to be carried out all through the programming cycle, as the development of Sector Approaches is an iterative process.

The analysis of the Sector through the 'Sector Approach assessment criteria' will also determine the level of preparedness of the Sector, ranging from a Sector where all the 7 assessment criteria are met to a Sector where only the key criteria are met (or in the process of being met).

Five key criteria need to be assessed:

- Well-defined national sector policies/ strategies;
- Institutional setting, leadership and capacity for implementation of the sector strategy; Ideally there should be a lead Ministry;



- Sector and donor coordination;
- Mid-term budgetary perspectives for sector policy implementation based on sector budget analysis and realistic sector allocations in Medium Term Expenditure Frameworks (MTEFs);
- Monitoring of sector policy implementation and in particular the development of Performance Assessment Frameworks (PAFs).

Two additional criteria related to the overall context influencing the sector programmes should also be considered, particularly (although not only) in cases where Sector Budget Support will be the chosen financing method. These are:

1. Public finance management system<sup>19</sup> (efficiency, effectiveness, transparency) in place or under implementation;
2. Existing and projected macro-economic framework in which sector policies will be implemented.

Negative assessments for some or all of the key criteria do not necessarily prevent the adoption of a Sector Approach. On the contrary, they should be seen as indications of the areas where further work and capacity-building are required.

The intention is to use the analyses of the criteria to make an overall assessment of the maturity of the priority Sectors which have been selected for IPA support on the basis of Enlargement Progress Reports, national reference documents and needs analyses carried out for the Country Strategy Papers.

This assessment of Sector maturity also provides an essential basis for the targeting of necessary technical assistance and capacity-building activities.

However, and keeping in mind that a one-fits-all solution is not possible and that a case-by-case approach needs to be taken, the following criteria are considered to be the basic elements to decide whether a Sector is on its way towards the Sector Approach:

- The existence of a national sector policy and strategy and a medium term budget or a commitment by government to either update or refine these;
- A lead institution/ministry responsible for the Sector/Sub-Sector;
- The existence of a functional sector coordination framework or a commitment by government that steps are going to be taken towards its development.

An initial assessment of the readiness for introducing the Sector Approach in all the Sectors selected for assistance, on the basis of the assessment criteria, should have been ideally carried out when preparing the indicative Country Strategy Paper. The level of detail of such an assessment will differ depending on the specific circumstances in the different countries.

Before the start of the programming phase, a sector assessment (prepared on the basis of the Sector Planning Document) should either be carried out from the outset or be updated on the basis of the initial assessment performed in the context of the preparation of the Country Strategy Papers. This should take into account changes in the Sector, e.g. further development of sector strategies, increased leadership in donor coordination, developments in the mid-term expenditure frameworks, etc.

### 3.2.4 Programming tools

Good planning of financial assistance is key to efficient programming, all the more so in the context of Sector Support. Sector Planning Documents aim to fulfil this purpose. The preparation of such a document is a key step of the planning and programming process under IPA II, particularly in the context of Sector Support Actions. Actions (or part of them) identified for future IPA II support will progressively feed into Action Programmes when deemed to be structured enough.

The **Sector Planning Document** is made up of two parts:

**Part I** provides an analysis of the sector and highlights the sector maturity in accordance with the Sector Approach criteria, and therefore serves as a basis to judge the Beneficiary's compliance with these criteria, as well as readiness for fully-fledged Sector Support Actions (i.e. Action Option 1);

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<sup>19</sup> The development of an efficient, effective and transparent PFM framework should be a priority for every country irrespective on whether the assistance is provided through Sector Budget Support or not.

**Part II** provides a multi-annual implementation framework, including detailed intervention logic, to be used as a basis for the preparation of the IPA Actions.

The Sector Planning Document is prepared by the Beneficiaries with the collaboration of the EU Delegation/EU Office. It is a living document, of a working nature, and is updated over the years. Preparing and updating a Sector Planning Document slightly precedes the launch of programming. The selected Actions are then summarised in Action Documents.

The level at which it is used is flexible, i.e. at the level of an entire Sector (i.e. IPA II Primary Sector) of a Sub-Sector, depending on the purpose, size of the country, etc.

The Sector Planning Document will also be used to gradually address those missing elements of the Sector Approach, which have been identified to need further development (e.g. medium-term budgeting; donor coordination; etc.)

Once a given Sector has reached a degree of maturity and readiness in relation to the Sector Approach assessment criteria, the use of the Sector Planning Document may not be needed anymore. From that point in time, IPA II support will aim at supporting a fully-fledged national Sector Programme (or part of it) set up and owned by the Beneficiary, the scope of which would be wider than that of a Sector Planning Document.

As a complementary tool to the Sector Planning Document, the preparation of a **Sector Approach Roadmap** is also foreseen. This action plan spells out for each of the assessment criteria which are the weaknesses identified (a summary of key baseline elements usually taken from Part I of the Sector Planning Document). It highlights expected targets per year and per relevant sector approach assessment criterion, as well as steps to ensure progress towards a fully-fledged sector approach, which may include IPA II support (possibly from the European Integration Facility); e.g. technical assistance; capacity building; etc.

The level of the Sector Approach uptake by each IPA II Beneficiary will be subject to an annual assessment of progress in meeting the pre-defined targets as set in Sector Approach Roadmaps.

### 3.2.5 Assessment of the uptake of the sector approach

The Sector Approach uptake is subject to an annual assessment of progress in meeting pre-defined targets, as set Sector Approach Roadmaps (which Beneficiaries are required to prepare as of 2015 IPA II programming). Annual sector approach progress assessment reports (per beneficiary / per sector) are also to be produced.

## 3.3 Evaluations undertaken<sup>20</sup>

Mid-term Meta Evaluation of IPA Assistance Evaluation Report\*, 2011

([http://ec.europa.eu/enlargement/pdf/financial\\_assistance/phare/evaluation/20110912\\_meta\\_eval\\_final.pdf](http://ec.europa.eu/enlargement/pdf/financial_assistance/phare/evaluation/20110912_meta_eval_final.pdf))

Evaluation to support the preparation of pre-accession financial instruments beyond 2013, 2011, ([http://ec.europa.eu/enlargement/pdf/financial\\_assistance/phare/evaluation/20110912\\_final\\_report.pdf](http://ec.europa.eu/enlargement/pdf/financial_assistance/phare/evaluation/20110912_final_report.pdf)),

The Interim Evaluations of IPA Component I (2011) in Albania, Bosnia and Herzegovina, Serbia, Montenegro, Kosovo. The Mid-term Meta Evaluation IPA, Internal Audit IPA Programming (2012), whose main findings are reported here above under 3.2.2.

The study on "Mapping Sector Strategies": "[http://ec.europa.eu/enlargement/pdf/financial\\_assistance/phare/evaluation/2014/20140714-mapping-of-sector-strategies-final-report.pdf](http://ec.europa.eu/enlargement/pdf/financial_assistance/phare/evaluation/2014/20140714-mapping-of-sector-strategies-final-report.pdf)

The IPA II Mid-term review, currently on-going.

20 Non-exhaustive list.

## 4. EVALUATION SCOPE

### 4.1 Legal scope

The IPA (Instrument for Pre-accession Assistance) was established by the Council of the European Union (EU) in July 2006 as the Community's main legislative instrument under the 2007-2013 financial framework to underpin EU policy and provide financial assistance to the eight recipient beneficiaries which are candidate countries or potential candidate countries for membership of the EU (Albania, Bosnia and Herzegovina, Croatia, The former Yugoslav Republic of Macedonia, Montenegro, Serbia, Kosovo<sup>21</sup> and Turkey). The overall objective of IPA is to support candidate countries and potential candidates ("beneficiaries") in their progressive alignment with the standards and policies of the European Union, including where appropriate the EU *acquis*, with a view to membership.

The objectives of IPA II, consistent with the Article 49<sup>22</sup> of the Treaty on European Union (TEU), can be found in Articles 1 and 2 of Regulation (EU) No 231/2014. The overall objective of IPA II aims to support candidate countries and potential candidates ("beneficiaries") in implementing the political, institutional, legal, administrative, social and economic reforms required to comply with Union values and to progressively align to Union rules, standards, policies and practices with a view to Union membership.

### 4.2 Geographical and Temporal scope

The IPA II instrument covers geographically only the following countries: Albania, Bosnia and Herzegovina, The former Yugoslav Republic of Macedonia, Iceland<sup>23</sup>, Kosovo, Montenegro, Serbia and Turkey. It also engages with some of the other instruments to a greater or lesser extent.

The analysis of the evolution of the sector approach will cover both the late part of the previous (2007-2013) and the current (2014-2020) programming period. The actual uptake and implementation will mainly cover the current programming period.

### 4.3 Thematic scope

Both i) Democracy and governance and ii) Rule of Law and fundamental rights, directly linked to the fundamentals, are covered by DG NEAR in all candidate and potential candidate countries. The remaining seven sectors<sup>24</sup> are not covered by DG NEAR in each and every country. This explains why one of the evaluation questions will explicitly cover solely the first two sectors (sector approach contribution to the improvement of sector policy reforms in these two sectors), while more transversal EQs will cover actions regardless of their sectors (and therefore potentially the nine sectors, depending on the case studies to be proposed by the evaluation team, and agreed by EC services, at the end of the inception report).

## 5. EVALUATION ISSUES AND APPROACH TO THE EVALUATION, INCLUDING PROPOSED TOOLS

The evaluation should address both accountability and learning. It is expected to contribute to learning about sector approach conception and uptake.

In line with the Better Regulation guidelines on evaluations introduced by the Commission in 2015 and with DG NEAR Guidelines on linking planning/programming, monitoring and evaluation<sup>25</sup>, the main evaluation criteria are: relevance, efficiency, effectiveness, impact, sustainability, coherence and EU added value. It should be noted that the impact and sustainability criteria are not covered to the same extent as the other criteria since Sector Approach implementation is still in its incipient stage in most the countries.

21 This designation is without prejudice to positions on status, and is in line with UNSCR 1244 and the ICJ Opinion on the Kosovo Declaration of Independence

22 <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:12012M/TXT&from=EN>

23 Iceland requested not to be regarded as a candidate country.

24 Refer to 3.2.3

25 Refer to [http://ec.europa.eu/enlargement/news\\_corner/monitoring-and-evaluation/index\\_en.htm](http://ec.europa.eu/enlargement/news_corner/monitoring-and-evaluation/index_en.htm).

## 5.1 Evaluation questions

This chapter presents a proposal of Evaluation Questions (EQ)<sup>26</sup>. The evaluation team, in consultation with the Evaluation manager, will finalise and complete (with Judgement criteria (JC) and indicators for each JC and relevant data collection sources and tools) the proposed set of EQs during the inception phase. It should be noted that the impact and sustainability criteria are not covered to the same extent as the other DAC criteria since Sector Approach implementation is still in its initial stage.

Six EQs have been formulated to represent and address the fundamental issues in respect of the strategy, objectives and implementation of EU pre-accession assistance in relation to sector approach. The Table below provides a schematic overview of the coverage of the evaluation criteria and key issues for each EQ.

*Table 1 Relationship between the DAC Evaluation Criteria, EC-specific issues and the EQs*

	EQ 1	EQ 2	EQ3	EQ 4	EQ 5	EQ 6
	ASSESSMENT & PROGRAMMING TOOLS	PROGRAMMING	TOOL EFFECTIVENESS	SECTOR POLICY REFORMS	COHERENCE	ADDED VALUE
Relevance	√√√	√√√			√√	
Efficiency	√√	√√	√√			
Effectiveness	√	√	√√√	√√√		
Impact			√	√√	√	
Sustainability				√	√	
EU value added			√		√	√√√
Coherence		√√	√√		√√√	√√

√ √ √ **Largely covered**    √ **Also covered**

<b>1. To what extent have Sector Approach assessment and programming tools been conceived in such a way that reflect the current state of play and readiness of beneficiaries and ease their effective use/uptake?</b>
<b>2. To what extent has the Sector Approach contributed to an improved pre-accession assistance programming (both at country and sector levels)?</b>
<b>3. To what extent is the Sector Approach perceived by stakeholders at Government and EU (HQs, Delegations/offices) levels as an effective tool to achieve national sector policy objectives and results which are relevant for EU accession?</b>
<b>4. To what extent has the use of the Sector Approach, in the two sectors of i) Democracy and governance and ii) Rule of Law and fundamental rights, started contributing to the improvement of sector policy reforms?</b>
<b>5. To what extent development of sector approaches is taking place in a way that ensures coherence with other modalities of policy dialogue and assistance of the different players?</b>
<b>6. To what extent is the Sector Approach adding value to what other support actions do?</b>

## 5.2 Evaluation tools and techniques

The structuring stage aims to define the design and the methodology of the evaluation. The methodology will clearly specify the working methods and the techniques to be used (e.g. data collection, case studies, etc.) Among the pool of main methodological techniques, the following key elements can be already pinpointed:

### A. Evaluation Questions.

A draft set is presented here above. As mentioned earlier, the evaluation team, in consultation with the EC Evaluation manager, will finalise and complete (with Judgement criteria (JC) and indicators for each JC and

<sup>26</sup> The EQs are based on the Evaluation Methodology & baseline study of European Commission Technical Cooperation support developed by DRN Srl on behalf of DG DEVCO in 2012.

relevant data collection sources and tools) the proposed set of EQs during the inception phase. Expectations expressed by the ISG members and other key informants as well as the feasibility of arriving at an answer (based on a first desk review), will be considered.

### **B. Evaluation Matrix: Judgment criteria, indicators and sources.**

Judgement criteria determine the appropriate indicators and, more generally, the nature of the data collected and the type of analysis. The indicators will need to allow cross-checking, triangulating and strengthening the evidence base on which the questions are answered. The information gathered for each indicator will need to be presented as an annex of the desk and final reports.

### **C. Data collection tools.**

Several tools will be used for collecting, structuring, processing and analysing data throughout the evaluation process:

- **Inventory** of EU interventions.
- **Literature review.** The team will scrutinise all relevant key documentation on the: EU policy and strategy documents (Enlargement Strategies, EC progress reports, etc.); EU-candidate and potential candidate countries policy and strategy documents (Accession Partnerships, etc.); Candidate and potential candidate countries official documents (i.e. national programmes for integration into the EU, sector strategies, etc.); Programme and project documents; Previous evaluations, studies, etc. This list will be further detailed once a set of case studies are defined (see below).
- **Interviews.** Both structured and unstructured. A round of interviews via/phone/email/face-to-face/video-conference discussions with relevant staff at EC HQs (senior management, relevant staff in charge of IPA II related countries and interventions in DG NEAR; staff in other DGs (in the framework of other practices on sector approach, etc.) and in a selected number of candidate countries and/or potential candidates<sup>27</sup> (governmental and non-governmental stakeholders, EU Delegations/Offices, EU Member States and other donors, etc.) will be made. The selection of key informants and interlocutors will be based on the specific added value they can bring concerning the various EQs. Interviews will be carried out during the inception, desk phase and field phases. Focus groups can also be envisaged, using participatory methods.

The contracting authority expects the evaluation team to build in considerable time to look through documents and to have face-to-face discussions in Brussels throughout the evaluation process, particularly during inception and desk phases.

- **Case study.** Several case studies might be conducted to provide detailed qualitative information on important issues in light of the EQs. The selection of the case studies will be done using a sample approach to be agreed upon by the EC Evaluation Manager. Some criteria to be considered might be:
  - Sector specific considerations (in this regard, two sectors have already been identified as being at the core of one EQ: i) Democracy and governance and ii) Rule of Law and fundamental rights). Other sectors are also expected to be covered.
  - Typology of sector approach tools, mechanism, etc., and their state of advancement
  - Importance (budget related) of interventions
  - Availability of information on the interventions
  - Other.
- **Survey.** A survey is expected to be elaborated to further informing the evaluation.
- Quantitative analysis.

## **5.3 Envisaged limitations**

The implementation of sector approach is still in its incipient stage. Outcomes might therefore not be visible yet but it is expected that for the above two identified sectors, the likelihood of achieving the intended results is analysed.

<sup>27</sup> For which a first proposal is presented under 5.1.

## 6. RESPONSIBILITY FOR THE MANAGEMENT OF THE EVALUATION

### 6.1 At EC level

The DG NEAR Thematic Support, Monitoring and Evaluation Unit is responsible for the management and the supervision of the evaluation.

The progress of the evaluation will be followed closely by an Inter-service Steering Group (ISG) consisting of representatives of DG NEAR Directorates A, C and D, DG EMPL and DG AGRI.

The ISG will have the following responsibilities:

- Steering the evaluation exercise in all key phases to comply with quality standards: preparation and/or provision of comments to the roadmap and Terms of reference; selection of the evaluation team; consultation; inception, desk, field, synthesis and reporting phases.
- The EC evaluation manager (NEAR A3) steers the ISG and is supported in its function by ISG members.
- Providing input and information to the evaluation team. Mobilise the institutional, thematic, and methodological knowledge available in the various DGs of the Commission that are interested in the evaluation.
- Providing quality control on the different draft deliverables. The EC evaluation manager, as lead of the ISG, consolidates the comments to be sent to the evaluation team and endorses the deliverables.
- Ensuring a proper follow-up action plan after completion of the evaluation.

To avoid duplication and consolidate communications between meetings, the ISG members communicate with the evaluation team via the EC Evaluation Manager.

### 6.2 At the consultants level

The contractor is expected to oversight the quality of the process, of the evaluation design, of the inputs (team) and deliverables (reports). In particular:

- Before the work actually starts, the contractor should provide guidance to the evaluation team to ensure that the evaluation team has a clear understanding of the tasks, of the evaluation process, the content and implications of the different steps. Depending on the specific needs, the guidance should focus on:
- Scope of the work
- Complex evaluation methodology
- Data collection and analysis
- Presentation of findings
- How to inform the indicators
- How to answer to the judgement criteria
- How to answer to the evaluation questions
- Support the team leader in its role, mainly from a team's management perspective. In this regard, the contractor should make sure that for each evaluation phase specific tasks and deliverables for each team members are clear.

Provide a continuous backstopping and quality control of the evaluation teams' outputs (from evaluation design to final report). The contractor should be supported in this particular field by the Quality Control expert.



## 7. EVALUATION PROCESS AND DELIVERABLES

The overall guidance to be used is available on the web page of the DG DEVCO Evaluation Unit ([http://ec.europa.eu/europeaid/how/evaluation/methodology/index\\_en.htm](http://ec.europa.eu/europeaid/how/evaluation/methodology/index_en.htm)) and on the web page of DG NEAR ([http://ec.europa.eu/enlargement/news\\_corner/monitoring-and-evaluation/index\\_en.htm](http://ec.europa.eu/enlargement/news_corner/monitoring-and-evaluation/index_en.htm)).

The basic approach to the assignment consists of four **main phases**, each one ending with the approval of a specific deliverable in the form of a report. As mentioned above, the ISG will support the EC Evaluation manager in assessing the quality of the draft deliverables in order to achieve their finalisation. The reports will be revised in light of feedback from the ISG. Each phase will start further to the approval of the previous phase report.

The four phases can be synthesized as follows:

- The **inception phase**, that aims at structuring the evaluation.

Clarifying the issues of the evaluation is the first aim of this phase. Indeed, the inception phase will start with a kick-off meeting. The meeting has the purpose to arrive at a clear shared understanding of what is required by EC services.

Further to a first desk review of the conception, evolution and uptake of sector approach under EU pre-accession assistance, the EC evaluation manager will interact with the evaluation team to produce the evaluation design (reconstruction/finalisation of the intervention logic and based on the latter definition/finalisation of evaluation questions and related judgement criteria and indicators, with identification of data collection tools and sources). The mapping and analysis of relevant spending (projects, programmes, etc.) and non-spending (policy dialogues, etc.) interventions, and the methodological proposal for the following phases (data collection tools and analysis), are part of this phase.

The limitations faced or to be faced during the evaluation exercise will need to be discussed and mitigation measures defined. Finally, the work plan for the overall evaluation process, that will need to be to the extent possible in line with that proposed in the present ToR, will also be presented and agreed in this phase.

If necessary, the Inception Report will also include suggestions of modifications to the composition of the evaluation team.

**Desk phase:** During this phase, desk work takes place to collect and analyse data, and coming up with preliminary answers to the evaluation questions and hypotheses that can guide the subsequent field work. Information gaps for a sound answer to the evaluation questions will also be identified. A brief presentation of data collection and analyses done during this phase, challenges and limitations potentially faced will also be discussed. Changes to the evaluation questions (including judgment criteria and indicators) can also be proposed, if deemed necessary, during this phase (rather than later on). On the same line, discussing potential amendments to the selection of interventions and/or case studies (if relevant) identified during the inception phase can be envisaged. The extent of these potential amendments must nevertheless be of a reasonable nature.

The methodology for the field phase, including the expected deliverable and the field phase organisation, will also be detailed in this phase. Finally, remaining work for the synthesis phase will also be mentioned. If needed, an update of the work plan will be presented.

- **Field phase:** field activities help in validating/rejecting preliminary answers to the evaluation questions and bring additional information and direct evidence.

This phase will involve discussions with:

- Candidate and potential candidate countries' stakeholders: NIPACs, main beneficiary institutions, etc.
- EU officials involved in programming, implementation and oversight of EU pre-accession assistance;
- CSOs in-country with experience and knowledge of EU pre-accession assistance;
- EU Member States and other donors – international NGOs, bi-laterals and multi-laterals in country.

Assessing whether there is need for further research and interviews to prepare the synthesis report, and in particular the overall assessment, the conclusions and recommendation chapter, is part of this phase as well.

The budget calculation considers an average of 2.5 days of data collection in-country per country, with up to 3 countries for the TL, and up to 2 for both the second senior expert and the junior. The exact number of countries to be visited will be decided in due time by the ISG on the basis of a proposal made by the contractor.

- **Synthesis and reporting phase.** This phase entails the analysis of the data collected during the desk and field phase to finalise the answers to the evaluation questions, and prepare the synthesis report that includes the overall assessment, conclusions and recommendations of the evaluation. The contracting authority will publish the Final Report, the Executive Summaries, and the annexes on the Commission's central website.

The offer will be based on 50 hard copies in English of the **Final Main Report** (without annexes) and 20 copies of the annexes. A non-editable version on a USB stick or on a CD-ROM shall be added to each printed Final Main Report. The executive summary will be translated in French. The translation costs should be included in the financial offer.

The evaluation manager to be nominated by the contractor will need to be present in each meeting with the ISG.

*The table below summarises these phases:*

Phases	Activities	Deliverables (& meetings) <sup>28</sup>
<b>INCEPTION: STRUCTURING</b>	Data collection & definition of analysis methods Background analysis Interviews at EC HQ (& country visit(s) if relevant) Reconstruction of EU Intervention's rationale, incl. objectives, specific features and target beneficiaries Reconstruction of inventory of the EU actions (at thematic/country levels) and analysis Report writing (& quality control)	Inception Report <sup>29</sup> incl.: Final intended/planned Intervention Logic Evaluation Questions (EQs), with judgment criteria & indicators Data analysis and collection methods EU actions inventory Work plan Consultation strategy <sup>30</sup> Inventory of the EU actions (database) Slide presentation Meeting(s) with ISG in Brussels
<b>DESK: DATA COLLECTION &amp; ANALYSIS</b>	Document in-depth analysis (focused on the EQs) Interviews Identification of information gaps and of hypotheses to be tested in the field phase Methodological design (specific to Field visit) Report writing (& quality control)	Desk report <sup>31</sup> , incl.: Background and key methodological elements Preliminary answers to the evaluation questions field visit methodology Remaining work for the synthesis phase Update work plan, if needed Slide presentation Meeting(s) with ISG in Brussels
<b>FIELD</b>		
<i>(Plans, methodology and</i>	Initial meeting at country level Data collection and analysis	Briefing & debriefing with NIPACs Country Note (or PowerPoint, to be decided in due course) and Slide presentation

28 The evaluation team must provide, whenever requested and in any case at the end of the evaluation, the list of all persons interviewed, documents reviewed, data collected and databases built.

29 The Inception Report should not exceed 30 pages, but if required this number can be reasonably increased. Additional material may be placed in annexes, as necessary.

30 Even though an open public consultation (as foreseen by the Better Regulation) will not be organised for the present evaluation, it is expected that the evaluation team presents its strategy for stakeholders' consultation during the evaluation exercise.

31 The Desk Report should not exceed 40 pages, but if required this number can be reasonably increased. Additional material may be placed in annexes, as necessary.



Phases	Activities	Deliverables (& meetings) <sup>28</sup>
<i>budgets for the field phase are outlined and agreed upon, all along the previous phases, since the preparatory one)</i>	Note writing on field phase findings Discussion of the findings of the Field Phase with EC HQs & national counterparts	Debriefing with ISG in Brussels
<b>SYNTHESIS</b>	Expressing findings (focus on the EQs) Overall assessment, Conclusions and Recommendations Synthesis report writing (& quality control)	Synthesis report <sup>32</sup> , incl.: <ul style="list-style-type: none"> <li>• Synthesis of methodological steps undertaken during the evaluation exercise, including limitations, if any</li> <li>• Background analysis</li> <li>• Findings by evaluation question</li> <li>• Overall assessment, conclusions and recommendations</li> <li>• Matrix of EQs, judgement criteria, indicators &amp; analysis</li> </ul> Executive summary Slide presentation Meeting(s) with ISG in Brussels
<b>DISSEMINATION AND FOLLOW UP</b> <i>(by the EC)</i>	Action plan writing Others to be defined if relevant	Action plan

All reports will be written in English and submitted according to the timetable in annex 2 to the EC Evaluation manager. The reports must be written in Arial or Times New Roman minimum 11 and 12 respectively, single spacing. Inception, Desk and draft Final reports will be delivered only electronically<sup>33</sup>. The Final report will also be delivered in hard copies. The Executive Summary (up to 4 pages) will be delivered both electronically and in hard copy as well. The Executive Summary will be available both integrated into the Final Report, and as a separate stand-alone document.

The final report should deliver the elements covered by these Terms of Reference, and must be written such that readers, who are not working in this area, can easily understand.

The electronic versions of all documents need to be delivered in both editable (Word) and non-editable format (PDF).

## 8. EVALUATION TEAM

The evaluation team will have to be able to satisfy the highest quality standards. In this regard, the contractors are highly advised to check relevant references of the experts proposed.

The quality criteria for the selection of the Evaluation Team are summarized as follows:

Working experience in relation to EU enlargement policy and strategy and pre-accession assistance (IPA) is required;

- Relevant expertise in candidate countries will be an advantage.
- Knowledge of the EU institutional framework;

Working knowledge of evaluation methods and techniques and, preferably, of complex policy and strategy evaluations in the field of external relations. In particular the team needs to demonstrate experience in analytical methods which can evaluate change and contribution. This includes Quantitative and qualitative data collection and analysis;

Technical/sector knowledge in the following areas is required:

- Democracy and governance
- Rule of Law and fundamental rights

<sup>32</sup> The Final Report should not exceed 50 pages, but if required this number can be reasonably increased. Additional material may be placed in annexes, as necessary.

<sup>33</sup> But a printed version of each report needs to be annexed to the relevant invoice.

- Analytical skills;
- The team leader should have excellent communication, team co-ordination, presentation and proven report writing and editing skills in English;
- The evaluation team will have excellent writing and editing skills.

At least one of the experts should have operational knowledge of implementation of budget support modalities.

The evaluation team should have an excellent command of English – both spoken and written.

It is expected that the team will comprise a balance of experts<sup>34</sup> as follows:

- senior experts (including the Team leader)
- 1 junior expert

It is expected that the Team leader will be an expert of category Senior. A project manager also needs to be proposed in the offer.

The offer should clearly state the category of each team member and which tasks the proposed team members are supposed to take responsibility for and how their qualifications relate to the tasks (if this is not self-evident from their profile). The team coordination and members' complementarity should be clearly described. A breakdown of working days per expert must be provided.

The team members must be independent from the programmes/projects/policies evaluated (they cannot have taken part in any programming and/or implementation related programmes/projects which will be covered under this assignment). Should a conflict of interest be identified during the evaluation, it should be immediately reported to the EC Evaluation manager for further analysis and appropriate measures.

The Contractor remains fully responsible for the quality of the deliverables. Any report which does not meet the required quality will be rejected.

During the offers evaluation process the contracting authority reserves the right to interview by phone one or several members of the evaluation teams proposed.

The contractor must make available appropriate logistical support for the evaluation team, including their travel and accommodation arrangements for each mission, the secretarial support, appropriate software and communication means. The evaluation team will need to have the standard equipment, such as an individual laptop, computer, mobile phones, etc. necessary for the execution of the assignment. No additional cost for these items may be included in the offer.

Performances will be assessed by the EC all over the evaluation exercise (and if needed adjustments will be required, in agreement with the contractor) based on the following criteria:

- Quality of the analysis
- Relations with the Client
- Precision and clarity of the writing
- Methodological skills
- Communication skills and interview capacity
- Flexibility and availability
- Respect of deadlines.

## 9. TIMING

The evaluation implementation is due to start *in April 2017*. The expected duration is of 15 months. As part of the technical offer, the framework contractor must adhere to the timetable in annex 2, and provide their proposed, more detailed schedule within that timetable in terms of "week 1" etc. The contracting authority underlines that the contractor should ensure that the evaluation team is available to meet the demands of this schedule.

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<sup>34</sup> Number of days for each expert may vary

## 10. OFFER FOR THE ASSIGNMENT

### 10.1 Technical offer:

The total length of the technical offer (excluding annexes) may not exceed 10 pages; a CV may not exceed 4 pages. References and data relevant to the assignment must be highlighted in bold (font minimum Times New Roman 12 or Arial 11).

The methodology submitted shall not contain terms such as, “if time/budget allows,” “if the data are available” etc.

Should it appear during the process of the evaluation that an activity envisaged in the methodology is impossible or inappropriate to be carried out, the change to the methodology as well as its financial impact must be agreed by EC services.

The offer is expected to demonstrate:

- The team’s understanding of the ToR in their own words (i.e. their understanding of what is to be evaluated, and their understanding of the subject
- areas as relevant to this ToR)<sup>35</sup>. In this framework, the offer can propose a revised set of EQs, justifying it and respecting the main areas to be covered.
- The relevance of the team composition and competencies to the work to be undertaken.
- How the team proposes to undertake the evaluation: the evaluation design and challenges, data collection tools and methods of analysis, how the tasks will be organised.
- The level of quality control (content/proof reading/copy editing) which will apply, at which points in the process, and who will undertake them.

### 10.2 Financial offer:

The financial offer will be itemised to allow the verification of the fees compliance with the Framework contract terms.

The per diems will be based on the EU per diem in force when the Request for Services is launched. The EU per diem is the maximum not to be exceeded.

Offers shall be submitted within the deadline exclusively to this functional mailbox:  
NEAR-A3-CRIS-FWC-OFFERS@ec.europa.eu.

## 11. TECHNICAL OFFERS SELECTION CRITERIA

The offers evaluation criteria and their respective weights are:

TOTAL SCORE FOR ORGANISATION AND METHODOLOGY		Maximum
Understanding of ToR		15
Organisation of tasks (including timing, quality control mechanisms)		10
Evaluation approach, working method, analysis		15
<b>Sub Total</b>		<b>40</b>
EXPERTS/ EXPERTISE		
Team Leader (senior expert)		25
Senior expert 2		20
Junior expert		10
Programme manager		05
<b>Sub Total</b>		<b>60</b>
<b>Overall total score</b>		<b>100</b>

<sup>35</sup> Should the offer contain quotations, these sections must be clearly identified and sources indicated

## 12 ANNEXES

The contracting authority reserves the right to modify the annexes during implementation without prior notice.

### 12.1 Annex 1 [to the ToR]: Indicative documentation to be consulted for the evaluation by the selected contractor

#### GENERAL DOCUMENTATION

- Treaty of the European Union (Title V)
- Treaty on the Functioning of the European Union (Part Five)
- Annual and special reports of the EU Court of Auditors  
<http://www.eca.europa.eu/en/Pages/AuditReportsOpinions.aspx>

#### EU OVERALL POLICY

- The Union as a strong global actor (EUCO 79/14)
- EU Global Strategy
- Regional and thematic policies (e.g. [http://www.eeas.europa.eu/policies/index\\_en.htm](http://www.eeas.europa.eu/policies/index_en.htm))
- Council Conclusions, 26 May 2015 – “A New Global Partnership for Poverty Eradication and Sustainable Development after 2015”
- Commission Communication, 5 February 2015 – “A Global Partnership for Poverty Eradication and Sustainable Development after 2015”
- Council Conclusions, 16 December 2014 – “On a transformative post-2015 agenda”.
- Commission Communication 2 June 2014 – “A Decent Life for All: From Vision to Collective Action”.
- Council Conclusions, 25 June 2013 – “The Overarching Post 2015 Agenda”
- Commission Communication 27 February 2013: “A Decent Life for All: Ending poverty and giving the world a sustainable future”.
- EU Common Position for the Fourth High Level Forum on Aid Effectiveness, 14 November 2011
- EU code of conduct on Complementarity and Division of Labour in Development Policy, 15 May 2007
- Joint statement by the Council and the representatives of the governments of the Member States meeting within the Council, the European Parliament and the Commission on European Union Development Policy: ‘The European Consensus’, 24 February 2006.

#### PRE-ACCESSION ASSISTANCE POLICY FRAMEWORK

- Copenhagen criteria:  
[http://eur-lex.europa.eu/summary/glossary/accession\\_criteria\\_copenhagen.html](http://eur-lex.europa.eu/summary/glossary/accession_criteria_copenhagen.html)
- Enlargement Package, including enlargement strategy paper and country reports,  
[http://ec.europa.eu/enlargement/countries/package/index\\_en.htm](http://ec.europa.eu/enlargement/countries/package/index_en.htm)
- Council conclusions on enlargement
- Relevant European Parliament resolutions

#### EU PRE-ACCESSION ASSISTANCE

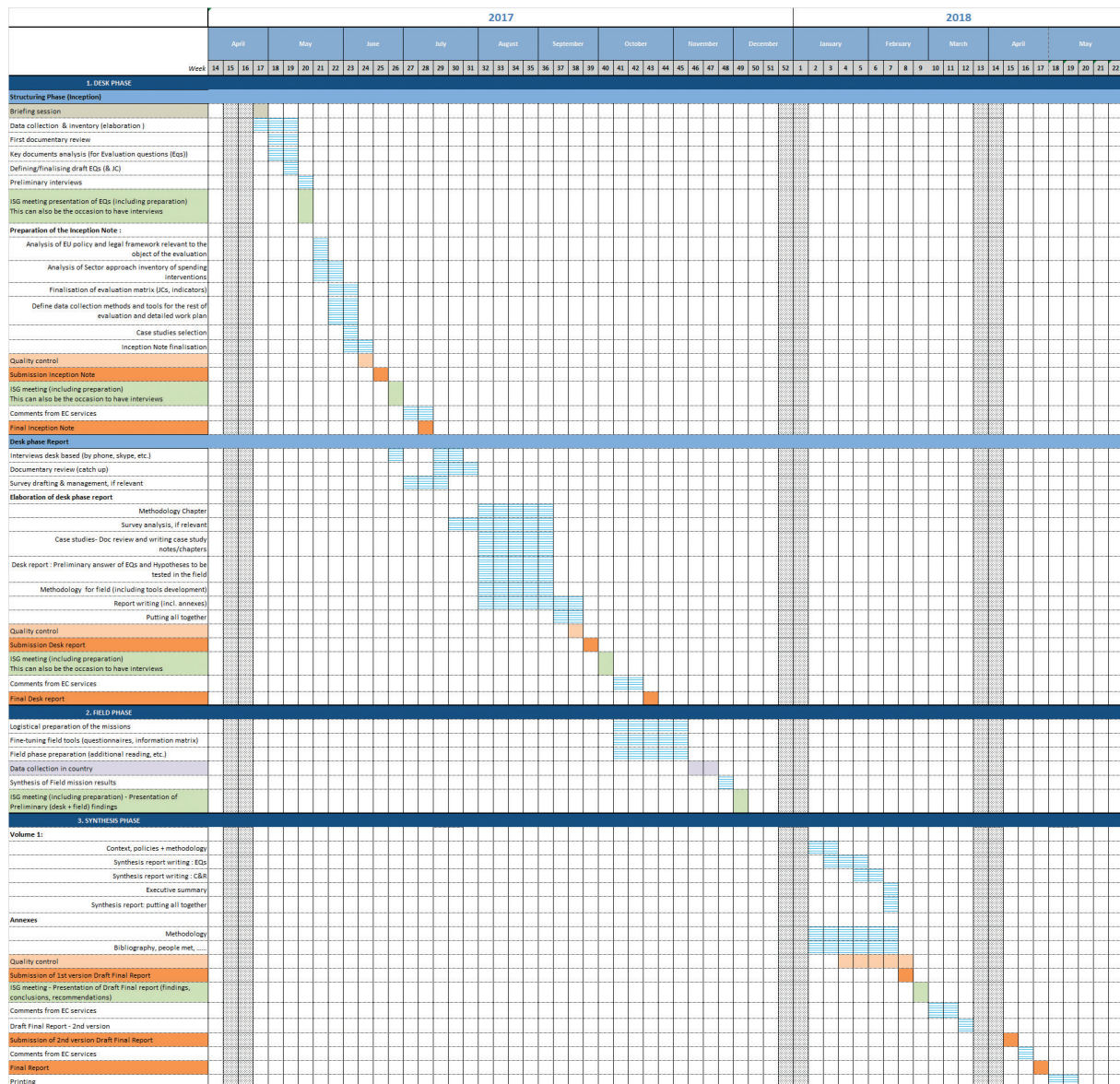
- Multi-annual indicative planning documents 2007-2013
- Regulation establishing the IPA II (2014)
- The Common Implementing Regulation (CIR) 2014
- Annual reports on financial assistance for enlargement
- Indicative Country Strategy Papers 2014-2020
- Sector Planning Documents
- Programming documents
- Annual Action Programmes
- Other more specific evaluations can be found at: [http://ec.europa.eu/enlargement/news\\_corner/](http://ec.europa.eu/enlargement/news_corner/)

key- documents/index\_en.htm?key\_document=08012624887bedda

- *Implementing sector approaches in the context of Enlargement, Challenges and lessons learnt from the Sarajevo Workshop 22-24 March 2010, A ‘How to’ note*, Ministry of Finance and Treasury of Bosnia I Herzegovina and European Commission, October 2010

## 12.2 Annex 2 to the ToR: Indicative timing

Evaluation Phases and Stages	Notes and Reports	Dates	Meetings/ Communications
<b>Desk Phase</b>			
Inception(structuring) stage		April-July 2017	Briefing session in Brussels
	Inception Report	June-July 2017	ISG Meeting in Brussels
Desk Review	Desk Report	September-October 2017	ISG Meeting in Brussels
<b>Validation Phase</b>			
	Field Visits Presentation of Findings	November 2017 December 2017	Briefing/debriefing at country level ISG Meeting in Brussels
<b>Synthesis Phase</b>			
	Draft Final Report Presentation of Draft Final	February 2018	ISG Meeting in Brussels
	Submission Final Report Submission printed version	April 2018 May 2018	



## 12.3 Annex 3 [to the ToR]: Overall structure of the final report

The overall layout of the **Final report** is:

- Executive summary (see 1 below);
- Introduction
- Analysis of the political, institutional and technical/cooperation framework of EU pre- accession assistance
- Synthesis of methodological steps undertaken during the evaluation exercise, including limitations, if any
- Findings by evaluation question
- Overall assessment
- Conclusions (see 2 below); and
- Recommendations (see 3 below).

**Length:** the final main report may not exceed 50 pages excluding annexes, but if required this number can be reasonably increased. Each annex must be referenced in the main text. Additional information regarding the context, the activities and the comprehensive aspects of the methodology, including the analysis, must be put in the annexes.



The evaluation matrix must be included in the annexes. It must summarise the important responses at indicator/ judgement criteria level. Each response must be clearly linked to the supporting evidence. The matrix must also include an assessment of the quality of evidence for each significant finding. The table below presents an example of how the quality of evidence may be ranked. This is purely indicative. The contractor should present a specific approach for assessing the quality of evidence.

Ranking of Evidence	Explanation of ranking of quality of evidence
<i>Strong</i>	The finding is consistently supported by a range of evidence sources, including documentary sources, quantitative analysis and qualitative evidence (i.e. there is very good triangulation); or the evidence sources, while not comprehensive, are of high quality and reliable to draw a conclusion (e.g. strong quantitative evidence with adequate sample sizes and no major data quality or reliability issues; or a wide range of reliable qualitative sources, across which there is good triangulation).
<i>More than satisfactory</i>	There are at least two different sources of evidence with good triangulation, but the coverage of the evidence is not complete.
<i>Indicative but not conclusive</i>	There is only one evidence source of good quality, and no triangulation with their sources of evidence.
<i>Weak</i>	There is no triangulation and / or evidence is limited to a single source.

### (1) A summary (maximum 4 pages)

- The summary of the evaluation report may not exceed 4 pages (3.000 words). It is additional to the 70-page limit for the main report. It should be structured as follows:
- 1 paragraph explaining the objectives and the challenges of the evaluation;
- 1 paragraph explaining the context in which the evaluation takes place;
- 1 paragraph referring to the methodology followed, spelling out the main tools used;
- The key findings, clustered by major issues (not necessarily by evaluation criteria)
- The general conclusions (overall assessment)
- A limited number of main conclusions should be listed and classified in order of importance; and
- A limited number of main recommendations should be listed according to their importance and priority.
- The chapters on conclusions and recommendations should be drafted taking the following issues into consideration:

### (2) Conclusions

- The conclusions have to be assembled by homogeneous “clusters” (groups). It is not required to set out the conclusions according to the evaluation criteria.
- The conclusions must enable to identify lessons learnt, both positive and negative.

### (3) Recommendations

- The recommendations have to be linked to the main conclusions.
- Recommendations have to be grouped in clusters (groups), preferably those used in the conclusions, and presented in order of importance and priority within these clusters.
- Recommendations have to be realistic and operational.
- The possible conditions of implementation (who? when? how?) have to be specified and key steps/ action points should be detailed when possible.

### **Annexes (non-exhaustive)**

- National background;
- Methodological approach;
- Evaluation matrix;
- Case studies, if relevant;
- List of documents consulted;

- List of institutions and persons met;
- Results of any focus group, expert panel etc.;
- All data bases constructed for the evaluation.

## EDITING

The Final Report must have been copy edited and proof read such that it is:

- consistent, concise and clear;
- well balanced between argument, tables and graphs;
- free of typos and language errors;
- include a table of contents indicating the page number of all the chapters listed therein, a list of annexes (whose page numbering shall continue from that in the report) and a complete list in alphabetical order of any abbreviations in the text;
- contain an Executive summary (or summaries in several language versions when required).
- be typed in single spacing and printed double sided, in A4 format.
- The presentation must be well spaced (the use of graphs, tables and small paragraphs is strongly recommended). The graphs must be clear (shades of grey produce better contrasts on a black and white printout).
- Hard copies of the reports must be glued or stapled; plastic spirals are not acceptable.
- If relevant, the contractor is responsible for the quality of translations and ensuring that they correctly reflect with the original text.

## 12.4 Annex 4 [to the ToR]: quality assessment grid

	Very weak	Weak	Good	Very good	Excellent
<b>1. Meeting needs:</b>					
a. Does the report describe precisely what is to be evaluated, including the intervention logic?					
b. Does the report cover the requested period, and clearly includes the target groups and socio-geographical areas linked to the project / programme?					
c. Has the evolution of the project / programme been taken into account in the evaluation process?					
d. Does the evaluation deal with and respond to all ToR requests? If not, are justifications given?					
<b>2. Appropriate design:</b>					
a. Does the report explain how the evaluation design takes into account the project / programme rationale, cause-effect relationships, impacts, policy context, stakeholders' interests, etc.?					
b. Is the evaluation method clearly and adequately described in enough detail?					
c. Are there well-defined indicators selected to provide evidence about the project / programme and its context?					
d. Does the report point out the limitations, risks and potential biases associated with the evaluation method?					
<b>3. Reliable data:</b>					
a. Is the data collection approach explained and is it coherent with the overall evaluation design?					
b. Have data collection limitations and biases been explained and discussed?					
c. Are the sources of information clearly identified in the report?					



	Very weak	Weak	Good	Very good	Excellent
d. Are the data collection tools (samples, focus groups, etc.) applied in accordance with standards?					
e. Have the collected data been cross-checked?					
<b>4. Sound analysis:</b>					
a. Is the analysis based on the collected data?					
b. Does the analysis focus well on the most relevant cause/effect assumptions underlying the intervention logic?					
c. Is the context taken into account adequately in the analysis?					
d. Are inputs from the most important stakeholders used in a balanced way?					
e. Are the limitations of the analysis identified, discussed and presented in the report, as well as the contradictions with available knowledge, if there are any?					
<b>5. Credible findings:</b>					
a. Are the findings derived from the qualitative and quantitative data and analyses?					
b. Is there a discussion whether the findings can be generalised?					
c. Are interpretations and extrapolations justified and supported by sound arguments?					
<b>6. Valid conclusions:</b>					
a. Are the conclusions coherent and logically linked to the findings?					
b. Does the report draw overall conclusions on each of the five DAC criteria?					
c. Are conclusions free of personal or partisan considerations?					
<b>7. Useful recommendations:</b>					
a. Are the recommendations consistent with the conclusions?					
b. Are recommendations operational, realistic and sufficiently explicit to provide guidelines for taking action?					
c. Are the recommendations drafted for the different target stakeholders of the evaluation?					
d. When necessary, have the recommendations been clustered and prioritised?					
<b>8. Clear report:</b>					
a. Does the report include a relevant and concise executive summary?					
b. Is the report well-structured and adapted to its various audiences?					
c. Are specialised concepts clearly defined and not used more than necessary? Is there a list of acronyms?					
d. Is the length of the various chapters and annexes well balanced?					

**Legend:**

*very weak* = criteria mostly not fulfilled or absent;

*weak* = criteria partially fulfilled; *good* = criteria mostly fulfilled;

*very good* = criteria entirely fulfilled;

*excellent* = criteria entirely fulfilled in a clear and original way

<b>Comments on meeting needs (1):</b>
<b>Comments on appropriate design (2):</b>
<b>Comments on reliable data (3):</b>
<b>Comments on sound analysis (4):</b>
<b>Comments on credible findings (5):</b>
<b>Comments on valid conclusions (6):</b>
<b>Comments on useful recommendations (7):</b>
<b>Comments on clear report (8):</b>
<b>Comments on the overall quality of the report</b>

## ANNEX 2 METHODOLOGY AND EQ FRAMEWORK

The methodology used in this evaluation is based on the methodological guidelines developed by the DG DEVCO Evaluation Unit. The guidelines provide guidance on the design of the study and suggest a range of tools to be used in the evaluations.

The evaluation has been conducted in four main stages as indicated in the ToRs: Inception phase, desk phase, field phase and synthesis phase. This annex provides an overview of the different activities and tools used throughout the evaluation.

### 1 SUBSECTION1: FIELD PHASE

During the field phase, the team focuses on laying the foundations for the evaluation. The team refined the methodology and started building an e-library of documents and data sources for analysis during the desk-phase. Key activities during this phase included:

#### 1.1 SUB-subsection: Reconstructed intervention logic

The IPA II strategic framework may be represented as follows:

- General objective: Beneficiaries comply with the Union's values and progressively align to the Union's rules, standards, policies and practices, with a view to union membership.
  - Specific objectives:
    1. Political reforms implemented, according to Copenhagen criteria.
    2. Economic, social and territorial development in place, with a view to smart, sustainable and inclusive growth, according to Copenhagen criteria.
    3. Ability of beneficiaries to fulfil the obligations stemming from membership and alignment to the EU acquis, according to Copenhagen criteria.
    4. Regional integration and territorial cooperation strengthened.

The sectoral approach is functional to the implementation of this strategic framework, with a focus on specific objectives 1 and 2. It is based on the understanding that the most effective way of achieving the political and economic reforms necessary to meet the first two Copenhagen criteria is to mainstream the reforms into the country's political processes. This can be obtained by enabling the beneficiaries to establish and manage sound sectoral policies corresponding to the key reforms required by the accession goal. This approach aims to overcome the limits of the previous assistance, reflected in the weak relevance of the IPA I supported actions toward the national political processes and the weak coherence of the supported stand-alone actions toward the comprehensive reforms required.

##### 1.1.1 The levels of the IL

The specific intervention logic of the sectoral approach may be reconstructed using a conventional five levels scheme<sup>36</sup>.

We need first to nest the IL of sectoral approach into the IPA II hierarchy of objectives. We therefore consider that the general objectives (or the long and medium-term impact) of the SA are derived from the IPA II Regulation. They include the IPA II general objectives (with respect to the long-term impact), i.e. the alignment to the Union toward Union membership. With respect to the medium-term impact, they include the IPA II specific objectives 1 and 2: political reform and economic reform successfully implemented in the key priority sectors.

The outcomes (or specific objectives) of the SA embrace any significant progress in the implementation of the accession related reforms, which involves changes in the behaviour of the key institutional stake-

<sup>36</sup> This corresponds to the scheme used for Budget Support (OECD – Evaluating Budget Support, 2012), including a double level of outputs (the direct outputs, which correspond to the outputs produced rather directly by the external assistance put in place, and the induced outputs, which correspond to the outputs produced by the beneficiary thanks to the assistance put in place and other policy and non-policy factors. The conventional nature of such schemes should be stressed, so as to maintain a practical and flexible approach when using them. One could use different schemes, to emphasise different issues, for instance including activities, merging the outputs, splitting outcomes and/or impacts, etc. At the end, the important thing is the understanding of the content of each step and the logical sequence linking them.

holders in the nine priority sectors, including – in the medium term – signs of change in the perception and life of the citizens. To guarantee that progress goes in the right direction, the accession dialogue must strengthen its focus on the reform process.

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

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

The SA related inputs<sup>37</sup> include the basic IPA II inputs (dialogue framework, financial resources, capacity building resources) with some additional and/or specific features, such as: awareness, training and guidance tools for sector assessment and planning in EU-accession priority sectors; specific policy dialogue capacities on sector strategies; specific technical capacities for sector strategies; new forms of assistance, such as sector coordinated actions, and sector reform contracts (SRC).

### 1.1.2 The theory of change

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

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

B Putting in place such inputs, through several qualified activities at both national and regional level (including dialogue sessions at different levels, systematic information, training, etc.) should generate<sup>38</sup> a number of relatively direct outputs, namely:

- The beneficiaries should share and own the SA framework:
- They should strengthen the internal capacities for sector policy assessment and planning; and
- They should produce sectoral policy documents (e.g. Sector Planning Documents), to initiate and facilitate the process of building/consolidating sound national sectoral strategies.
- As a first consequence, sharing such a new approach would have direct effects on programming:
  - The two parties should engage in close sector policy dialogue, to review the programming process, in view of strengthening its strategic focus and coherence in the key priority sectors and sub-sectors. Enhanced relevance of the programming to the national strategies and strengthening of such strategies should reinforce each other along the implementation process. In particular:
  - The IPA II programmes will reflect the national priorities, focusing the assistance on those sectors that the beneficiaries consider crucial in their accession process; and

<sup>37</sup> According to the flexible understanding of such schemes, activities are skipped to avoid redundancies. They are partly considered under the inputs (when addressed as the modality to put in place the inputs), and partly under the direct outputs (while assessing the direct results of the implementation of the inputs).

<sup>38</sup> Here some assumptions should be considered, namely the assumptions 1 and 2 below, including the specific capacities on the EU side and adequate political motivations and incentives on the beneficiary side.

- The objectives of the IPA II assistance, including the indicators to be monitored and discussed in the policy dialogue, reflect the indicators included in the national strategies and monitored by the national institutions.
- C The interaction between the beneficiary efforts to own and assimilate the sectoral approach -on the one hand- and the sector-oriented programming process -on the other hand- should already produce at least some initial improvements in sector policies. In addition, the new actions programmed and launched according to the sectoral approach should result in improved policy and institutional management<sup>39</sup>. Indeed, in the present evaluation, it will be possible to identify some initial changes in such direction and the perception of the stakeholders will be one significant indicator. We would call such expected improvements “induced outputs”, as they are not produced directly by the inputs and activities related to the sector approach, but are the consequence of the new capacities acquired and the coherent policy decisions put in place by the beneficiaries. In particular, clear – although partial – improvements in the directions mentioned below should already be seen at this stage in several priority sectors:
- A stronger leadership and coordination in the priority sectors, possibly through functioning Sector Working Groups (SWGs), namely:
  - Improved internal coordination of different ministries, agencies and related external bodies.
  - Improved communication on sector strategy (with the large public and civil society organisations).
  - Improved coordination of external support.
  - Results-based management and improved M&E systems, namely:
    - A clear hierarchy of objectives and adequate indicators are established at sectoral level.
    - The indicators are monitored through adequate information systems, regularly reported and discussed for policy review.
  - The strategy is translated into feasible action plans, including links to national budget and possibly medium-term sector budget frameworks.
  - Civil society organisations and the independent press are aware of the main issues at stake and start playing an active role, both as watchdogs of the public processes and partners in dialogue and implementation.
- D It is supposed that the process of policy, institutional and financial restructuring of the key accession-related sectors supports improved performances in such sectors, allowing some key steps on the way of democratic and competitive development of the societies (general objectives: Copenhagen criteria, particularly 1 and 2). We may call such steps the outcomes of the SA<sup>40</sup>, which should be achieved thanks to the interaction and synergies of SA with other IPA supported actions (e.g. stand-alone actions) as well as other external assistance and -of course- national processes. In general, such steps will not be visible at this stage because of the almost incipient SA uptake in the countries, but it may be possible to identify some signs that the process is on its way, especially in the key priority subsectors in each country. The directions along which the evaluation will search for such signs, with the help of national and international indicators, are indicated below:
- Key implementation steps in sectoral reforms addressing heavy political and operational bottlenecks (e.g. vetting judges in Albania).
  - Improvements in the perception of sectoral performance by public opinion (independent press, civil society, informed persons, as also reflected by international indicators over the period 2012-2017).
  - Improvements in sector performance with reference to some specific signals (e.g. increased number of corruption cases prosecuted by judiciary; or facilitated procedures for access to land and to licenses for private enterprises).

39 Here the assumption 2 is one of the most important, although the 1 continue to be important. In addition, the assumptions 3 (flexibility) and 4 (macroeconomic and PFM management) become particularly relevant.

40 Here the most important is the 2, but the 4 as well.

- Cross-cutting effects of the key sectoral improvements (e.g. improvements in justice or in education are positively perceived by private sector operators as having a facilitation effect on businesses, etc.).
  - A process outcome is important at this level: as far as the sector reforms advance, political and policy dialogue are better intertwined; or IPA II policy dialogue and accession-related dialogue are better integrated and feed each other. This is the major link between sectoral reforms and the goal of EU accession.
- E If the above identified changes are deep and sustainable, they generate irreversible reform, which can be faster or slower, more or less straightforward, but should lead in time to the transformation of the societies according to the first two Copenhagen criteria (impact), and then toward the perspective of the accession<sup>41</sup>.

### 1.1.3 Assumptions

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

- On the EU side, a rich conceptual and operational framework as the SA requires a significant political commitment all over the implementation and adequate capacities, which should be made available to both EUDs and EU-HQs:
  - For a stronger link between policy reform processes and accession dialogue, including political incentives to better performers.
  - For policy assessment in the many subsectors addressed.
  - For support to partners' monitoring and evaluation.
- On the beneficiary side, the SA requires higher motivations and incentives, at both political and administrative level, as it demands a stronger political and comprehensive involvement of the sectoral stakeholders:
  - Administrators should be adequately motivated, ensuring good training, economic and career incentives.
  - Political leaders should keep high motivations toward EU accession, as sectoral reforms present enormous political economy challenges.
- Apart from the exclusion of catastrophic political / natural events, the programme should have a significant built-in flexibility, to adapt to the specific changing contexts and identify the most appropriate incentives in each of them.
- Pre-conditions (or, better, additional criteria) for SA are a sound macroeconomic framework and efficient and transparent PFM. These are included in SA evaluation, although they could be considered also among the assumptions, as their failure could be a serious destabilising factor affecting all the sector policies.

These are the key assumptions, while any other relevance, efficiency, effectiveness, coherence and consideration should not be included among the assumptions, but be part of the evaluation questions. This regards also the awareness and participation of civil society, which under IPA II is much more important than in the past to support comprehensive reforms.

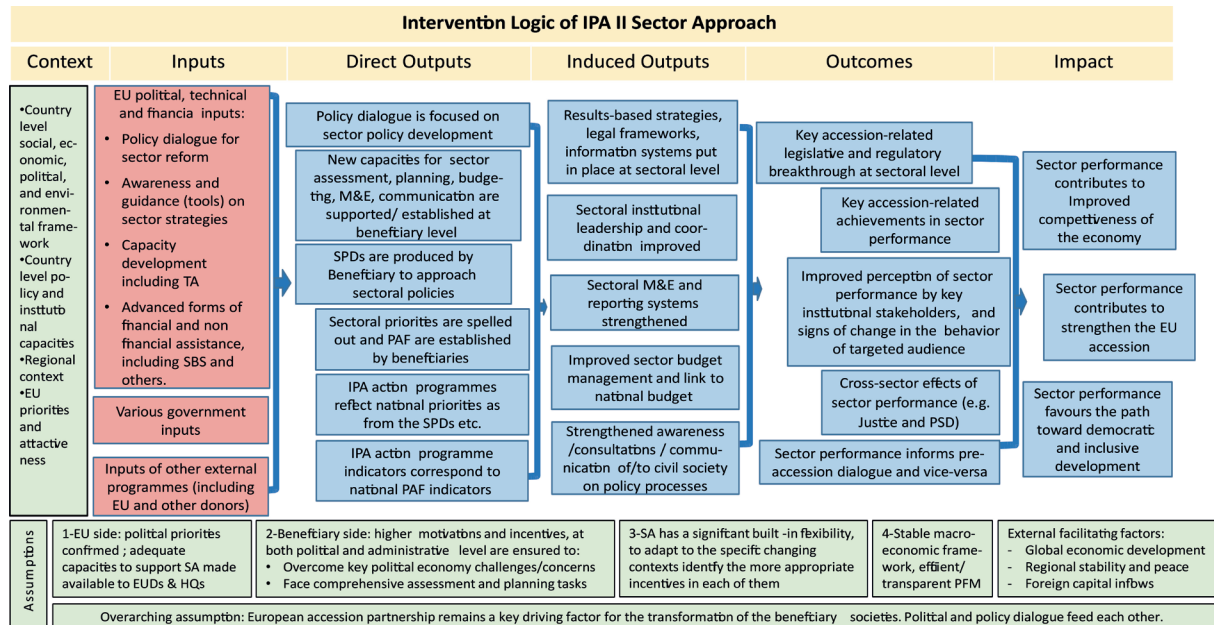
Finally facilitating and limiting external and internal factors (such as internal political framework, regional stability and threats, country economic features and trends, natural stresses, etc.) should be considered to judge of the pace and depth of the reform process.

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

### 1.1.4 The diagram

The figure below illustrates the Intervention Logic discussed so far. On this base, in the respect of the preliminary indications of the ToR, the following figure identifies the Evaluation Questions corresponding to the key logical steps highlighted in the IL.



## 2 SUB-SUBSECTION: EQ FRAMEWORK

Based on the IL and the key Questions set in the Terms of Reference, the team developed the Evaluation Questions (EQs). The EQs include a list of Judgement Criteria (JCs) and the related indicators. The EQs intend to identify significant qualitative or quantitative contributions of Sector Approach (SA), to the implementation of IPA II objectives so far. The contributions have been investigated, according to the focus of each EQ, along the related JCs and indicators, in comparison to the baseline period. The latter is established in the IPA I period and the beginning of IPA II.

The EQs are numbered 1 to 6. The second level of numbering (i.e. 1.1 etc.) concerns the Judgement criteria. The third level of numbering (i.e. 1.1.1 etc.) concerns the indicators. The main sources of information are mentioned in a separate column at JC level.

*Table 1 Relationship between the DAC Evaluation Criteria, EC-specific issues and the EQs*

	EQ 1	EQ 2	EQ3	EQ 4	EQ 5	EQ 6
	ASSESSMENT & PROGRAMMING TOOLS	PROGRAMMING	TOOL EFFECTIVENESS	SECTOR POLICY REFORMS	COHERENCE	ADDED VALUE
Relevance	✓✓✓	✓✓✓			✓✓	
Efficiency	✓✓	✓✓	✓✓			
Effectiveness	✓	✓	✓✓✓	✓✓✓		
Impact			✓	✓✓	✓	
Sustainability				✓	✓	
EU value added			✓		✓	✓✓✓
Coherence		✓✓	✓✓		✓✓✓	✓✓

✓✓✓ Largely covered    ✓ Also covered



**EQ1. OWNERSHIP – To what extent have the Sector Approach assessments and programming tools been conceived in such a way as to reflect the current state of play and readiness of beneficiaries and ease their effective use/uptake?**

*This EQ aims at capturing the potential and actual appropriation of the Sector Approach (in terms of institutional and operational modality, tools and templates) by the IPA II Beneficiaries.*

*According to the reconstructed intervention logic and the supporting theory of change, beneficiaries should see SA as a way to reinforce their own capacities and policy processes, thus being incentivised toward SA uptake. The experience of its validity should push them to gradually streamline SA in their institutional practice, including the consolidation of analytical and planning capacities, new ad hoc procedures and structures.*

*The EQ looks at the evolution of the institutional products in terms of sectoral policies, namely through the programming documents, the beneficiary strategy documents (including the SPDs), the individual interviews and the e-survey.*

*The EQ looks as well to any unexpected difficulty that SA may cause to the beneficiaries, in terms of correspondence between the SA modalities (e.g. the classification of sectors) and the beneficiary practices.*

Preliminary Judgment Criteria (JC) and Indicators (I)		Data sources and baseline
<b>JC.1.1 SA process (including analytical tools and templates, stakeholders' participation, etc.) is known and owned by beneficiaries, and is currently being taken up by sectoral institutions</b>		
I.1.1.1	Extent to which SA tools and guidelines are known and on the way of being appropriated by Beneficiary	<p><i>Programming documents:</i></p> <ul style="list-style-type: none"> <li>• sector planning documents (SPDs)</li> <li>• action programmes</li> <li>• action documents</li> <li>• multi-annual indicative planning document</li> <li>• country strategy papers (ISPs)</li> </ul> <p><i>Beneficiary &amp; enlargement documents:</i></p> <ul style="list-style-type: none"> <li>• sector planning documents (SPDs)</li> <li>• beneficiary strategies (global, sector, other)</li> <li>• agenda &amp; minutes of IPA II and pre-accession dialogue</li> </ul> <p><i>Primary data collection:</i></p> <ul style="list-style-type: none"> <li>• interviews, e-survey</li> </ul>
I.1.1.2	Extent to which new/ strengthened analytical and strategic capacities are being established in the beneficiary sectors	
I.1.1.3	Extent to which beneficiary sector docs and/or SPDs are being prepared through stakeholders' consultations	
<b>JC.1.2 Sector assessments are being streamlined into the Beneficiary policy process</b>		
I.1.2.1	Extent to which sector performance assessment frameworks, coherent with beneficiary goals, are being identified	<p><i>Programming documents:</i></p> <ul style="list-style-type: none"> <li>• sector planning documents (SPDs)</li> <li>• annual/multiannual programmes</li> </ul>
I.1.2.2	Extent to which specific institutional responsibilities are being established in Beneficiary sectors	<ul style="list-style-type: none"> <li>• multi-annual indicative planning document</li> <li>• action documents</li> </ul>
I.1.2.3	Extent to which sector assessments are not a one-off exercise, as they are updated when needed	<ul style="list-style-type: none"> <li>• country strategy papers (ISPs)</li> </ul> <p><i>Beneficiary &amp; enlargement documents:</i></p> <ul style="list-style-type: none"> <li>• beneficiary strategies (global, sector, other)</li> </ul> <p><i>Primary data collection:</i></p> <ul style="list-style-type: none"> <li>• interviews, e-survey</li> </ul>
<b>JC.1.3 The SA package raises interest and awareness of its value added to improve quality of policy management and strengthen capacities toward a full uptake of the approach</b>		
I.1.3.1	Beneficiary stakeholders' perception of incentives (in terms of better policy processes, institutional strengthening and acquisition of capacities) towards the uptake of the approach	<p><i>Primary data collection:</i></p> <ul style="list-style-type: none"> <li>• interviews</li> <li>• e-survey</li> </ul>
I.1.3.2	Beneficiary stakeholders' perception on the adequacy of capacity support for SA implementation	



**EQ2. QUALITY OF PROGRAMMING – To what extent has the Sector Approach contributed to an improved pre-accession assistance programming (both at beneficiary and sector levels)?**

*This EQ aims at identifying the changes (expected and unexpected) in the programming process, due to the gradual adoption of the SA.*

*One of the first consequences following the adoption of the SA should be a stronger policy dialogue in the programming phase because of the substance of the sector policies, rather than a fragmented set of issues toward the accession objectives. This should be at the base of the assistance direction and focus.*

*This means that the assessment of the policies (according to the established criteria) should justify the programming priorities.*

*Therefore, the quality and coherence of the overall programming and the design of the specific actions should improve.*

*The EQ aims also to capture any unexpected effect in this process, such as possible rigidities in the definition of the sectors, which may result in inconsistencies between IPA II programming and beneficiary strategies.*

Preliminary Judgment Criteria (JC) and Indicators (I)		Data sources and baseline
<b>JC.2.1 Improved sector policy dialogue for programming, including both the EU-beneficiary dialogue and the beneficiary internal sector dialogue</b>		
I.2.1.1	Extent to which SA has increased the intensity (thorough strategic discussions) and quality (minutes, process) of the EU-Beneficiary policy dialogue in the programming process	<i>M&amp;E and assessment documents:</i> <ul style="list-style-type: none"> <li>• results-oriented monitoring (ROM)</li> </ul> <i>Beneficiary &amp; enlargement documents:</i> <ul style="list-style-type: none"> <li>• agenda &amp; minutes of IPA II and pre-accession dialogue</li> </ul>
I.2.1.2	Extent to which SA has also favoured the establishment of internal dialogue and consultations at sector level for better institutional coordination	<i>Primary data collection:</i> <ul style="list-style-type: none"> <li>• interviews, e-survey</li> </ul>
<b>JC.2.2 Sector assessments and dialogue (including positive and negative cases) are reflected in Beneficiary strategies as well as Action programmes and are used to orientate programming choices</b>		
I.2.2.1	Extent to which EU beneficiary strategies are built on sector assessment and identify priorities for sector policy development	<i>Programming documents:</i> <ul style="list-style-type: none"> <li>• country strategy papers</li> <li>• annual/multiannual programmes</li> </ul>
I.2.2.2	Extent to which action programmes contain explicit references to improvements in sector assessments to justify the choice of new actions	<i>Primary data collection:</i> <ul style="list-style-type: none"> <li>• action documents</li> <li>• interviews, e-survey</li> </ul>
I.2.2.3	Extent to which there are cases of approved SA actions which have been reviewed or slowed down, with explicit references to delays/ bottlenecks in sector maturity process	
<b>JC.2.3 Improved quality of action design and relevance of action results to beneficiary objectives</b>		
I.2.3.1	Extent to which action programmes and action documents contain explicit references to Beneficiary sector results framework and indicators	<i>Programming documents:</i> <ul style="list-style-type: none"> <li>• action programmes</li> <li>• action documents</li> </ul>
I.2.3.2	Extent to which action design is based on results, including clear and coherent strategic objectives, measured to strengthen institutional leadership, beneficiary M&E systems and realistic expenditure frameworks	<i>Primary data collection:</i> <ul style="list-style-type: none"> <li>• interviews, e-survey</li> </ul>
I.2.3.3	Number of action documents proposed by beneficiary sectors to attain beneficiary objectives (and considering beneficiary established indicators)	

**EQ3. IMPROVED SECTOR POLICY MANAGEMENT – To what extent is the Sector Approach becoming an effective tool to improve results-based policy management in the key accession-related sectors?**

*This EQ aims at identifying SA capacity to mobilise institutional and individual resources among the IPA II beneficiaries to enhance sector policy management. According to the IL, it is situated in between the direct and the induced outputs (see Figure 5).*

*In particular, it looks at:*

The quality of policies, from the point of view of their result base, institutional capacity, financial consistency; and

The involvement of a wide range of stakeholders, including decentralised institutions, academia, civil society organisations, and the communication strategy toward the large public.

*The EQ attempts to look as well at some important coherence and complementarity issues related to the SA effectiveness, namely the relationship between SA and some intervention tools, like budget support, complex financial and non-financial assistance programmes, different facilities or programmes for capacity development (e.g. TAIEX, Twinning, others):*

Since SA, in the most mature sectors, is often accompanied by more complex financing modalities (budget support, multi-annual programmes), a specific JC has been introduced to check whether these procedures are favoured by SA or vice-versa, toward a stronger coherence of sector support.

On the other hand, a specific JC has been introduced to catch the possible contribution to SA uptake of specific tools for capacity development, like TAIEX, SIGMA, Twinning, and etc.

*Considering the initial stage of implementation, the answer to the EQ is largely based on stakeholders' views, but documentary evidence on beneficiary induced outputs is also essential.*

Preliminary Judgment Criteria (JC) and Indicators (I)		Data sources and baseline
<b>JC.3.1</b>	<b>The process of SA uptake is a significant factor of improvement of the sector policy and institutional framework</b>	
I.3.1.1	Extent to which there are better institutional leadership and coordination, e.g. involvement of relevant ministries and decentralised bodies, functioning Sector Working Groups	<i>Programming documents:</i> <ul style="list-style-type: none"> <li>• action programmes</li> </ul> <i>M&amp;E and assessment documents:</i> <ul style="list-style-type: none"> <li>• ROM</li> </ul>
I.3.1.2	Extent to which there are better strategy and results-based management, including quality of M&E systems	<i>Beneficiary &amp; enlargement documents:</i> <ul style="list-style-type: none"> <li>• sector planning documents (SPDs)</li> <li>• beneficiary strategies (global, sector, other)</li> </ul>
I.3.1.3	Extent to which there are stronger links between strategies, plans of action, and budgeting, e.g. MT sector budget frameworks	<i>Primary data collection:</i> <ul style="list-style-type: none"> <li>• interviews, e-survey</li> </ul>
<b>JC.3.2</b>	<b>The public opinion and the CSOs are addressed by and involved in the policy management process</b>	
I.3.2.1	Extent to which there are awareness and communication campaigns on key sector reforms and possible responses	<i>Programming documents:</i> <ul style="list-style-type: none"> <li>• sector planning documents (SPDs)</li> <li>• action programmes</li> </ul>
I.3.2.2	Extent to which CSOs are associated in the SWGs	<i>M&amp;E and assessment documents:</i> <ul style="list-style-type: none"> <li>• ROM</li> </ul> <i>Beneficiary &amp; enlargement documents:</i> <ul style="list-style-type: none"> <li>• beneficiary strategies (global, sector, other)</li> <li>• SWGs records</li> </ul> <i>Primary data collection:</i> <ul style="list-style-type: none"> <li>• interviews</li> <li>• e-survey</li> <li>• public opinion, including media</li> </ul>
<b>JC.3.3</b>	<b>There is complementarity leverage between SA and specific action modalities (e.g. multi-annual programmes, budget support) toward an increased coherence of IPA II support</b>	
I.3.3.1	Extent to which SA is conducive to gain access to more comprehensive and strategic modalities of aid, such as multi-annual programmes and/or budget support	<i>Programming documents:</i> <ul style="list-style-type: none"> <li>• sector planning documents (SPDs)</li> <li>• action programmes</li> <li>• action documents</li> </ul>
I.3.3.2	Extent to which potential/ actual access to more comprehensive and strategic modalities of aid, such as multi-annual programmes and/or budget support is an incentive towards the SA implementation and uptake	<ul style="list-style-type: none"> <li>• country strategy papers (ISPs)</li> </ul> <i>M&amp;E and assessment documents:</i> <ul style="list-style-type: none"> <li>• ROM</li> </ul> <i>Primary data collection:</i> <ul style="list-style-type: none"> <li>• interviews</li> <li>• e-survey</li> </ul>

<b>JC.3.4 Specific facilities/ tools for capacity development, such as SIGMA, TAIEX, Twinning, etc, have shown to be particularly suited to facilitate the SA uptake</b>		
I.3.4.1	Extent to which the adaptation and implementation of SIGMA assistance to support SA is being effective	<i>Programming documents:</i> <ul style="list-style-type: none"> <li>• action documents</li> </ul>
I.3.4.2	Extent to which the adaptation and implementation of TAIEX assistance to support SA is being effective	<i>Beneficiary &amp; enlargement documents:</i> <ul style="list-style-type: none"> <li>• SPDs</li> <li>• beneficiary strategies (global, sector, other)</li> <li>• SWGs records</li> </ul>
I.3.4.3	Extent to which the adaptation and implementation of Twinning to support SA is being effective	<i>M&amp;E and assessment documents:</i> <ul style="list-style-type: none"> <li>• ROM</li> </ul> <i>Primary data collection:</i> <ul style="list-style-type: none"> <li>• interviews</li> <li>• e-survey</li> </ul>
<b>EQ4 KEY STEPS IN REFORM IMPLEMENTATION, INITIAL OUTCOMES AND THEIR DIRECTION TOWARD IMPACT – To what extent has the use of the Sector Approach, in the two sectors of i) Democracy and governance and ii) Rule of Law and fundamental rights, started contributing to the improvement of sector policy reforms?</b>		
<p><i>This EQ aims at identifying the specific improvements to which SA may have contributed in the sectoral reform processes. The focus is limited to the sectors linked to the first Copenhagen criterion (political), given their centrality in all beneficiaries, which allows comparison. The EQ has a focus on induced outputs and looks at their potential development into outcomes, as shown in Figure 5. Doing so, the EQ looks at the direction and sustainability of the changing process, thus considering the impact of SA as well. Compared to EQ3, it aims at identifying more in depth and consolidated changes in the policy management process and, at the same time, first signals in the direction of improved results, in terms of visible policy breakthroughs and/or in the perception of the beneficiaries.</i></p> <p><i>The EQ presents one JC for each of the SA specific assessment criteria (quality of strategy, institutional leadership and coordination and medium-term budget framework).</i></p> <p><i>An additional JC is focused on the possible signs toward the achievement of outcomes.</i></p>		
Preliminary Judgment Criteria (JC) and Indicators (I)		Data sources and baseline
<b>JC.4.1 Reinforced results-based management of beneficiaries (quality of the strategy, M&amp;E systems and reporting) at sector level</b>		
I.4.1.1	Extent to which strategies are comprehensive and adapted to changing contexts	<i>Programming documents:</i> <ul style="list-style-type: none"> <li>• sector planning documents (SPDs)</li> </ul>
I.4.1.2	Extent to which information systems (data collection, processing and reporting) on strategy implementation, based on realistic and ambitious indicators, are being established and/or improved	<i>M&amp;E and assessment documents:</i> <ul style="list-style-type: none"> <li>• ROM</li> </ul> <i>Beneficiary &amp; enlargement documents:</i> <ul style="list-style-type: none"> <li>• beneficiary strategies (global, sector, other)</li> </ul>
I.4.1.3	Extent to which crosscutting themes, such as gender, environment and other of relevance are better considered in sector strategies and actions	<i>Primary data collection:</i> <ul style="list-style-type: none"> <li>• interviews, e-survey</li> </ul>
<b>JC.4.2 Reinforced institutional sector leadership and coordination</b>		
I.4.2.1	Extent to which the leadership of the institution in charge of sector coordination is operational and is,	<i>M&amp;E and assessment documents:</i> <ul style="list-style-type: none"> <li>• ROM</li> </ul>
I.4.2.2	Recognised by the key stakeholders, including central, local and international actors	<i>Beneficiary &amp; enlargement documents:</i> <ul style="list-style-type: none"> <li>• beneficiary strategies (global, sector, other)</li> </ul>
I.4.2.3	Extent to which SWGs are functioning and increasingly coordinated actions are put in place by the sector stakeholders	<i>Primary data collection:</i> <ul style="list-style-type: none"> <li>• interviews, e-survey</li> </ul>
<b>JC.4.3 Reinforced budgetary process for sector strategy implementation</b>		
I.4.3.1	Extent to which sector budgets increasingly respond to medium-term sector priorities	<i>M&amp;E and assessment documents:</i> <ul style="list-style-type: none"> <li>• ROM</li> </ul>
I.4.3.2	Extent to which sector budget transparency is increased	<i>Beneficiary &amp; enlargement documents:</i> <ul style="list-style-type: none"> <li>• beneficiary strategies (global, sector, other)</li> </ul> <i>Primary data collection:</i> <ul style="list-style-type: none"> <li>• interviews, e-survey</li> </ul>

<b>JC.4.4 Initial outcomes are being achieved and recognised</b>		
I.4.4.1	Extent to which there are steps forward in the implementation of reforms which imply the overcoming of strong political-economic resistance (e.g. vetting judges in Albania)	<i>Beneficiary &amp; enlargement documents:</i> <ul style="list-style-type: none"> <li>• beneficiary strategies (global, sector, other)</li> </ul> <i>Primary data collection:</i> <ul style="list-style-type: none"> <li>• interviews</li> </ul>
I.4.4.2	Degree of improved perception of sector performance by public opinion	<ul style="list-style-type: none"> <li>• e-survey</li> <li>• public opinion including media</li> <li>• international indicators (e.g. World Governance Indicators)</li> </ul>
<b>EQ5 DIALOGUE, COHERENCE AND COORDINATION – To what extent the development of sector approach ensures an increased coherence of the IPA II assistance with the overall accession partnership, other EC instruments and the assistance of different external players?</b>		
<p><i>This EQ aims at identifying the SA contribution to an improved dialogue and coordination with different external players, on one hand. On the other, there is a primary focus on the relationship between the policy dialogue around IPA II assistance and the strategic dialogue related to accession.</i></p> <p><i>While the EQ 2 has focused policy dialogue in the programming phase, this EQ embraces policy dialogue in a wider dimension:</i></p> <p>Sector policy dialogue as being a means of improving the effectiveness of the IPA II assistance and facilitating the coordinated and coherent implementation of the reform process as well as:</p> <p>Sector policy dialogue in IPA II as a key factor contributing to the accession negotiations.</p> <p><i>Another JC regards the coherence between IPA II sector approach and other European Financing Instruments (namely EIDHR, IcSP, CSO/LA), which play a key role in some priority sectors.</i></p>		
Preliminary Judgment Criteria (JC) and Indicators (I)		Data sources and baseline
<b>JC.5.1 Enlarging the scope and raising the level of sector policy dialogue on IPA II implementation between EU and beneficiaries</b>		
I.5.1.1	Extent to which EU-Beneficiary policy dialogue for joint monitoring of sector support implementation is based on the beneficiary sector performance indicators and embraces the strategic implications of the achievements	<i>M&amp;E and assessment documents:</i> <ul style="list-style-type: none"> <li>• ROM</li> </ul> <i>Beneficiary &amp; enlargement documents:</i> <ul style="list-style-type: none"> <li>• agenda &amp; minutes of IPA II and pre-accession dialogue</li> </ul>
I.5.1.2	Extent to which EU-Beneficiary policy dialogue on IPA II implementation includes formal periodical sessions and informal channels for exchanges	<i>Primary data collection:</i> <ul style="list-style-type: none"> <li>• interviews, e-survey</li> </ul>
I.5.1.3	Extent to which EU-Beneficiary dialogue on IPA II implementation involves a wide range of institutional stakeholders and civil society	
<b>JC.5.2 Strengthening the link between sector policy dialogue on IPA II implementation and accession negotiations</b>		
I.5.2.1	Extent to which key reform progresses addressed in the IPA II policy dialogue are discussed in the pre-accession dialogue and reflected in the beneficiary reports on enlargement	<i>Programming documents:</i> <ul style="list-style-type: none"> <li>• sector planning documents (SPDs)</li> <li>• annual/multiannual programmes</li> <li>• multi-annual indicative planning document</li> <li>• action documents</li> <li>• country strategy papers (ISPs)</li> </ul>
I.5.2.2	Extent to which the pre-accession dialogue and the beneficiary reports on enlargement are referred to in the programming documents	<i>Beneficiary &amp; enlargement documents:</i> <ul style="list-style-type: none"> <li>• beneficiary strategies (global, sector, other)</li> <li>• agenda &amp; minutes of IPA II and pre-accession dialogue</li> </ul> <i>Primary data collection:</i> <ul style="list-style-type: none"> <li>• interviews, e-survey</li> </ul>

<b>JC.5.3 IPA II establishes synergies and complementarities with other EC instruments, such as EIDHR, IcSP and CSO/LA</b>		
I.5.3.1	Extent to which mechanisms there are in place to ensure that such specialised instruments are associated to the programming and implementation phases in the relevant sectors	<i>Programming documents:</i> <ul style="list-style-type: none"><li>• sector planning documents (SPDs)</li><li>• annual/multiannual programmes</li><li>• multi-annual indicative planning document</li><li>• action documents</li><li>• country strategy papers (ISPs)</li></ul> <i>M&amp;E and assessment documents:</i> <ul style="list-style-type: none"><li>• ROM</li></ul> <i>Primary data collection:</i> <ul style="list-style-type: none"><li>• Interviews, e-survey</li></ul>
I.5.3.2	Degree of stakeholders' perception referred to actual opportunities and/or cases of synergy	
<b>JC.5.4 Strengthening sector dialogue led by beneficiary institutions and coordination with other external partners</b>		
I.5.4.1	Extent to which an effective mechanism for external partners' coordination is in place	<i>Programming documents:</i> <ul style="list-style-type: none"><li>• sector planning documents (SPDs)</li><li>• annual/multiannual programmes</li><li>• multi-annual indicative planning document</li><li>• action documents</li><li>• country strategy papers (ISPs)</li></ul> <i>M&amp;E and assessment documents:</i> <ul style="list-style-type: none"><li>• ROM</li></ul> <i>Beneficiary &amp; enlargement documents:</i> <ul style="list-style-type: none"><li>• beneficiary strategies (global, sector, other)</li><li>• agenda &amp; minutes of IPA II and pre-accession dialogue</li></ul> <i>Primary data collection:</i> <ul style="list-style-type: none"><li>• interviews, e-survey</li></ul>
I.5.4.2	Extent to which, when necessary, IPA II actions are complementary to and coordinated with other external partners	
<b>EQ6. VALUE ADDED – To what extent is the Sector Approach adding value to what other support actions do?</b>		
<i>This EQ aims at identifying the specific value added of SA, using two different criteria: a before/ after assessment, to identify which have been the positive novelties introduced by SA in the reform processes; and a complementarity approach, to identify the respective roles of SA and stand-alone support actions and/or various policy and institutional processes of the beneficiaries.</i>		
Preliminary Judgment Criteria (JC) and Indicators (I)		Data sources and baseline
<b>JC.6.1 SA has helped IPA II beneficiaries to establish sound and coherent sector policies better than it would have happened just relying on their internal processes</b>		
I.6.1.1	Extent to which the uptake of SA, compared to the past, has allowed significant steps toward the establishment of sound and coherent sector policies in key subsectors	<i>Programming documents:</i> <ul style="list-style-type: none"><li>• multi-annual indicative planning document</li></ul> <i>Beneficiary &amp; enlargement documents:</i> <ul style="list-style-type: none"><li>• enlargement beneficiary reports</li></ul> <i>Primary data collection:</i> <ul style="list-style-type: none"><li>• interviews, e-survey</li></ul>
I.6.1.2	Extent to which the uptake of SA, compared to the past, has allowed significant steps toward the establishment of beneficiary M&E systems at sub-sector level	
I.6.1.3	Extent to which success and/or weakness of SA are related to specific beneficiary-level contextual factors in the different beneficiaries	
<b>JC.6.2 There is complementarity between SA and stand-alone actions</b>		
I.6.2.1	Extent to which stand-alone actions are programmed according to the specific content of actions (namely in relation to the 3 <sup>rd</sup> Copenhagen criterion) and not only to the lack of maturity of the sector	<i>Programming documents:</i> <ul style="list-style-type: none"><li>• sector planning documents (SPDs)</li><li>• annual/multiannual programmes</li><li>• multi-annual indicative planning document</li><li>• action documents</li><li>• country strategy papers (ISPs)</li></ul> <i>M&amp;E and assessment documents:</i> <ul style="list-style-type: none"><li>• ROM</li></ul> <i>Primary data collection:</i> <ul style="list-style-type: none"><li>• Interviews, e-survey</li></ul>

### 3 SUB-SUBSECTION: STAKEHOLDER MAPPING

The team has reviewed a sample of Action Documents (ADs) in the priority sectors 1 and 2, included in the country's IPA II Programming Documents, to compile a list of stakeholders and categorise them. The full mapping of stakeholders is available in annex 3.

The stakeholder mapping has informed the methodology in terms of the groups of stakeholders to consult and the mechanisms for validation. It is also a crucial step in the development of the e-survey as it allows the identification of different respondents and the qualification of their involvement in the process (see section 2 above). The mapping has also contributed to develop a list of selected stakeholders to be interviewed during the coming phases. In the desk phase, consultation took place mainly through the interviews and one e-survey. During the validation phase, a number of field visits and targeted additional interviews were conducted. Based on the detailed mapping, the evaluation team has developed the following typology of stakeholders. The table with the typology also describes the involvement of different stakeholders in the four stages of the IPA II programme life cycle (DG Enlargement 2014). The roles are based on the total sample of actions reviewed. It is possible that the types of actors included in the table play no, or a more restricted, role in individual actions.

*Table 2 Stakeholder groups and involvement in IPA II*

Category	Stakeholder	Planning	Preparation	Approval	Implementation
EU institutions and bodies	<b>DG NEAR:</b> overall leadership of IPA II	✓	✓	✓	✓
	<b>DG AGRI:</b> leadership in relevant sectors	✓	✓	✓	✓
	<b>Inter-service Consultation</b> (other DGs): draft action programme is consulted with other DGs and departments			✓	
	<b>IPA II Committee:</b> EU member states provide an opinion on the draft Action Programme			✓	
	<b>EUDs:</b> leadership of IPA II at country level	✓	✓	✓	✓
National authorities and institutions	<b>NIPAC:</b> oversees the programming of financial assistance. It is the state representative responsible for overall coordination of financial assistance from IPA programmes	✓	✓		✓
	<b>Ministries:</b> most actions are generally led by a ministry and often involve other line ministries where relevant for the sector/action.	✓	✓		✓
	<b>Public agencies, offices, and bodies:</b> less frequent but still relevant is the involvement of different agencies, public offices and bodies in IPA II actions. Some examples include: parliament, law enforcement agencies, judicial institutions, statistical offices, etc.				✓
Other donors and related structures	<b>Other donors:</b> participate in planning and preparation stages. Relevant role of <b>Sector working groups</b> when they exist		✓		
	<b>International organisations:</b> in addition to the role of donors, some international organisations are in charge of implementing IPA II actions		✓		✓
Non-governmental stakeholders	<b>CSOs</b> operating in the country		✓		✓
	<b>Private sector:</b> including public companies		✓		✓
	<b>Associations:</b> including business and professional associations		✓		✓
	<b>Other:</b> academia, think tanks, foundations		✓		✓



## 4 SUB-SUBSECTION: SAMPLE OF SECTORS FOR DEEPER ANALYSIS IN THE DESK PHASE

A sampling, at sector level and then at country level, is needed to carry out the assessment. A sample of four sectors was proposed, to combine representativeness and feasibility, as explained below.

Looking at the financial allocations by sector so far, the first 10 sectors of IPA II assistance are shown in Table 3 below. Based on this, the team selected a representative sample of sectors, responding to some basic criteria:

1. The two priority sectors – Democracy and Governance (DG) and Rule of Law and Fundamental Rights (RLFR) – must be included, to ensure a high relevance of the sample;
2. The sectors in the sample should represent a significant amount of the resources allocated so far, as an additional criterion for relevance;
3. They should be addressed in the majority of countries, to make comparisons and comprehensive assessments possible; and
4. The sample should include sectors in which both government and non-government actors are the main counterparts.

Two subsectors respond to such criteria: Public Administration Reform (DG) and Judicial Reform (RLFR). To meet the fourth criterion, Civil Society and Private Sector Development were added to capture the differences in SA implementation in two different contexts, as in the case of government actors (the main direct beneficiaries of the assistance to PAR and Judicial reform) and non-government actors. Indeed, in the two additional sectors, although in many cases the assistance focuses on government action, such as improvement of the legal and regulatory framework, the role of the external stakeholders is of overarching importance in order to modify the way SA consultations and dialogue should be put in place. The consideration of such two sectors together with the main institutional sectors may provide significant lessons.

*Table 3 Identification of the sector sample*

Top 10 sectors per allocation so far	YES/NO	Reason for YES/NO	# of countries
2.07 Migration and asylum	NO	Political priority, strong political pressure	4
4.06 Rail transport	NO	Significant investment components	3
1.10 EU programmes and agencies	NO	Heterogeneous sector	6
1.11 Institution building for EU integration	NO	Heterogeneous sector	7
2.08 Border management and security	NO	Very specific area	6
3.02 Water supply and waste water	NO	Significant investment components	3
2.01 Judicial reform	YES	First priority, institutional focus Selection criteria 1, 2, 3	7
1.03 Public administration reform	YES	First priority, institutional focus Selection criteria 1, 2, 3	6
6.02 Private sector development	YES	Economic priority, private sector focus Selection criteria 2, 3, 4	6
1.09 Civil society	YES	Cross-cutting priority, civil society focus Selection criteria 2, 3, 4	3

## 5 SUB-SECTION: DESK-PHASE

In this phase, the team focused on completing the data and document inventory (e-library) and performed a full review of all the sources to formulate the evaluation hypothesis to be verified in subsequent phases. The following key activities were performed during this stage of the evaluation:

### 5.1 Sub-subsection: Documentary analysis to answer the EQs

An extensive literature review was conducted, mainly during the desk phase. The analysis was made based on the e-library constructed during the inception phase and complemented with additional sources identified during the exercise. The analysis included various groups of documents, such as:

IPA II documents:

- country and regional indicative strategy papers;
- annual and multiannual programmes;
- action documents in the main sectors (see above);
- ROM reports and various evaluations when relevant;
- IPA II and/or EU/Beneficiary joint minutes for policy dialogue.

The beneficiary documents:

- national strategies with a focus on the main sectors;
- documents produced by the key institutions involved in the main sectors;
- sector M&E reports;
- minutes of SWGs.

Documents of other actors:

- position documents and other assessments from civil society organisations in the main sectors;
- key positions, campaigns, services of the national independent press;
- documents produced by other external partners: sectoral strategies, action reports.
- international literature review, including studies and collection/ assessment of the key international indicators related to reform processes in the main sectors in each country.

The documentary analysis considered mainly qualitative data, but some quantitative considerations were done when analysing the data on actual assistance and when considering quantitative indicators (e.g. several international indicators, like WGIs and others).

### 5.2 Sub-subsection: Interviews

Stakeholder interviews are one of the main sources of information for this evaluation. Interviews started during the inception phase. In the early stages, interviewees included ISG members and other stakeholders at EU HQs, the Heads of Cooperation and sector staff in two EUDs (Serbia and Bosnia and Herzegovina) and the Deputy Heads of Cooperation or Evaluation managers and sector staff in three others (the Republic of North Macedonia, Albania and Kosovo).

Country level interviews were also conducted during the desk phase in order to complement the range of countries consulted and prepare the field phase. The following countries were also visited during the desk phase: Albania, Kosovo, the Republic of North Macedonia, Serbia and Turkey. These short visits were used to gather evidence and create the network of contacts necessary for the field phase.

The list of interviewees can be found in Annex 6.

### **5.3 Sub-subsection: Stakeholders' perception assessment through the e-survey**

The e-survey was used to assess stakeholders' perceptions of IPA II SA. The survey was administered online in October and November 2017. The results of the survey have been used during the validation phase together with the results of the field visits. The survey was designed for both stakeholders at country and at HQ level (see section 3.6 for additional information on the stakeholders). The target population of the survey was between 100 and 200 stakeholders per country and approximately half this number for stakeholders in Brussels (HQ). Find more information on the e-survey in Annex 3.

The development of the e-survey started during the inception phase. It started early in the evaluation process for different reasons. Firstly, interviews with EUDs conducted during the inception phase and the review of the IR itself were used to gather input and increase the quality of the survey. Secondly, it was considered important to involve EUDs at an early stage of the process because their support is crucial in identifying and building a list of stakeholders to be consulted.

## **6 SUB-SECTION: FIELD PHASE**

The field visits were organised between January and April 2018. During the field phase, all target countries were visited. Interviews in target countries were used to validate and test the hypotheses developed in the desk report. They also benefited from the results of the e-survey, which were made available in December 2017.

## **7 SUB-SECTION: SYNTHESIS PHASE**

The synthesis phase is the last stage of the evaluation process. During this phase, the team built on the hypotheses formulated during the desk phase and the validation exercise during the field phase to identify and formulate the main conclusions and recommendations presented in this report.

## ANNEX 3 E-SURVEY RESULTS AND ANALYSIS

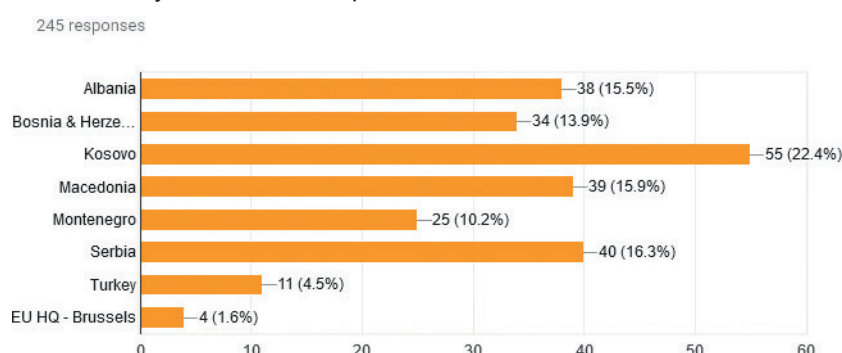
The e-survey went live between 10 October and 5 December 2017. A reminder was sent two weeks after the initial dissemination. A total of 245 responses were received. This represents a response rate of 20% (total sample of 1269 respondents). However, it is worth highlighting that over 100 email addresses in the total sample were no longer valid. Several other respondents also indicated that they have moved positions and were no longer able to reply to the survey.

The analysis of the survey is presented below. A breakdown per country and research country is available at the end of the document. Given the differences in the number and type of respondents from one country to another, the results of the survey were triangulated with other sources and the evidence collected during the country visits. This is done in the evidence matrix (see Annex 4).

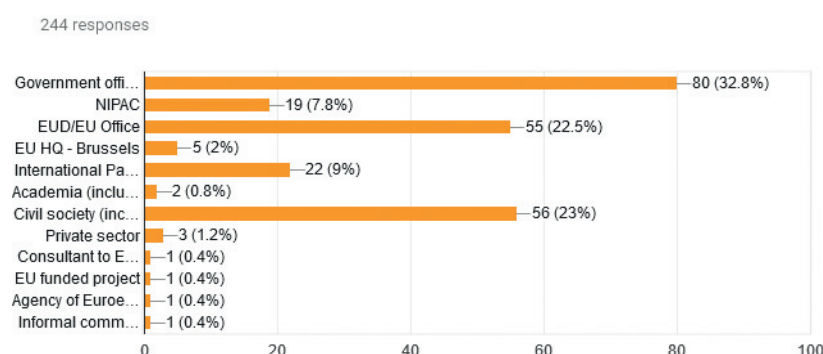
### 1 PART A – GLOBAL ANALYSIS

#### 1.1 Part A, section I: Functional identification of the respondent

- Country base of the respondent



- Professional affiliation



Government official / civil servant

NIPAC

EUD / EU Office

EU HQs

International Partner (including bilateral and multilateral Organisations)

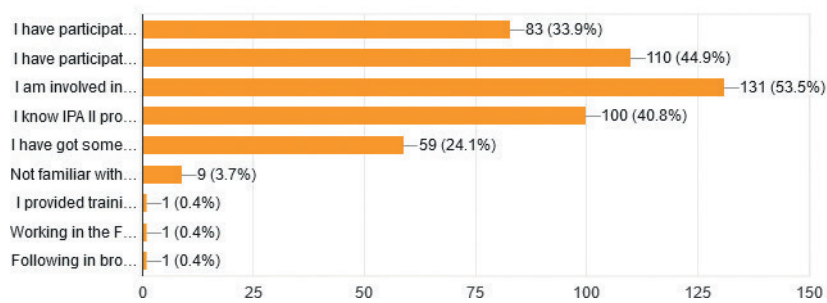
Academia (including research institutes and think tanks)

Civil society (i.e. non-governmental Organisations both international and locally based)

Private sector

## Primary involvement with IPA II and related programmes

245 responses



I have participated in the design of IPA II programmes

I am involved in the implementation of IPA II programmes

I have participated in consultations about IPA II programmes

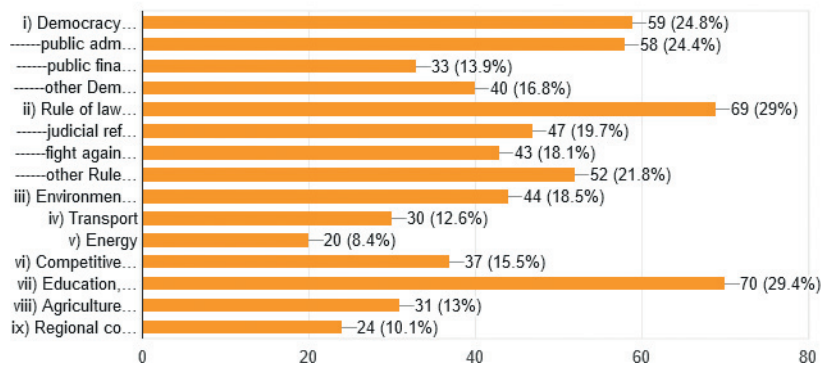
I know IPA II programmes for reasons related to my profession and/or interests

I have got some training on IPA II Sector Approach

Not familiar with IPA II programmes (in this case, no further responses are necessary)

## Sectors in which the respondents have been directly involved

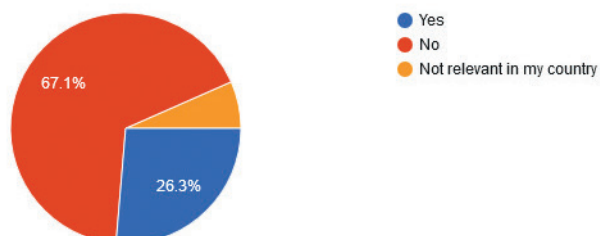
238 responses



## Direct experience of IPA II budget support

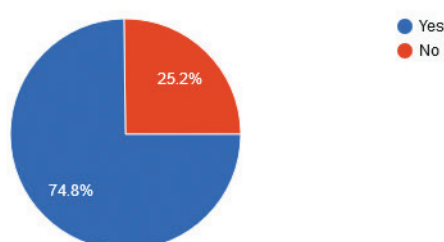
*Here only budget support programmes sensu stricto should be considered, either in preparation -e.g. in the assessment phase-, or in execution -when a financial agreement has been signed. Sector Approach is a larger concept and should not be confused with budget support.*

243 responses



## Respondents with experience in IPA I, in addition to IPA II

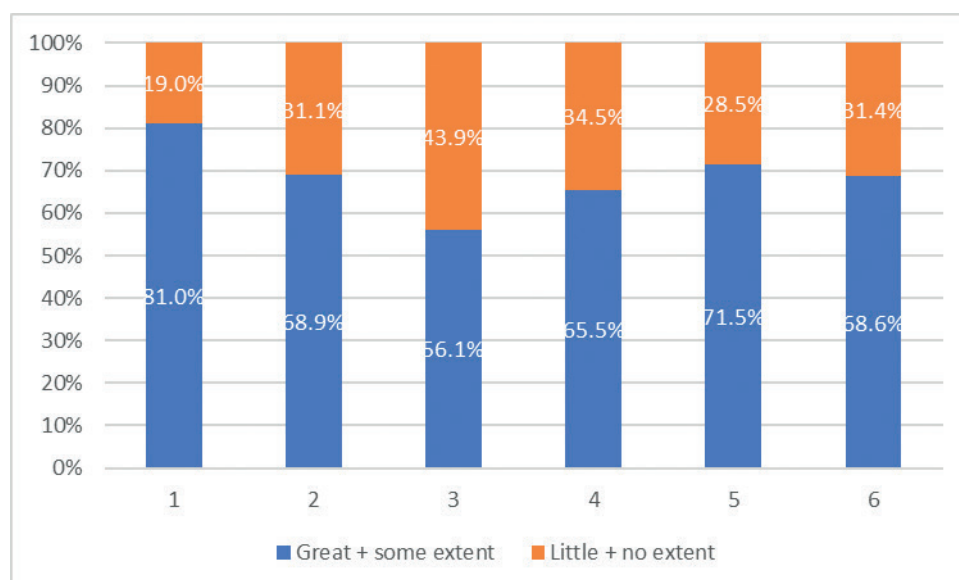
242 responses



## 1.2 Part A, section II: Questions on IPA II Sector Approach (SA)

### SA process and content is owned by the IPA II actors and applied smoothly and effectively?

Respondents were asked to reply according to five categories ('great extent', 'some extent', 'little extent', 'not at all' and 'do not know'). The graph below shows the distribution of the answers between two groups resulting from combining 'great extent' with 'some extent' and 'little extent' with 'not at all'. The 'do not know' replies have been discarded.



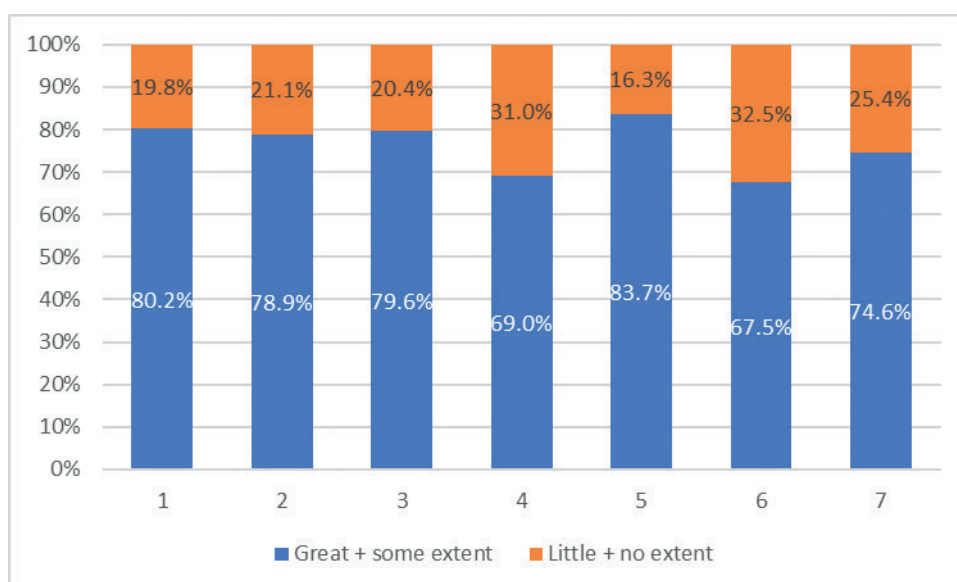
Individual questions in order of appearance in the graph:

1. IPA II Sector Approach (SA) procedures and templates are well understood
2. To respond to IPA II SA, specific capacities for sector assessment and planning have been/ are being created/ strengthened in the sector institutions
3. IPA II Sector Approach (SA) procedures and templates are being appropriated and/or internalised by the relevant institutions
4. Sector assessments are carried out with the involvement of the relevant stakeholders and (when appropriate) of civil society organisations
5. How much does sector budget support contribute to increase ownership and implementation of IPA II sector approach?
6. How much multiannual programmes contribute to increase ownership of IPA II sector approach?

### Has SA contributed to improve IPA II programming?

Respondents were asked to reply according to five categories ('great extent', 'some extent', 'little extent', 'not at all' and 'do not know'). The graph below shows the distribution of the answers between two groups resulting from combining 'great extent' with 'some extent' and 'little extent' with 'not at all'. The 'do not know' replies have been discarded.



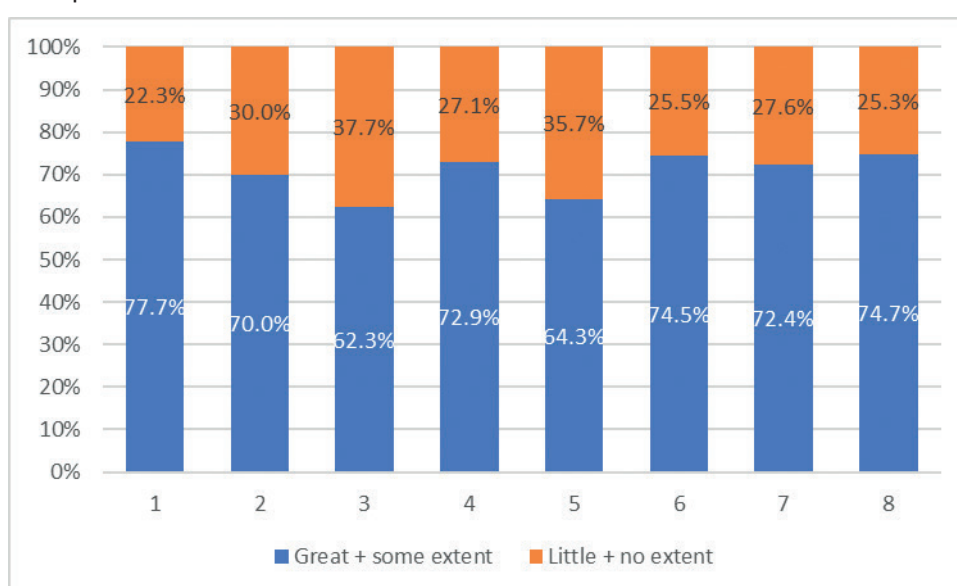


Individual questions in order of appearance in the graph:

1. Thanks to SA, programming is based on deeper dialogue on sector strategies between IPA II Beneficiary and EU (thorough strategic discussions and higher national institutional involvement)
2. Thanks to SA, IPA II support reflects better the national strategies and priorities, compared to the past
3. SA allows IPA II programming to adopt a stronger forward looking, medium-term perspective
4. IPA II sector indicators are based on the country's performance assessment framework
5. Sector planning documents (SPDs) are considered when preparing the action programmes.
6. How much sector budget support contributes to such improvements in IPA II programming?
7. How much multiannual programmes contribute to such improvements in IPA II programming?

### Does IPA II SA help beneficiaries strengthen sector policy management?

Respondents were asked to reply according to five categories ('great extent', 'some extent', 'little extent', 'not at all' and 'do not know'). The graph below shows the distribution of the answers between two groups resulting from combining 'great extent' with 'some extent' and 'little extent' with 'not at all'. The 'do not know' replies have been discarded.

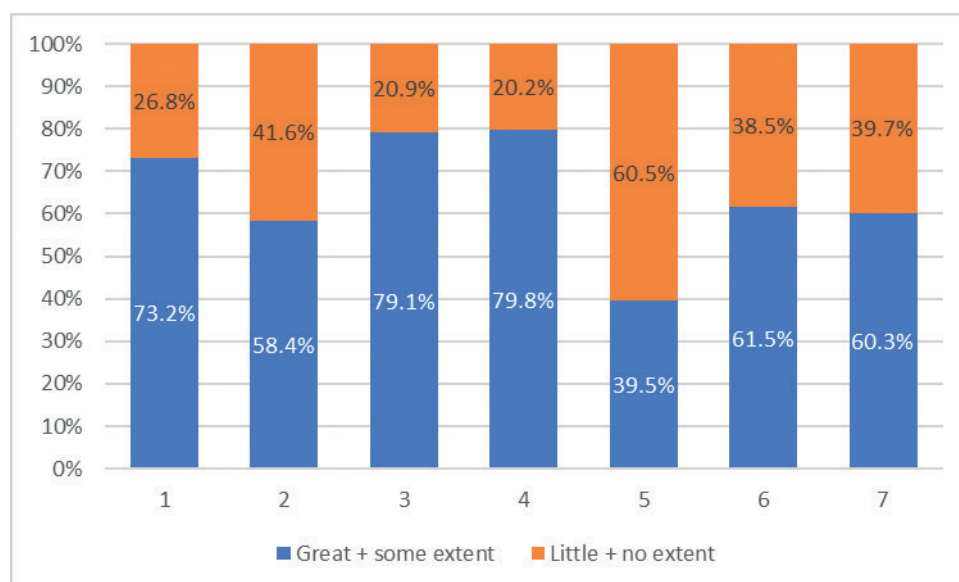


Individual questions in order of appearance in the graph:

1. IPA II SA helps beneficiaries strengthen their focus on sector reform
2. IPA II SA helps beneficiaries strengthen their capacities to manage sector reforms
3. IPA II SA helps beneficiaries strengthen their results-based management, including stronger M&E systems
4. IPA II SA allows to expand and strengthen stakeholders' participation and coordination in sector reform
5. IPA II SA facilitates complementarity with and leverage of other actions (investment, other support measures)
6. Thanks to SA, key issues addressed in sector policy dialogue are discussed in the pre-accession dialogue and reflected in the country reports on enlargement and vice-versa
7. How much budget support contributes to strengthen sector policy management?
8. How much multiannual programmes contribute to strengthen sector policy management?

### Which are the main obstacles to the uptake of sectoral approach?

Respondents were asked to reply according to five categories ('great extent', 'some extent', 'little extent', 'not at all' and 'do not know'). The graph below shows the distribution of the answers between two groups resulting from combining 'great extent' with 'some extent' and 'little extent' with 'not at all'. The 'do not know' replies have been discarded.



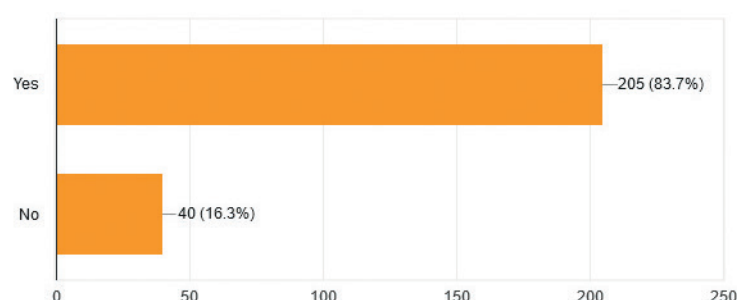
Individual questions in order of appearance in the graph:

1. Low Government political interest
2. Low incentives and EU political leverage
3. Resistance of the bureaucracy and inertia in public administration
4. Low technical and managerial capacities at beneficiary level
5. Low technical and managerial capacities at EU level
6. Low awareness and pressure from civil society and public opinion
7. Others (replies are too few and diverse to provide a meaningful breakdown)

### 1.3 Part A, section III: Questions on focus sectors: PAR, incl. PFM, Judiciary and Home Affairs?

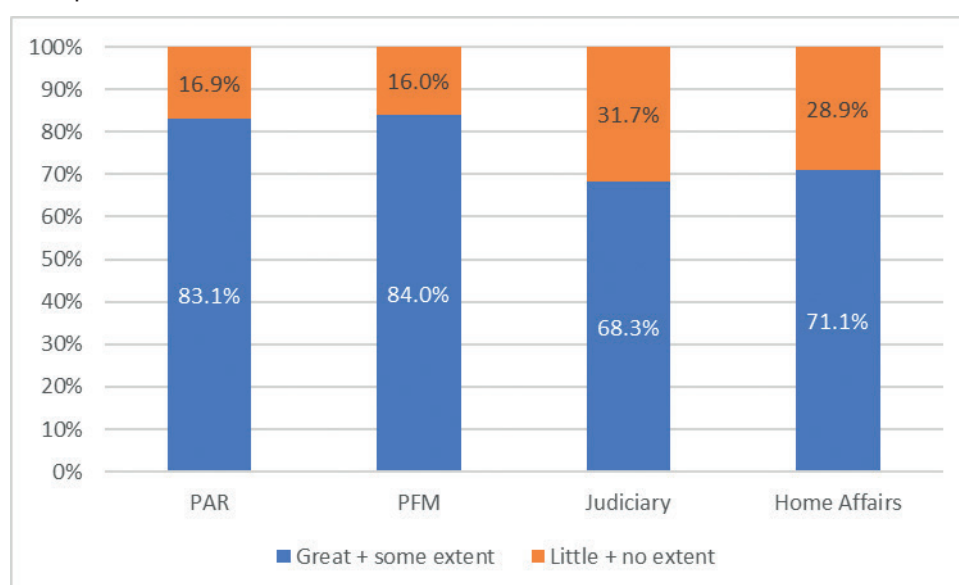
Are any of these sectors (PAR, incl. PFM, Judiciary and Home Affairs) present in your country?  
If not, please, tick “no” below and move to the next section.

245 responses



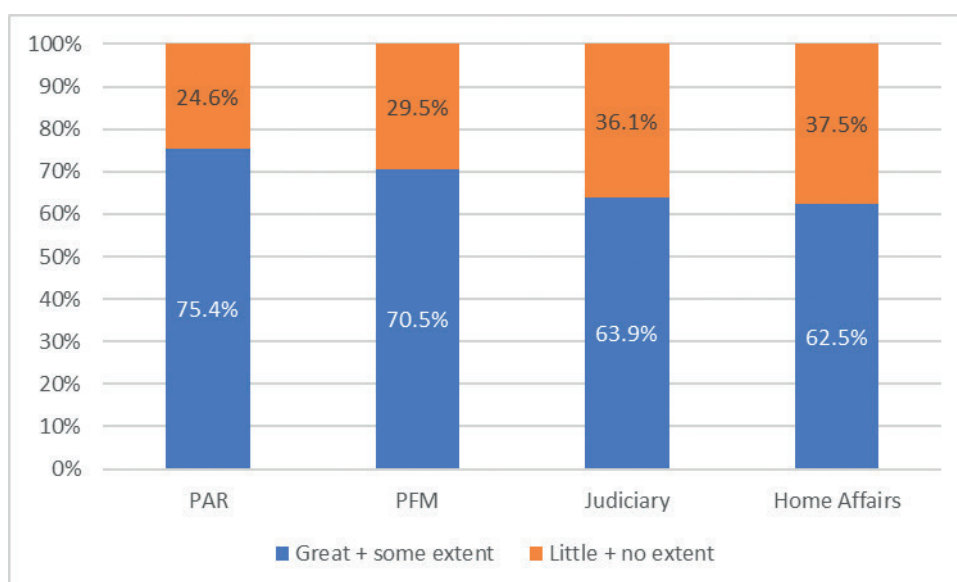
**SA helps improve the design of national sectoral strategies, including performance assessment frameworks and M&E systems, in the sectors below**

Respondents were asked to reply according to five categories ('great extent', 'some extent', 'little extent', 'not at all' and 'do not know'). The graph below shows the distribution of the answers between two groups resulting from combining 'great extent' with 'some extent' and 'little extent' with 'not at all'. The 'do not know' replies have been discarded.



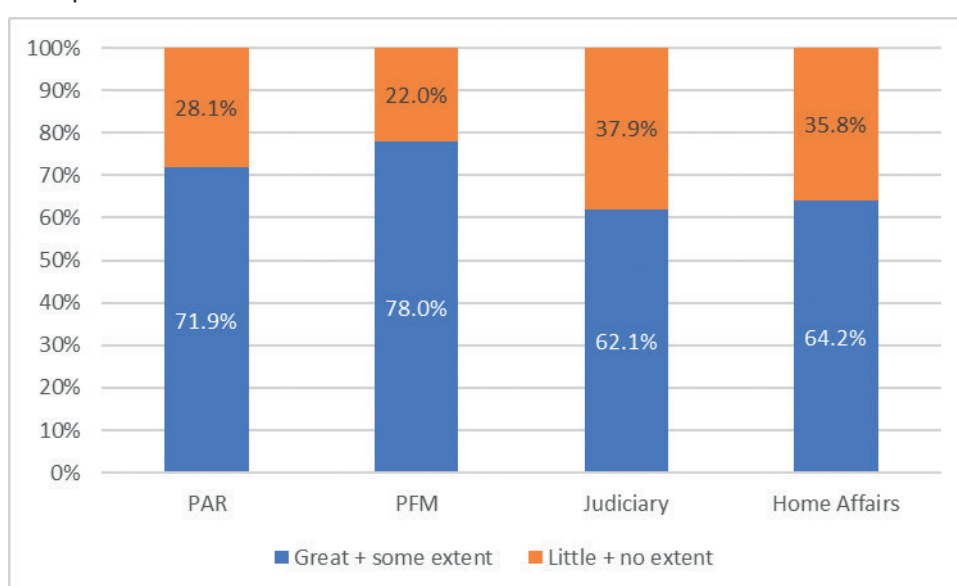
**SA helps improve the sector dialogue and coordination, including sector leadership and civil society participation**

Respondents were asked to reply according to five categories ('great extent', 'some extent', 'little extent', 'not at all' and 'do not know'). The graph below shows the distribution of the answers between two groups resulting from combining 'great extent' with 'some extent' and 'little extent' with 'not at all'. The 'do not know' replies have been discarded.



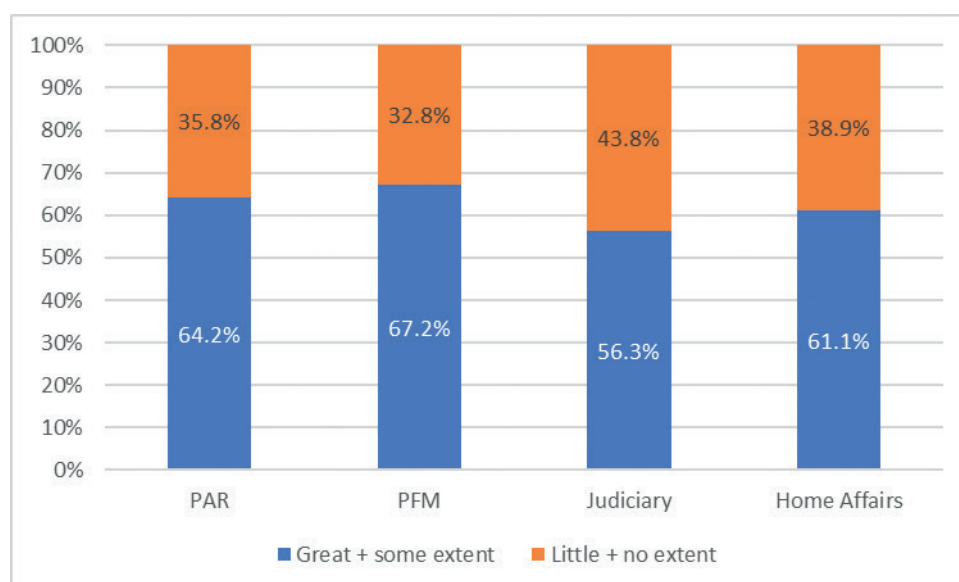
### **SA helps strengthening sector budgetary process, by introducing an improved medium-term perspective and stronger transparency**

Respondents were asked to reply according to five categories ('great extent', 'some extent', 'little extent', 'not at all' and 'do not know'). The graph below shows the distribution of the answers between two groups resulting from combining 'great extent' with 'some extent' and 'little extent' with 'not at all'. The 'do not know' replies have been discarded.



### **SA contributes to accelerate and enhance the outcomes of sector reforms\* in these sectors**

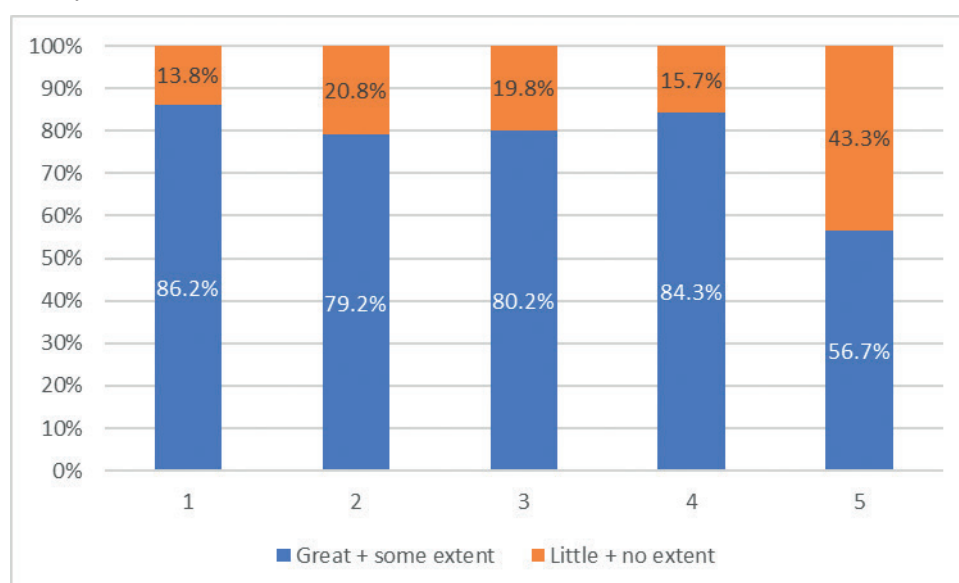
Respondents were asked to reply according to five categories ('great extent', 'some extent', 'little extent', 'not at all' and 'do not know'). The graph below shows the distribution of the answers between two groups resulting from combining 'great extent' with 'some extent' and 'little extent' with 'not at all'. The 'do not know' replies have been discarded.



### 1.4 Part A, section IV: Added value

Added value of IPA II SA (this section regards the comparison of IPA II SA and alternative approaches, as in IPA I, to check whether the perception of the respondent confirms that SA has been a key innovation to address the strategic sector reforms in the IPA II countries)

Respondents were asked to reply according to five categories ('great extent', 'some extent', 'little extent', 'not at all' and 'do not know'). The graph below shows the distribution of the answers between two groups resulting from combining 'great extent' with 'some extent' and 'little extent' with 'not at all'. The 'do not know' replies have been discarded.



Individual questions in order of appearance in the graph:

1. IPA II SA has enabled the EU to address different sectors (based on your sector experience) on a strategic base, better than it would have happened through stand-alone actions
2. IPA II SA is an important improvement compared to the approach used under IPA I
3. Budget support enhances the added value of SA
4. Multiannual programming enhances the added value of SA
5. Other (replies are too few and diverse to provide a meaningful breakdown)

## 1.5 Part A, section V: Open ended questions

Would you like to share any lesson learned, or any observations that you deem relevant for the Evaluation of Sector Support in IPA II?

Answers to this open question have been assessed and grouped per topic before conducting an analysis. A summary of the most important emerging messages is provided below. These messages should not be taken at face value. Their weight and importance has been weighted by the evaluators during the exercise.

- In general, stakeholders valued IPA II SA, although they recognised that improvements are possible in a number of areas (see below).
- The definition of IPA II sectors and indicators could be harmonised and improved.
- Civil society called for a stronger involvement in the IPA II process.
- In some countries, dedicated structures and processes could support implementation.
- In some cases, there is a lack of engagement and awareness among high-level policy makers.
- There is room for improving monitoring and performance frameworks.
- Implementation has been easier and more successful in area where IPA II build on previous IPA I activities.
- IPA II SA is heavy on the bureaucracy side and EUDs often have a strong focus on procedures rather than political engagement.

## 2 PART B – COUNTRY BREAKDOWN

Respondents were asked to reply according to five categories ('great extent', 'some extent', 'little extent', 'not at all' and 'do not know'). The graph below shows the distribution of the answers between two groups resulting from combining 'great extent' with 'some extent' and 'little extent' with 'not at all'. The 'do not know' replies have been discarded.

### 2.1 Part B, section I: Functional identification of the respondent

Stakeholder distribution	Albania	Bosnia and Herzegovina	Kosovo	the Republic of North Macedonia	Montenegro	Serbia	Turkey
International Partners	1	3%	4	12%	3	5%	1
Civil society	18	47%	8	24%	19	35%	0
NIPAC	3	9%	4	12%	4	7%	1
EUD/EU Office	4	11%	2	6%	16	29%	25
Government official / civil servant	8	21%	15	45%	11	20%	11
Consultant to EUD	0	0%	0	0%	0	0%	0
Private sector	1	3%	0	0%	1	2%	0
EU funded project	0	0%	0	0%	1	2%	0
Agency of European Union	0	0%	0	0%	0	0%	0
Academia	1	3%	0	0%	0	0%	0
Informal community of professionals, researchers and concerned citizens	1	3%	0	0%	0	0%	0
EU HQ – Brussels	1	3%	0	0%	0	0%	1
<b>Total</b>	<b>38</b>	<b>100%</b>	<b>33</b>	<b>100%</b>	<b>55</b>	<b>100%</b>	<b>39</b>



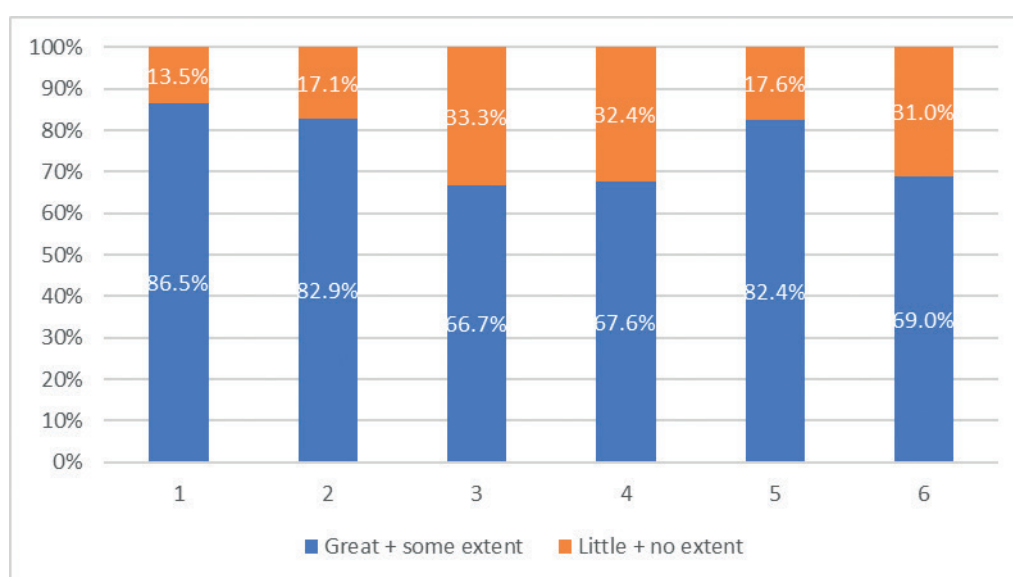
## 2.2 Part B section II: Questions on IPA II Sector Approach (SA)

### Are SA process and content owned by the IPA II actors and applied smoothly and effectively?

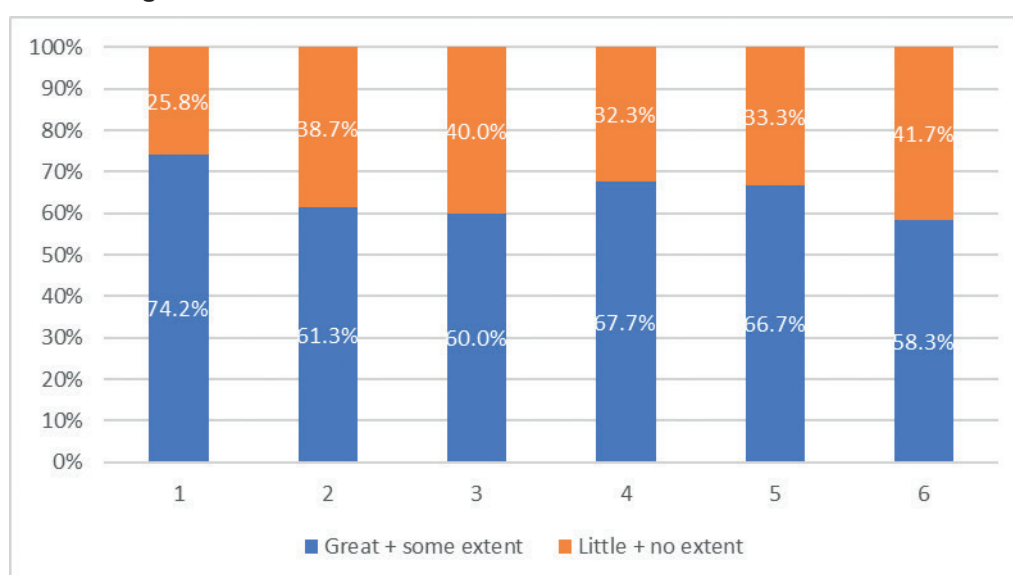
Individual questions in order of appearance in the graph:

1. IPA II Sector Approach (SA) procedures and templates are well understood
2. To respond to IPA II SA, specific capacities for sector assessment and planning have been/ are being created/ strengthened in the sector institutions
3. IPA II Sector Approach (SA) procedures and templates are being appropriated and/or internalised by the relevant institutions
4. Sector assessments are carried out with the involvement of the relevant stakeholders and (when appropriate) of civil society organisations
5. How much does sector budget support contribute to increase ownership and implementation of IPA II sector approach?
6. How much multiannual programmes contribute to increase ownership of IPA II sector approach?

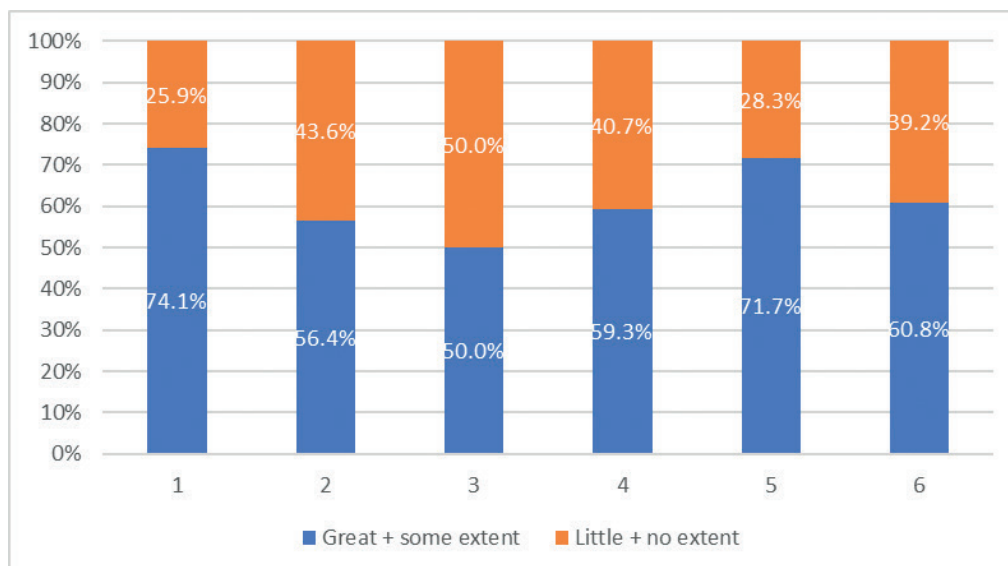
#### Albania



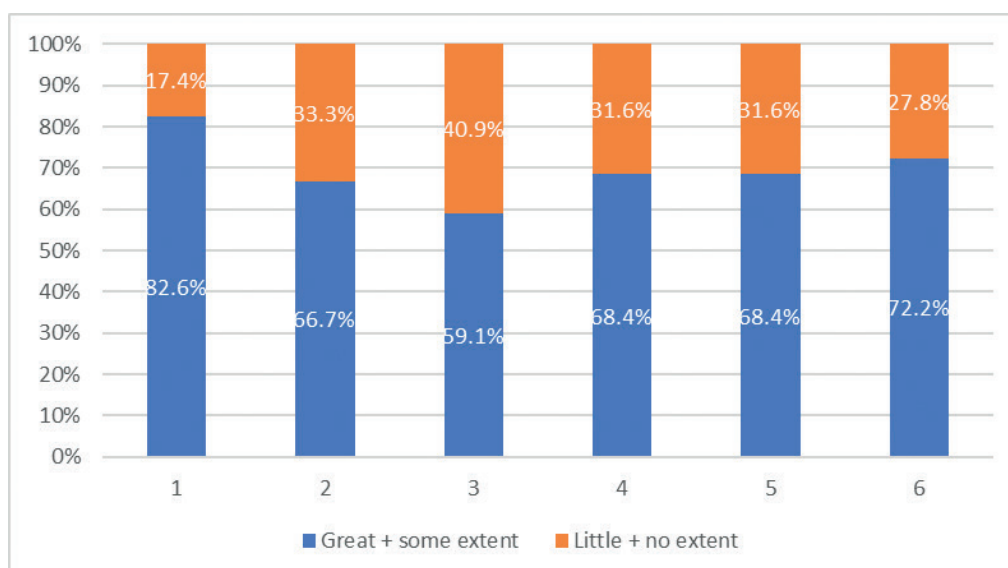
#### Bosnia and Herzegovina



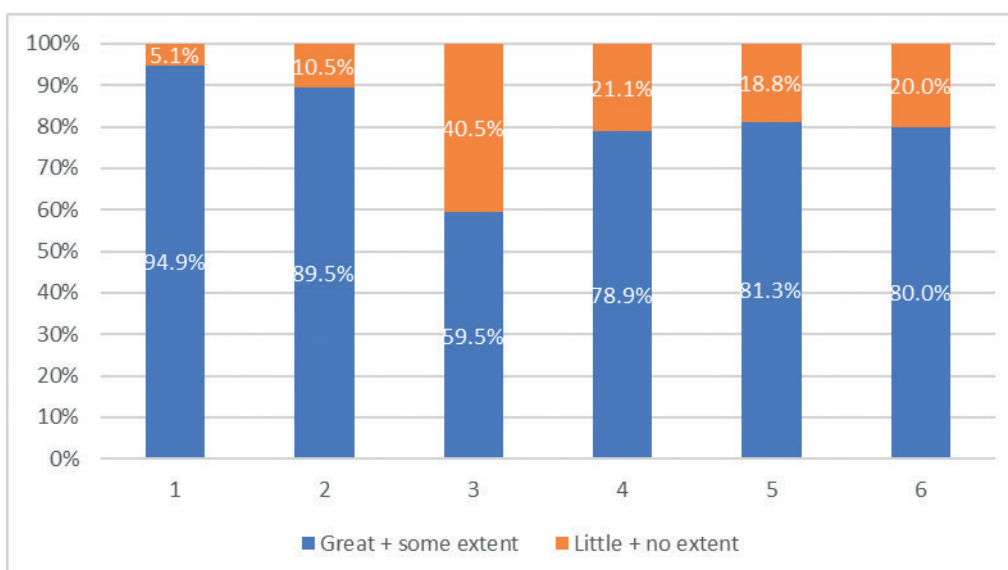
## Kosovo



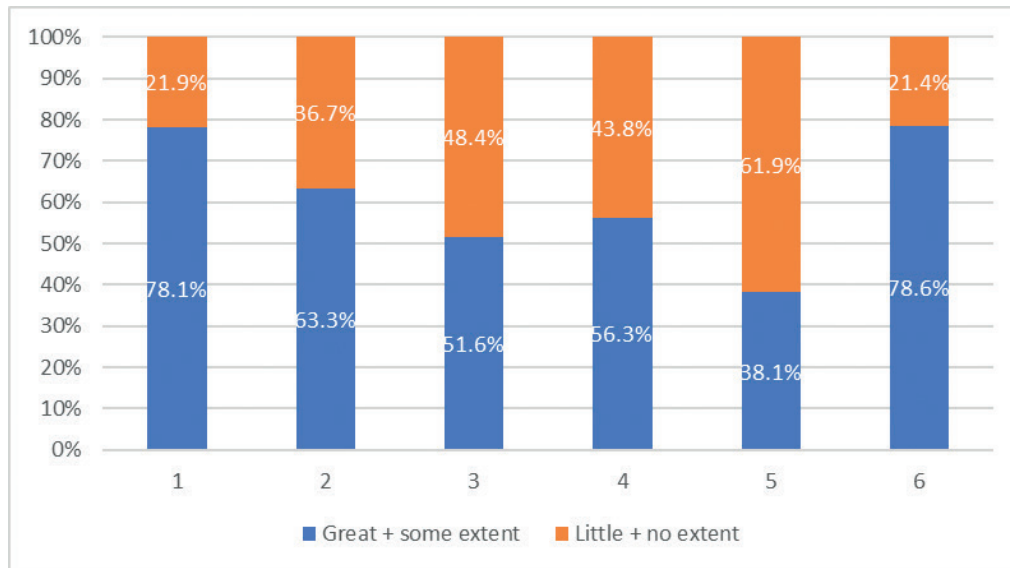
## Montenegro



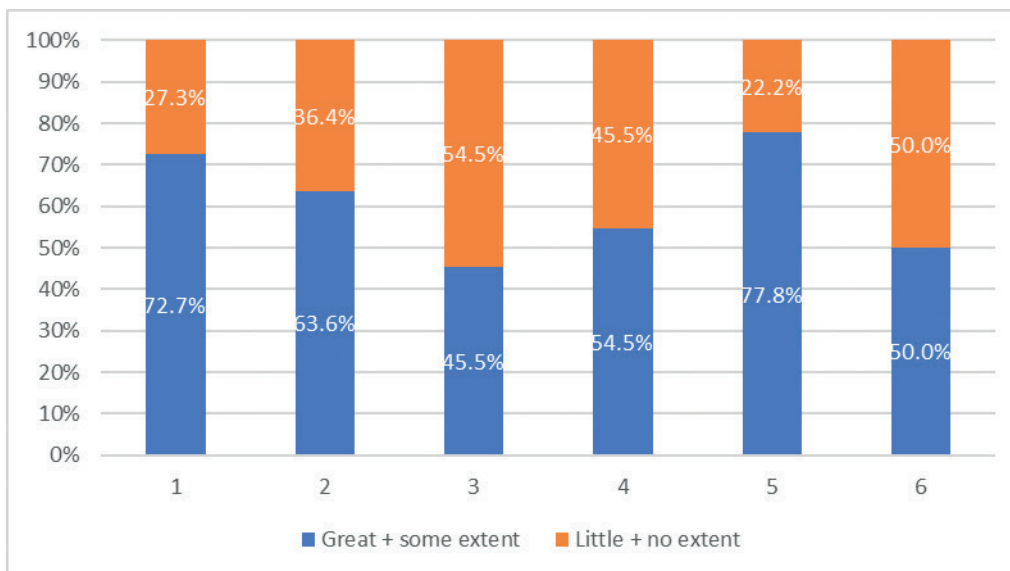
## Serbia



### the Republic of North Macedonia



### Turkey

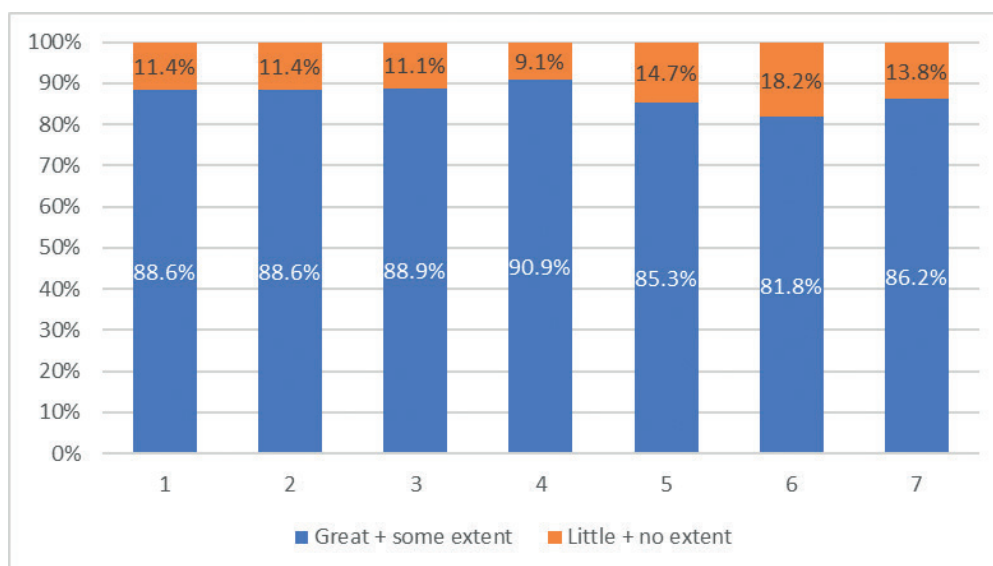


### Has SA contributed to improve IPA II programming?

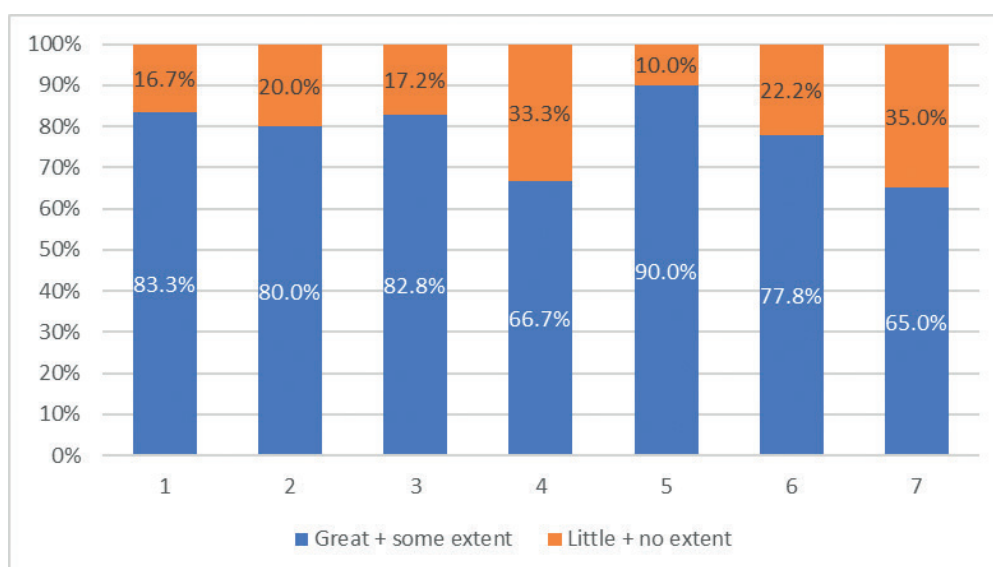
Individual questions in order of appearance in the graph:

1. Thanks to SA, programming is based on deeper dialogue on sector strategies between IPA II Beneficiary and EU (thorough strategic discussions and higher national institutional involvement).
2. Thanks to SA, IPA II support better reflects the national strategies and priorities, compared to the past.
3. SA allows IPA II programming to adopt a stronger forward looking, medium-term perspective.
4. IPA II sector indicators are based on the country's performance assessment framework.
5. Sector planning documents (SPDs) are considered when preparing the action programmes.
6. How much sector budget support contributes to such improvements in IPA II programming?
7. How much multiannual programmes contribute to such improvements in IPA II programming?

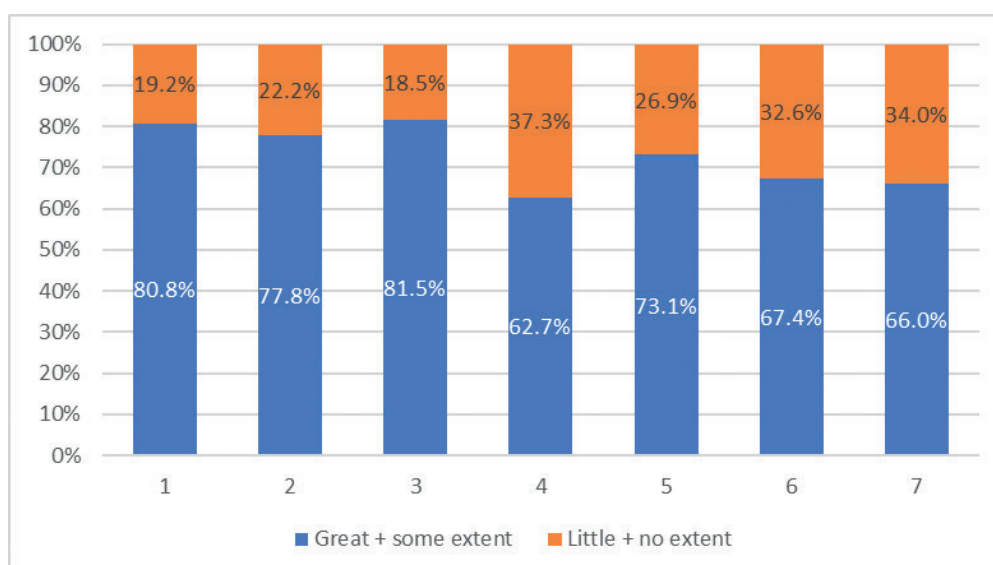
## Albania



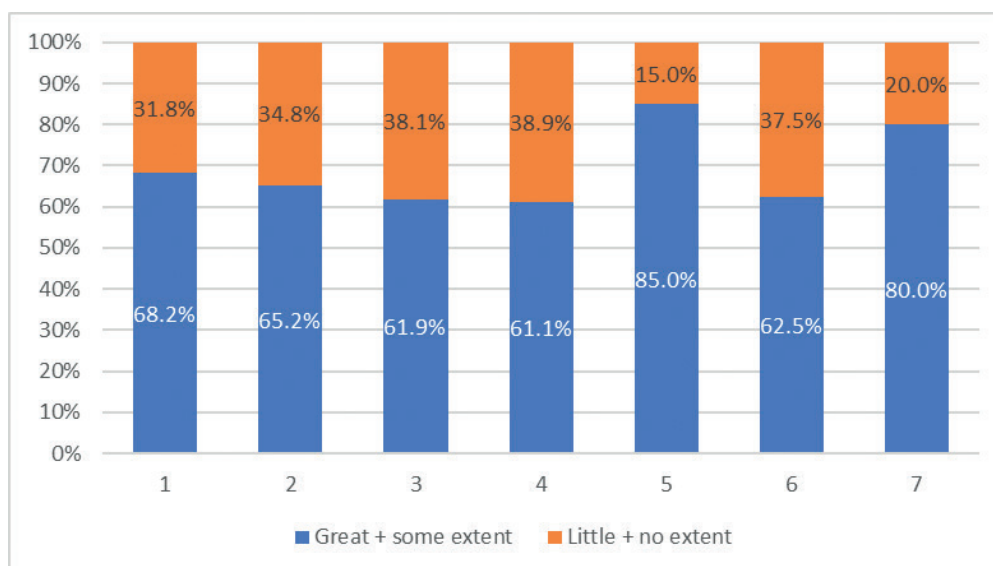
## Bosnia and Herzegovina



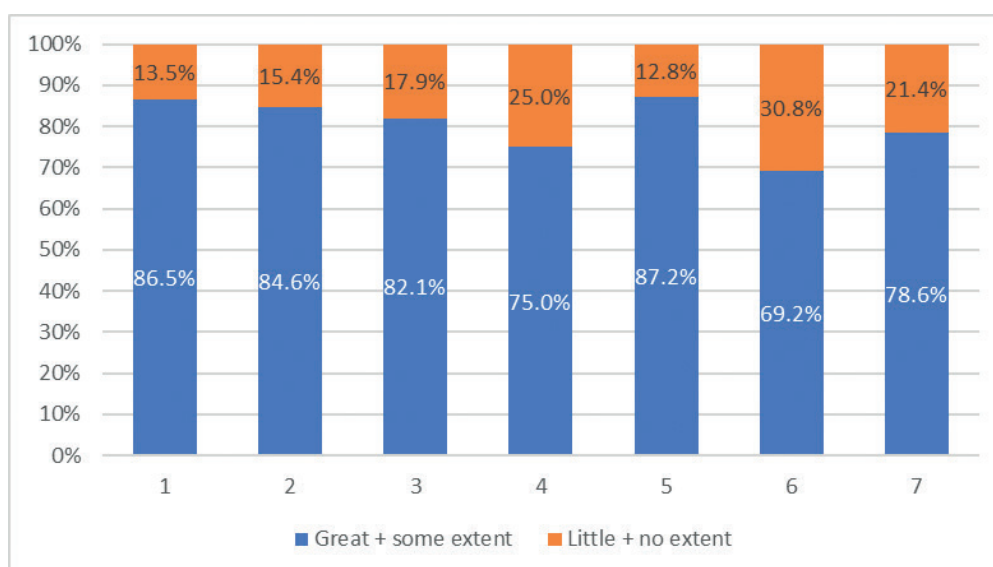
## Kosovo



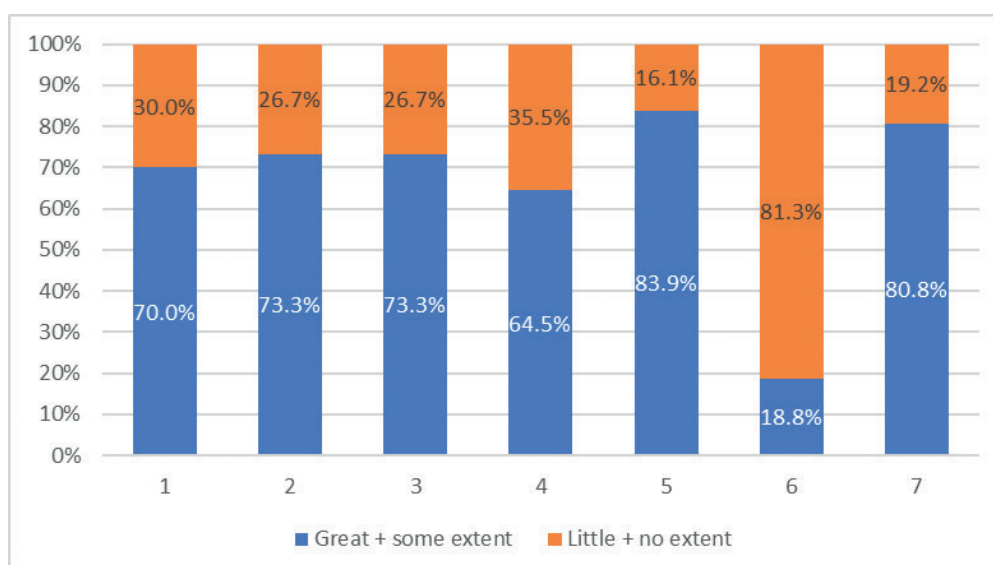
### Montenegro



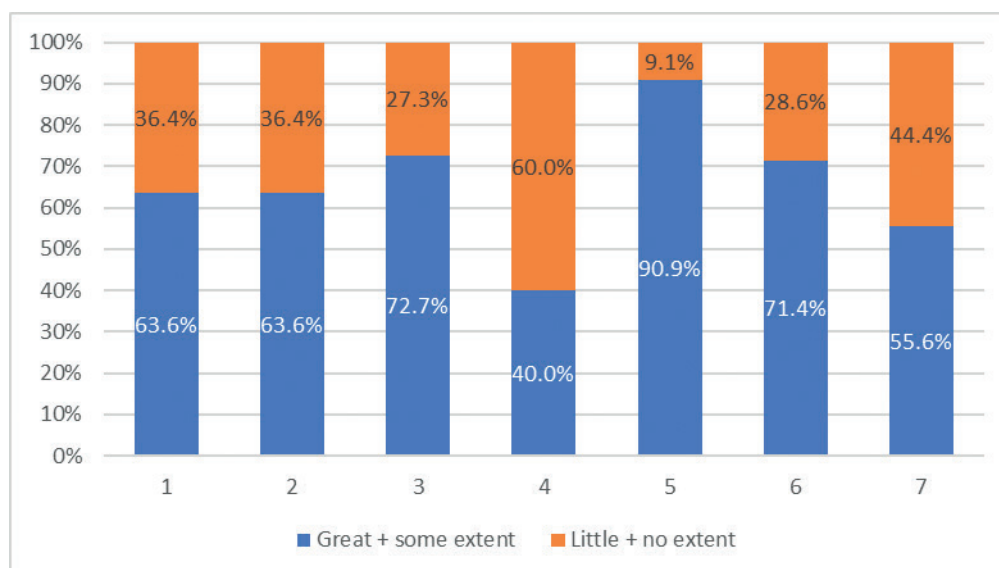
### Serbia



### the Republic of North Macedonia



## Turkey

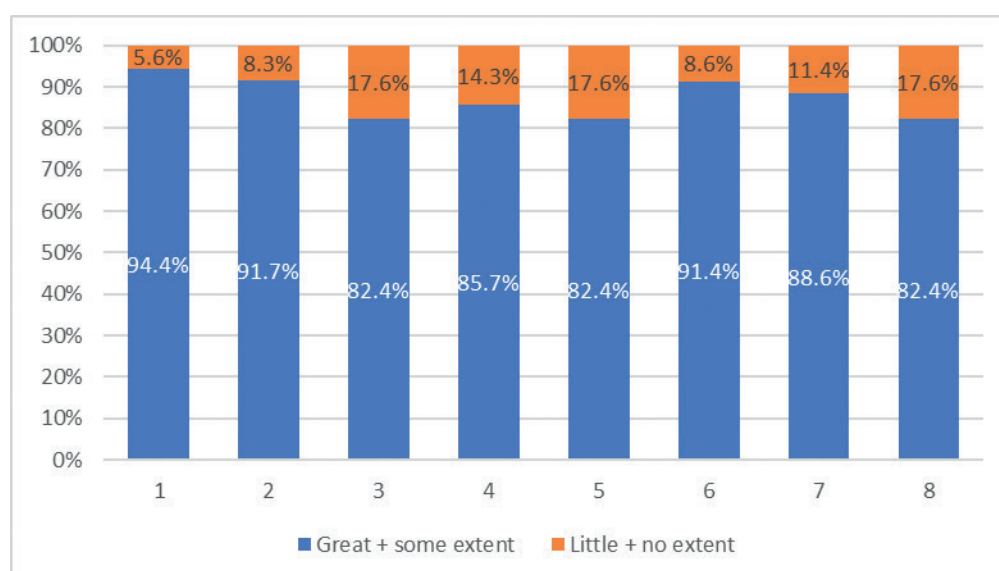


### Does IPA II SA help beneficiaries strengthen sector policy management?

Individual questions in order of appearance in the graph:

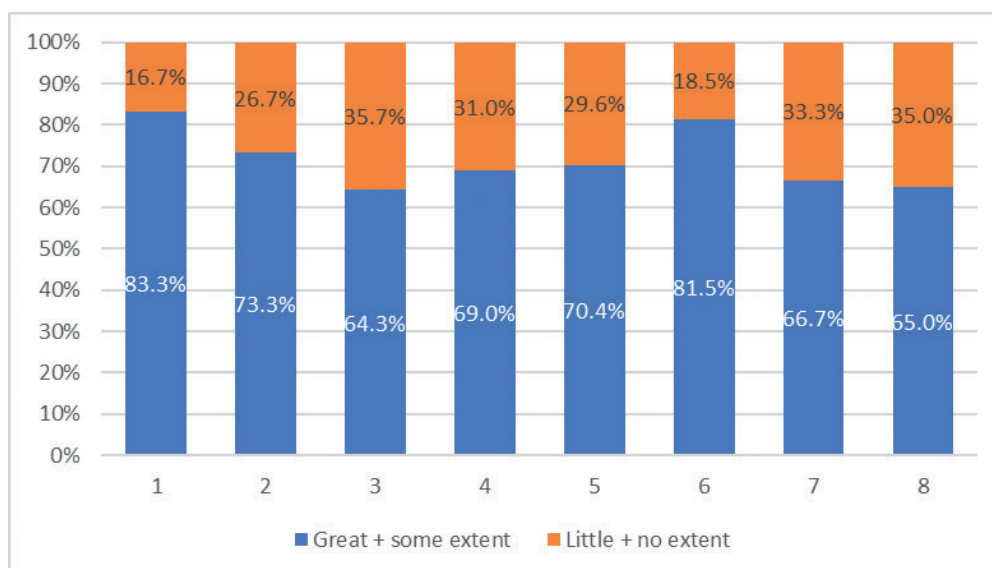
1. IPA II SA helps beneficiaries strengthen their focus on sector reform.
2. IPA II SA helps beneficiaries strengthen their capacities to manage sector reforms.
3. IPA II SA helps beneficiaries strengthen their results-based management, including stronger M&E systems.
4. IPA II SA allows to expand and strengthen stakeholders' participation and coordination in sector reform.
5. IPA II SA facilitates complementarity with and leverage of other actions (investment, other support measures).
6. Thanks to SA, key issues addressed in sector policy dialogue are discussed in the pre-accession dialogue and reflected in the country reports on enlargement and vice-versa.
7. How much budget support contributes to strengthen sector policy management?
8. How much multiannual programmes contribute to strengthen sector policy management?

## Albania

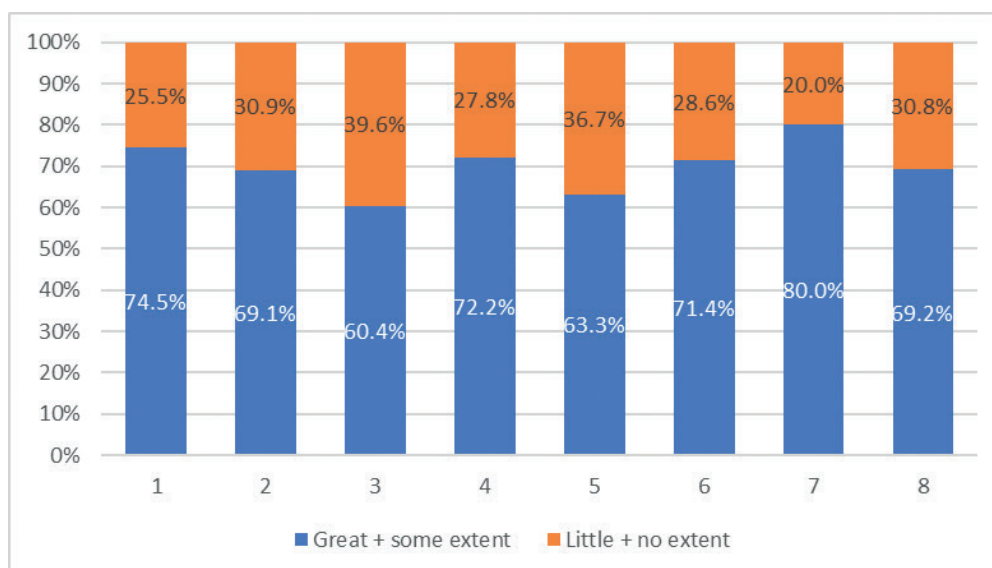




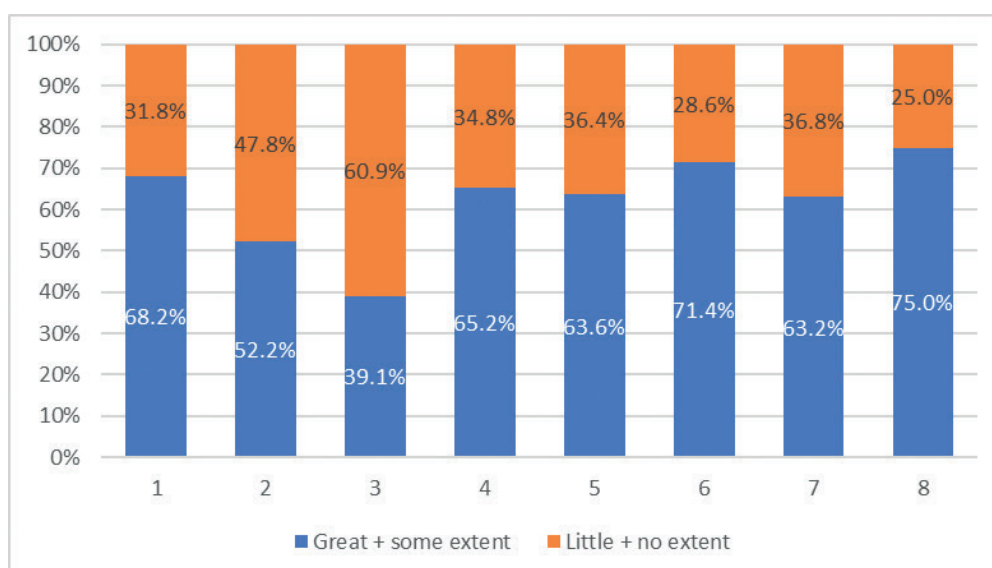
### Bosnia and Herzegovina



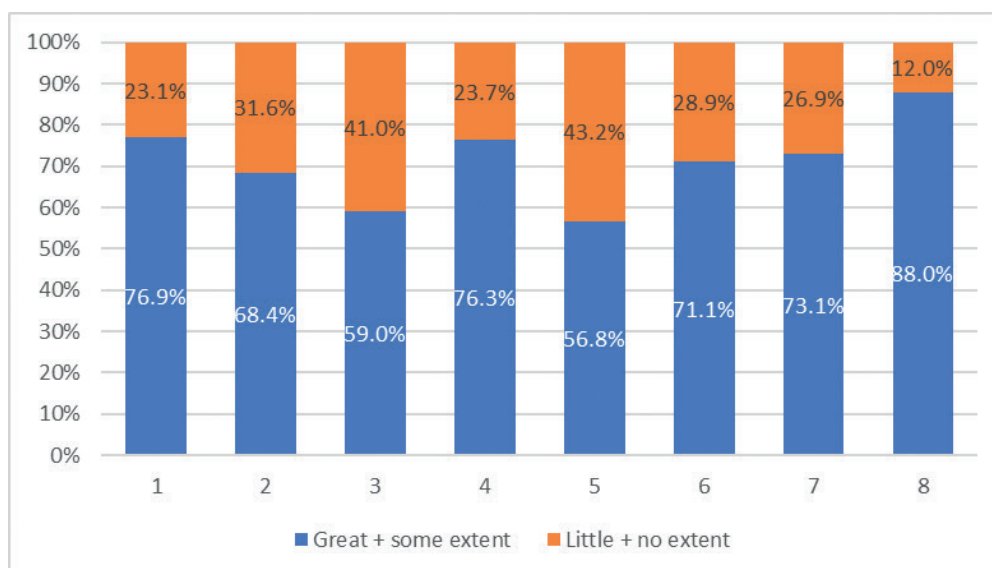
### Kosovo



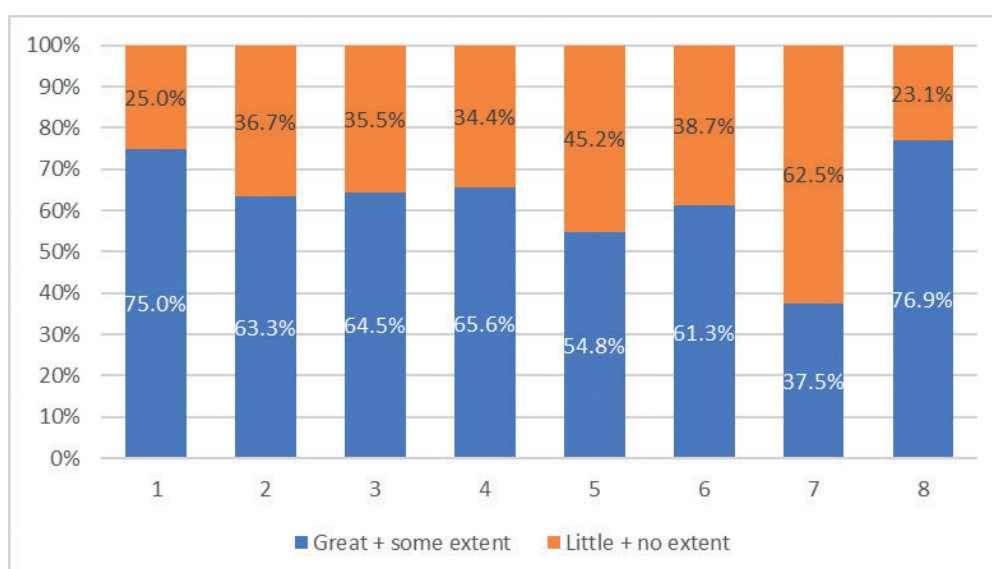
### Montenegro



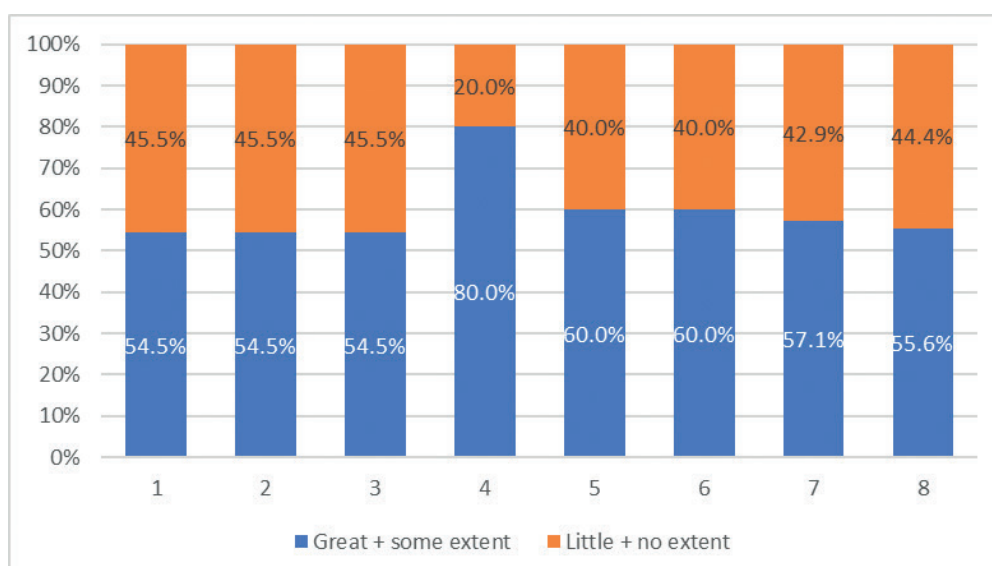
## Serbia



## the Republic of North Macedonia



## Turkey

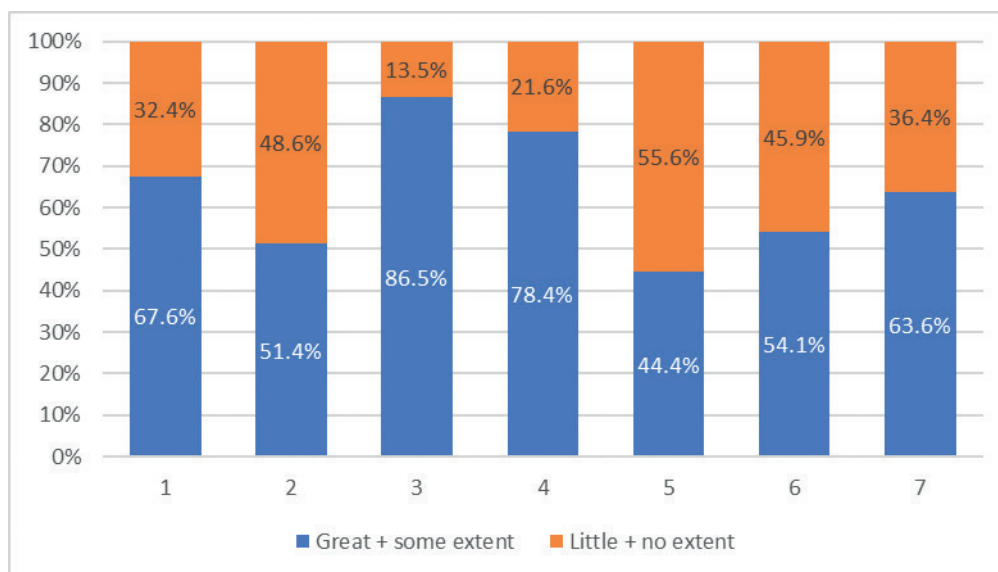


### Which are the main obstacles to the uptake of sectoral approach?

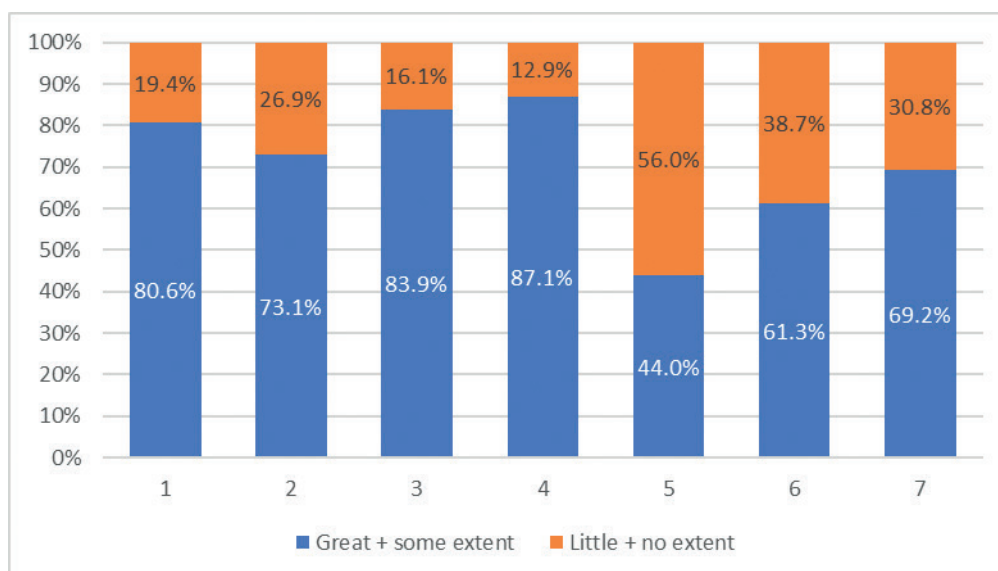
Individual questions in order of appearance in the graph:

1. Low Government political interest
2. Low incentives and EU political leverage
3. Resistance of the bureaucracy and inertia in public administration
4. Low technical and managerial capacities at beneficiary level
5. Low technical and managerial capacities at EU level
6. Low awareness and pressure from civil society and public opinion
7. Others (replies are too few and diverse to provide a meaningful breakdown)

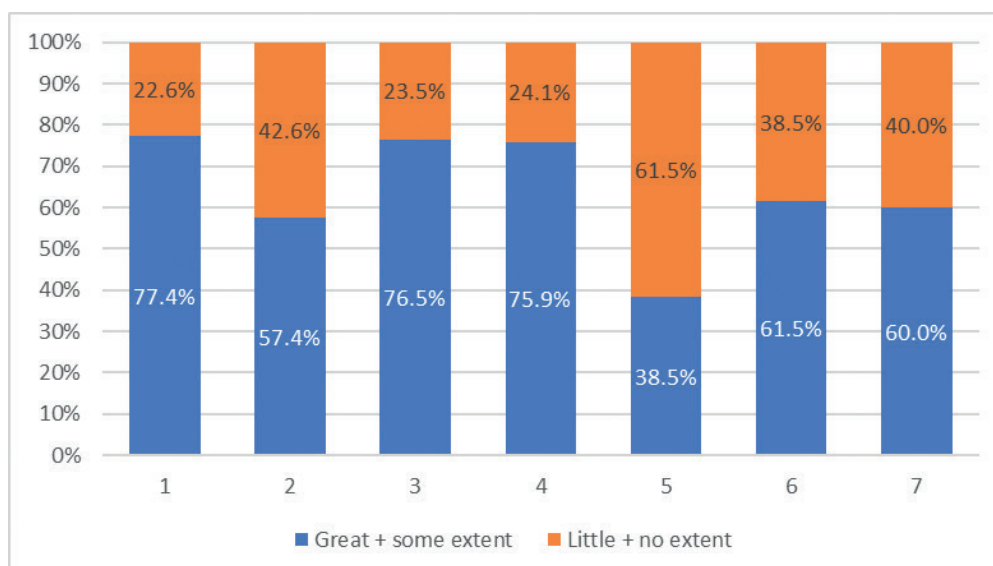
#### Albania



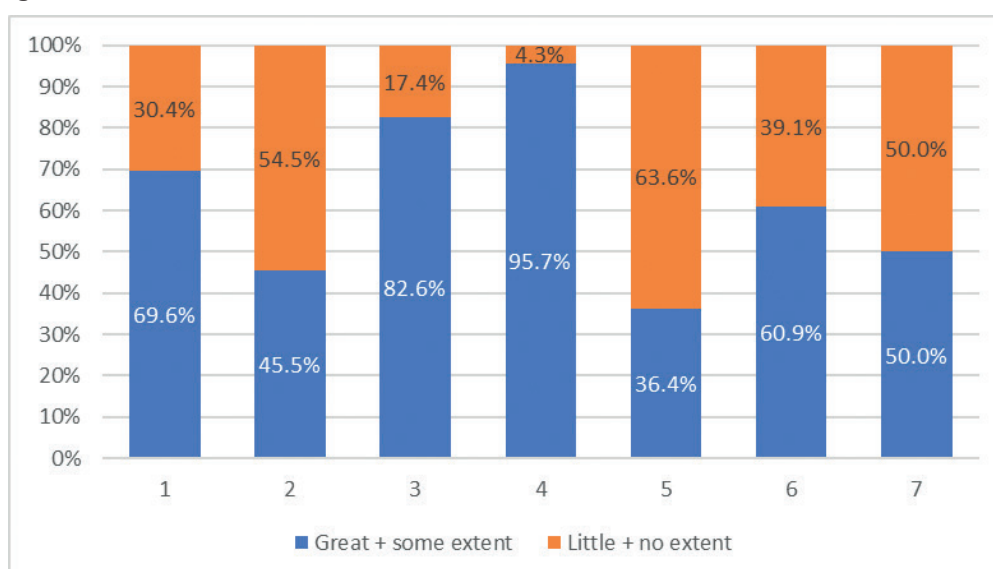
#### Bosnia and Herzegovina



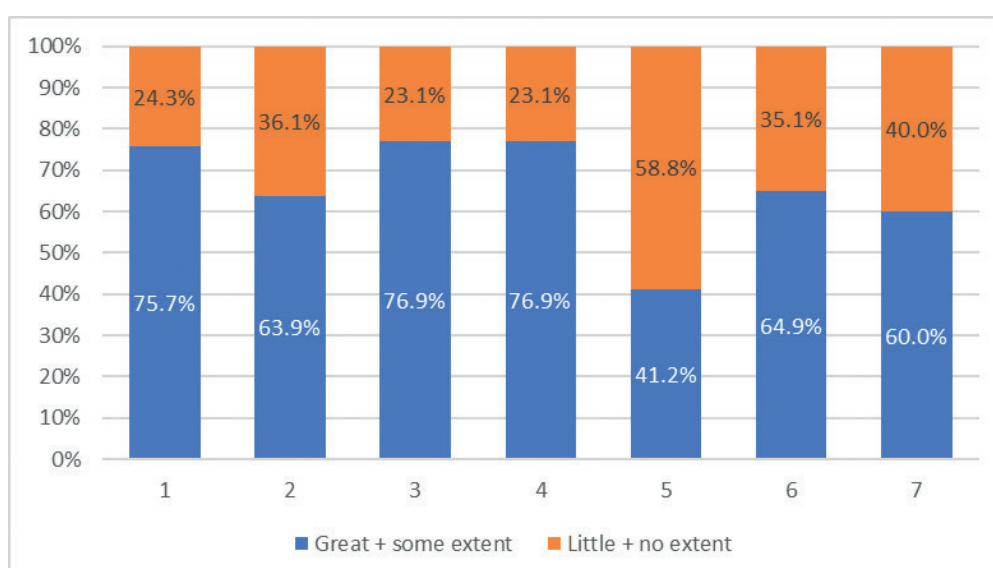
## Kosovo



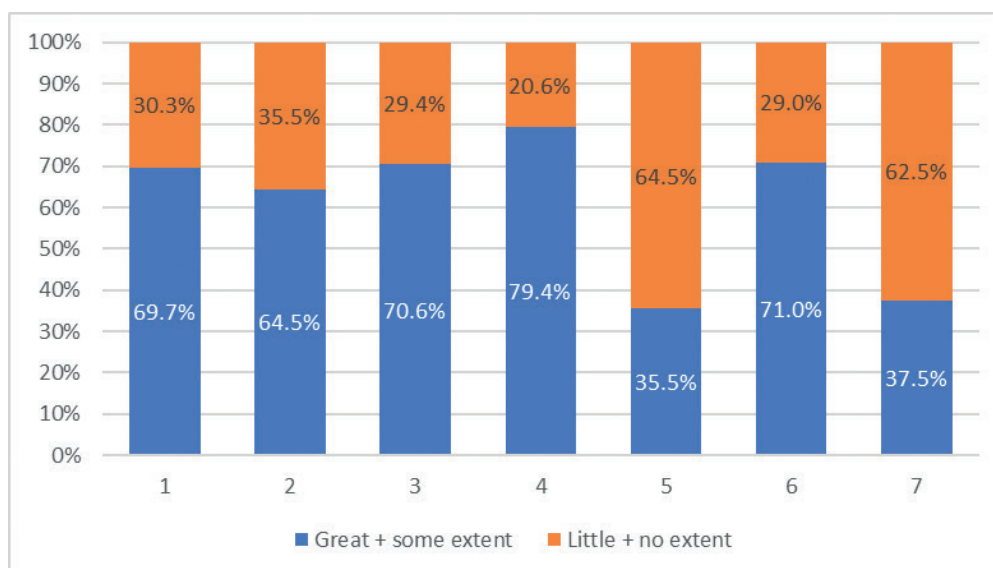
## Montenegro



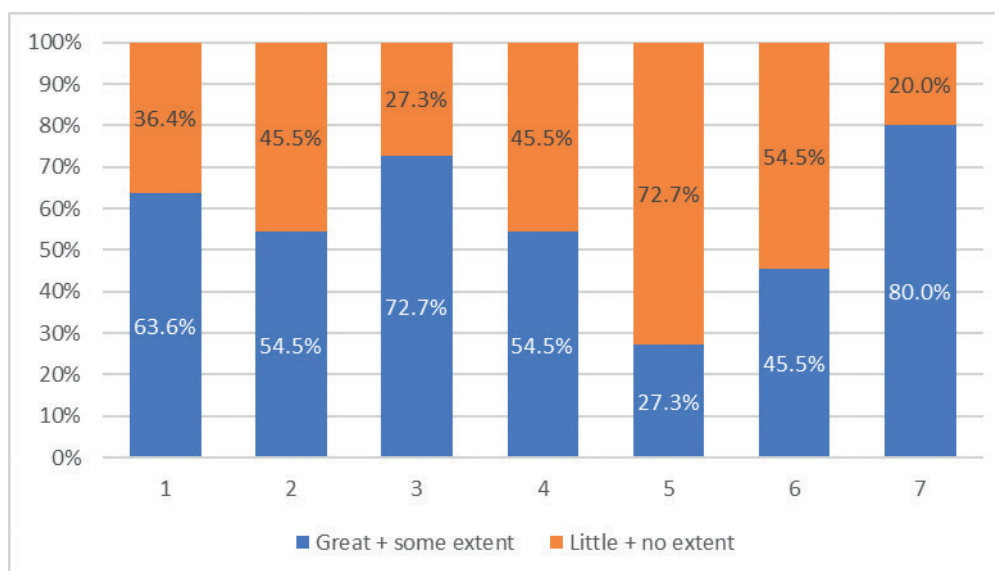
## Serbia



### the Republic of North Macedonia



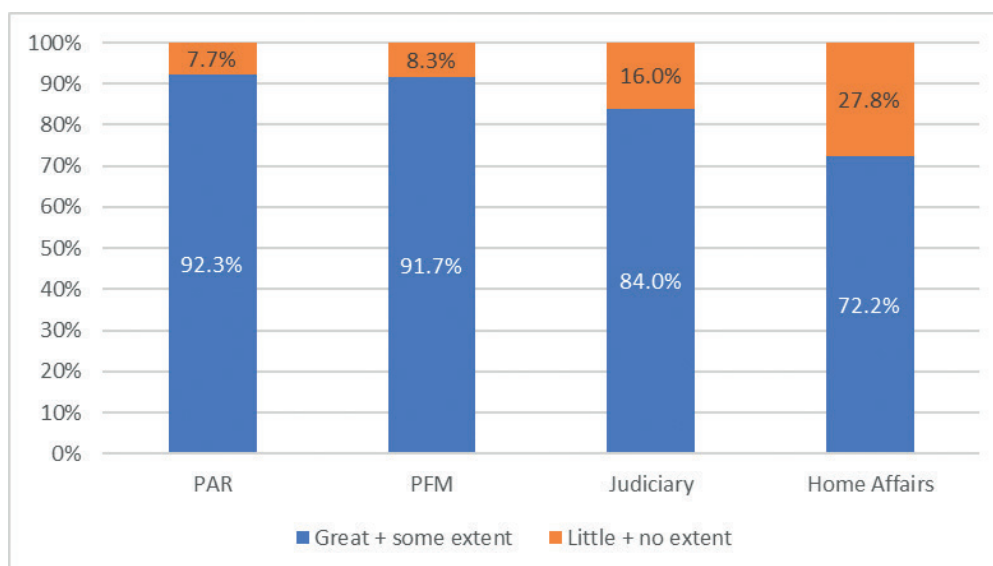
### Turkey



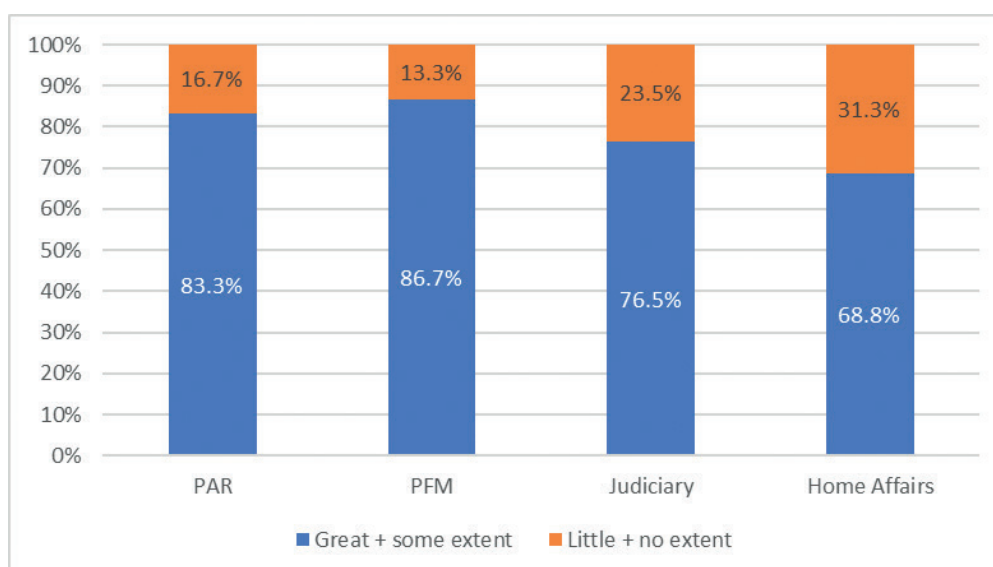
## 2.3 Part B, Section III: Questions on focus sectors: PAR, PFM, Judiciary and Home Affairs?

SA helps improve the design of national sector strategies, including performance assessment frameworks and M&E systems, in the sectors below.

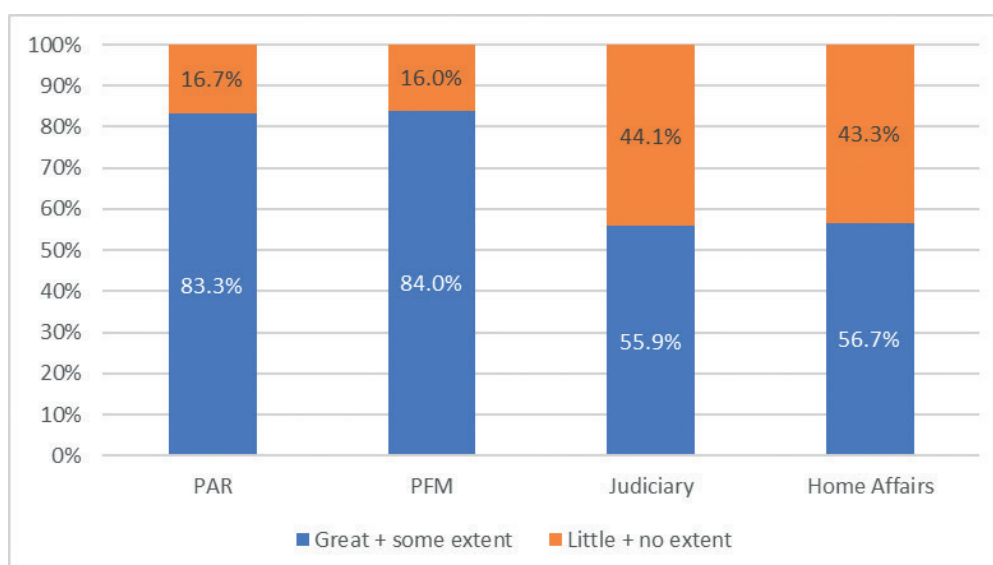
## Albania



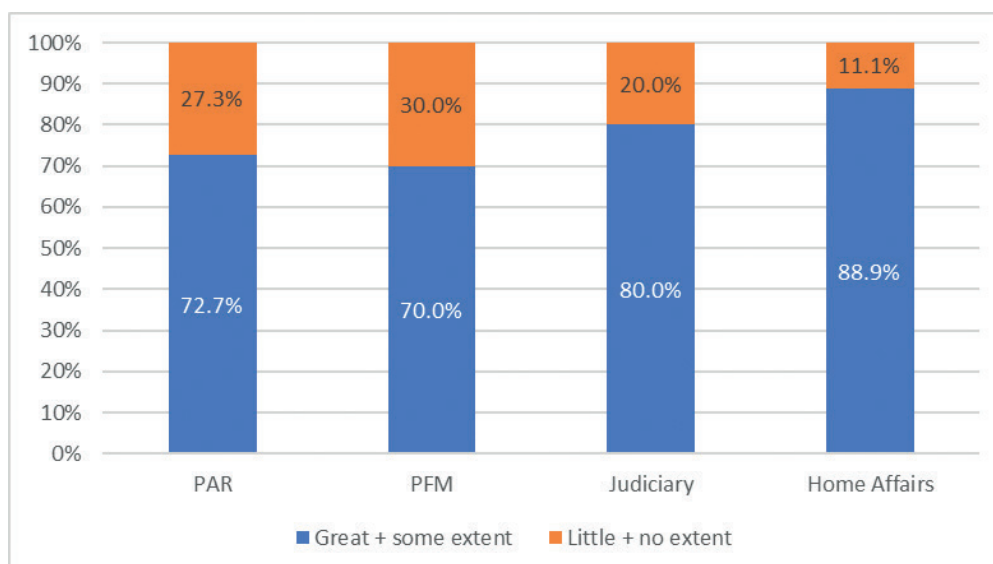
## Bosnia and Herzegovina



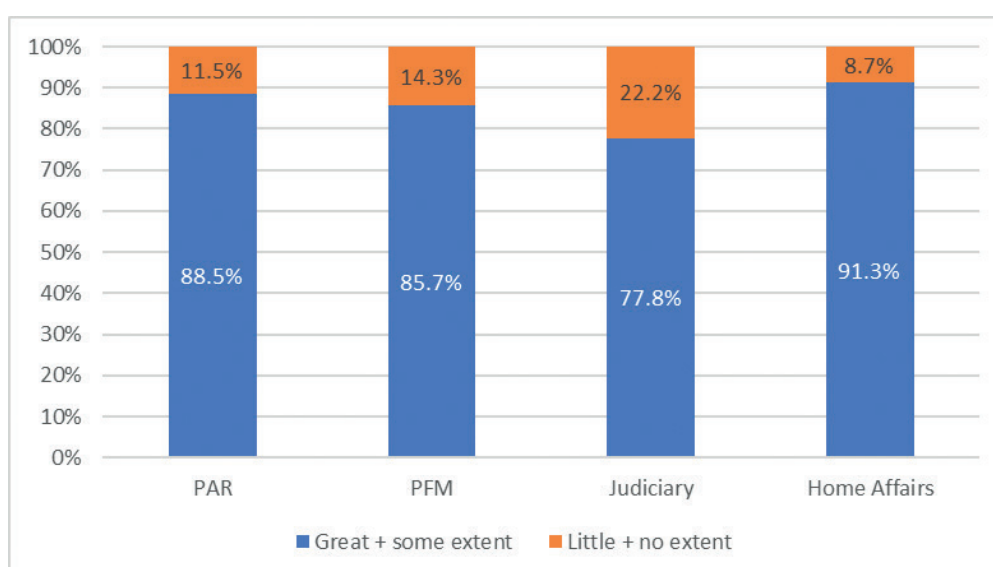
## Kosovo



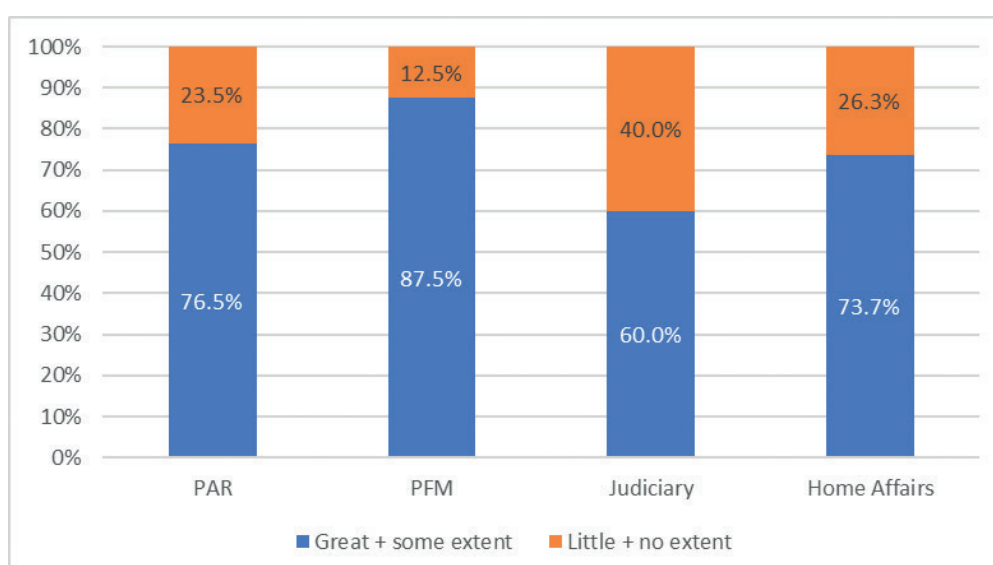
## Montenegro



## Serbia

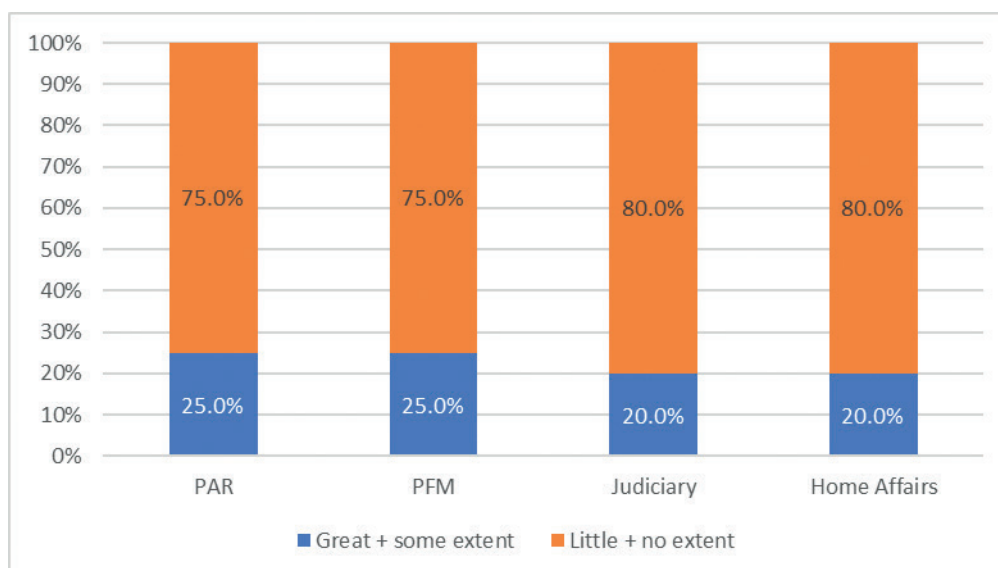


## the Republic of North Macedonia



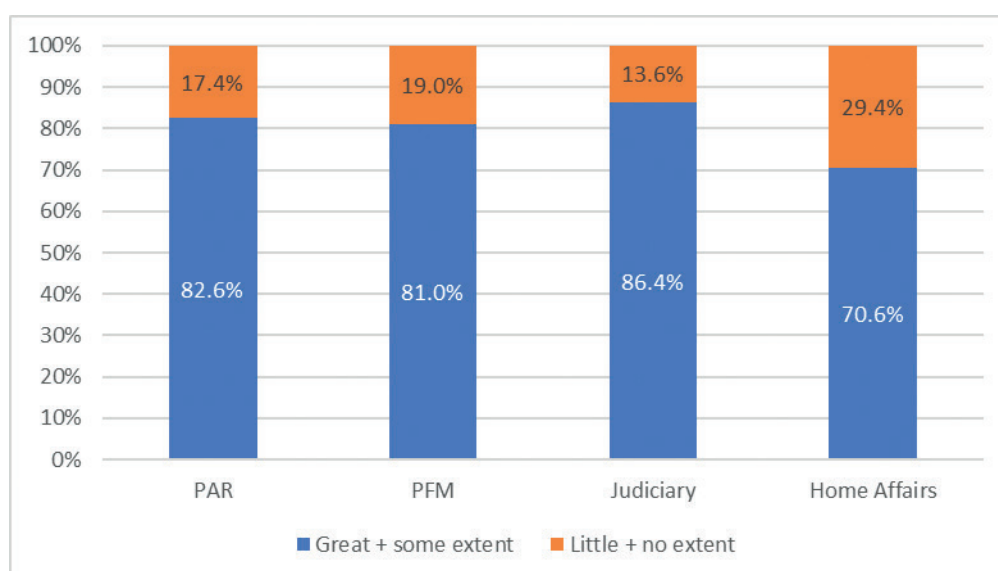


## Turkey

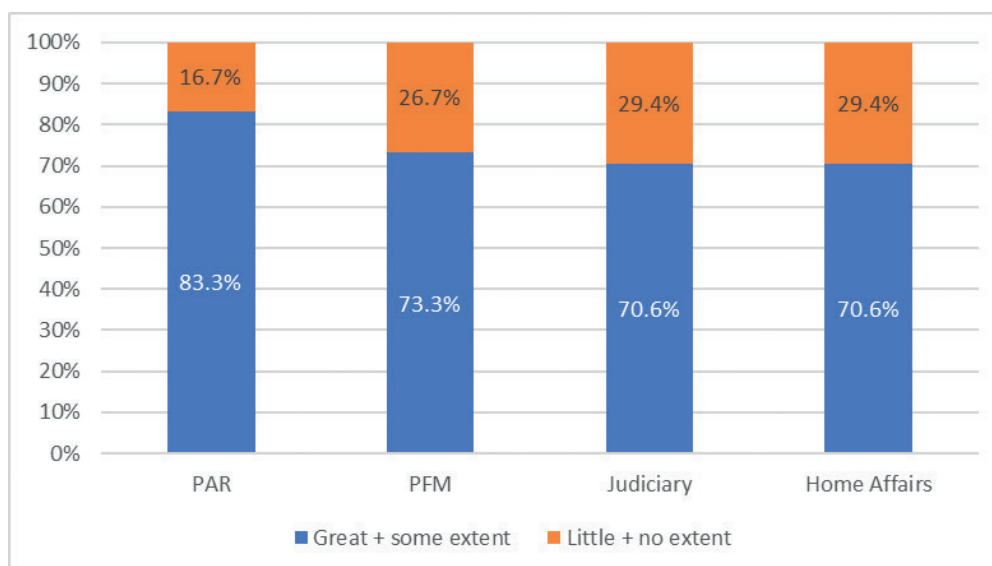


**SA helps improve the sector dialogue and coordination, including sector leadership and civil society participation.**

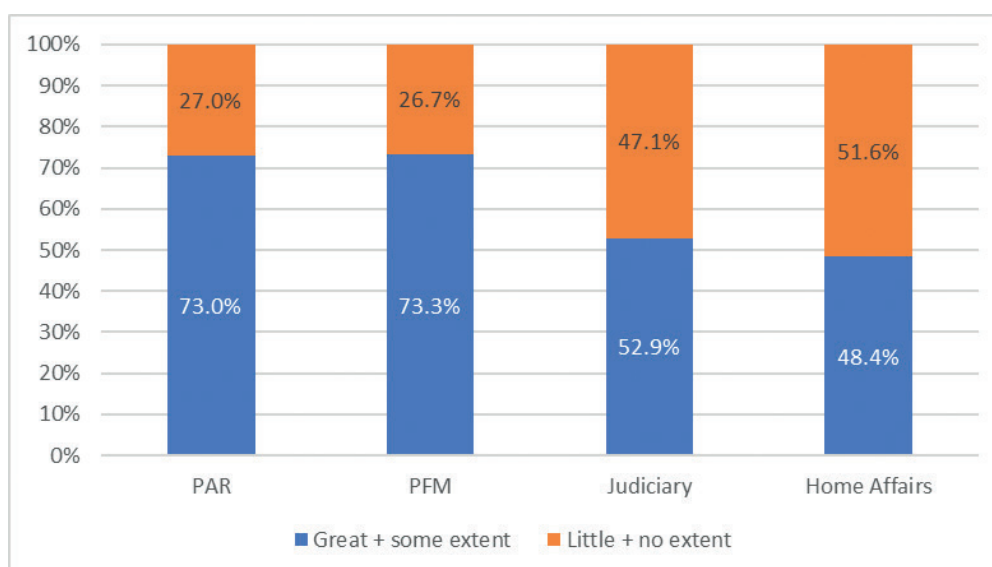
## Albania



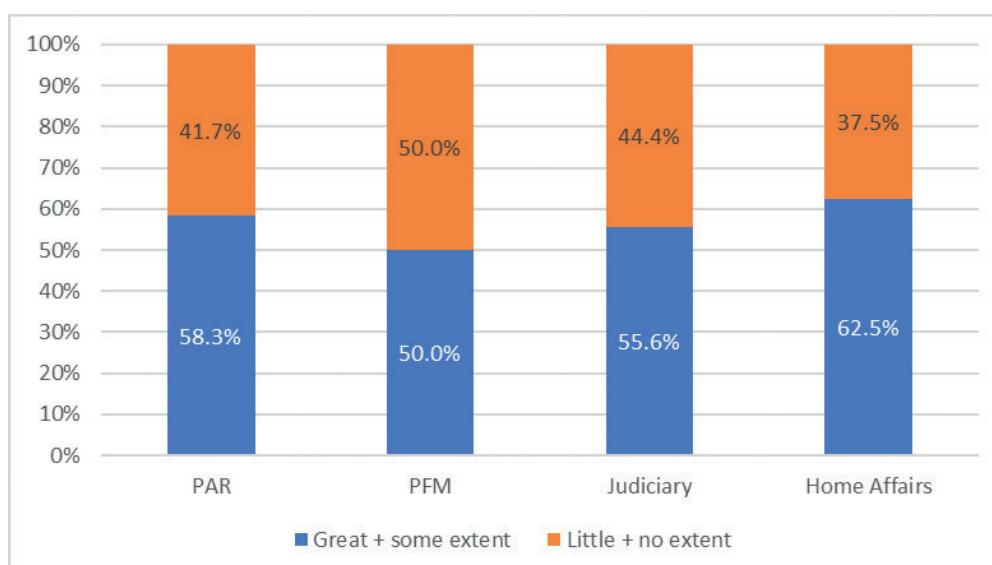
### Bosnia and Herzegovina



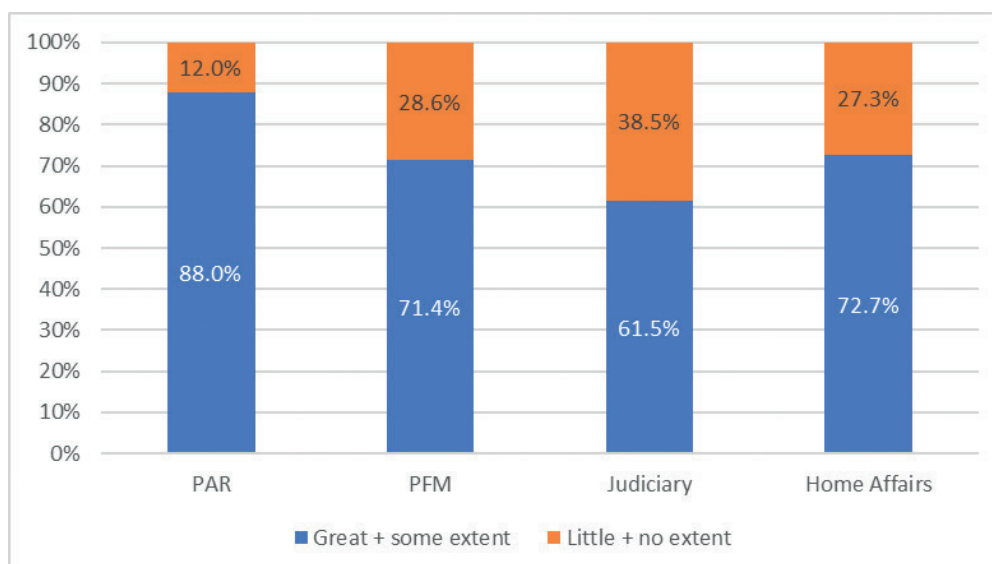
### Kosovo



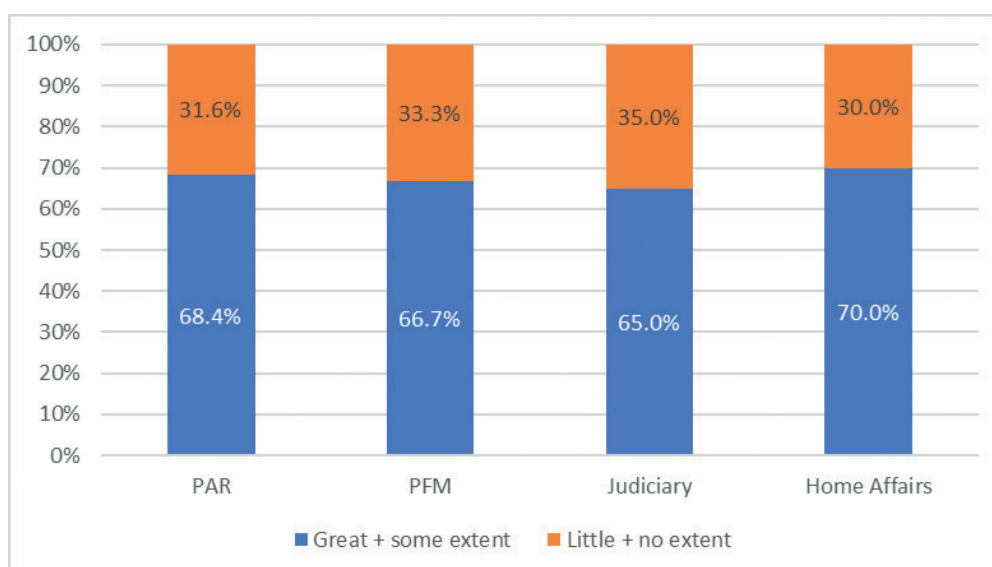
### Montenegro



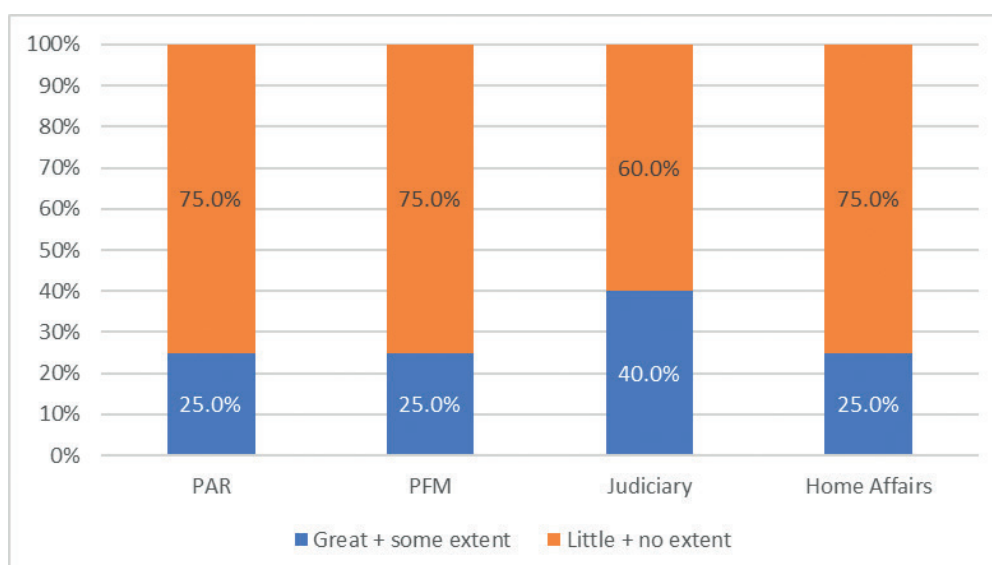
## Serbia



## the Republic of North Macedonia

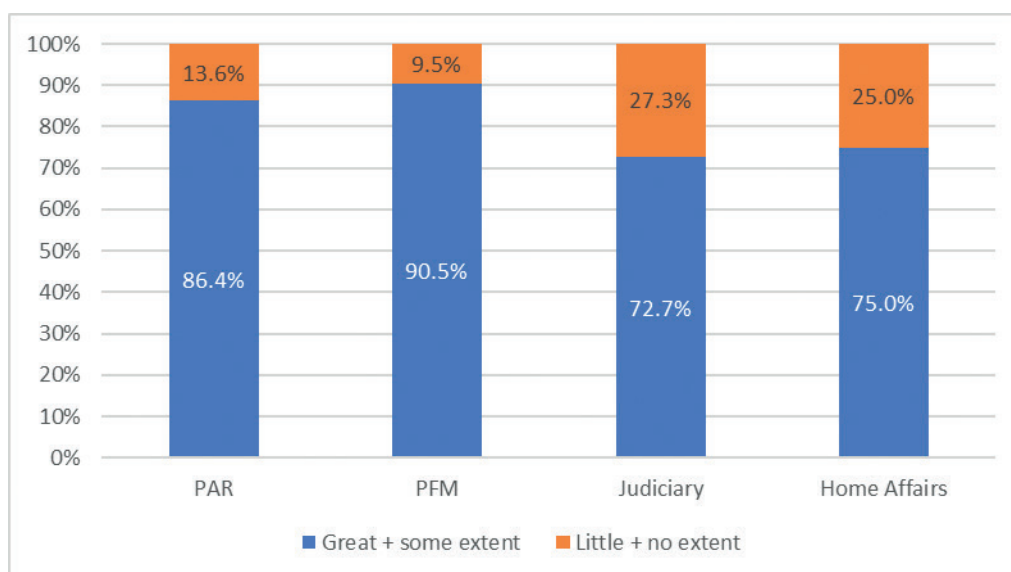


## Turkey

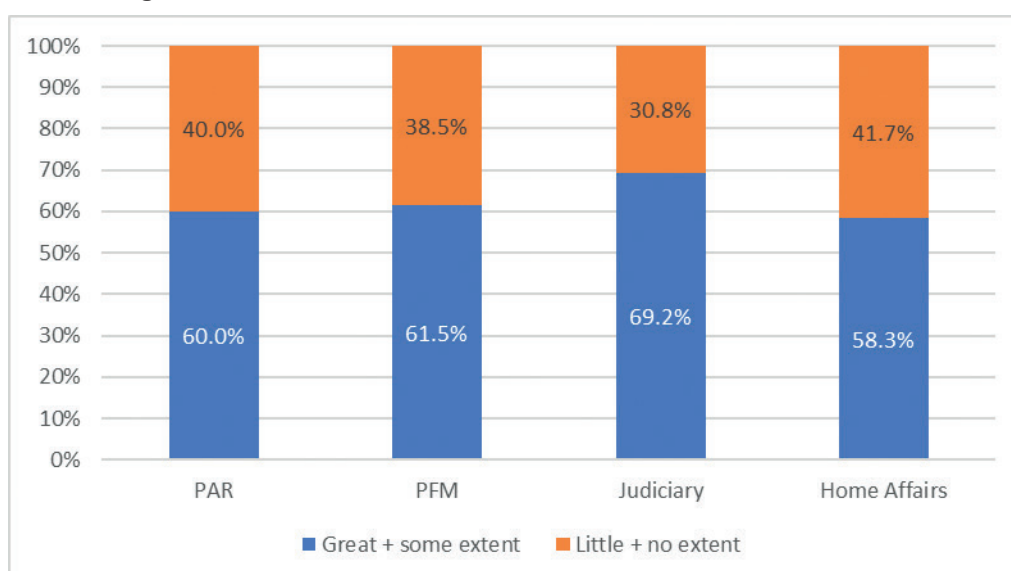


**SA helps strengthening sector budgetary process, by introducing an improved medium-term perspective and stronger transparency.**

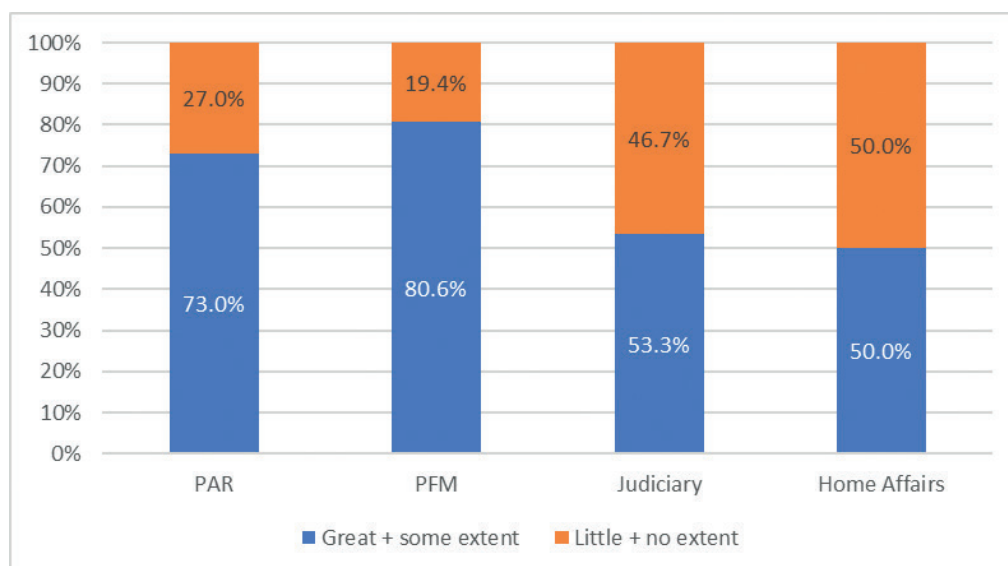
#### **Albania**



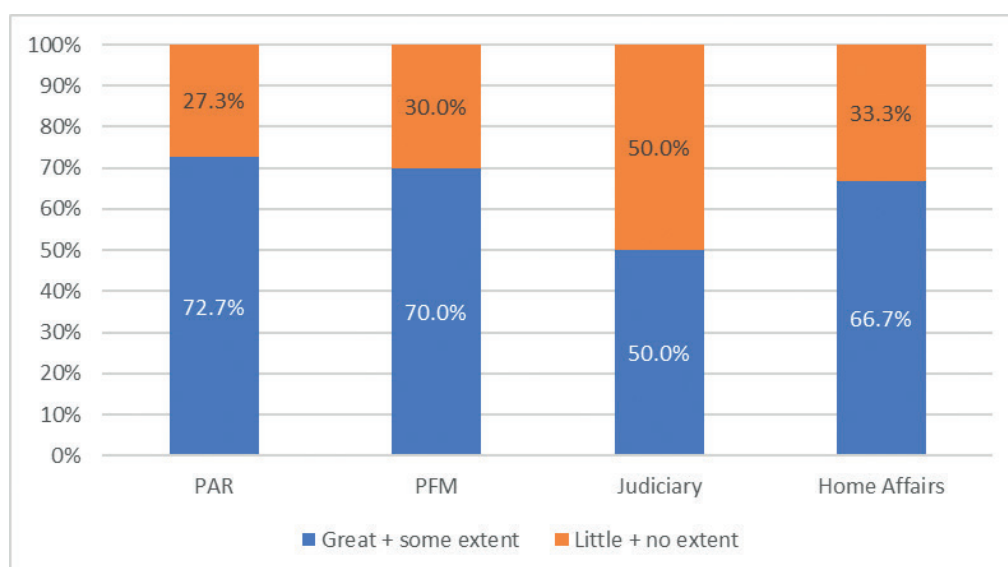
#### **Bosnia and Herzegovina**



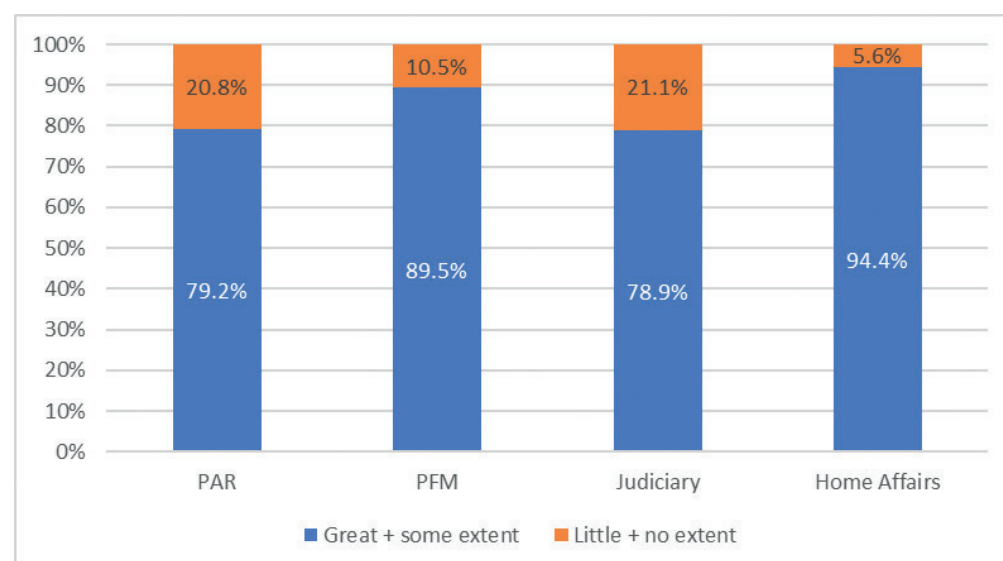
## Kosovo



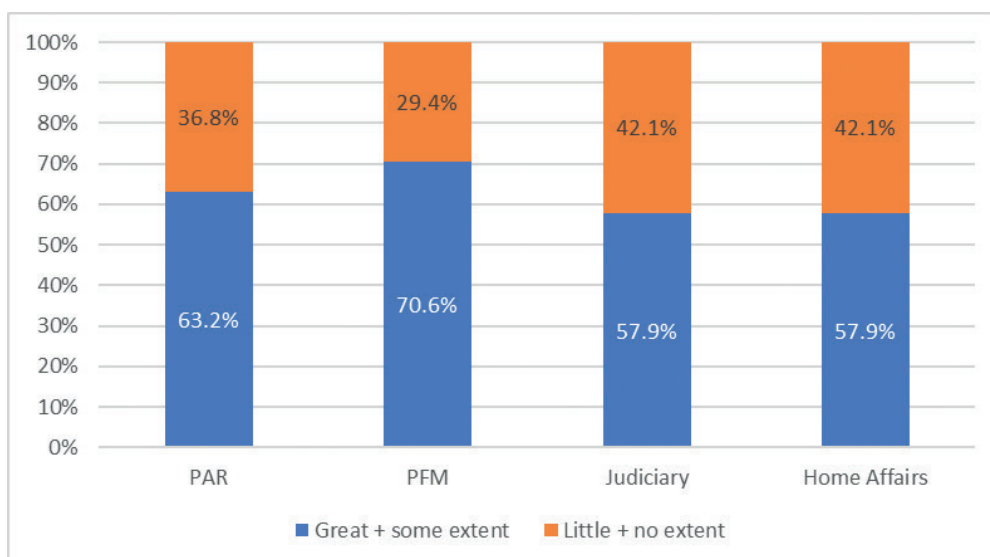
## Montenegro



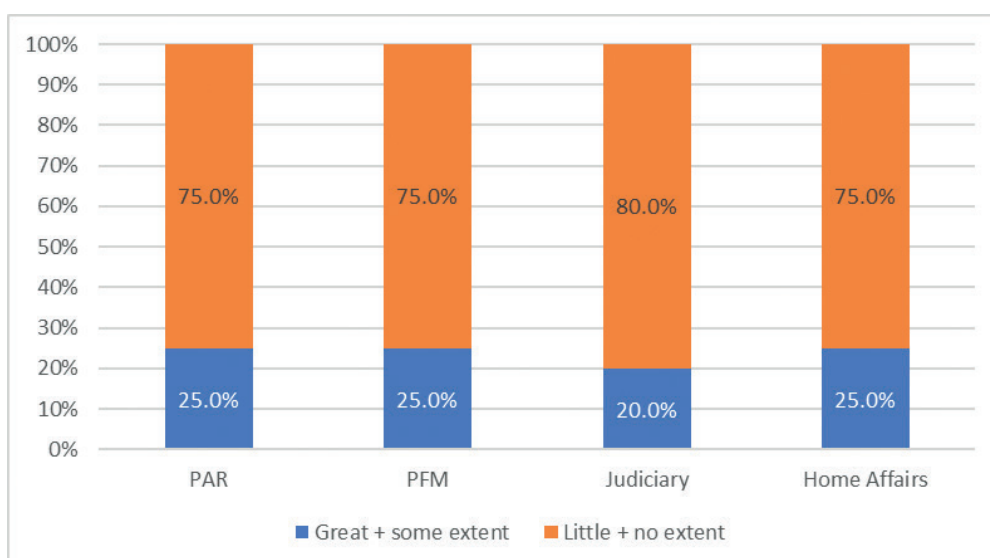
## Serbia



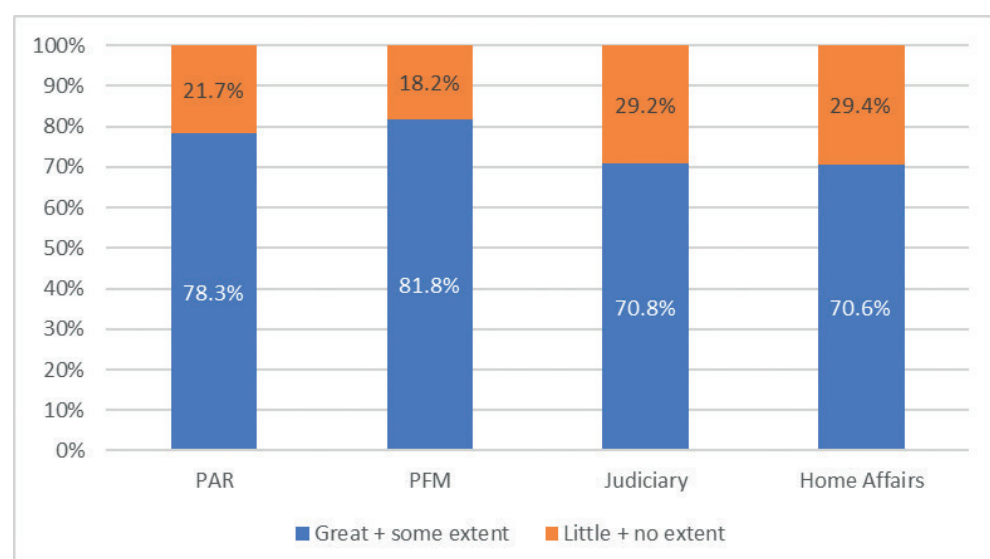
### the Republic of North Macedonia



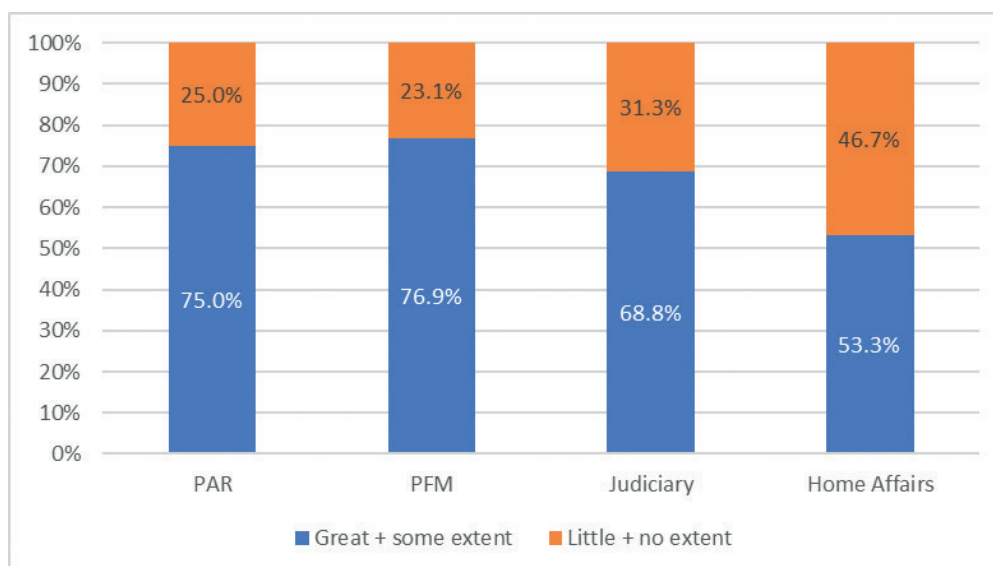
### Turkey



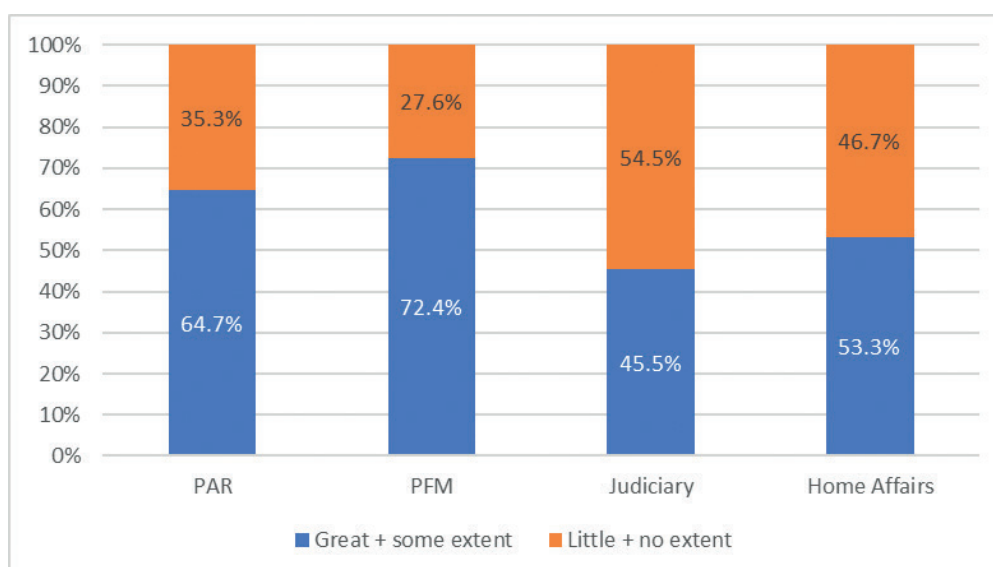
### SA contributes to accelerate and enhance the outcomes of sector reforms\* in these sectors Albania



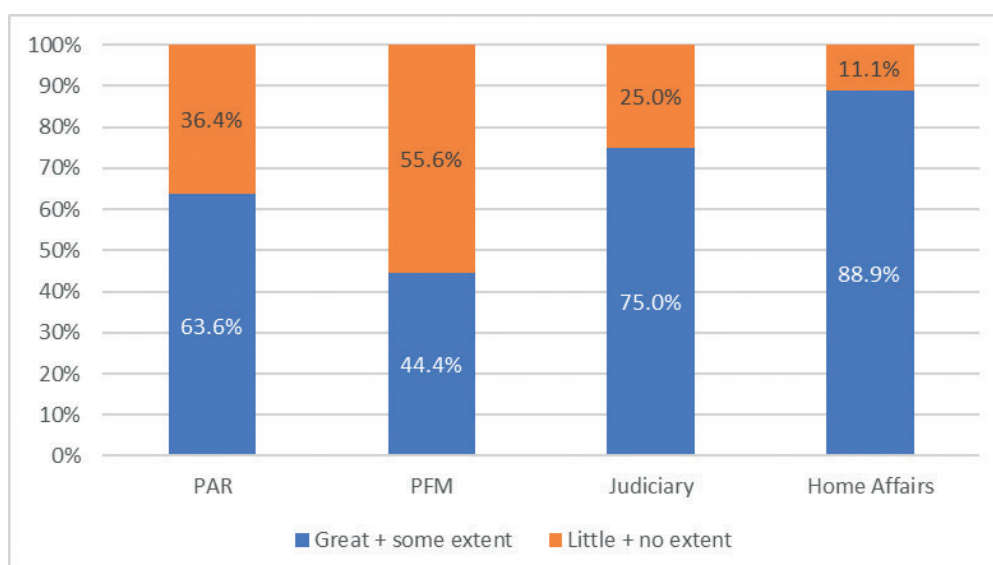
### Bosnia and Herzegovina



### Kosovo

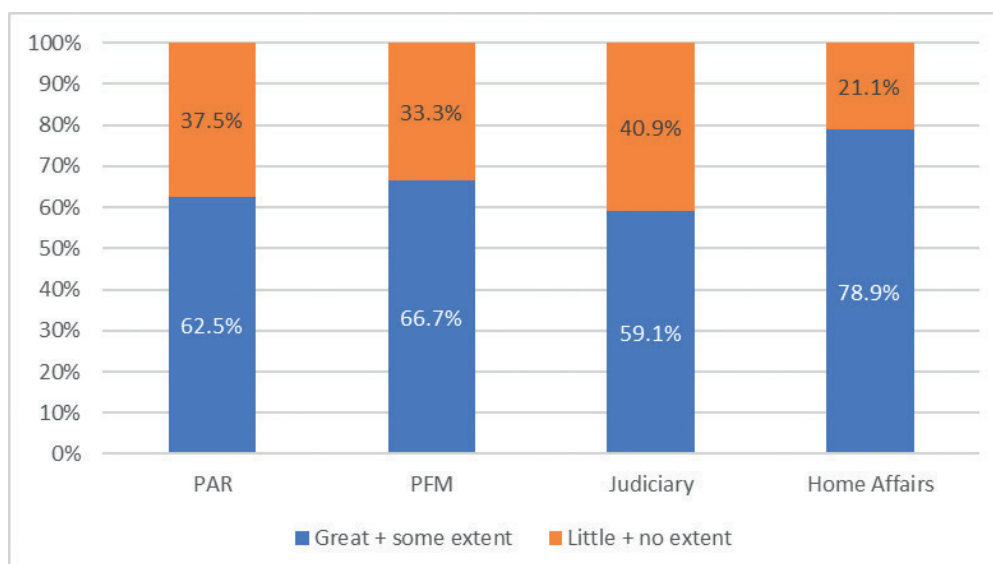


### Montenegro

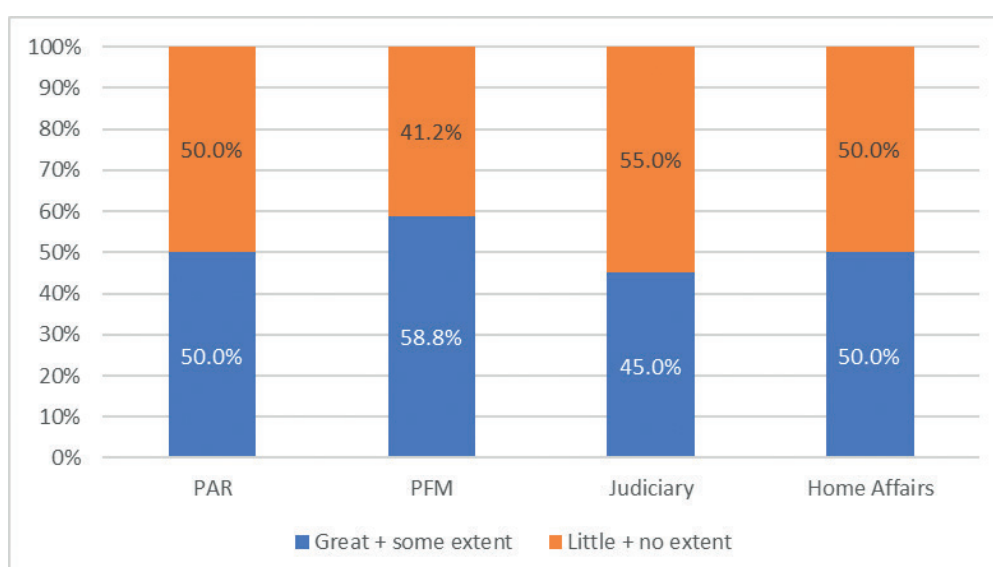




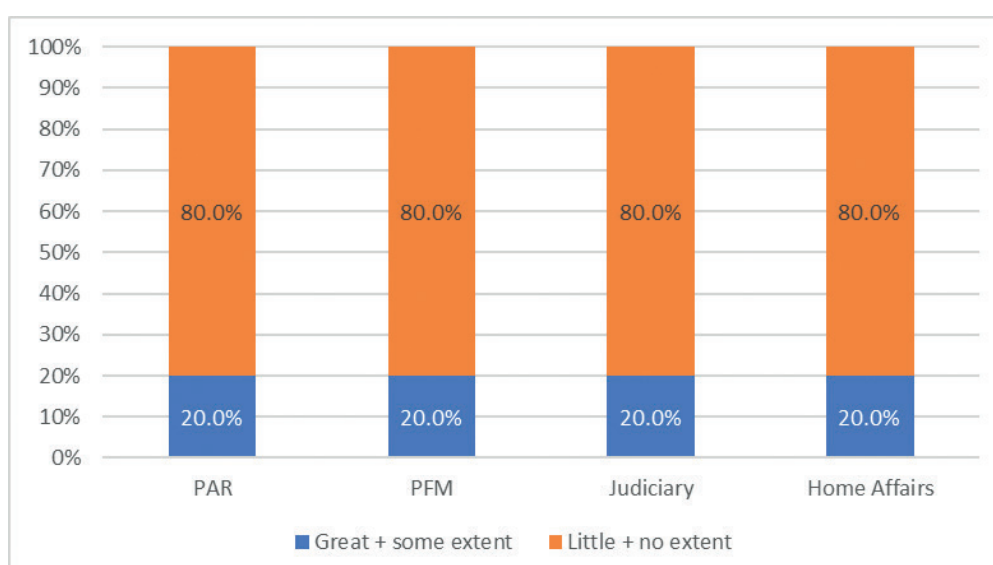
## Serbia



## the Republic of North Macedonia



## Turkey



## 2.4 Part B, section IV: Added value

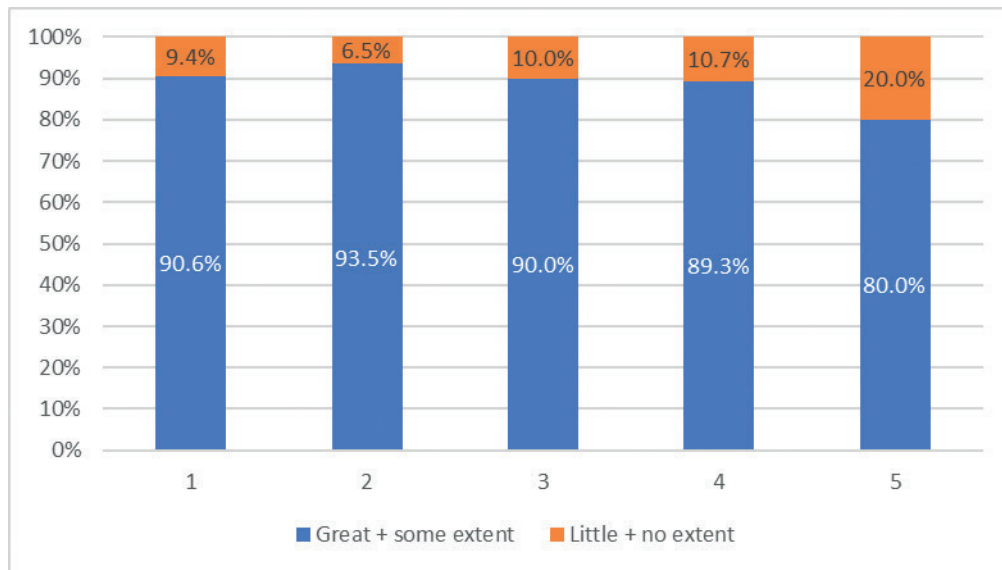
### Added value of IPA II SA

This section regards the comparison of IPA II SA and alternative approaches, as in IPA I, to check whether the perception of the respondent confirms that SA has been a key innovation to address the strategic sector reforms in the IPA II countries.

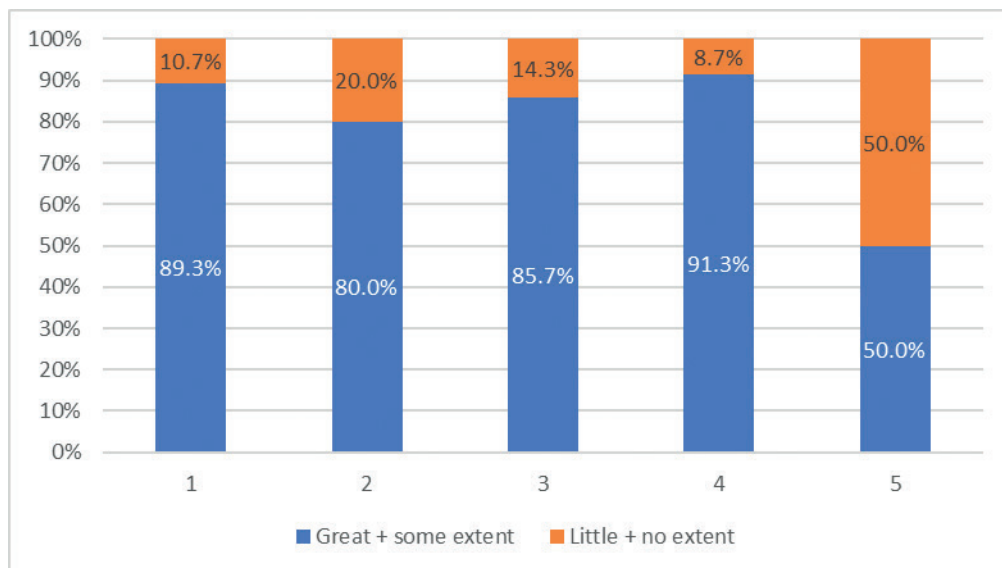
Individual questions in order of appearance in the graph:

1. IPA II SA has enabled the EU to address different sectors (based on your sector experience) on a strategic base, better than it would have happened through stand-alone actions
2. IPA II SA is an important improvement compared to the approach used under IPA I
3. Budget support enhances the added value of SA
4. Multiannual programming enhances the added value of SA
5. Other (replies are too few and diverse to provide a meaningful breakdown)

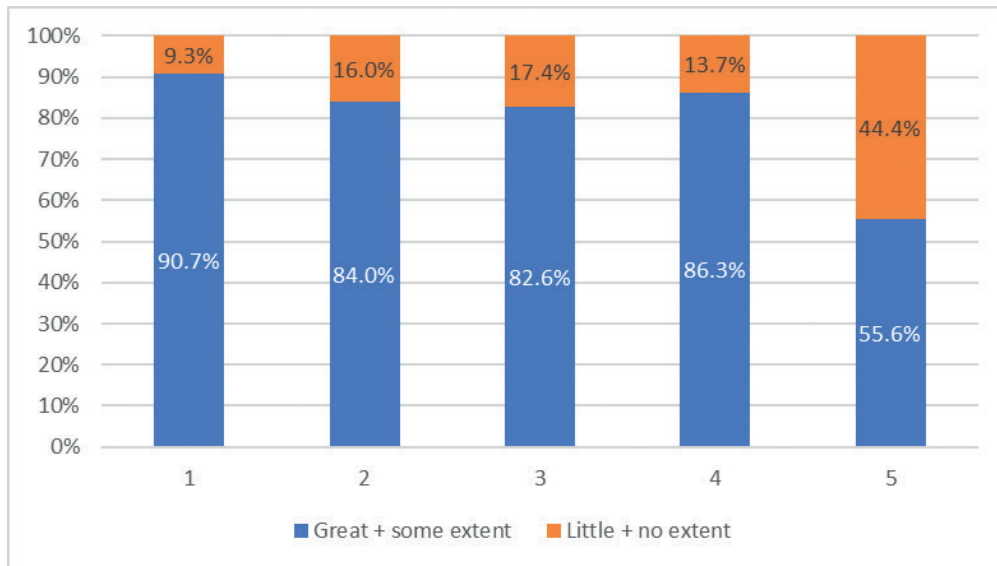
#### Albania



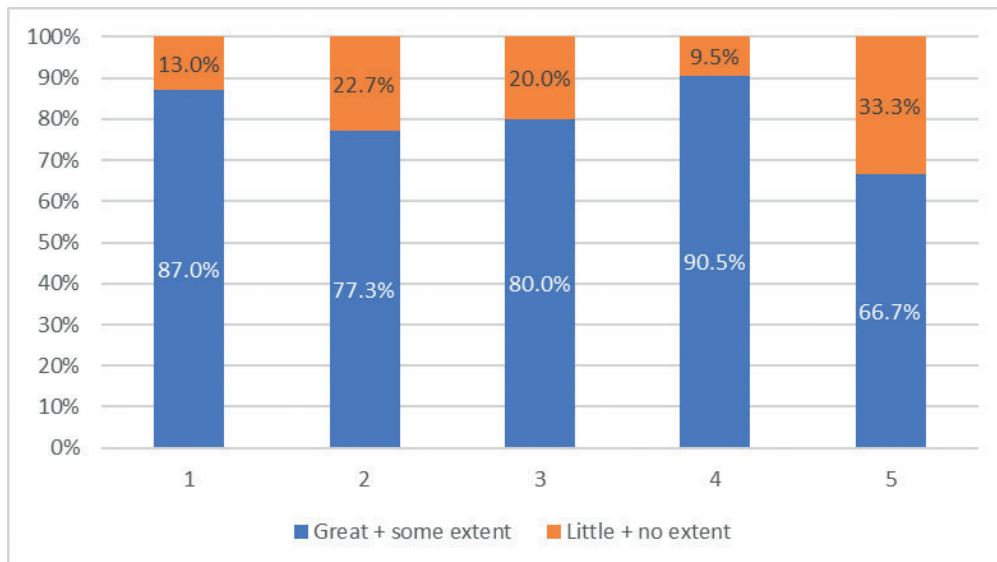
#### Bosnia and Herzegovina



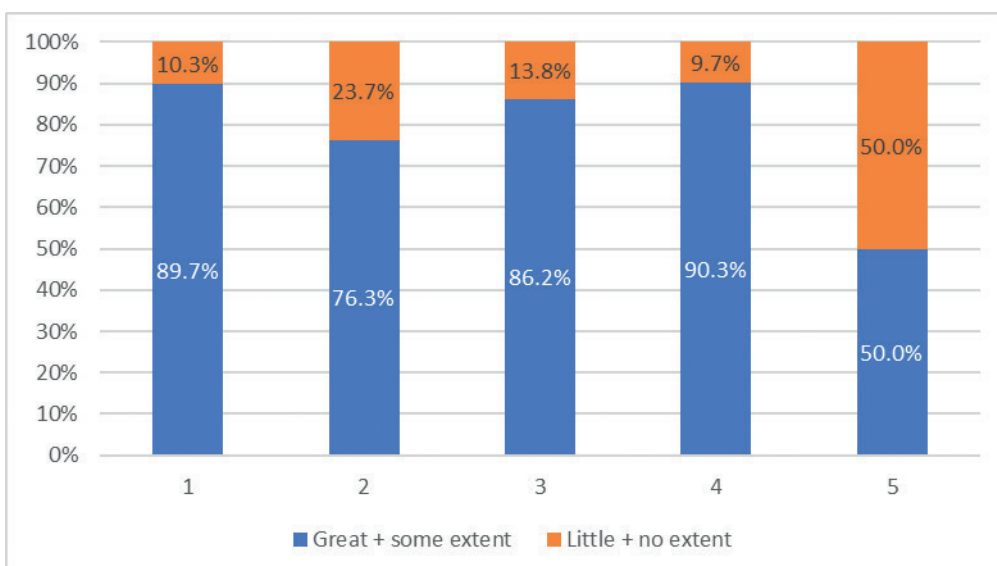
## Kosovo



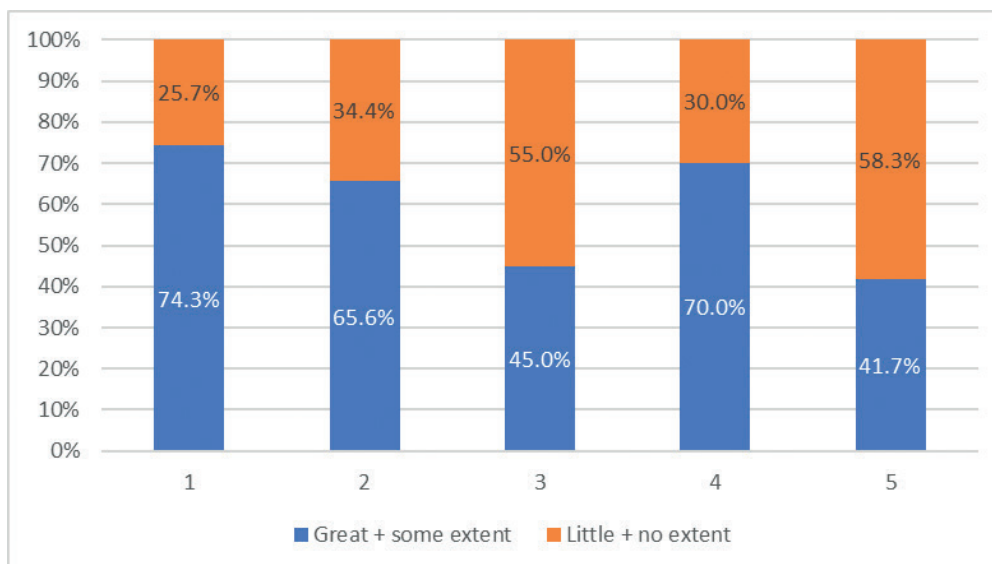
## Montenegro



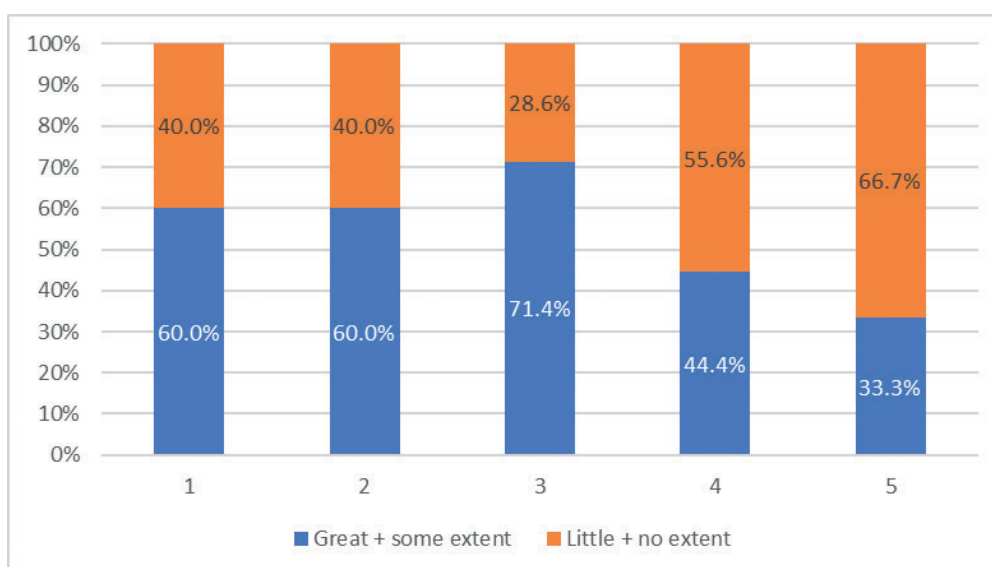
## Serbia



### the Republic of North Macedonia



### Turkey



## ANNEX 4 LIST OF INSTITUTIONS AND PERSONS MET

Name	Title/position	Organisation
<b>Milika Honjaz</b>	Head of the group for international projects	AKAS Anti-corruption
<b>Tanja Dolapiev</b>	Project Coordinator	Belgrade Open School
<b>Natasa Radovic</b>	Programme Manager Good Governance Fund	British Council
<b>Jovanovic Messandar</b>	Project Manager	COE
<b>Aleksandar Jovanovic</b>	Project Manager	COE
<b>Adrian Nicolae</b>	Unit D1	DG NEAR
<b>Maria Ruggiero</b>	Unit D4	DG NEAR
<b>Terhi Karvinen</b>	Unit A4	DG NEAR
<b>Ritva Heikkinen</b>	Unit A3	DG NEAR
<b>Pascal Herry</b>	Unit A4	DG NEAR
<b>Odoardo Como</b>	Unit A3	DG NEAR
<b>Nisida Gjoksi</b>	Unit D4	DG NEAR
<b>Walter Rochel</b>	Unit A1	DG NEAR
<b>Carolina Lasso-Navarro</b>	Unit A1	DG NEAR
<b>Alberto Costa</b>	Thematic Support PAR	DG NEAR
<b>Javier Casasnovas</b>	Thematic Support PAR	DG NEAR
<b>Tarje El Idrissi</b>	Unit A5, IPA Turkey beneficiary coordination	DG NEAR
<b>Roxana Merticariu</b>	Unit D1	DG NEAR
<b>Zane Rungule</b>	Unit D4	DG NEAR
<b>Michael Aldaya</b>	Unit D4	DG NEAR
<b>Sergey Mihaylov</b>	Unit D3	DG NEAR
<b>Leonetta Pajer</b>	Unit D2	DG NEAR
<b>Melvin Asin</b>	Head of Cooperation	EUD Bosnia and Herzegovina
<b>Andrea Vera</b>	Head of Section Economic and Social Sectors	EUD Bosnia and Herzegovina
<b>Mariangela Fittipaldi</b>	Acting Head of Section Economic and Social Sectors	EUD Bosnia and Herzegovina
<b>Libor Chlad</b>	Deputy Head of Cooperation	EUD Kosovo
<b>Aferdita Tahiri</b>	Task Manager	EUD Kosovo
<b>Nuria Ballesteros Menendez</b>	Cooperation section	EUD Montenegro
<b>Judit Gyori</b>	Junior Professional, Cooperation section	EUD Montenegro
<b>Holger Schroeder</b>	Head of Cooperation	EUD Serbia
<b>Marija Mitic</b>	Programming, cooperation section	EUD Serbia
<b>Bojan Zivadinovic</b>	M&E	EUD Serbia
<b>Danka Bogetic</b>	Task Manager PAR	EUD Serbia
<b>Duska Subotic</b>	Task Manager PAR	EUD Serbia
<b>Enrico Vinsentin</b>	Task Manager Justice	EUD Serbia
<b>Svetlana Djukic</b>	Task Manager Civil Society	EUD Serbia

Name	Title/position	Organisation
<b>Danka Bogetic</b>	Project Manager	EUD Serbia
<b>Vladan Petrovic</b>	Project Manager	EUD Serbia
<b>Ana Milenic</b>	Task Manager Civil Society	EUD Serbia
<b>Carole Poullaouec</b>	Task Manager Employment	EUD Serbia
<b>Donka Prodanova</b>	Programme Manager, Cooperation section	EUD to the Republic of North Macedonia
<b>Ruzica Andronikova</b>	Task Manager	EUD to the Republic of North Macedonia
<b>Magdalena Sarlamanov</b>	Programme Manager	EUD to the Republic of North Macedonia
<b>Alessandro Zanotta</b>	Economic Advisor	EUD to the Republic of North Macedonia
<b>Katarina Kusivanov</b>	Task Manager	EUD to the Republic of North Macedonia
<b>Nafi Soranci</b>	Task Manager	EUD to the Republic of North Macedonia
<b>Nadja Bergamino</b>	Task Manager Environment	EUD to the Republic of North Macedonia
<b>Manuela Manolis</b>	Task Manager Transport	EUD to the Republic of North Macedonia
<b>Danica Stoshevska</b>	Task Manager, Home Affairs	EUD to the Republic of North Macedonia
<b>Annabella Regal</b>	Task Manager Justice	EUD to the Republic of North Macedonia
<b>Edina Halapi</b>	Programming	EUD Albania
<b>Erol Akdag</b>	Human Rights	EUD Albania
<b>Enkelejda Bregu</b>	Civil Society	EUD Albania
<b>Alessandro Angius</b>	Civil Society	EUD Albania
<b>Tidita Fshazi</b>	PM Rule of Law	EUD Albania
<b>Francesco Torcoli</b>	PM Justice and Home Affairs	EUD Albania
<b>Sibille Schmidt</b>	Public finance and taxation (PFM SRC)	EUD Albania
<b>Annelies Vanwymelbeke</b>	Public finance and taxation (PAR)	EUD Albania
<b>Bagrat Tunyan</b>	SIGMA – Senior Advisor Policy development and coordination	EUD Albania
<b>Enzo Damiani</b>	Economic development and private sector	EUD Albania
<b>Ledia Muco</b>		EUD Albania
<b>Dimitrina Karayatova</b>	International Aid Coordinator	EUD Turkey
<b>Nur Önsoy</b>	Task Manager Judiciary	EUD Turkey
<b>Umut Özdemir</b>	Task Manager Private Sector and Public Administration	EUD Turkey
<b>Tsvetana Stoycheva</b>	Programme Manager EU Policies	EUD Turkey
<b>Mustafa Fazlıoğlu</b>	Task Manager Regional Competitiveness	EUD Turkey
<b>Ulrich Rainer</b>	Task Manager Civil Society	EUD Turkey
<b>Stefano Calabretta</b>	Programme Manager Civil Society	EUD Turkey
<b>Zeynep Haki</b>	Civil Society	EUD Turkey
<b>Umut Ozdemir Tsarouhas</b>	Sector Manager PFM and PAR	EUD Turkey
<b>Arsu Sener</b>	M&E	EUD Turkey
<b>Ivan Knezevic</b>	Project Manager	European Movement in Serbia
<b>Stasa Lukic</b>	Project Manager	European Policy Centre, Serbia
<b>Andrija Pejovic</b>	Project Manager	European Project Centre
<b>Alexandra Hilbig</b>	Sector Coordinator	German Agency for International Development (GIZ)

Name	Title/position	Organisation
<b>Birger Nerre</b>	Senior Project Leader	German Agency for International Development (GIZ)
<b>Cemre Güzel</b>	Coordinator M&E Unit	Ministry for EU Affairs, Turkey
<b>Ferda Akgül</b>	Coordinator Programming Unit	Ministry for EU Affairs, Turkey
<b>Daniela Cekani</b>	Former General Secretary	Ministry of European Integration, Albania
<b>Brunilda Tushaj</b>	Head of EU Programmes in the field of Democracy, Governance, Rule of Law and Fundamental Rights Unit	Ministry of European Integration, Albania
<b>Sonila Muskaj</b>	Head of Unit for programing EU funds in the field of Competitiveness and Economic Growth	Ministry of European Integration, Albania
<b>Eduart Qatja</b>	Expert, Sector for EU Assistance Monitoring and Evaluation	Ministry of European Integration, Albania
<b>Florim Canolli</b>	Director, Department of Development Assistance/Head of NIPAC Office	Ministry of European Integration, Kosovo
<b>Marija Oros Jankovic</b>	Senior Advisor	Ministry of European Integration, Serbia
<b>Helena Banovic</b>	Advisor	Ministry of European Integration, Serbia
<b>Maja Majic</b>	Programming, Social Development	Ministry of European Integration, Serbia
<b>Vladimir Lazovic</b>	M&E	Ministry of European Integration, Serbia
<b>Nevena Marceta</b>	Programming, Social Development	Ministry of European Integration, Serbia
<b>Verica Pentajovic</b>	Acting Assistant Minister	MOF Serbia
<b>Tanja Lucovic</b>	Head of the group for project preparation	MOJ Serbia
<b>Verica Javojevic</b>	Advisor in the project implementation section	MOJ Serbia
<b>Olga Radosavljevic</b>	Advisor	OHMR Minority Rights, Serbia
<b>Maja Tomovic</b>	Advisor	Republic Public Prosecutor Office Serbia
<b>Evgenija Kirkovski</b>	Counsellor	Secretariat for European Integration, the Republic of North Macedonia
<b>Fabio Drago</b>	Team Leader "Support for the management of the EU Funds"	Secretariat for European Integration, the Republic of North Macedonia
<b>Mariana Santrac</b>	Senior Advisor for International Cooperation	State Prosecutorial Council Serbia
<b>Tanja Rodic</b>	Advisor EU integration and international projects	Supreme Court of Cassation, Serbia
<b>Priska Depnering</b>	Deputy Director	Swiss Cooperation Office, Serbia
<b>Milovan Filimonovic</b>	Technical Advisor – Public finance	UNDP
<b>Srdjan Svircev</b>	Senior Public Sector Specialist	World Bank
<b>Marina Matic Boskovic</b>	Justice Reform Advisor	World Bank



## ANNEX 5 LIST OF DOCUMENTS CONSULTED

### EU policy documents

- EU (2006): The European Consensus on Development.
- EU (2007): EU Code of Conduct on Complementarity and Division of Labour in Development Policy – Conclusions of the Council and of the Representatives of the Governments of the Members States meeting within the Council. 9558/07.
- EU (2011): EU Common Position for the Fourth High Level Forum on Aid Effectiveness – Council Conclusions.
- EU (2011): Increasing the impact of EU development policy: An Agenda for Change. COM (2011)637 final.
- EU (2011): Operational Framework on Aid Effectiveness. Consolidated text.
- EU (2013): A decent life for all: Ending poverty and giving the world a sustainable future. COM (2013)92 final.
- EU (2013): The Overarching Post 2015 Agenda – Council conclusions.
- EU (2014): A decent life for all: from vision to collective action. COM (2014)335 final.
- EU (2014): Council conclusions on a transformative post-2015 agenda.
- EU (2015): A Global Partnership for Poverty Eradication and Sustainable Development after 2015. COM (2015)44 final.
- EU (2015): A New Global Partnership for Poverty Eradication and Sustainable Development after 2015 – Council conclusions. 9241/15.
- EUISS (2015): Towards an EU Global Strategy. Background, process, references.
- EU (2016): Better Regulation Guidelines. SWD (2015)111 final.
- EU (2017): The New European Consensus on Development

### EU thematic policy documents

- EU (2010): EU Plan of Action on Gender Equality and Women's Empowerment in Development 2010-2015. SEC (2010)265 final.
- EU (2010): EU Strategy for the Danube Region. COM (2010) 715.
- EU (2010): EU Strategy for the Danube Region. COM (2010)715.
- EU (2011): The Future Approach to Budget Support to Third Beneficiaries. COM (2011)638 final.
- EU (2012): Social Protection in European Union Development Cooperation. COM (2012)446 final.
- EU (2012): The roots of democracy and sustainable development: Europe's engagement with Civil Society in external relations. COM (2012)492 final.
- EU (2012): Trade, growth and development. Tailoring trade and investment policy for those beneficiaries most in need. COM (2012)22 final.
- EU (2013): Empowering Local Authorities in partner beneficiaries for enhanced governance and more effective development outcomes. COM (2013)280 final.
- EU (2014): A Stronger Role of the Private Sector in Achieving Inclusive and Sustainable Growth in Developing Beneficiaries. COM (2014) 263 final.
- EU (2015): Addressing the Refugee Crisis in Europe: The Role of EU External Action. JOIN (2015)40 final.

### International level

- OECD (2005): The Paris Declaration on Aid Effectiveness.
- OECD (2008): The Accra Agenda for Action.
- OECD (2011): Busan Partnership for Effective Development Co-operation.

## **EU Regulations and equivalent including impact assessment**

- EU (2014): Regulation (EU) No 231/2014 of the European Parliament and of the Council of 11 March 2014 establishing an Instrument for Pre-accession Assistance (IPA II).
- EU (2014): Commission Implementing Regulation (EU) No 447/2014 on the specific rules for implementing Regulation (EU) 231/2014 establishing an Instrument for Pre-Accession Assistance (IPA II).
- EU (2012): Consolidated version of the Treaty on European Union.
- EU (2012): Consolidated version of the Treaty on the Functioning of the European Union.
- EU (2011): Proposal for a Regulation on the Instrument for Pre-accession Assistance (IPA II). COM (2011) 838 final.
- EU (2011): Impact Assessment accompanying the Proposal for a Regulation on the Instrument for Pre-accession Assistance (IPA II). SEC (2011)1462 final.
- EU (2011): Opinion DG ELARG – Impact Assessment on the Pre-Accession Instrument (IPA II). SEC (2011)1464.
- EU (1993): Accession criteria (Copenhagen criteria).

## **IPA general documents**

- DG NEAR (2016a): IPA II Introduction. Power point presentation
- EU (2013): Sector Approach in Pre-Accession Assistance IPA II. Guidance Document.
- DG Enlargement (2014a): A quick guide to IPA II programming. Ares (2014)571140
- EU (2014): Sector Planning Document. Template.
- EU (2016): IPA II Monitoring, Reporting and Performance Framework. Final Report.
- EU (no date): IPA II Performance Framework.
- EU (no date): IPA II Performance Framework. PowerPoint Presentation.

## **IPA planning and programming documents**

- EC (2014): Indicative Strategy Paper for Albania (2014-2020).
- EC (2014): Indicative Strategy Paper for Bosnia and Herzegovina (2014-2020).
- EC (2014): Indicative Strategy Paper for Kosovo (2014-2020).
- EC (2014): Indicative Strategy Paper for Montenegro (2014-2020).
- EC (2014): Indicative Strategy Paper for Serbia (2014-2020).
- EC (2014): Indicative Strategy Paper for The former Yugoslav Republic of Macedonia (2014-2020).
- EC (2014): Indicative Strategy Paper for Turkey (2014-2020).
- EC (2014): Multi-Country Indicative Strategy Paper (2014-2020).
- EC (2014): Annual Action Programme for Kosovo for the year 2014. C (2014) 9577 final.
- EC (2014): Annual Action Programme for Montenegro for the year 2014. C (2014) 9387 final.
- EC (2014): Annual Action Programme for Serbia for the year 2014. C (2014) 9422 final.
- EC (2014): Civil Society Facility and Media Programme for the years 2014-2015 under the Instrument for Pre-accession Assistance (IPA II). C (2014) 9571 final.
- EC (2014): Country Action Programme for Albania for the year 2014. C (2014) 9851 final.
- EC (2014): Country Action Programme for Bosnia and Herzegovina for the year 2014. C (2014) 9853 final.
- EC (2014): Country Action Programme for The former Yugoslav Republic of Macedonia for the year 2014. C (2014) 9841 final.
- EC (2014): Country Action Programme for Turkey for the year 2014. C (2014) 9849 final.

- EC (2014): Multi-annual Action Programme for The former Yugoslav Republic of Macedonia on Environment and Climate Action and Transport for the years 2014-2016. C (2014) 9850 final.
- EC (2014): Multi-annual Action Programme for Turkey on Environment and Climate Change. C (2014) 9575 final.
- EC (2014): Multi-annual Country Action Programme for Turkey on Competitiveness and Innovation. C (2014) 9576 final.
- EC (2014): Multi-country Action Programme for the year 2014. C (2014) 9407 final.
- EC (2014): Multi-annual Action Programme for Turkey on Employment, Education and Social policies. C (2014) 9673 final.
- EC (2014): Multi-annual Action Programme for Turkey on Transport. C (2014) 9675 final.
- EC (2014): Special measure on flood recovery and flood risk management in Albania, Bosnia and Herzegovina, The former Yugoslav Republic of Macedonia, Kosovo, Montenegro, the Republic of Serbia and Turkey. C (2014) 9797.
- EC (2014): Support Measure for Monitoring Programme for the year 2014 under the Instrument for Pre-accession Assistance (IPA II). C/2014) 6012 final.
- EC (2014): Support Measure for Technical Assistance for cross-border cooperation programmes between IPA II beneficiaries under the Instrument for pre-accession assistance (IPA II) for the year 2014. C (2014) 9421 final.
- EC (2015): Annual Action Programme for Kosovo for the year 2015. C (2015) 8319 final.
- EC (2015): Annual Action Programme for Montenegro for the year 2015. C (2015) 9050 final.
- EC (2015): Annual Action Programme for Turkey for the year 2015. C (2015) 8773 final.
- EC (2015): Country Action Programme for Albania for the year 2015. C (2015) 9001 final.
- EC (2015): Country Action Programme for Bosnia and Herzegovina for the year 2015. C (2015) 8777 final.
- EC (2015): Country Action Programme for Serbia for the year 2015. C (2015) 9015 final.
- EC (2015): Country Action Programme for The former Yugoslav Republic of Macedonia for the year 2015. C (2015) 9126 final.
- EC (2015): Multi-annual Action Programme for Montenegro on Employment, Education and Social policies for the year 2015-2017. C (2015) 9051 final.
- EC (2015): Multi-country Action Programme Amendment 2014 1.
- EC (2015): Multi-country Action Programme Amendment 2014 2.
- EC (2015): Multi-country Action Programme for Connectivity for the years 2015-2016. C (2015) 9089 final.
- EC (2015): Multi-country Action Programme for the year 2015. C (2015) 5242 final.
- EC (2015): Special measure on strengthening the response capacity of the most affected countries in the Western Balkans to cope effectively with increased mixed migration flows under the Instrument for Pre-Accession Assistance (IPA II) for the year 2015. C (2015) 6925 final.
- EC (2016): Multi-country Action Programme 2015 Amendment. C (2016) 1469 final.
- EC (2016): Country Action Programme for Bosnia and Herzegovina for the year 2016. C (2016) 8609 final
- EC (2016). Country Action Programme for Kosovo for the year 2016
- EC (2016). Country Action Programme for The former Yugoslav Republic of Macedonia for the year 2016. C (2016) 8260 final
- EC (2016). Country Action Programme for Montenegro for the year 2016. C (2016) 8222 final
- EC (2016). Country Action Programme for Serbia for the year 2016. C (2016) 8257 final

The following Sector Planning Documents (SPDs):

Beneficiary	Year	Sector
Bosnia and Herzegovina	2016	Employment, Education and Social Policy
Bosnia and Herzegovina	2016	Competitiveness
Bosnia and Herzegovina	2015	Justice and Fundamental Rights
Bosnia and Herzegovina	2018	Justice and Fundamental Rights (draft)
Montenegro	2015	Agriculture and Rural Development
Montenegro	2015	Competitiveness and Innovation
Montenegro	2015	Democracy and Governance
Montenegro	2015	Rule of Law and Fundamental Rights
Montenegro	2015	Environment
Montenegro	2015	Transport
Serbia	2015	Agriculture
Serbia	2015	Competitiveness
Serbia	2015	Environment
Serbia	2015	Energy
Serbia	2015	Transport
Serbia	2015	Public Administration Reform
Serbia	2015	Justice
Serbia	2015	Home Affairs
Serbia	2015	Human Resources and Social Development
Republic of North Macedonia	2016	Rule of Law and Fundamental Rights
Turkey	2016	Agriculture
Turkey	2016	Civil Society
Turkey	2016	Energy
Turkey	2017	Fundamental Rights
Turkey	2016	Home Affairs
Turkey	2017	Judiciary

### Evaluations & studies

Particip (2017): Evaluation of the Instrument for Pre-accession Assistance (IPA II) – Final Report  
Volume 1: Main report January 2017

AETS (2015): Evaluation of TAIEX Instrument Final Evaluation Report.

AETS (2015): Evaluation of the Western Balkans Investment Framework.

B&S (2015): Thematic evaluation on IPA support to the fight against corruption.

ECDPM (2011): Study on Legal Instruments and Lessons Learned from the Evaluations Managed by the Joint Evaluation Unit. Volumes 1-4.

Ecorys (2011): Evaluation Twinning versus Technical Assistance.

Ecorys (2013a): IPA – interim evaluation and meta-evaluation of IPA assistance.

Ecorys (2013): IPA – interim evaluation and meta-evaluation of IPA assistance: Beneficiary Report Albania.

- Ecorys (2013): IPA – interim evaluation and meta-evaluation of IPA assistance: Beneficiary Report Bosnia and Herzegovina.
- Ecorys (2013): IPA – interim evaluation and meta-evaluation of IPA assistance: Beneficiary Report Kosovo.
- Ecorys (2013): IPA – interim evaluation and meta-evaluation of IPA assistance: Beneficiary Report Montenegro.
- Ecorys (2013): IPA – interim evaluation and meta-evaluation of IPA assistance: Beneficiary Report Serbia.
- EIPA (2014): The New Instrument for Pre-Accession Assistance (IPA II): Less Accession, More Assistance?
- EPEC (2011): Evaluation to support the preparation of pre-accession financial instruments beyond 2013.
- EPRD (2015): Thematic evaluation on IPA support to Roma Communities.
- EU (2015): The transformative power of enlargement. Overview on the Instrument for Pre-Accession Assistance (IPA). Activities and results in the Western Balkans and Turkey 2007-2014.
- EU (2016): Fact sheet on Managing the refugee crisis – The facility for refugees in Turkey. Updated: 14. September 2016.
- German Development Institute (2014): Scenarios for Increased EU Donor Coordination: What Is the Right Level of Aid Coordination? No. 7/2014.
- HTSPE (2011): Mid-term Meta Evaluation of IPA Assistance.
- HTSPE (2011): Strategic/Interim Evaluation of EU IPA Pre-Accession Assistance to Albania. Annex to Mid-term Meta Evaluation of IPA Assistance.
- HTSPE (2011): Strategic/Interim Evaluation of EU IPA Pre-Accession Assistance to Kosovo. Annex to Mid-term Meta Evaluation of IPA Assistance.
- HTSPE (2014): Study on Mapping of Sector Strategies for IPA.
- IBF (2015): Third interim evaluation of IPA assistance.
- Totozani, Neritan (2016): Challenges of the Indirect Management of EU Funds in Albania.
- WBIF (2015): 2015 Annual Report.

### **Beneficiary development strategies and other documents**

- Albania (2013): Draft Beneficiary Strategy for Development and Integration (NSDI) for the period 2014-2020 Albania.
- Directorate for European Integration Bosnia-Herzegovina (2016): Draft conclusions IPA Monitoring Committee (first meeting covering both IPA II and I), 16/03/2016.
- Directorate for European Integration Bosnia-Herzegovina (2016): Rules of Procedure of the IPA Monitoring Committee adopted by the Committee on 16.03.2016.
- Directorate for European Integration Bosnia-Herzegovina (no date): Sector Planning Documents.
- European Union Delegation to Serbia (2016): Meeting Minutes – Informal Donor Coordination Meeting (20/10/2016).
- Government of Republic of Serbia (no date): Decision on establishment of Sector Working Groups.
- Government of Republic of Serbia (no date): Decree on the management of pre-accession programmes under the instrument for pre-accession (IPA II) for the period 2014-2020.
- Kosovo (2013): Beneficiary Strategy for European Integration Kosovo 2020 – A Participatory Approach.
- Montenegro (2015): Montenegro Development Directions 2015-2018.
- Secretariat for European Affairs The former Yugoslav Republic of Macedonia (2016): A new approach to Sector Policy Coordination.
- Serbia (2014): Beneficiary priorities for international assistance 2014-2017 with projections until 2020.

Serbian European Integration Office (2015): Annual Report on the implementation of IPA II assistance under direct and indirect management by the Republic of Serbia submitted by the Beneficiary IPA Coordinator.

Serbian European Integration Office (2016): Minutes of the Joint Task Force Meeting (20/09/2016).

Serbian European Integration Office (no date): Draft Sector Approach Road Maps.

Serbian European Integration Office (no date): Organigram Indirect Management – Institutional Set Up IPA II (2014-2020).

Serbian European Integration Office (no date): Setting up a more effective coordination mechanism in Serbia.

Turkey (2014): Turkey Tenth Development Plan 2014-2018.

## EU Internal documents

The EC's External Action Monitoring Reports for the following countries and years:

Country	Year
Albania	2015
Bosnia and Herzegovina	2015
Kosovo	2015
Montenegro	2015
Serbia	2015
The former Yugoslav Republic of Macedonia	2015
Turkey	2015

## SIGMA documents

Vági, P. and K. Kasemets (2017), "Functioning of the Centres of Government in the Western Balkans", SIGMA Papers, No. 53, OECD Publishing, Paris

The following SIGMA country documents and reports:

Country	Year	Type
Albania	2015	Baseline measurement
Bosnia and Herzegovina	2015	Baseline measurement
Kosovo	2015	Baseline measurement
Montenegro	2015	Baseline measurement
Serbia	2015	Baseline measurement
The former Yugoslav Republic of Macedonia	2015	Baseline measurement
Turkey	2015	Baseline measurement
Albania	2016	Monitoring report
Bosnia and Herzegovina	2016	Monitoring report
Kosovo	2016	Monitoring report
Montenegro	2016	Monitoring report
Serbia	2017	Monitoring report
The former Yugoslav Republic of Macedonia	2016	Monitoring report
Turkey	2016	Monitoring report



## ANNEX 6 DETAILED STAKEHOLDER MAPPING

This annex contains a table with the detailed stakeholder mapping per country and sub-sector.

Country	Priority Sector/Subsector	Sector Institutional Leader	Other public institutions (ministries/ departments, independent institutions/ bodies) involved	Civil Society Organisations involved in IPA programming	Responsibility in EUD, Government and NIPAC (name, position, contact email/phone)
Albania	Democratic Institutions	The Minister of State for Relations with Parliament	Parliament		<b>EUD:</b> <b>Government:</b> High level official in charge of EU affairs and/or IPA contact; <b>NIPAC:</b> Relevant IPA sector /subsector programming & monitoring staff (Head of Sector, official in charge);
	Decentralization and sub-national government	The Minister of State for Local Issues (MoSLI)			<b>EUD:</b> <b>Government:</b> High level official in charge of EU affairs and/or IPA contact; Lorena Pullumbi, Director of Cabinet <a href="mailto:Lorena.Pullumbi@ceshtjetvendore.gov.al">Lorena.Pullumbi@ceshtjetvendore.gov.al</a> ; <b>NIPAC:</b> Relevant IPA sector /subsector programming & monitoring staff (Head of Sector, official in charge);
	PAR	The State Minister for Innovation (MoSLI)	Department of Public Administration; The Albanian School for Public Administration, Ministry of Finance, Ministry for European Integration, The Prime Minister's Office.		<b>EUD:</b> VANWYMELEBEKE Annelies, Democracy and Governance <a href="mailto:Annelies.Vanwymelbeke@eeas.europa.eu">Annelies.Vanwymelbeke@eeas.europa.eu</a> , <b>Government:</b> High level official in charge of EU affairs and IPA contact (Lead institution and Beneficiary institutions); <b>NIPAC:</b> Relevant IPA sector /subsector programming & monitoring staff (Head of Sector, official in charge);
	PFM	Ministry of Finance	The Prime Minister Office, The High State Control, Economy and Finance Committee of the Parliament The State Audit		<b>EUD:</b> SCHMIDT Sybille, <a href="mailto:Sybille.SCHMIDT@eeas.europa.eu">Sybille.SCHMIDT@eeas.europa.eu</a> ; <b>Government:</b> Erion Luci, Deputy Minister of Finance. <a href="mailto:Erjon.Luci@financa.gov.al">Erjon.Luci@financa.gov.al</a> ; <a href="mailto:Gelardina.Prodani@financa.gov.al">Gelardina.Prodani@financa.gov.al</a> ; IPA unit (Head of Unit, senior staff); <b>NIPAC:</b> Relevant IPA sector /subsector programming & monitoring staff (Head of Sector, official in charge);
	Statistics	National Institute of Statistics (INSTAT)	Central Bank of Albania The Prime Minister Office Line ministries		<b>EUD:</b> <i>Xheni Sinakoli, Programme Manager</i> ; <a href="mailto:Xheni.Sinakoli@eeas.europa.eu">Xheni.Sinakoli@eeas.europa.eu</a> <b>Government:</b> High level official in charge of EU affairs and/or IPA contact; Mrs. Delina Ibrahimaj, Director General of INSTAT Mob: +355688087533; <a href="mailto:dibrahimaj@instat.gov.al">dibrahimaj@instat.gov.al</a> <b>NIPAC:</b> Relevant IPA sector /subsector programming & monitoring staff (Head of Sector, official in charge);



Country	Priority Sector/Subsector	Sector Institutional Leader	Other public institutions (ministries/ departments, independent institutions/ bodies) involved	Civil Society Organisations involved in IPA programming	Responsibility in EUD, Government and NIPAC (name, position, contact email/phone)
Albania	Civil society	Ministry of Social Welfare and Youth	State Agency for Civil Society National Coordinator for Civil Society at Prime Minister Office; Ministry of European Integration		<b>EUD:</b> <a href="mailto:Enkelejda.Bregu@eeas.europa.eu">Enkelejda.Bregu@eeas.europa.eu</a> <b>Government:</b> High level official in charge of EU affairs and/or IPA contact; <a href="mailto:Eralda.Cani@integrimi.gov.al">Eralda.Cani@integrimi.gov.al</a> , Deputy Minister- MEI; <a href="mailto:bkospiri@gmail.com">bkospiri@gmail.com</a> ; Deputy Minister- MOSWY; <a href="mailto:Andi.Kananaj@amshc.gov.al">Andi.Kananaj@amshc.gov.al</a> , Head of State Agency for Civil Society; <a href="mailto:Elira.Zaka@kryeministria.al">Elira.Zaka@kryeministria.al</a> Head of Research & Policy Development Unit, Prime Minister Office; <a href="mailto:Ergis.Sefa@kryeministria.al">Ergis.Sefa@kryeministria.al</a> National Coordinator for Civil Society, PM Office- <b>NIPAC:</b> Relevant IPA sector /subsector programming & monitoring staff (Head of Sector, official in charge)
	EU programs and agencies	Ministry of Finance (Central Finance and Contracting Unit (CFCU); National Fund)	Directorate General of Customs; Directorate General for Taxation; Ministry of Social Welfare and Youth; Ministry of Education and Sports; Ministry of Economic Development, Trade and Entrepreneurship; Ministry of Culture; Universities, research centres, think tanks, foundations and associations.	CSOs	<b>EUD:</b> Genti Cani, Head of Operational Investigation Department <a href="mailto:g_cani@dogana.gov.al">g_cani@dogana.gov.al</a> 068 2049244 General Directorate of Taxes, Ervin Hoxha – Tax Investigation Director <a href="mailto:Ervin.Hoxha@tatime.gov.al">Ervin.Hoxha@tatime.gov.al</a> Enertil Canaj – Head of Tax Investigation Sector, Tax Investigation Directorate <a href="mailto:Enertil.Canaj@tatime.gov.al">Enertil.Canaj@tatime.gov.al</a> Mobile: 069 6029241 Tel. 042276 895 <b>Government:</b> High level official in charge or IPA contact; <b>NIPAC:</b> Relevant IPA sector /subsector programming & monitoring staff (Head of Sector, official in charge);
	Institution building for European integration	Ministry of Finance Central Fi-nance and Contracting Unit (CFCU);	Universities, research centre, think tanks, foundations, associations, CSO, local and central authorities.	CSO	<b>EUD:</b> <b>Government:</b> High level official in charge or IPA contact; Head of CFCU; <b>NIPAC:</b> Relevant IPA sector /subsector programming & monitoring staff : Sention Zotaj, Ministry of European Integration, email.... Other Officials in charge;

Country	Priority Sector/Subsector	Sector Institutional Leader	Other public institutions (ministries/ departments, independent institutions/ bodies) involved	Civil Society Organisations involved in IPA programming	Responsibility in EUD, Government and NIPAC (name, position, contact email/phone)
Albania	Judicial Reform	Ministry of Justice	High Council of Justice (HCJ), The High Court (HC), Constitutional Court (CC), School of Magistrate, Judicial Budget Administration Office (JBAO), Probation Service in Albania.		<p><b>EUD:</b>  <a href="mailto:Tidita.Fshazi@eeas.europa.eu">Tidita.Fshazi@eeas.europa.eu</a></p> <p><b>Government:</b> High level official in charge or IPA contact;  Marsida Xhaferllari <a href="mailto:Marsida.Xhaferllari@kld.al">Marsida.Xhaferllari@kld.al</a>, Chief Inspector HCJ;  <a href="mailto:mirankopani@yahoo.com">mirankopani@yahoo.com</a>, Chief of Cabinet, HC  <a href="mailto:elsadobjani@gmail.com">elsadobjani@gmail.com</a>, Advisor of the Chief Judge, CC;  School of Magistrate, Mr Sokol Sadushi, Director  <a href="mailto:sokolsadushi@magjistratura.edu.al">sokolsadushi@magjistratura.edu.al</a>; Mobile: 0682041771;  <a href="mailto:info@magjistratura.edu.al">info@magjistratura.edu.al</a> (04)2468824 /2468825;  <a href="mailto:adorkoleka@yahoo.com">adorkoleka@yahoo.com</a>; 069 21 78 909 Head of Professional Training;  <a href="mailto:laertapoda@zabgj.gov.al">laertapoda@zabgj.gov.al</a>; Director JBAO;  <a href="mailto:luljetalaze@zabgj.gov.al">luljetalaze@zabgj.gov.al</a>; Head of Budget, JBAO  <a href="mailto:llir.Qafa@sherbimiproves.gov.al">llir.Qafa@sherbimiproves.gov.al</a>;</p> <p><b>NIPAC:</b> Relevant IPA sector /subsector programming &amp; monitoring staff (Head of Sector, official in charge);</p>
	Fight against corruption		Financial Investigation Unit (Ministry of Finance); General Directorate for the Prevention of the Money Laundering; Agency of Administration of Seized and Confiscated Assets (AASCA) High Inspectorate of Declaration and Audit of Assets (HIDAACI); Ministry of European Integration		<p><b>EUD:</b></p> <p><b>Government:</b> High level official in charge or IPA contact; Brunilda Tushaj (Pellumbi) MEI, <a href="mailto:Brundilda.Tushaj@integrimi.gov.al">Brundilda.Tushaj@integrimi.gov.al</a>  Arlind Gjokutaj, GD, Albanian FIU  <a href="mailto:agjokutaj@fint.gov.al">agjokutaj@fint.gov.al</a>; Tel: 042 24 4602  Agim Ismaili, Director, Directorate of Strategic Analysis and Suspicious Transactions <a href="mailto:aismaili@fint.gov.al">aismaili@fint.gov.al</a>  067 20 55 046 ; +355 4 224 4605;  Artur Kala, Head of AASCA...  Ergys Dino, Head of Administrative Sector  <a href="mailto:Ergys.Dino@aapsk.gov.al">Ergys.Dino@aapsk.gov.al</a>; 069 20 65 169;  Shkelqim Ganaj, Inspector General HIDAACI;  <a href="mailto:sganaj@hidaa.gov.al">sganaj@hidaa.gov.al</a>; Tel: + 355 42 259 461</p> <p><b>NIPAC:</b> Relevant IPA sector /subsector programming &amp; monitoring staff (Head of Sector, official in charge);</p>

Country	Priority Sector/Subsector	Sector Institutional Leader	Other public institutions (ministries/ departments, independent institutions/ bodies) involved	Civil Society Organisations involved in IPA programming	Responsibility in EUD, Government and NIPAC (name, position, contact email/phone)
Albania	Home affairs (Fight against organised crime, Police reform, Migration and asylum, Border management and security).	Ministry of Public Order	Prime Minister Office (anti-cannabis coordination of strategy); Albania State Police (ASP); General Prosecution Office (GPO); Prosecution Office for Serious Crimes; Court of Serious Crimes; Ministry of Justice (MoJ); Inter-institutional Maritime Operational Centre (IMOC)		<p><b>EUD:</b> <a href="mailto:Francesco.TORCOLI@eeas.europa.eu">Francesco.TORCOLI@eeas.europa.eu</a></p> <p><b>Government:</b> High level official in charge and/or IPA contact; Mr. Ilirjan Xhezo Director Ministry of European Integration <a href="mailto:ilirjan.xhezo@integrimi.gov.al">ilirjan.xhezo@integrimi.gov.al</a>; 068 4767920</p> <p>Aleksander Lleshi, National Security Adviser to the Prime Minister; <a href="mailto:Sander.Lleshi@kryeministria.al">Sander.Lleshi@kryeministria.al</a>; 069 6008896</p> <p>Valeria Canga, Assistant of the National Security Adviser to the Prime Minister. <a href="mailto:Valeria.Canga@kryeministria.al">Valeria.Canga@kryeministria.al</a></p> <p>Mobile: 686 741 262.</p> <p>Dritan Demiraj Minister on Internal Affairs <a href="mailto:Dritan.Demiraj@punetebrendshme.gov.al">Dritan.Demiraj@punetebrendshme.gov.al</a>;</p> <p>Aleksander Cavo, Head of Cabinet <a href="mailto:Aleksander.Cavo@punetebrendshme.gov.al">Aleksander.Cavo@punetebrendshme.gov.al</a>; Mobile: 068 2095550; Genci Gjoncaj, Secretary General <a href="mailto:Genci.Gjoncaj@punetebrendshme.gov.al">Genci.Gjoncaj@punetebrendshme.gov.al</a>; 0682055002</p> <p>Arjan Rugji, Director of Directorate of the International Cooperation and Coordination and Public Relations ASP; <a href="mailto:Arjan.Rugji@asp.gov.al">Arjan.Rugji@asp.gov.al</a>; 069 41333190;</p> <p><a href="mailto:laura.totraku@asp.gov.al">laura.totraku@asp.gov.al</a>; 0694102209</p> <p>Katrin Treska, MoJ General Director of Codification; <a href="mailto:katrin.treska@drejtesia.gov.al">katrin.treska@drejtesia.gov.al</a> 069 5313928;</p> <p>Fjorida Ballauri@pp.gov.al; 068 2072550 Chief of Cabinet (GPO); <a href="mailto:Rovena.Gashi@pp.gov.al">Rovena.Gashi@pp.gov.al</a>; 069 6014102; International Relations/EU; <a href="mailto:Adnan.Xholi@pp.gov.al">Adnan.Xholi@pp.gov.al</a>; Director of Investigation and Representation in Court, Mobile: 069 4113268;</p> <p><a href="mailto:Besim.Hajdarmataj@pp.gov.al">Besim.Hajdarmataj@pp.gov.al</a>, Head of Serious Crimes Prosecution Office, Mobile: 069 4113478;</p> <p>Sander Simoni, Head of Serious Crimes Court <a href="mailto:gjkrkryetar@gjkr.gov.al">gjkrkryetar@gjkr.gov.al</a>, Mobile: 069 2060180;</p> <p>Zhanina Dapi, MoI -Director Strategic Department &amp;IPA, <a href="mailto:Zhanina.Dapi@punetebrendshme.gov.al">Zhanina.Dapi@punetebrendshme.gov.al</a>. 069 2282009;</p> <p>Zyber Dushku, IMOC Administrative Director <a href="mailto:zyber.dushku@mod.gov.al">zyber.dushku@mod.gov.al</a>; Mobile: 068 8016644 <a href="mailto:qnod@mod.gov.al">qnod@mod.gov.al</a> Tel/Fax: 052 2 60201</p> <p><b>NIPAC:</b> Relevant IPA sector /subsector programming &amp; monitoring staff (Head of Sector, official in charge);</p>

Country	Priority Sector/Subsector	Sector Institutional Leader	Other public institutions (ministries/ departments, independent institutions/ bodies) involved	Civil Society Organisations involved in IPA programming	Responsibility in EUD, Government and NIPAC (name, position, contact email/phone)
Albania	Fundamental rights (Roma Refugees and IDPs, LGBTI National minorities, Intercommunity relations, Freedom of expression and media freedom, Property rights, Data protection)	Ministry of Social Welfare and Youth	Ombudsman office; Albanian Authority of Protection the Property rights; Albanian Commission of Data Protection		<b>EUD:</b> <a href="mailto:Alessandro.Angius@eeas.europa.eu">Alessandro Angius@eeas.europa.eu</a> <b>Government:</b> High level official in charge and/or IPA contact; Erinda Ballanca, The Ombudsman, Alfred Koçobashi, Head on duty of Albanian NPM <a href="mailto:akocobashi@avokatipopullit.gov.al">akocobashi@avokatipopullit.gov.al</a> ; Tel. +355 42380344; Anila Shyti – Foreign Relations Unit <a href="mailto:ashyti@avokatipopullit.gov.al">ashyti@avokatipopullit.gov.al</a> ; +355 42380346 <b>NIPAC:</b> Relevant IPA sector /subsector programming & monitoring staff (Head of Sector, official in charge);
Kosovo	Democratic Institutions	Assembly of Kosovo		CSO	Secretary General of the Assembly of Kosovo
	Decentralization and sub-national government	Ministry of Local Self-Governance			
	PAR	Ministry of Public Administration			
	PFM	Ministry of Finance			
	Statistics	Kosovo Agency of Statistics (KAS)			
	Civil society	Ministry of Labour and Social Welfare			
	EU programs and agencies				

Country	Priority Sector/Subsector	Sector Institutional Leader	Other public institutions (ministries/ departments, independent institutions/ bodies) involved	Civil Society Organisations involved in IPA programming	Responsibility in EUD, Government and NIPAC (name, position, contact email/phone)
Kosovo	Institution building for European integration	Ministry of Labour and Social Welfare (MLSW)	Ministry of European Integration, the Strategic Planning Unit in the Office of the Prime Minister, Ministry of Education, Science and Technology, Ministry of Justice, Governmental Agencies and professional associations (Chamber of Advocates, Society of Certified Accountants and Auditors of Kosovo (SCAAK), Association of Information and Communication Technology (STIKK), Association of Professional Journalists, Construction Workers Association, Architects Association, Kosovo Chamber of Commerce, American Chamber of Commerce, Education Association, Insurance Association, Bankers Association, Tourism Association, Transport Association, Hydro-energy Association and Medical Association.		
	Judicial Reform	Ministry of Justice	Kosovo Judicial Council; Kosovo Prosecutorial Council; Special Prosecution Office (SPRK),		

Country	Priority Sector/Subsector	Sector Institutional Leader	Other public institutions (ministries/ departments, independent institutions/ bodies) involved	Civil Society Organisations involved in IPA programming	Responsibility in EUD, Government and NIPAC (name, position, contact email/phone)
Kosovo	Fight against corruption	Kosovo Anti-corruption Agency (KAA)	Financial Intelligence Unit (FIU); Kosovo National Anti-corruption Council, Kosovo Prosecutorial Council (KPC), Kosovo Police (KP), Tax Administration of Kosovo (TAK); Office of the Auditor General;		
	Home affairs (Fight against organised crime, Police reform, Migration and asylum, Border management and security).	Ministry of Internal Affairs (MIA)	Kosovo Academy for Public Safety (KAPS), Kosovo Police (KP), Kosovo Correctional Service (KCS), Kosovo Probation Service (KPS), Kosovo Customs (KC), Emergency Management Agency (EMA), Kosovo Police Inspectorate of (KPI); Ministry of Justice/ Department for Free Professions with two divisions: the Division on Notary and Private Execution and Division on Jurisprudence, Mediation and Bankruptcy; Kosovo Bar Association (KBA) Department for Citizenship, Asylum and Migration (DCAM) at MIA; National Anti-Trafficking Coordinator (NATC) Ministry of Labour and Social Welfare		
	Fundamental rights (Roma Refugees and IDPs, LGBTI National minorities, Intercommunity relations, Freedom of expression and media freedom, Property rights, Data protection)	Ministry of Communities and Return	The Ministry for Labour and Social Welfare the Regional Employment Centres Shtërpce/Štrpce municipal authorities Ombudsman office, Ministry of Justice		Secretary General, Ministry of Communities and Return

Country	Priority Sector/Subsector	Sector Institutional Leader	Other public institutions (ministries/ departments, independent institutions/ bodies) involved	Civil Society Organisations involved in IPA programming	Responsibility in EUD, Government and NIPAC (name, position, contact email/phone)
The Republic of North Macedonia	Democratic Institutions	Parliament			
	Decentralization and sub-national government	Ministry of Local Self-government			
	PAR	Ministry of Information Society and Administration's			
	PFM	Ministry of Finance			
	Statistics	State Statistical Office (SAO)			
	Civil society	Ministry of Labour and Social Policy			
	EU programs and agencies	National Fund	Ministry of Education & Science, Ministry of Economy, Ministry of Culture, Customs Administration, Public Revenue Office, Ministry of Labour and Social Policy, Ministry of Justice, Protection & Rescue Directorate.	CSO	Bujar Osmani, Deputy Prime Minister for EU Integration, NIPAC/ Secretariat for European Affairs; Fatmir Ademi, Head of the National Fund, Ministry of Finance
	Institution building for European integration		NIPAC, NAO, National Fund, CFCD, IPARD Paying Agency, Audit Authority		
	Judicial Reform	Ministry of Justice	Council for Judicial Reform (CJR), Judicial Council (JC), Council for Public Prosecutors (CPP), Academy for Judges and Public Prosecutors (AJPP), The Public Prosecutor's Office (PPO),		Frosina Tasevska, Head of Department for European Union and Senior Programme <a href="mailto:ftasevska@mjustice.gov.mk">ftasevska@mjustice.gov.mk</a>



Country	Priority Sector/Subsector	Sector Institutional Leader	Other public institutions (ministries/ departments, independent institutions/ bodies) involved	Civil Society Organisations involved in IPA programming	Responsibility in EUD, Government and NIPAC (name, position, contact email/phone)
The Republic of North Macedonia	Fight against corruption	Agency for Prevention of Corruption and Coordination of the Fight against Corruption;	National Coordinator for counterterrorism, State Audit Office; Anti-fraud Coordination Service (Ministry of Finance); Agency for the Management of Confiscated Assets (AMCA), Administration for security and counterintelligence ;		
	Home affairs (Fight against organised crime, Police reform, Migration and asylum, Border management and security).	Ministry of Interior (Moi)	Public Prosecution Office (PPO), Institute of Forensic Medicine and Criminology, Forensic department; Administration for security and counterintelligence;		Sasko Kocev, Head of Section for IPA implementation and Senior Programme Officer; <a href="mailto:Sasko.Kocev@moi.gov.mk">Sasko.Kocev@moi.gov.mk</a>
	Fundamental rights (Roma Refugees and IDPs, LGBTI National minorities, Intercommunity relations, Freedom of expression and media freedom, Property rights, Data protection)	Ministry of Labour and Social Policy	Ombudsman office Other		

Country	Priority Sector/Subsector	Sector Institutional Leader	Other public institutions (ministries/ departments, independent institutions/ bodies) involved	Civil Society Organisations involved in IPA programming	Responsibility in EUD, Government and NIPAC (name, position, contact email/phone)
Montenegro	Democratic Institutions				
	Decentralization and sub-national government				
	PAR				
	PFM	Ministry of Finance	Montenegrin Tax Administration; Customs Administration (MCA); State Audit Institution (SAI), Audit Authority (AA), State Aid Control Commission (SACC), State Aid Control Unit (SACU), Public Procurement Administration (PPA)	CSO	
	Statistics				
	Civil society				
	EU programs and agencies	Ministry of Foreign Affairs and European Integration	Ministry of Economy, Ministry of Science, Ministry of Labour and Social Welfare, Ministry of Culture, Ministry of Finance		
	Institution building for European integration	Ministry of Foreign Affairs and European Integration			
	Judicial Reform	Ministry of Justice	the Ministry of Interior, Police Administration, the State Prosecution Office, the Court authorities and prosecutors, the Ministry of Finance/Customs Administration and Tax Administration;	CSO	

Country	Priority Sector/Subsector	Sector Institutional Leader	Other public institutions (ministries/ departments, independent institutions/ bodies) involved	Civil Society Organisations involved in IPA programming	Responsibility in EUD, Government and NIPAC (name, position, contact email/phone)
Montenegro	Fight against corruption	Ministry of Justice	The Administration for the Prevention of Money Laundering and Terrorism Financing, the Judicial Training Centre, the Administration for Anti-Corruption Initiative.		
	Home affairs (Fight against organised crime, Police reform, Migration and asylum, Border management and security).	Ministry of Interior (the Border Police department)	Inter-Ministerial IBM Commission, the Police Directorate, the Ministry of Foreign Affairs and European Integration, Ministry of Defence, Ministry of Finance (Real-Estate Administration, Customs Administration and Administration for Inspection Affairs), Ministry of Transport and Maritime Affairs.	CSO	
	Fundamental rights (Roma Refugees and IDPs, LGBTI National minorities, Intercommunity relations, Freedom of expression and media freedom, Property rights, Data protection)	Ministry of Justice	Ministry of Interior, Ministry of Finance, Ministry of Human and Minority Rights, Supreme court of Montenegro, Supreme State Prosecutor's Office, Parliament of Montenegro, Judicial Training Centre, Anti-discrimination Council, Ombudsman, Administration for Anti-corruption initiative, Administration for Execution of Criminal Sanctions, Police administration, Administration for Prevention of Money Laundering and Financing of Terrorism, Customs administration; Minority Councils, Fund for the protection and exercise of minority rights, Centre for preservation and development of minority culture.	CSO	

Country	Priority Sector/Subsector	Sector Institutional Leader	Other public institutions (ministries/ departments, independent institutions/ bodies) involved	Civil Society Organisations involved in IPA programming	Responsibility in EUD, Government and NIPAC (name, position, contact email/phone)
Bosnia and Herzegovina	Taxation	EUD	Indirect Taxation Authority		
	Customs	EUD	Indirect Taxation Authority		
	Institution building for European integration	EUD	Parliamentary Assembly of Bosnia and Herzegovina (PA-Bosnia and Herzegovina), the Parliament of Federation of Bosnia and Herzegovina (Bosnia and Herzegovina), the National Assembly of Republika Srpska (NARS), the Brčko District Assembly (BDA) and cantonal assemblies; Bosnia and Herzegovina line-ministries and government institutions/agencies at various levels of government and staff directly involved in the EU accession process		
	EU programmes and agencies	EUD	In-line-ministries and government institutions/agencies at various levels of government and staff directly involved in the EU accession process	Civil society	
	Fight against corruption	EUD	ACA, Anti-corruption institutions; cantonal structures		
	Intercommunity relations	EUD	International Commission on Missing Persons		
	War crimes	EUD	International Commission on Missing Persons		

Country	Priority Sector/Subsector	Sector Institutional Leader	Other public institutions (ministries/ departments, independent institutions/ bodies) involved	Civil Society Organisations involved in IPA programming	Responsibility in EUD, Government and NIPAC (name, position, contact email/phone)
Bosnia and Herzegovina	Public financial management	EUD	managers, operational staff and internal auditors; PIFC framework and institutions at all levels; Trained public procurement officers at all levels of government of Bosnia and Herzegovina including public companies, schools, universities, etc.		
	Public administration reform	EUD	Public Administration Reform Coordinator's Office; statistical institutions (Agency for Statistics of Bosnia and Herzegovina-BIHAS, the Institute for Statistics of Federation of Bosnia and Herzegovina-FIS and the Institute for Statistics of Republika Srpska-RSIS); Ministry of Finance and Treasury of Bosnia and Herzegovina, Federation Ministry of Finance, Ministry of Finance of Republika Srpska, Cantonal Ministries of Finance; Council of Ministers, Government of the Federation of Bosnia and Herzegovina, Government of Republika Srpska		
	Statistics	EUD	Public Administration Reform Coordinator's Office; statistical institutions (Agency for Statistics of Bosnia and Herzegovina-BIHAS, the Institute for Statistics of Federation of Bosnia and Herzegovina-FIS and the Institute for Statistics of Republika Srpska-RSIS)		
	Judicial reform	EUD	post-socialist courts and prosecutor offices; prosecution and law enforcement agencies (LEAs); bodies for prevention of corruption		

Country	Priority Sector/Subsector	Sector Institutional Leader	Other public institutions (ministries/ departments, independent institutions/ bodies) involved	Civil Society Organisations involved in IPA programming	Responsibility in EUD, Government and NIPAC (name, position, contact email/phone)
Bosnia and Herzegovina	Penitentiary reform	EUD	Post-socialist courts and prosecutor offices; prosecution and law enforcement agencies (LEAs); bodies for prevention of corruption.		
	Fight against organised crime	EUD	Law enforcement agencies; LEA professionals, Bosnia and Herzegovina Border Police		
	Border management and security	EUD	Law enforcement agencies; LEA professionals, Bosnia and Herzegovina Border Police		
Serbia	Public administration reform	Ministry in charge of Public Administration; Ministry in charge of Finance and the Public Policy Secretariat	Parliament and Supreme Audit Commission		
	Decentralisation and sub-national governments	EUD	Public administration		
	Institution building for European integration	Ministry of Mining and Energy; Ministry of Agriculture and Environmental Protection; Ministry of Education, Science and Technological Development; Ministry of European Integration ; Ministry of Youth and Sports (MoYS) and local self-governments	Public Administration; Independent State Bodies, such as State Audit Institution or National Bank of Serbia		

Country	Priority Sector/Subsector	Sector Institutional Leader	Other public institutions (ministries/ departments, independent institutions/ bodies) involved	Civil Society Organisations involved in IPA programming	Responsibility in EUD, Government and NIPAC (name, position, contact email/phone)
Serbia	Democratic institutions	EUD / IMDA with ADA / CFCU MoF	Ministry of Construction, Transport and Infrastructure; the Ministry of Health and Ministry of Labour, Employment, Veteran and Social Affairs; Ministry of Economy; Ministry of Finance; Serbian Commission for Refugees and Migration and other relevant institutions for the implementation of migration and asylum policy and procedures; Ministry of Education, Science and Technological Development and the Ministry of Youth and Sports	Foundation Tempus and the NGO "Let's..."	
	Refugees and IDPs	Responsibilities Senior Programme Officer at the Ministry of Home Affairs; Programme Officer at the Commissariat for Refugees, Senior Programme Officer at the Commissariat for Refugees and Office for Kosovo and Metohija; Senior Programme Officer at the Ministry of Finance/Customs Administration	Specialised units to combat trafficking (Regional Police Directorates (27), Border Police Directorate and Criminal Police Directorate), as well as specialised units for witness protection, financial investigations and undercover investigators; custom administrations; regional police directorates	Automobile and Motorcycle Association of Serbia (AMSS)	



Country	Priority Sector/Subsector	Sector Institutional Leader	Other public institutions (ministries/ departments, independent institutions/ bodies) involved	Civil Society Organisations involved in IPA programming	Responsibility in EUD, Government and NIPAC (name, position, contact email/phone)
Serbia	Migration and asylum	Responsibilities Senior Programme Officer at the Ministry of Home Affairs; Programme Officer at the Commissariat for Refugees, Senior Programme Officer at the Commissariat for Refugees and Office for Kosovo and Metohija; Senior Programme Officer at the Ministry of Finance/Customs Administration	Specialised units to combat trafficking (Regional Police Directorates (27), Border Police Directorate and Criminal Police Directorate), as well as specialised units for witness protection, financial investigations and undercover investigators; custom administrations; regional police directorates	Automobile and Motorcycle Association of Serbia (AMSS)	
	Border Management and Security	Senior Programme Officer at the Ministry of Home Affairs; Programme Officer at the Commissariat for Refugees, Senior Programme Officer at the Commissariat for Refugees and Office for Kosovo and Metohija; Senior Programme Officer at the Ministry of Finance/Customs Administration	Specialised units to combat trafficking (Regional Police Directorates (27), Border Police Directorate and Criminal Police Directorate), as well as specialised units for witness protection, financial investigations and undercover investigators; custom administrations; regional police directorates	Automobile and Motorcycle Association of Serbia (AMSS)	
	EU programmes and agencies	National Fund	The Ministry in charge of Education, Science and Technological Development and the Ministry in charge of Youth; Ministry of Economy, Ministry of Finance; The Ministry in charge of Labour, Employment, Veteran and Social Affairs; Ministry of health		

Country	Priority Sector/Subsector	Sector Institutional Leader	Other public institutions (ministries/ departments, independent institutions/ bodies) involved	Civil Society Organisations involved in IPA programming	Responsibility in EUD, Government and NIPAC (name, position, contact email/phone)
Serbia	Public financial management	Ministry in charge of Public Administration; Ministry in charge of Finance and the Public Policy Secretariat.	Parliament and Supreme Audit Commission		
	Civil society	Ministry in charge of Public Administration; Ministry in charge of Finance and the Public Policy Secretariat and The Office for Cooperation with Civil Society	Parliament and Supreme Audit Commission		
	Judicial reform	Ministry of Justice; Supreme Court of Cassation; High Judicial Council; Ministry of Justice Judicial Academy; Ministry of Interior (Border and Criminal Police Directorates); Ministry of Finance (Customs Administration) and the Ministry of Agriculture and Environmental Protection (Phytosanitary & Veterinary Directorates – Border Inspectorates).	High Prosecution office/Higher Courts;. Judges of all levels of courts' of general jurisdiction; Prison Administration; public prosecution office		
	Penitentiary reform	Ministry of Justice; Supreme Court of Cassation; High Judicial Council; Ministry of Justice; Judicial Academy;	High Prosecution office/Higher Courts; Judges of all levels of courts of general jurisdiction; Prison Administration; public prosecution office		

Country	Priority Sector/Subsector	Sector Institutional Leader	Other public institutions (ministries/ departments, independent institutions/ bodies) involved	Civil Society Organisations involved in IPA programming	Responsibility in EUD, Government and NIPAC (name, position, contact email/phone)
Serbia	War crimes	Ministry of Justice; Supreme Court of Cassation; High Judicial Council; Ministry of Justice; Judicial Academy;	High Prosecution office/Higher Courts; Judges of all courts' levels of general jurisdiction; Prison Administration; public prosecution office		
	Fight against organised crime	Ministry of Interior; Ministry of Finance/ Administration for the Prevention of Money Laundering (APML)	Financial Investigation Unit (FIU) within Service for Combating Organised Crime (SBPOK)		
	Fight against corruption	Ministry of Interior; Ministry of Finance/ Administration for the Prevention of Money Laundering (APML) and the Anti-Corruption Agency	Financial Investigation Unit (FIU) within Service for Combating Organised Crime (SBPOK)		
	Police reform	Ministry of Interior; Ministry of Finance/ Administration for the Prevention of Money Laundering (APML)	Financial Investigation Unit (FIU) within Service for Combating Organised Crime (SBPOK)		
Turkey	Institution building for European integration	Ministry for EU Affairs Project Implementation Directorate	Ministry of Interior, Union of Municipalities of Turkey		
	EU programmes and agencies	Ministry for EU Affairs			

Country	Priority Sector/Subsector	Sector Institutional Leader	Other public institutions (ministries/ departments, independent institutions/ bodies) involved	Civil Society Organisations involved in IPA programming	Responsibility in EUD, Government and NIPAC (name, position, contact email/phone)
Turkey	Civil society	Ministry for EU Affairs; Project Implementation Directorate.	Ministry for EU Affairs, Ministry of Culture and Tourism, local authorities, universities and other public institutions involved in policy-making and those that are working with CSOs and business committees; Ministry of Planning and Social Policies Department of Associations of The Ministry of Interior; Prime Ministry Directorate General of Foundations ; Head of Foreign Affairs Unit; The Union of Chambers and Commodity Exchange of Turkey ; Association of Civil Society Development Centre		
	Judicial reform	Ministry for EU Affairs Directorate for Political Affairs; Ministry of Justice	High Council of Judges and Prosecutors, the Justice Academy, High Courts; Ombudsman Institution, National Human Rights Institution; Court of Cassation, Ministry of Family and Social Policy, National Police	Turkish Bar Association	
	Penitentiary reform	Ministry for EU Affairs Directorate for Political Affairs; Ministry of Justice	High Council of Judges and Prosecutors, the Justice Academy, High Courts; Ombudsman Institution, National Human Rights Institution; Court of Cassation, Ministry of Family and Social Policy, National Police	Turkish Bar Association	

Country	Priority Sector/Subsector	Sector Institutional Leader	Other public institutions (ministries/ departments, independent institutions/ bodies) involved	Civil Society Organisations involved in IPA programming	Responsibility in EUD, Government and NIPAC (name, position, contact email/phone)
Turkey	Refugees and IDPs	Directorate General of Migration Management; Ministry of National Education; Ministry of Customs and Trade; Border Management Bureau; Ministry of Interior-Directorate General of Provincial Administration; Turkish Coast Guard Command	National Human Rights Institution of Turkey; Turkish National Monitoring Centre for Drugs and Drug Addiction; Parliament, Security forces	Turkish Bar Association	
	Migration and Asylum	Directorate General of Migration Management; Ministry of National Education; Ministry of Customs and Trade; Border Management Bureau; Ministry of Interior-Directorate General of Provincial Administration; Turkish Coast Guard Command	National Human Rights Institution of Turkey; Turkish National Monitoring Centre for Drugs and Drug Addiction; Parliament, Security forces	Turkish Bar Association	
	Border Management and security	Directorate General of Migration Management; Ministry of National Education; Ministry of Customs and Trade; Border Management Bureau; Ministry of Interior-Directorate General of Provincial Administration; Turkish Coast Guard Command	National Human Rights Institution of Turkey; Turkish National Monitoring Centre for Drugs and Drug Addiction; Parliament, Security forces	Turkish Bar Association	

Country	Priority Sector/Subsector	Sector Institutional Leader	Other public institutions (ministries/ departments, independent institutions/ bodies) involved	Civil Society Organisations involved in IPA programming	Responsibility in EUD, Government and NIPAC (name, position, contact email/phone)
Turkey	Democratic institutions	Ministry for EU Affairs; Department of Associations of The Ministry of Interior; Prime Ministry Directorate General of Foundations; Head of Foreign Affairs Unit; The Union of Chambers and Commodity Exchange of Turkey ; Association of Civil Society Development Centre	Ministry for EU Affairs, Ministry of Culture and Tourism, local authorities, universities and other public institutions involved in policy-making and those that are working with CSOs and business committees; Ministry of Planning and Social Policies		
	Public administration reform	CFCU; Ministry of Interior – General Directorate of Local Authorities	Local Authorities		
	Fight against organised crime	Ministry for EU Affairs; Department of Associations of The Ministry of Interior; Prime Ministry Directorate General of Foundations; Head of Foreign Affairs Unit; The Union of Chambers and Commodity Exchange of Turkey ; Association of Civil Society Development Centre	Ministry for EU Affairs, Ministry of Culture and Tourism, local authorities, universities and other public institutions involved in policy-making and those that are working with CSOs and business committees; Ministry of Planning and Social Policies		

## ANNEX 7 CONTRIBUTION ANALYSIS (FROM DAI'S TECHNICAL OFFER)

The following excerpts are from the methodological note annexed to the joint evaluation of budget support (BS) in Uganda, 2015, where the team was led by Dr Enzo Caputo:

...using the contribution analysis, the evaluator ... aims at building a robust story on how and to what extent the programme has contributed to the achievement of the targeted outcomes.

The way in which such a story is built is the subject matter of most of the relevant literature. In particular, Mayne (2011) has developed the use of the contribution analysis in theory-based evaluations (Suchman, 1967) ... the idea of building detailed theories of change and causality chains is particularly appropriate to evaluate specific programmes in which it is relatively easy to foresee the interaction with other factors and a standard decision-making framework may apply.

In the evaluation of budget support [and similar programmes] ... the underlying theory is that the programme creates new opportunities [capacities and funds] for the recipient government, which is supposed to use them to strengthen its development strategy toward the achievement of the targeted outcomes. However, the government might adopt different options and could encounter different responses from the wider civil society, forcing it to adapt to such responses, thereby generating a causal process that may not be foreseen nor crystallised a-priori.

There are some basic analyses to be carried out to build the story of the actual contribution of BS [or similar programmes] to the strengthening of ... [policy and institutional processes]:

- The quality of the programme(s).
- The sequence. There is a time and logical correlation between the opportunities provided and several significant changes.
- The strategic and quantitative consistency. There is a strategic correlation between the evolution of the opportunities provided and the changes observed in the policy framework.
- The process. The correlations identified in the above-mentioned assessments are corroborated by an assessment of the actual dialogue process and content. The analysis illustrates the 'mechanisms' (Davidson, 2000; Astbury, 2010) through which the links are established.
- The interactions. The opportunities created by BS have interacted either positively or negatively with other government or non-government programmes, and/or with significant events that have affected the context...
- The counterfactual considerations. Could the contribution of BS [or similar programmes] been replaced, with similar or better results, at similar or lower costs, by alternative types of support? The evaluator should develop some counterfactual considerations to strengthen the credibility of the contribution story. It is not requested to build a comprehensive counterfactual scenario to provide an unquestionable proof of the validity of BS.



## ANNEX 8 OVERVIEW OF SECTOR STRATEGIES

This section aims to provide an overview of the sector policies in the two IPA II priority sectors, Democracy & Governance and Rule of Law with the related secondary sectors. The overview is based on the findings of (1) EC funded Project “Mapping Sector Strategies” and overview, (2) National Strategic documents and (3) Indicative Strategy Papers (ISPs).

### 1 MAPPING SECTOR STRATEGIES<sup>42</sup>

The Mapping Sector Strategies (MSS) provides an assessment of the seven pre-accession countries<sup>43</sup> readiness towards meeting the five sector approach criteria adopted by the EC for assessing the SA approach<sup>44</sup> and two additional criteria respectively: (1) Well-defined national sector policies/ strategies; (2) Institutional settings, leadership and capacity for implementation of the sector strategy; (3) Sector and donor coordination; (4) Mid-term budgetary perspectives of sector policy implementation based on sector budget analysis and realistic sector allocations in MTEFs; (5) Monitoring of sector policy implementation and in particular the development of Performance Assessment Frameworks (PAFs); (6) Public finance management system in place or under implementation; and (7) The existence of projected macroeconomic framework.

The MSS produced a map of the sectors’ readiness (maturity) towards SA based on the analysis of the quantitative and qualitative information using a scoring Methodology<sup>45</sup>. According to the Methodology, a sector is considered “mature” when it complies at a certain degree with the above-mentioned criteria. The sectors were classified in three categories: “ready for SA with some improvements” (green highlight), “in progress towards Sector Approach (SA)” (yellow highlights) and “not yet in progress towards SA” (red highlight).

An overview of the MSS assessment of the sector readiness, of interest for this evaluation, is presented in Table 1 below:

*Table 1. The Readiness of Democracy & Governance and Rule of Law Sectors by Country*

Countries	PAR	Justice	Home Affairs
<b>Albania</b>	In progress towards SA	In progress towards SA	
<b>Bosnia and Herzegovina</b>	ready for SA with some improvements	ready for SA with some improvements	not ready at all
<b>The Republic of North Macedonia</b>	in progress towards SA	in progress towards SA	in progress towards SA
<b>Kosovo</b>		Not yet in progress towards SA	in progress towards SA
<b>Montenegro</b>	In progress towards SA	In progress towards SA	Not ready for SA
<b>Turkey</b>		In progress towards SA	in progress towards SA

The mapping table shows that apart from two Bosnia and Herzegovina sectors (PAR and Justice) which were classified “ready for SA with some improvements”, the overwhelming majority of the sectors were classified “in progress towards SA” and “not yet in progress”.

Overall, the Justice and Home Affairs sectors were not well classified in terms of readiness for SA. Three sectors: Home Affairs in Bosnia and Herzegovina, Justice Sector in Kosovo and Home Affairs in Montenegro were classified as “not yet in progress towards SA”. Even Albania, that was classified “in progress to SA”, scored close to “not yet in progress for SA”. The key factor influencing was the lack of a comprehensive sector strategic framework. None of the countries evaluated had a comprehensive

42 Project No. 2013/318972 Final Report 28 February 2014

43 Mapping Sector Strategies p.19, Serbia was excluded from the scope of the study (though some desk research work had been undertaken), because of the more advanced stage of the country preparation in the adoption of a sector approach and already existing sector analyses carried out in 2013. Findings and recommendations for Serbia are therefore omitted in the report.

44 Mapping Sector Strategies, p.21

45 Mapping Sector Strategies, p.21

strategic framework composed of main sector strategy and subsector strategies with coherent objectives, timeframes, monitoring framework, and costs. Most of the countries did not have the updated sector strategy in the key sectors, i.e. in Albania the Justice sector strategy had expired since 2013, the Republic of North Macedonia did not have a comprehensive sector strategy in Justice and Home Affairs; Bosnia and Herzegovina did not have a Home Affairs strategy; Turkey did not have a “Security and Home Affairs Strategy” (the 10<sup>th</sup> NDP priorities were selected as an overall strategic document); Kosovo Judiciary sector strategic framework was incomplete and fragmented by individual strategies with no link to each other.

The National and sector strategies had different time frames in terms of length and covered different periods. The goals and objectives of the sector and sub-sector strategies addressed well the national strategic goals but most of them were not well formulated. The majority of the subsector strategies did not have an Action Plan, but even in cases where it exists, the quality was modest. The most common issues with the Action Plans are the lack of sequencing of the actions, the lack of monitoring framework, and the lack of cost breakdown. In cases where it exists, it was unclearly defined and insufficient to cover numerous activities/measures.

With regards to the monitoring framework, the assessment showed that the formulation of the indicators was weak at both the output and impact level with the baseline/targets almost missing. For example, in the case of Albania there was a confusion between indicators and results. As related to institutional leadership, this was quite clear in the Justice sector with the Ministry of Justice as lead institution in all countries. In relation to sector coordination, this was different in different countries. In some countries, there were Sector Working Groups such as Montenegro, the Republic of North Macedonia, Bosnia and Herzegovina, while SWG did not exist in other countries such as Albania and Kosovo.

Overall, the PAR sector received higher classification scores (more advanced) compared to two other sectors. The main factor influencing was the better quality of the main PAR Sector Strategy in all countries. However, not all strategies had Action Plans for the implementation. Even in cases where they did exist, they did not include realistic budgets, monitoring framework or realistic deadlines. In some cases, the PFM presented a very coherent and comprehensive strategy with an adequate monitoring system based on the PEFA Methodology. In some cases, the PFM and the Strategy for PAR were not adequate, such as the Republic of North Macedonia. The link between the central government budget and the strategies was weak in most of the countries. In relation to institutional leadership, different ministries had the leading role in the sector and in most cases, their role was not clearly defined. All countries have established the Sector Working Groups (SWG) but the coordination between SWG in charge of Programming and SWG in charge of negotiations was unclear.

## 2 OVERVIEW OF THE NATIONAL STRATEGIC DOCUMENTS (NS)

The current review aims to provide a preliminary overview of the National Strategy (NS) and their sector focus, including an own assessment of their consistency with the IPA II definition “A sector should be defined by the government and have relevance to EU accession and/or national socioeconomic development<sup>46</sup>”. The review covers 5 out of 7 countries under present evaluation respectively Albania, “National Strategy for Development and Integration” 2015 – 2020 (NSDI); Kosovo, “National Development Strategy 2016-2021” (NDS); “Montenegro Development Directions, 2013 -2016” (MDD), Serbia, “National Priorities for International Assistance in the Republic of Serbia, 2014- 2017” (NAD) and Turkey, “The Tenth Development Plan 2014-2018” (TDP). “Work Programme of the Government 2014 – 2018” of the Republic of North Macedonia was available only in the national language while such a strategy does not exist in Bosnia and Herzegovina.

46 IPA II Guidelines, p.10

### 3 SECTOR POLICIES' COHERENCE TO IPA II SECTOR DEFINITION

According to the IPA II definition, a NS should establish a clear link between the national objectives, the EU enlargement objectives and priorities and IPA II sector policies/objectives. The level of consistency to this criterion of the various NSs reviewed is different. Two out of five NSs respectively, Albania NSDI and Serbia NAD comply with the EU sector definition. The national goals and objectives linked to the EU enlargement agenda are tailored to the national social and economic development needs, while they are articulated in sector policies, with their specific objectives, in coherence with the IPA II sector approach. In contrast, the Turkey TDP and Kosovo NDS address only the national social and economic development needs and priorities, without a sectoral articulation and a link to the IPA II sector approach.

#### Countries' preliminary overview:

The Serbia NAD goal is to “accelerate European integration /EU accession by implementing the systematic reforms needed to meet the Copenhagen criteria”<sup>47</sup>. The intervention logic consists of a wide sector approach that addresses the achievement of the goal through the objectives of 12 sectors, cross sectors and thematic areas. The sectors relevant to the present evaluation are Justice Sector, Home Affairs, PAR, Media and Civil Society. The NAD goal has been well translated into sector policies coherent to EU accession objectives and relevant IPA II sector policies. *Overall, the NAD is conducive to IPA II SA. The sector objectives are well defined and formulated. They address both the EU accession objectives and are coherent to IPA II sector objectives. The NAD structure does not fully adopt the IPA II concept, addressing the sector objectives through objectives of secondary sectors clustered with the primary sector, which would have maximised the sector wide impact. The NAD structure looks more adequate for stand-alone projects than sector reform actions.*

The Albania NSDI goal is to “boost democracy towards integration into the European Union, with a competitive, stable and sustainable economy with guarantees for fundamental rights and human freedoms”<sup>48</sup>. The intervention logic consists of pursuing the goal through four pillars (strategic objectives) built on “Good Governance, Democracy and Rule of Law” as a “vision foundation” (horizontal pillar). The strategic objectives are: 1) improved macroeconomic and fiscal stability; 2) enhanced competitiveness; 3) enhanced human capital and social cohesion; 4) sustainable utilisation of resources and territorial development. The “Good Governance, Democracy and Rule of Law” pillar includes: Justice System Reform, Legislative and Electoral processes, Integrated Border Management, Organised Crime, Terrorism, Trafficking, Public Order, Human Rights, Public Administration Reform, Fight against Corruption, Decentralisation & Local Government and Statistics and Civil Society. The PFM sector objective aims at achieving the “Macroeconomic Growth” strategic objective. *Overall, the NSDI is conducive to IPA II SA. The sector and subsector objectives are well defined and formulated. They address both the EU accession and national priorities and are coherent to IPA II secondary sectors objectives. The structure of the “Good Governance, Democracy and Rule of Law” is closer to IPA II approach allowing for maximisation of sector wide impact.*

The Turkey TDP goal is “to improve global position of Turkey and enhance the welfare of citizens with structural transformations based on the principal social values and expectations of the nation in a reshaping world”<sup>49</sup>. The reference to the national needs is strong, while there is no reference to the EU accession objectives. The TDP goal is forwarded through four key development factors (strategic priorities): 1) Qualified people, strong society; 2) Innovative production, stable growth; 3) Liveable places, sustainable environment; and 4) International Cooperation for Development which were further translated into a number of priority areas. The TDP address four sectors of interest of this evaluation such as Justice, Fundamental Rights and Freedoms, Civil Society. These sectors were set under the strategic priority “Qualified people, strong society” among 17 mixed sectors (economic, social, cultural); processes i.e. Strategic Planning, E – Government applications in Public Services; economic factors i.e. Business environment. The link between each sector and others seem confusing and misleading. How-

47 National Priorities for International Assistance, 2014-2017 with projections until 2020, p.11.

48 National Strategy for Development and integration, 2015-2020, p.30.

49 The Tenth Development Plan 2014-2018, p.27.

ever, individual sectors address issues relevant to the IPA II sector. *Overall, the TDP is not conducive to the IPA II SA. It is not coherent with EU accession objectives. The TDP has no defined objectives at both strategic level and priority areas and is not adequately structured especially at the priority areas. Therefore, the coherence is hard to identify. However, in the evaluator's opinion, the issues related to Justice, Fundamental Rights and Freedoms, Civil Society are in line with the IPA II topics.*

The Kosovo NDS looks more like an academic piece of work than a strategy. The NDS is developed through a list of "country's top priorities" aiming "to address key obstacles to the development of Kosovo"<sup>50</sup>. The NDS identifies four thematic pillars: 1) human capital, 2) the rule of law and good governance, 3) development of competitive industries and 4) development of infrastructure further translated into a set of "interventions" consisting of mix policies, measures and activities. It is unclear how the priorities are set as there is no evidence of situation analysis. The sectors of interest for the present evaluation are included in thematic pillar two "Good governance and the rule of law" such as Property rights, the judiciary, economic governance, PAR and Taxation. *Overall, the NDS is not conducive to IPA II SA. The NDP is not coherent with the EU accession objectives but only national ones. NDS lack key elements of a good strategy i.e. lack defined goals and objectives misleads the coherence of policies, actions and measures. However, in the evaluator's opinion, the issues related to property rights, the judiciary, economic governance, PAR and Taxation are in line with the IPA II topics.*

The Montenegro MDD strategic objective is to "establish a consolidated midterm investment and development plan, and thus launch the implementation of development priorities which would stimulate economic growth in the country"<sup>51</sup>. The MDD aims to provide a framework for implementation of mix investments and development measures through combined sector reforms and public investments. The MDD put a special emphasis on the compliance with the requirements and standards of EU policies which is expected to pave the way for future integration of IPA funds. The MDD identifies 18 policy areas for investments and public-sector reforms, which are in line with Europe 2020 Strategy policies in the fields of smart, sustainable and inclusive growth. However, no references exist on sectors and policies relevant to "Democracy & Governance" and "Rule of Law & Fundamental Rights". *Overall, the MDD is not conducive to IPA II SA related to the sectors addressing the political criteria.*

## 4 QUALITY OF SECTOR POLICIES

The overview of sector policies in the NS context aims to assess their coherence to NS goal and objectives and the compliance with the IPA II sector objectives. In this regard, the sector policies were assessed in terms of compliance to the policy drafting principles i.e. well defined and formulated goals and objectives based on situation analysis; translation of the objectives into measures and reform policies to achieve them within a given period; existence of quality monitoring framework (measurable indicators) and financial resources to assure their implementation.

At a first review, the Serbia NAD and Albania NSDI have well defined and formulated sector policies that are coherent to the strategic goals and objectives. They are further translated into a set of actions and measures with a common medium – term objective. The sector policies are coherent to IPA II policies. Albania NSDI and Serbia NAD address well the measures through expected results and measurable indicators. Serbia is more advanced in this regard as the verifiable indicators are set by annual and mid-term targets and crosscutting sectors, which enable the monitoring of the progress of reforms in each sector.

The sectors of interest for this evaluation at Turkey TDP and Kosovo NDS address issues relevant to the IPA II sector objectives. The Turkey TDP and Kosovo NDS strategic priorities are translated through mixed sectors, interventions, actions and measures. The Kosovo NDS have the expected outcomes but not linked to the monitoring/indicators. The Turkey TDP measures do not include neither expectations nor monitoring indicators.

All Sector policies have no cost estimation.

Overall, Serbia NAD Albania and NSDI comply better with IPA II objectives and policy drafting princi-

<sup>50</sup> National Development Strategy 2016-2021". p.4

<sup>51</sup> MDD, p.7

ples. The most common deficiencies in other NSs are lack of coherence with IPA II sector definition; lack of sector policies, poor translation of priorities to actions and measures modest expectations; poor quality of monitoring indicators and lack of coherence between actions/measures and costs.

## 5 OVERVIEW OF COUNTRY STRATEGY PAPERS (ISP) REGARDING IPA II SECTOR POLICY.

The ISP is the key IPA II programming document, which sets out the beneficiary countries priorities to EU financial assistance for the 2014-2020 period to support their road to accession. The ISPs overview shows that each country's political priorities have been identified based on the EC progress reports and the EU enlargement strategy by specifying key areas where the financial assistance is the most useful to meet the accession criteria. The priorities are further translated into actions by actors, expected results, indicators by baseline, milestone and targets and indicative financial allocations. The financial allocations in two priority sectors, Democracy & Governance and Rule of Law are largest in each country varying from 30% (the Republic of North Macedonia) to 49.3% (Albania).

The ISPs review show that in all countries the ISPs drafting process followed the IPA II programming principles. It was led by EC in close cooperation with the beneficiary country institutions. At national level, the Beneficiary took the leading role in guaranteeing a wide consultative process with all the stakeholders such as central government institutions, local government, civil society organisations, international financial institutions, international organisations and others.

A preliminary overview of the ISPs shows a different degree of beneficiary country's readiness to the Sector Approach criteria. Some of the countries, at the time when the ISPs were drafted, were well positioned in fully meeting the criteria such as Albania and Serbia, while others were at an early stage such as Kosovo. According to ISPs, no beneficiary country was ready for Sector Budget Support (SBS) due to an uncomplete fulfilment of the four SBS preconditions (stable macroeconomic framework; a credible and relevant programme to improve public financial management; transparency and oversight of budget; credible and relevant sector strategies consistent with the EU accession strategy). However, the ISPs analysis shows that some countries were closer in specific sectors i.e. Albania (PAR, PFM Contract), Serbia (PAR, Home Affairs and Education Reform in Serbia), thus the SBS could be considered for these sectors, upon improvements, from 2015 onwards.

The analysis of ISPs on each country needs and priorities for IPA assistance indicates wide-ranging and divergent sub-sector priorities (see Table 2 below). However, the most common priority sub-sectors are:

- Democracy & governance sector: PAR, PFM, Economic Governance and Civil Society;
- Rule of law & fundamental rights sector: Judicial Reform, Fight against organised crime, Fight against corruption, Fundamental rights (minorities, freedom of expression).

*Table 2. Countries priority needs in two sectors (Democracy & Governance and Rule of Law & Fundamental Rights) identified by ISPs.*

IPA II Sectors		Priority IPA II Primary and secondary sectors by ISP/country						
		Albania	Bosnia & Herzegovina	The Republic of North Macedonia	Kosovo	Montenegro	Serbia	Turkey
1.	Democracy & Governance							
1.1	Democratic Institutions	x		x	x	x		
1.2	Decentralization and sub-national government			x			x	
1.3	Public administration reform (PAR)	x	x	x	x	x	x	x
1.4	Public financial management (PFM)	x	x	x	x	x	x	x



IPA II Sectors	Priority IPA II Primary and secondary sectors by ISP/country						
	Albania	Bosnia & Herzegovina	The Republic of North Macedonia	Kosovo	Montenegro	Serbia	Turkey
1.5 Taxation				x	x	x	
1.6 Customs				x	x	x	
1.7 Economic governance	x	x	x	x	x	x	x
1.8 Statistics		x		x	x	x	x
1.9 Civil society	x		x	x	x	x	x
1.10 EU programs and agencies		x	x		x	x	x
1.11 Institution building for European integration	x	x	x	x	x	x	
2. Rule of law and fundamental rights							
2.1 Judicial reform	x	x	x	x	x	x	x
2.3 War crimes		x					
2.4 Fight against organised crime	x	x	x	x	x	x	x
2.5 Fight against corruption	x	x	x	x	x	x	x
2.6 Police reform			x				
2.7 Migration and asylum		x			x	x	
2.8 Border management and security		x	x		x	x	
2.9 Roma		x	x	x	x	x	
2.10 Refugees and IDPs						x	
2.11 LGBTI		x	x	x		x	
2.12 National minorities	x	x	x	x	x	x	
2.13 Intercommunity relations				x			
2.14 Freedom of expression and media freedom		x	x		x	x	x
2.15 Property rights	x						
2.16 Data protection							
2.15 Property rights	x						
2.16 Data protection							

## 6 ASSESSMENT OF SPDS

In addition, an initial assessment of the available SPDS has been completed. In May 2017, twenty-two SPDS were available at EC HQs (6 for Turkey, 9 for Serbia, 6 for Montenegro, 1 for the Republic of North Macedonia). A sample of ten SPDS from the four different countries has been considered for an initial assessment, with a focus on the priority sectors identified in the ToRs. Additional SPDS were selected for comparative purposes. Table 3 provides a summary of the sample considered. Key areas of assessment have been considered:

- Quality of the assessment
- Articulation with the national strategy
- Institutional framework

- Mid-term budgetary perspectives
- Priority setting for external assistance

*Table 3. Summary of the sample of SPDs considered for the inception report*

Country	SPDs	Sector	Year	# actions	Management
The Republic of North Macedonia	Rule of law	Rule of law and fundamental rights	2016	7	IM
Montenegro	Democracy and governance	Democracy and governance	2015	5	IM
Montenegro	Rule of Law	Rule of law and fundamental rights	2015	Not defined	Not defined
Montenegro	Competitiveness	Competitiveness and innovation	2015	3	IM
Serbia	PAR	Democracy and governance	2015	5	DM (incl. budget support)
Serbia	Justice	Rule of law and fundamental rights	2015	6	IM
Serbia	Competitiveness	Competitiveness and innovation	2015	6	IM
Turkey	Civil society	Democracy and governance	2016	1	IM
Turkey	Judiciary	Rule of law and fundamental rights	2017	4	IM
Turkey	Agriculture	Agriculture	2016	3	IM

## 7 QUALITY OF THE ASSESSMENT

SPDs have been examined against two different criteria to assess the quality of the assessment of national strategies: i) description of the strategy and level of detail; ii) assessment of the implementation of the strategy, including obstacles and bottlenecks. In relation to the second criteria, the SPDs should include “an assessment of the quality of the policy document [which] should also be inserted (as far as possible), notably with regards to coverage, coherence (link with EU policy documents), clarity, legal status, degree of implementation, etc.”

In general, SPDs contain a comprehensive and detailed description of national strategies. SPDs in the sample usually discuss relevant sector policies at different levels as well as the existing hierarchy of objectives. There are only two SPDs where this assessment is weak compared to the average: the SPD on civil society in Turkey and the SPD on Democracy and governance in Montenegro.

When it comes to implementation, seven out of the ten SPDs in the sample provide no or a very weak assessment of the quality of the document, coherence of the strategy with EU policy documents and the implementation of the strategy. The three remaining cases (Serbia Competitiveness and PAR and Montenegro Competitiveness) include some form of discussion of the implementation of the strategy (progress made and challenges). In the case of Montenegro, there is also an analysis of the coherence between the national Strategy and EU and regional policies.

## 8 ARTICULATION WITH THE NATIONAL STRATEGY

This section assesses whether and to what extent the SPDs discuss the existence of suitable indicators in the national strategy that could be used to monitor IPA II support. This should provide an idea of the level of articulation between IPA II support and the national strategy. The discussion on the performance assessment framework in the SPD “should cover the existence and quality of indicators to measure the achievement of the sector objectives [...]. The analysis should also explore the links that the sector PAF has with the national performance reporting, [...]”.

In six out of the ten SPDs in the sample, there is no discussion about the indicators of national performance as-



assessment frameworks (PAFs) and whether they could be used to monitor IPA II support. In three of these cases (Rule of Law of North Macedonia, Montenegro Competitiveness and Turkey Civil Society), the documents mention limitations in existing PAFs, including the lack of a formal strategy for the sector (Turkey Civil Society). In two other cases (Montenegro Democracy and Governance, Montenegro Rule of Law) there is no real discussion about the existence and quality of indicators in the national performance frameworks. The remaining SPD (Agriculture in Turkey) does not include a description of the connection between national performance assessment frameworks and IPA II support in the SPD, but the indicator table included in the document shows that data for the different indicators is being collected from national systems.

In four other cases (the three SPDs from Serbia and the SPD on Judiciary from Turkey), there is a clear reference to the use of indicators from national performance frameworks to monitor IPA II support, although the quality of the discussion varies from one document to another.

## 9 INSTITUTIONAL FRAMEWORK

The sample of 10 SPDs has been assessed to see whether and how SPDs capture the institutional framework of the sector/sub-sector at the country level. In addition to describing the institutions involved, this section requires an assessment of the capacity of the institutions involved: “a brief description of any assessment that has been carried out on the administrative and/or human resource capacities of sector institutions/agencies (using as far as possible sex-disaggregated data); i.e. technical capability and adequacy of the human resources in the sector, but also relevance of the frameworks in place to ensure public sector efficiency, oversight and supervision, pressure for accountability within the public sector and from the non-state actors, as well as achievement of the past targets.”

The analysis of the institutional framework is quite detailed, but mostly descriptive. SPDs generally present the institutional setting well and provide information on the nature and role of the institutions involved (the Turkish SPD on Judiciary is the main exception). Nonetheless, most of the SPDs assessed (7 out of 10) provide no or a very weak (lack of evidence or simple statements) assessment of the leadership and capacity of the institutions involved as per the requirement mentioned above. The most detailed assessments can be found in the three SPDs from Serbia.

## 10 MID-TERM BUDGETARY PERSPECTIVES

This section assesses the existence of a mid-term budgetary framework for the sector concerned; in general, such budgetary frameworks are not sector-specific but depend on the country's budget processes. Consequently, this section describes the situation in each of the countries, rather than based on the individual SPDs in the sample.

**The Republic of North Macedonia:** There is no single Home Affairs sector budget. The sector comprise of policy areas that fall within the competence of different institutions and thus different budget lines. There is no medium-term budgetary perspective in the Home Affairs sector, although there is a requirement for all budget users to present a 3-year horizon for the budget. There is no link between strategies, action plans and sector budgeting.

**Montenegro:** there is a Fiscal Strategy, which is proposed by the Government and adopted by the Parliament at the beginning of term for the duration of its term (4 years). There is no specific reference to a sector financial framework, though the Fiscal Strategy includes an allocation of budget at the highest level.

**Serbia:** there is no fully-fledged mid-term, sector-based, budgetary planning process in the country that could be used to develop mid-term expenditure frameworks across a whole sector. Significant steps are being undertaken in this direction and many of the necessary pre-conditions are already in place.

**Turkey:** The Public Financial Management and Control Law No: 5018, requires the annual preparation of the Medium-Term Programme (developed by the Ministry of Development) and Medium Term Fiscal Plans (developed by Ministry of Finance in line with Medium Term Program) for a three-year perspective. The document includes five major development areas under which a number of priorities are identified. These areas are quite broad and do not really equate to a sector budgetary framework. Three of the areas: increasing employment, human capital and increasing quality of public services.

## 11 PRIORITY SETTING FOR EXTERNAL ASSISTANCE

This section assesses whether SPDs in the sample use the sector analysis they are supposed to, to identify priorities for IPA II assistance. Within section 5, the SPD should “identify the priorities for assistance under IPA II in the sector [...] on the basis of a sound comprehensive analysis of the sector policy documents and the weaknesses and shortcomings identified. In this respect, it will also take into consideration the availability of public and external resources, the political will to pursue the reforms, possible constraints and risks, as well as the urgency and importance of these priorities.”

The answer to this section is partly linked to the quality of the assessment described above in the sense that without a proper assessment of the implementation of national strategies, it is difficult to link IPA II support to specific sector needs.

In most of the SPDs assessed (8 out of 10) there is no clear connection between the analysis of the specific sector and IPA II sector priorities. In this regard, there is limited evidence that the analysis conducted in the SPD (section 2) has been used to select IPA II priorities. This could be explained by the fact that, as discussed above, many SPDs are purely descriptive and contain a limited amount of analysis.

There are only two cases where a clear connection between the sector analysis in the SPD and IPA II priorities can be established: the SPD on justice in Serbia and the SPD on civil society in Turkey. In these two cases, there is a strong connection between the sector analysis (sector 2 of the SPD) and the objectives, actions and results being proposed.

## ANNEX 9 ALLOCATION PER SUB-SECTOR AND COUNTRY BASED ON IPA II ACTIONS 2014-2017

The table excludes actions not in scope of the evaluation (e.g. the cross-border cooperation programme).

*Table 1 Allocation per sub-sector and country based on IPA II actions 2014-2017 (€m)<sup>52</sup>*

Sub-sector	Albania	Bosnia and Herzegovina	Kosovo	Montenegro	Serbia	The Republic of North Macedonia	Turkey	Total
1.1 Democratic institutions	36.0	0.0	7.3	0.0	21.5	0.9	4.0	69.7
1.2 Decentralisation and sub-national government	0.0	0.0	0.0	0.0	40.3	0.0	0.0	40.3
1.3 Public administration reform	6.0	5.1	28.1	0.0	52.5	9.0	5.5	106.2
1.4 Public financial management	23.0	4.0	0.0	5.1	25.0	0.0	0.0	57.1
1.5 Taxation	5.0	0.1	0.0	0.9	0.0	0.0	0.0	6.0
1.6 Customs	0.0	0.2	0.0	3.0	0.0	0.0	0.0	3.2
1.7 Economic governance	10.0	0.0	4.8	0.0	0.0	0.0	0.0	14.8
1.8 Statistics	2.0	1.5	0.0	0.0	0.0	2.5	0.0	6.0
1.9 Civil society	1.6	5.0	0.0	55.1	0.0	0.0	0.0	61.7
1.10 EU programmes and agencies	3.0	8.7	0.0	2.5	23.7	27.9	181.8	247.6
1.11 Institution building for European integration	44.2	17.0	11.0	7.1	52.0	12.0	36.5	179.7
2.1 Judicial reform	12.5	11.5	18.2	2.3	41.7	10.4	65.3	161.9
2.2 Penitentiary reform	0.0	5.0	0.0	0.0	3.0	3.6	17.0	28.6
2.3 War crimes	0.0	3.8	0.0	0.0	0.5	0.0	0.0	4.3
2.4 Fight against organised crime	6.0	4.0	3.5	1.0	7.1	4.6	2.9	29.0
2.5 Fight against corruption	10.0	0.8	1.0	1.0	1.8	0.0	0.0	14.5
2.6 Police reform	7.0	0.0	8.0	0.0	1.5	5.3	0.0	21.8
2.7 Migration and asylum	0.0	0.0	2.5	0.0	6.5	9.4	1585.7	1604.1
2.8 Border management and security	0.0	2.0	0.5	20.0	16.6	7.9	119.1	166.1
2.9 Roma	3.0	0.0	4.7	1.2	0.0	0.0	0.0	8.9
2.10 Refugees and IDPs	0.0	0.0	9.6	0.0	6.1	0.0	21.5	37.2
2.11 LGBTI	0.0	0.0	0.0	0.2	0.0	0.0	0.0	0.2
2.12 National minorities	0.5	0.0	0.7	0.2	0.0	0.0	0.0	1.4

<sup>52</sup> Based on data extracted on May 2017.

Sub-sector	Albania	Bosnia and Herzegovina	Kosovo	Montenegro	Serbia	The Republic of North Macedonia	Turkey	Total
2.13 Intercommunity relations	0.5	0.2	0.0	0.0	0.0	0.0	0.0	0.7
3.1 Climate action	0.0	0.0	0.0	0.0	0.0	0.0	25.0	25.0
3.2 Water supply and waste water	2.4	0.0	0.0	0.0	0.0	33.9	67.4	103.7
3.3 Water resource management	1.6	15.0	0.0	1.9	21.7	0.0	0.0	40.2
3.4 Waste management	0.0	0.0	0.0	0.0	0.0	0.0	76.0	76.0
3.5 Nature protection	0.0	0.0	0.0	0.0	25.2	4.0	0.0	29.2
3.6 Air quality and noise	0.0	0.0	0.0	0.9	0.0	0.0	0.0	0.9
3.8 Environment horizontal standards	0.0	0.0	0.0	12.9	0.0	0.0	13.5	26.3
3.9 Civil protection	0.0	26.0	0.0	0.0	15.2	0.0	0.0	41.2
4.1 Transport connectivity	0.0	0.0	0.0	0.0	0.0	0.0	3.2	3.2
4.2 Transport efficiency	0.0	0.0	0.0	0.0	0.0	1.5	8.0	9.5
4.3 Air transport	0.0	0.0	0.0	0.0	0.0	0.0	1.0	1.0
4.4 Inland waterways transport	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4.5 Maritime transport	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4.6 Rail transport	0.0	0.0	0.0	4.1	47.0	0.0	276.5	327.6
4.7 Road transport	24.0	0.0	0.0	1.0	4.1	35.4	3.0	67.5
4.8 Multimodal transport	0.0	0.0	0.0	0.0	13.8	0.0	5.5	19.3
4.9 Urban mobility	0.0	0.0	0.0	0.0	0.0	0.0	9.0	9.0
5.2 Energy efficiency	0.0	0.0	22.3	0.0	10.0	0.0	10.1	42.3
5.3 Renewable energy	0.0	0.0	1.3	0.0	0.0	0.0	6.6	7.9
5.5 Gas	0.0	0.0	0.0	0.0	0.0	0.0	7.8	7.8
5.6 Electricity	0.0	0.0	15.0	0.0	0.0	0.0	13.1	28.1
6.1 Trade and internal market	0.0	0.0	0.0	2.2	0.0	0.0	0.0	2.2
6.2 Private sector development	0.0	4.2	12.6	4.2	26.2	13.0	71.4	131.5
6.3 Local economic development	0.0	20.4	9.6	0.0	25.0	0.0	0.0	55.0
6.4 Research, innovation and technological development	0.0	0.0	0.0	0.0	2.5	0.0	45.4	47.9
6.6 Tourism and heritage	0.0	0.0	0.0	0.0	0.0	11.0	0.0	11.0
7.1 Education	0.0	0.0	9.0	0.0	30.4	6.4	50.5	96.3

Sub-sector	Albania	Bosnia and Herzegovina	Kosovo	Montenegro	Serbia	The Republic of North Macedonia	Turkey	Total
7.2 Vocational education and training (VET)	8.4	0.0	0.0	0.0	0.0	0.0	0.0	8.4
7.3 Lifelong learning	2.1	0.0	0.0	0.0	1.5	0.0	0.0	3.6
7.4 Labour market and employment	6.3	0.0	8.0	0.0	4.5	6.3	50.5	75.6
7.5 Equal opportunities and gender equality	4.2	0.0	0.0	0.0	0.0	0.0	0.0	4.2
7.6 Social dialogue	0.0	0.0	0.0	0.0	0.0	1.0	0.0	1.0
7.7 Social protection	0.0	0.3	0.0	0.0	0.0	0.0	0.0	0.3
7.8 Social inclusion and fight against poverty	0.0	0.4	0.0	0.0	3.8	8.5	50.5	63.2
7.9 Education, employment and social infrastructure	9.0	5.1	0.0	0.0	1.3	1.6	0.0	16.9
8.1 Rural development	0.0	0.0	13.8	0.0	0.0	7.3	2.4	23.5
8.2 Capacity for Common Agricultural Policy	0.0	0.0	2.0	0.0	0.0	0.0	4.2	6.2
8.3 Food safety, veterinary and phytosanitary	5.0	0.0	8.7	2.3	0.0	3.8	25.3	45.2
8.4 Fisheries	3.7	0.0	0.0	0.6	0.0	0.0	7.4	11.6
9.1 Horizontal support to sector policies and reforms	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
9.2 Regional structures and networks	0.0	10.0	0.0	0.0	0.0	0.0	0.0	10.0
9.3 Regional investment support	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
9.4 Territorial cooperation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EU_Acquis	3.2	12.5	12.6	9.1	7.2	10.0	254.1	308.7
Total	240.2	543.6	157.8	3181.8	236.9	281.6	83.8	4725.7

Source: evaluation team based on MIS data

## ANNEX 10 EVALUATION MATRIX

The following matrix responds to the requirement of the ToR, to gather the information collected for each indicator and assess its quality. It presents the evidence gathered and analysed during both the desk and field phases and used it to draft this synthesis final report. The strength of the evidence presented in the tables below has been assessed according to the following criteria:

- High: Extensive and substantial information, clear examples occur frequently, trends can be easily identified over time and/or a wide geographical scope, and sample is representative. This also includes findings, which are supported by evidence that has been triangulated from different sources.
- Medium: Relevant and specific information and/or less focused analysis on the sources. Clear examples occur less frequently and/or sample is not fully representative. This also includes cases where evidence is triangulated to certain extent, but the coverage of the evidence is not complete.
- Low: Limited or no specific information from the sources and very few examples are available. Sample is clearly not representative.

### **EQ1. OWNERSHIP – To what extent have Sector Approach assessment and programming tools been conceived in such a way as to reflect the current state of play and readiness of beneficiaries and ease their effective use/uptake?**

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

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

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

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

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

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

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

Strength of the evidence: High

##### **I.1.1.1 Extent to which SA tools and guidelines are known and on the way of being appropriated by Beneficiary**

I.1.1.1	Summary	SA tools and guidelines are generally known by beneficiaries. The SA required a shift in thinking and it took time to set the required programming and implementation arrangements. Sector Planning Documents were not available in all beneficiaries and in all sectors; beneficiary sectors did not fully match with IPA sectors. The introduction of SA was slow and uneven, was particularly difficult in the sectors in which IPA did not have a similar approach. The dynamics of establishing SA lagged behind the EU requirements, which resulted in under-programming of IPA II funds. Currently, the approach is understood and applied in the majority of beneficiaries and their sectors. Sector Working Groups have been established, especially in the programming phase
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I.1.1.1 Evidence from interviews and e-survey

**Field visits:**

Albania: Well known in Albania. Applied flexibly in the different sectors. For instance: in Judiciary, a deep and high level political dialogue (with the new government, in 2013-14) has laid the foundation for the establishment of a sector approach; in PFM, the dialogue was developed with the MoF, with the participation of the other international partners involved; in other sectors (Employment, PAR) the commitment of the line ministries and/or of the PM was the key factor. The e-survey, as well, shows that the understanding and control of the SA modalities and tools is high (understanding=86%, while control of tools only 66%). In Albania, a large majority recognises that BS facilitates understanding and control of the SA tools.

Bosnia and Herzegovina: The technical staff of the main institutions on the beneficiary side leading the SA (NIPAC, sector lead institutions (SLIs), principal beneficiaries) now understand the philosophy of SA and are comfortable using the relevant tools and guidelines. This is due to their prolonged exposure to the SA since its introduction in 2012 and the process of 'learning by doing' rather than capacity support from external TA.

Kosovo: The SA tools are all well known to the main stakeholders and the beneficiaries involved in the SA. The SPD and SAR are not highly regarded by most of the main stakeholders and their actual value is disputed both by EC staff and Kosovo (KS) institutions. The SAR in particular is viewed by the Kosovo side as an administrative burden and its introduction was complicated by the absence of clear guidance from the EC upon completion. As a result, its actual use as a planning tool is minimal and the process of preparing it via the SWGs is seen by most parties as a "box-ticking exercise".

The Republic of North Macedonia: Since their introduction, the national authorities are now well acquainted with the SA tools and guidelines. The extent to which they apply them properly varies from sector to sector but overall there is a good appreciation of the approach amongst the key technical staff. From the e-survey, it appears that the understanding of the approach and the tools is high (78%), while the control is lower (61%). BS is not considered a factor of facilitation: this is explained by the still little familiarity with BS in the country.

Montenegro: SA tools are known to all the main actors in IPA II and used by them, in many cases as a compliance exercise, rather than for any specific sense of added value. Interviews suggest that guidance on their use from the EC has been provided sporadically and, in many cases, their usage has been inconsistent (see JC 1.2). The definition of the IPA II sectors is seen as a major handicap of the SA, with their heterogeneity causing problems for the development of a sector level vision among Montenegrin stakeholders (SH), as well as in prioritising actions during programming.

Serbia: They are known and understood, but used for IPA business (e-survey and meetings). In the e-survey the Serbian score for understanding of the tools is the highest (92%), but there are many comments added to the questionnaire, which stress the 'double track'.

Turkey: SA in the main sectors is not adopted in formal terms, although some progress is made, for instance in Justice or in sectors where significant MAPs are financed by IPA (Ministry of Science Industry and Technology, Ministry of Labour, Transport, Environment, Agriculture), in close relation with the IPA assistance. In Democracy and Governance, there are not strong sector-leading institutions, and MEUA plays this role, as also in CSO affairs. SPDs are established and updated by MEUA in accordance with the lead institutions. They are used for programming. This implies that there is a formal compliance with SA, but a weak sector ownership.

**Interviews with beneficiaries conducted before the field phase:**

Programming templates: Annual programmes start with meetings (dialogue) in October to design log-frames including impact indicators.

Training and workshops are carried in November out in 8 sectors, including the participation of most institutions involved (e.g. prosecution office in the Judiciary)

Log-frames are integrated (MEI and leading institutions) into the sector strategies, and then in the Action Documents, from January onward. Sometimes, the exercise is limited to the SPDs, but often it involves sector institutions and the outline (at different degrees of development) of national sector/ sub-sector strategies.

In September, Action programmes are ready for submission.

PPF (project preparation facility) is used to assist programming.

Beneficiaries are heavily supported in the process of appropriation of SA. They receive a lot of training. Indeed, the appropriation of the Sector Approach is strong in Ministry of European Integration and in the IPA units in the line ministries, but it does not arrive yet to the entire institutions.

I.1.1.1 Evidence from interviews and e-survey

**Other interviews conducted before the field phase:**

A major shift in thinking for all concerned so it has taken time to get up to speed. Now we are seeing improvements in the programming documents and a better appreciation of what the sector approach looks like in practice.

The ISPs are the highest-level documents. Sector Planning Documents (SPDs) are not official documents to ensure they can be updated as needed without any formal approval process. Their quality is variable. Indicators are not particularly strong in many SPDs. This remains a concern also for the ADs.

The SPDs should also have as an annex a 'Sector Approach Road Map' which sets out the use of IPA II for planned interventions and expected results. These are under development in the candidate beneficiaries and potential candidates and the aim is to have them all ready by the end of the year.

**Budget support**

Time (especially for the design process) is an important problem: DG NEAR staff works under a lot of pressure from management and other EU actors. It is always a challenge to squeeze in elements during the design process. In addition, there are difficulties related to the beneficiary's context (approval of strategies, etc.).

As concerns sector-based programming EC HQ, EUDs and NIPACs understand the process sufficiently well in the meanwhile. There are certain beneficiaries (such as line ministries) that still have difficulties.

Whilst there is a good coverage of key stakeholders at central levels, some interviewees felt the need to find ways to discuss programming priorities more intensively (and more efficiently) with CSOs. There was also an impression that at least for certain beneficiaries (such as Bosnia and Herzegovina) a stronger involvement of local authorities would be beneficial to ensure a more representative coverage of beneficiary stakeholders in programming and implementation.



I.1.1.1 Evidence from documents

**Particip, External Evaluation of the Instrument for Pre-accession Assistance (IPA II) (2014 – mid 2017), 2017:** There is a mixed picture on the cooperation on preparation, implementation and monitoring of IPA II both internally and with the EUDs. Collaboration is best in Montenegro, Albania and Serbia, which have been able to develop sophisticated programming and implementation arrangements at sector and beneficiary level. Kosovo\* still lacks capacity but cooperation is progressing well. Bosnia and Herzegovina remains behind due to its fragmented institutional setup and lack of political consensus, although there are currently signs of slight improvement (such as the establishment of an EU coordination mechanism). The Republic of North Macedonia remains constrained by weak capacity and the institutional paralysis caused by the long-standing political crisis. Turkey cooperates well in some areas (transport, environment, rural development & agriculture, social policy/employment/education) but in other key ones (Governance and Democracy, and Rule of Law/Fundamental Rights), collaboration and wider progress is less smooth.

On Kosovo: The IPA II actions/ programmes (as well as the strategic planning of the IPA II for Kosovo) have been/ are elaborated/ agreed in common between the EU and the Beneficiary Authorities; however until early in 2016 (16/01/2016) they did not have a Beneficiary Development Strategy and practically the whole programming of IPA II was based on ad hoc Annual programmes. Now the MEI has a better basis to develop a multi-annual sector programming (in addition through an evaluation they have acquired a better view of the requirements of the IPA II and the EU).

The recently organised SPO (Strategic Planning office, reporting directly to the Prime Minister) has coordinated the elaboration of the Beneficiary Development Strategy and the prioritisation of the development policy areas/ relevant actions.

General: Stakeholders do not recognise any reduction in the time needed to approve Financing Decisions and Annual Action Programmes. On contrary, there have been complaints in many beneficiaries that the programming process became not only more demanding, but also that quality is also suffering due to time pressure. In some cases, there is also hardly any time to ensure a proper consultation process.

As witnessed in IPA I, approval processes are just being completed at the very end of the respective deadlines (e.g. 31 December of the year).

Lack of progress in the commitment of IPA I funds is a further bottleneck factor, apparent in particular in Turkey, Serbia and the Republic of North Macedonia. All these difficulties require considerable resources and capacities and often have an additional knock-on effect on the time available for adoption and endorsement of action programmes.

**Internal document, 2015 Bosnia and Herzegovina:** The politicisation of IPA has continued, with Republika Srpska formally not engaging in IPA-programming before a functional Coordination Mechanism is established and the delays in the approval of Sector Planning Documents due to the (alleged) non-consultation of Cantonal governments in the process. This has resulted in limited progress to develop beneficiary-wide strategies and thus allow for extending IPA support to important sectors such as transport, energy, agriculture and environment.

**Internal document, 2015 The Republic of North Macedonia:** Serious delays were accumulated which resulted into under programming of the IPA 2014 and 2015 allocations, exclusion of the key sector, employment and social inclusion from the list of supported sectors for 2014-2016.

The introduction of the sector-based approach is a slow process, and thus far has resulted into the establishment of sector working groups, the preparation of a sector coordination mechanism and sector-working groups' operational procedures, drafting of sector roadmaps. Yet, the process has been developing unevenly across the established sectors with insufficient dynamics to back up the EU investments in the areas of environment, transport, competitiveness, PFM, agriculture and rural development.

**IPA II Monitoring Committee Meeting minutes, the Republic of North Macedonia, March 2017:** Regarding the sector approach and the five key criteria, the SPDs' sector road maps were revised and an assessment of the different sectors was made. The Secretariat for European Affairs (SEA) is expecting the start of the big project that should support the NIPAC office and all operating structures in meeting all the IPA II requirements.

Regarding the meetings and activities of the different SWGs, they meet on regular basis even though the dynamics is not equal in all SWGs. However, looking back it is noticed that a new culture for sector approach has been introduced in all SWGs so they are fully aware of the milestones to be reached.

Sector approach – state of play: The MoJ reminded the present that since the last IPA Monitoring Committee meeting regarding IPA II, all the requirements were met such as the establishment of the sector-working group. The sector working group was established (5 meetings were held) and is operational on a technical level with representation from all the judiciary institutions. They have worked on the Beneficiary Strategy Paper and later the updating of the Beneficiary Strategy Paper; they have also worked on the Sector Planning Document, which currently is in the phase of updating through midterm review. In addition, the SWG prepared a roadmap in communication and consultation with counterparts in the EU Delegation.

...the meetings were regularly held and... this practice will continue in the forthcoming period with the high-level meetings with the officials.... the justice sector is the most complex; especially Chapter 23 has the biggest complexity because many institutions are involved in the planning and the programming of the actions.

I.1.1.2	Extent to which new/ strengthened analytical and strategic capacities are being established in the beneficiary sectors	
I.1.1.2	Summary	<p>Analytical and strategic capacities are established to varying degrees in the beneficiaries and across the sectors in each beneficiary. More complex sectors i.e. those composed of many diverse subsectors (and sectors where IPA and beneficiary classification do not match) need more capacity to be able to advance in the process. The EU is assessing the progress in taking the sector approach and supporting the beneficiary institutions in which SA is based. The initial strategic plans are in "live testing" and the sector stakeholders are in the position to review the indicators and plans, which builds their capacity.</p> <p>Public Administration Reform (including PFM) appears to be the most advanced in many IPA beneficiaries, which is probably partially due to given EU reform focus.</p>
I.1.1.2	Evidence from interviews and e-survey	<p><b>Field visits:</b></p> <p>Albania: The capacities are still rather linked to IPA II TA (e.g. SIGMA, EURALIUS; PAME-CA, etc.). The volatility of the public institutions and the reduced incentives still limit the growth and consolidation of national capacities. From the interviews, a lot of enthusiasm and commitment are evident and show that the process is well led and followed, but there are also complaints about institutional instability (e.g. employment, PA), volatility and/or insufficiency of staff (e.g. MOF).</p> <p>Bosnia and Herzegovina: Evidence suggests that senior management of these institutions have varied appreciation of SA generally (from good in EESP to weak in Justice) as well as a limited understanding of the technical side of the SA. This has implications for their willingness to back the technical processes with appropriate leadership/resources during the SWG/SPD/policy dialogue processes. Analytical capacities to deliver the SA vary among institutions. In PAR, the SLI is well staffed and has good technical capacities and it benefits from support from SIGMA. In Justice, there is one staff member dealing with this. For EESP the staff numbers are adequate for the task.</p> <p>Kosovo: The efforts made to encourage programmers to conceive their actions in a sector context have reportedly slowly led to a better appreciation of this dimension, at least for the ADs. How much this due to the SPD/SWG tools is unclear, but evidence suggests that this is only tangential. In addition, TA has been deployed in the SPD preparation process, which may serve to displace rather than strengthen analytical capacities of the Kosovo institutions.</p> <p>The Republic of North Macedonia: Analytical capacities within the national sectors remain largely unchanged. There is a small core of well-trained staff, who can do this work and has been in post for several years. Their capacities vary from sector to sector.</p> <p>Montenegro: Analytical capacities to develop sector assessments have not been noticeably strengthened because of SA. This is noted as a weak point by SHs. Technical Assistance (TA) has been used in some cases to strengthen capacities. The TA provided by SIGMA for PAR/PFM SBS has bolstered analytical capacity in that sector. The MNE institutions involved in the Employment, Education and Social Policies (EESP) Sector Operational Programme (SOP) have developed their analytical capacities in part thanks to collaboration with DG Employment when preparing the SOP's predecessor under IPA Component IV.</p> <p>Serbia: There are IPA units in the ministries, which oversee the IPA programmes and IPA related requirement. They are not in charge of sector planning and M&amp;E, according to the principles and guidelines of IPA SA.</p> <p>Turkey: The national sectors have their own analytical structures, not really affected by SA, although in the areas interested by IPA supported sector programmes additional strategic assessment capacities have been developed.</p> <p><b>Interviews with beneficiaries conducted before the field phase:</b></p> <p>In the Republic of North Macedonia: SWGs have been set up and are running. Their effectiveness is mixed. For example:</p> <p>PAR/ PFM SWGs are OK but in fact they are parallel structures (referring to SPD).</p> <p>Home Affairs SWG improved last year (Migration issue) but became rather inactive in 2017.</p> <p>IPA funding helps to facilitate dialogue, but it is primarily about IPA funding.</p> <p>The only exception is seen in ENV, where the SWG tries to ensure a more frequent dialogue, also with other donors (reason is seen in the huge investment needs – €15bn).</p> <p>EUD pushes now for facilitating stronger dialogue at sub-sector level (e.g. water tariffs).</p> <p>Nevertheless, beneficiary planning structures are not in line with EC-supported (sector) planning structures.</p> <p>On the positive side: SA streamlines the introduction of a performance framework with 1) defined sector priorities and 2) established indicators.</p> <p>ISPs are extremely ambitious, doubts that the indicators can be significantly achieved.</p>

I.1.1.2 Evidence from documents

**Particip, External Evaluation of the Instrument for Pre-accession Assistance (IPA II) (2014 – mid 2017), 2017:** In Albania: Many decisions about the organisation of sectors (e.g. water management), public services (responsibilities, stable middle management in the Ministries, new structures like the IPMGs, et al) and approaches (Strategic planning, sectoral programming, monitoring arrangements, state financial management processes, et al) have been and are influenced by the agreed way of programming and implementation of IPA II actions. A characteristic example is the new law for recruiting public servants, which is expected not only to contribute to the recruitment of good employees but also mainly to improve the widely existing in the CS lack of trust for the State and the Governments.

The introduction of changes in the State structure and processes aims also to reduce the political influence on all functions/ operations of the State as well as the widely existing tight relations of the PA personnel to the political parties, which are main impediments for the improvement of the Public Administration.

Because of the still existing relations of the PA with the political parties, the elections in 2017 include a risk about the continuation of the BS programmes as agreed, depending on the result of the elections (same or different government). However, in a best case scenario a lot of time (more than 6 months) will be lost, which will influence the intermediate assessments and the corresponding payments (tranches) of the ongoing BS programmes, as well as the finalisation/ agreement of the BS programmes under preparation. This is important for the beneficiary and the IPA II programme because most of IPA II budget/ interventions will be implemented through BS programmes.

In Kosovo: Feedback from interviews indicates that the Kosovo government is at least formally committed to putting in place legislative measures that would underpin the political reforms required by IPA II. A major question mark hangs over the capacities of the Kosovo institutions to put these measures into practice on the ground. In addition, any issues linked to normalisation of relations with Serbia remain politically contentious.

**Analytical paper on managing process of implementation of public administration reform strategies in ReSPA members:** Public administration reform strategies and public financial management reform programmes. PAR and PFM strategies are on the priority list for direct budget support through IPA II; PAR special groups are established in each beneficiary; PAR and PFM strategies implementation and long-term sustainability needs to be ensured; The politicisation of the civil service remains an issue of concern. The quality of policy-making and legal drafting is not in line with the approach of the EU Better Regulation Agenda. In most beneficiaries, the structure of the state administration remains complex and the introduction of e-government services remains a priority. Beneficiaries still need to find an appropriate balance between central, regional and local government that best supports implementation of reforms and the delivery of services to citizens.

In 2016, the Commission revised its reporting methodology, introducing six new pilot areas of regional importance for the enlargement process, in total – 16 pilot areas. Selected indicators are the following: a) four political criteria: functioning of the judiciary, fight against corruption, fight against organised crime, freedom of expression; b) administrative capacities estimated through public administration reform; c) two economic criteria (existence of a functioning market economy and capacity to cope with competitive pressures and market forces within the Union) and d) nine negotiating chapters of specific importance for EU integration process (public procurement, statistics and financial control).

According to this methodology for 16 pilot areas, the Republic of North Macedonia is still slightly more prepared for membership than beneficiaries with open accession negotiation. Next in line after the Republic of North Macedonia are Montenegro, Serbia and Albania. This methodology represents the first attempt to interpret qualitative evaluation in quantitative form... PAR is one of pilot areas in the Commission report for 2016.

Established model for managing the PAR strategies, as well as developed coordination mechanism for monitoring and reporting on the strategies' action plans, differs between beneficiaries in the region.

The interconnections of PAR and EU integration processes require: 1. Full political support for PAR process presented through precisely defined decision-making hierarchy for key actors of the PAR structures within the Government; 2. IPA II support for PAR process as horizontal cross-cutting issue for administrative capacities in all areas of policies; 3. PAR coordination mechanism should be developed, equipped with IT support and with trained personnel to fully manage the implementation of the PAR strategies; 4. Development of monitoring and implementation mechanism for the PAR strategies and action plans for their implementation.

Models of managing the PAR strategies in ReSPA Members:

**Strengths:** Medium-term strategic frameworks (MTSF) of PAR are developed through PAR strategies. Systems for monitoring, reporting and evaluation of the implementation of PAR strategies are defined and established.

**Weaknesses:** Delays in the adoption of medium-term PAR strategies and action plans and a lack of consistency in the processes of adoption; methodologies for preparation, monitoring, reporting and evaluation of action plans are not sufficiently developed; co-ordination mechanisms for PAR are not sufficiently developed; a lack of consistency in sectoral planning and medium-term financial planning; a lack of an efficient mechanism for monitoring the budgetary impacts; the planning of IPA funds is not uniform at the regional level.

**Analytical paper on managing process of implementation of public administration reform strategies in ReSPA members, on Bosnia and Herzegovina:** PAR is one of the few areas where a beneficiary wide strategy has been approved and implemented by all levels of the Bosnia and Herzegovina administration.

Separate PAR reporting and monitoring system produces regular biannual and annual reports. However, the weakest part is the use of performance indicators. The indicators are mainly on process and output-levels; thus, reporting is realised based on the achievement of activities and objectives, not actual impacts achieved. The reports are publicly available.

There is a clear PAR management and co-ordination structure in Bosnia and Herzegovina. It is well defined and described in the Common Platform document.

Despite the expiry of the 2014 strategy and its action plan, the Public Administration Reform Coordinator's Office continued to implement projects financed with the PAR Fund.

Challenges: to adopt the new PAR document with full political support at all levels of government; Continuous improvement of PAR coordination mechanism; IPA II and donor support for PAR fund and PAR project implementation.

**Analytical paper on managing process of implementation of public administration reform strategies in ReSPA members, on the Republic of North Macedonia:** Most of the Government central planning documents identify PAR as a priority... A PAR Strategy and PAR Action Plan (revised in 2012) was defined objectives and actions for the reform. A co-ordination mechanism for PAR exists at the political level, both through meetings of the Committee for Reforms of the State Administration and regular Government sessions. The PAR Strategy foresees a monitoring system that consists of two information-generating modules and a reporting module. The Strategy does not dwell in more detail about the monitoring process of the PAR Strategy. There is a need for additional efforts to increase capacities for strategic planning across the overall public administration of the Republic of North Macedonia. The new PAR Strategy document, which will cover the period 2017-2022, is under preparation.

**Analytical paper on managing process of implementation, of public administration reform strategies in ReSPA members, on Montenegro:** The central strategic document for PAR is the Strategy of Public Administration Reform in Montenegro 2016-2020, along with the Action Plan for its implementation. The general objective of reform activities by 2020 is a creation of an efficient and service-oriented public administration, which will be directed towards citizens needs and established on best practices of administrative systems of EU beneficiaries. The AP represents a program framework for implementation of the key activities in PAR for these two years, whose revision will be possible in accordance with assessment of progress in achieving individual objectives established by the Strategy. Just established Ministry for public administration will be responsible for PAR instead of the Ministry of Interior.

Challenge: full political support for PAR implementation; costing of the strategy; donor support including IPA II and potential direct budget support for PAR and PFM.

**Analytical paper on managing process of implementation, of public administration reform strategies in ReSPA members, on Kosovo:** The central planning the Government Program 2015-2018 and the Government Annual Work Plan for 2015, set priorities in the field of PAR in the section "Principles of Public Administration". The Strategy for Modernization of Public Administration 2015-2020 defines strategic objectives and policies that Kosovo Government intends to achieve in the next medium-term period, to improve functioning and modernization of public administration, meet the legal requirements and improve service delivery.

Management of reforms in this area falls under the direct responsibility of the Office of Prime Minister. In addition, Council of Ministers for Public Administration Reform (CMPAR) is the main structure at political/ministerial level responsible for strategic management of reform, monitoring its implementation and serves as a forum for discussing and analysing the progress, and proposes necessary changes for future reforms.

Challenges: Lack of capacity to implement comprehensive planning, monitoring and reporting. Especially, it ought to be noted the lack of formal assessment of the progress by the institutions which implies no ownership and institutional memory on assessment process. In parallel, another issue that undermines PAR is that most measures in the Strategy have limited chances to be implemented, because they are not aligned with the budgets.

**IPA II Monitoring Committee Meeting minutes, the Republic of North Macedonia, March 2017:** The NIPAC Office has been working on the procedure for selection of relevant NGOs in the composition of the IPA Joint Monitoring Committee transition solution is introduced until the procedure is finalised and adopted. Once the procedure is finalised, it will be published in a transparent manner and all the interested NGOs and networks will have possibility to apply. The government also decided to organize regular quarterly thematic sessions fully dedicated to planning, programming, implementation and monitoring of all IPA funds, as a way to ensure and maintain political commitment. The government also decided to have IPA topics regularly, on weekly basis, so that is possible to take necessary decisions in timely manner.

Regarding the recommendation, which was linked to the political development and political commitment, there was a thematic government session; this practice will continue in the following period to raise the awareness of the high political level and to facilitate the implementation of different projects. A solution should be found to overcome the registered bottlenecks.

The Commission recognises the progress achieved in introducing the Sector approach. The developed sector coordination framework involving 3 levels of decision-making that is based on the existing consultation and policy dialogue mechanisms is being put in place rather successfully. The Sector working groups were established and started operations in all sectors. The Programming exercise 2017 was the first test for the new system and the results are encouraging. The Sector Approach Roadmaps were significantly improved and the sector planning documents – updated in 2016.

In February 2017, the EU Delegation has completed the formal assessment of the sector approach in the beneficiary, which showed considerable progress in the sector of Education, Employment and Social Policy and the sector of Environment, followed by the sectors of Competitiveness and innovation. Some progress has also been acknowledged in the sector of Democracy and Governance. The worst performing sectors so far remain Agriculture and rural development, Justice and Transport. Hence, they need to be considerably improved. EUD encouraged more efforts to be invested to bringing lagging sectors up to the required level.

As a conclusion, more efforts are needed to make the sector working groups a live policy coordination platform. The scope and the intensity of the policy dialogue should be enforced in all sectors, particularly at decision-making level, and with the participation of the civil society. EUD is looking forward to the establishment of Performance Assessment Framework for all sectors allowing them all to follow the impact of the EU funds. The appropriate mechanisms must be put in place to ensure ongoing monitoring and evaluation of the way the EU funds produce changes in the beneficiary and to allow them to address in time the challenges and risks.

EUD addressed the Justice sector and noted that no tangible progress has been made in the sector. In particular, the Justice Sector Reform Strategy is still not finalised. There is no active engagement and a serious delay in conducting the reform of the ICT policy in the justice sector, without which, there is no capacity to absorb further IPA II funds on which ICT reforms can be realistically expected. Donor coordination and sector reform coordination at high level are not functional and there is a serious risk of failure to contract IPA 2014 Justice sector projects before the formal contracting deadline, set in December 2018.

In order to mitigate this risk, the EUD suggested taking the following measures: By 30 June 2017 the beneficiary authorities should demonstrate clear progress in making full use of IPA I assistance in the Justice sector, including full utilisation of equipment/software supplied. By 1 September 2017, the beneficiary authorities should demonstrate fulfilment of the IPA 2014 Justice programme pre-conditions. Particularly the 1) Finalization and adoption of the JSRS in line with the EC recommendations of June 2016; 2) effective launch the ICT policy reform within the justice sector on the basis of a relevant and credible strategic document; 3) demonstration of functional donor and sector reform coordination at high and operational levels; 4) appointed/assigned staff and institutional re-organisation in bodies/units targeted by IPA 2014 assistance, including substantial strengthening of resources in the strategic planning and IPA structures; 5) foresee adequate funds in the 2018 state budget and subsequent budgets for implementation of the JSRS and for the maintenance of equipment and works provided under IPA I and IPA II programmes. In the meantime, only 'preparatory' tenders under IPA 2014 could proceed.

EUD highlighted that Civil Society Facility, regionally and in the sense of beneficiaries, is a success story. There are four different instruments: Civil Society Facility, European Instrument for Democracy and Human Right, Cross Border Cooperation Programme and Operational Programme for Human Resources Development. There are 119 projects ongoing out of the total 300 projects in the Republic of North Macedonia funded by IPA. More than one third of the IPA funds are implemented by Civil Society Organisations.

I.1.1.3	Extent to which beneficiary sector docs and/or SPDs are being prepared through stakeholders' consultations	
I.1.1.3	Summary	Stakeholders' consultations were a necessary step in preparation of beneficiary sector planning documents and other programming documents. The consultations were meaningful and effective to a various extent. Some consultations brought the sector actors together to plan their advance for the first time. Others were a mere formality or sector stakeholders could not agree on a joint platform, in which cases the level was reduced to sub-sectors or to sub-beneficiary entities.



I.1.1.3 Evidence from interviews and e-survey

**Field visits:**

**Albania:** In most cases, stakeholders (including institutional stakeholders and CSO representatives through SWGs) are associated in consultations. They are associated in the programming process, but not (at least not in a systematic way) in M&E. They do not participate in the sector M&E bodies run by the leading institutions of the national sector strategies (as for instance in MoF), nor in the sector M&E meeting in the framework of budget support. They are consulted, however, on the main reform processes, especially through their participation to the IPMGs (namely for PAR).

**Bosnia and Herzegovina:** There have reportedly been two rounds of SPD drafting (depending on the IPA II sector). These have been developed through the SWGs. Institutional stakeholders have played a prominent role in this process, backed by the SLIs, and in the case of the first round of SPDs, external TA. External stakeholders' engagement varied. International organisations and donors were involved as observers in the SWGs. This was sufficient to ensure their views were incorporated into the SPDs. It also increased their awareness of the SA and the EC's new policy orientation for IPA II. Civil society organisations evidently played a marginal role in the SPD preparation. Examples from 3 sectors suggest that few CSOs attended the SWGs and their follow up involvement has been non-existent. CSOs interviewed stated that there was little incentive for them to be involved as their inputs to the SPD drafting had not been taken into account to any real extent.

**Kosovo:** The process of preparing the SPDs is done via the Kosovo government's donor coordination sector working group structures established in 2015 – too late for the 2014 AAP interventions. These structures are reportedly only partially functioning and have a mandate that differs in several respects from the SWG model anticipated under the SA, and this limits their suitability for SA processes such as SPD development. One of these limitations is the absence of CSOs in these forums. Some consultation with CSOs does occur, but their scope is reportedly limited, the engagement formal and the extent to which CSOs actually influence the content of the SPDs minimal.

**The Republic of North Macedonia:** Both national sector documents and SPDs are reported prepared through stakeholder consultations. The SPD process reportedly more widely inclusive, although evidence suggests that the external stakeholders (donors, international organisations and CSOs) could have been engaged more comprehensively i.e. in terms of the types of stakeholders invited and the number and quality of the consultations held with them. Only 1 sector – ENV – was reported to have carried out full consultations and this was due to its experience of such consultation process from the IPA I SOP development.

**Montenegro:** National sector documents have reportedly been subject to extensive stakeholder consultations (in sectors such as EESP, competitiveness, PAR). SPDs appear to be subject to limited consultation among members of the SWGs. SPDs are reportedly prepared with significant inputs from TA available via NIPAC. On paper, this helps ensure some formal coherence between the national sector strategies and SPDs, but on the other hand, this evidently weakens ownership of the SPD among its main SHs.

**Serbia:** CSOs are widely consulted through the SWGs in the process of preparation of SPDs, which is carried out by MEI, which has created SECO specifically for this kind of consultation. On the other hand, according to the interviews with their leaders, they do not participate in M&E, not even in the SBS M&E meetings. They are only invited in the annual meeting of the IPA Monitoring Committee. There a lot of structures and meetings where they should be admitted for consultation and information on implementation (e.g. PAR Council, Inter-ministerial WGs, PAR Special Group, Open Government Partnership WG, Sustainable Development Goals WG, etc.), but most of them do not meet. CSOs are frustrated for the lack of interlocutors and the lack of feedback to their remarks in the few consultation meetings where they did participate.

**Turkey:** SPDs are prepared by MEUA, with some TA provided by the EUD. Beyond the relevant sector stakeholders, CSOs are consulted through specific consultations organised by MEUA. For instance, specific consultations have been promoted in Justice. A mechanism at sector level should be introduced by the government through the new National Development Plan for CSO consultations.

I.1.1.3 Evidence from documents

**Internal document, Albania, 2015:** Under the IPA II framework, the specific strategic planning documents provide for a stronger ownership by the Albanian Government. The Delegation has successfully supported the GoA towards finalisation of the NSDI 2015-2020.

**Particip, External Evaluation of the Instrument for Pre-accession Assistance (IPA II) (2014 – mid 2017), 2017:** The IPA II programming documents (notably Sector Planning Documents and Action Documents for IPA 2014, 2015 and 2016) are prepared in line with the Albanian Government reforms, strategies and development agenda within the framework of predefined sectors. The EUD has periodically organised consultations and information meetings with EU Member States.

**Internal document, Bosnia and Herzegovina, 2015:** Consulting with CSOs and local authorities is a crucial component of IPA assistance programming. CSOs have been fully involved in the process of preparation of the first three Sector Planning Documents 2015-2017 under IPA II and subsequent programming exercise for 2015. Their participation in the relevant sub-WG and their feedback has helped the preparation of the sector Planning Documents.

**A new approach to Sector Policy Co-ordination, the Republic of North Macedonia:** A comprehensive approach to sector policy coordination: Regarding external sector coordination, SWG shall also integrate in their work development partners and non-state actors. While this coordination may come in a more mature stage of programming, is to be considered an obligatory step in the programming process.

**SPD PAR, Serbia, 2016:** NIPAC established a consultation mechanism with the Civil Society Organisations (CSOs). This mechanism is based on the consultative process with Sectorial Civil Society Organisations (SECOs) and serves as a platform, which enables exchange of information and contribution of CSOs in relation to programming and monitoring of the international assistance including IPA. Members of SECO participate in SWG meetings based on the needs and requirements and take part in consultation processes. Additionally, the Office for Cooperation with Civil Society plays an important role in ensuring civil society participation in the screening process and in creating enabling environment for the participation of civil society in the legislative process (recently adopted guidelines for the participation of civil society in the legislative process).

**SPD Competitiveness, Bosnia and Herzegovina, 2016:** This SPD has been prepared through an intensive and participatory approach involving a specific Sector Working Group composed of the representatives of relevant institutions, interested donors and participants from civil society, as well as separate additional consultations in accordance with the specificities of the given IPA II sector.

Consultations were carried out in the form of interactive workshops during which the Sector Working Groups, under the coordination of sector co-ordinating institution and precise guidance of the Directorate for European Integration, and with the help of external experts, drafted Sector Planning Documents.

In addition to the mentioned consultation process, a workshop/consultation meeting with local self-governments was held in December 2015 since the SPD is related to the interventions at the local level. The aim of this consultation meeting was to introduce participants from the local level to the process of preparation of the Sector Planning Document for IPA II and to secure inputs relevant to the development of the Sector Planning Document from representatives of local self-governments, with focus on the proposals of possible interventions for IPA II support. The given proposals and contributions were submitted and presented to the Sector Working Group and taken into consideration during the preparation of the SPD.

**SPD Democracy and Governance, Montenegro, 2015:** Engagement with civil society: All primary stakeholders have been consulted in the formulation of 2014 Actions and they will participate in the implementation. Additionally, representatives of civil society will be consulted and involved through the wide process of consultations and meetings on the level of the sectoral working group as well as the subgroups for the future programming. In line with this, some of the activities will aim to improve and strongly support communication and cooperation between public authorities and the business community, associations and civil society.

**SPD PFM, the Republic of North Macedonia:** The sector working groups are a forum for consultation with the civil society and development partners. They participate in the Sector Working Groups meetings based on the needs and requirements.

**JC.1.2 Sector assessments are being streamlined into the Beneficiary policy process**

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

In terms of their incorporation into national policy reform processes, the most positive examples are found for SBS and MAPs.

Sector assessments, are widely perceived as a formal requirement that diverts limited institutional resources away from more pressing programming and implementation issues.

Strength of the evidence: Medium

I.1.2.1	Extent to which sector performance assessment frameworks, coherent with beneficiary goals, are being identified	
I.1.2.1	Summary	Sector performance assessment frameworks are formally set (by MEI in the SPDs, by SLIs when sector support actions are identified during the programming cycle). But they correspond to the beneficiary owned objectives only when they are the result of deep assessments and dialogue which may take place during the preparation of multiannual programmes (namely SRCs), or the assessment necessary to respond to enlargement negotiations.
I.1.2.1	Evidence from interviews and e-survey	<p><b>Field visits:</b></p> <p>Albania: This is not always the case. Government does not officially adopt indicators' passports, but they are used when SRCs are prepared.</p> <p>Bosnia and Herzegovina: The sector assessments in the SPDs are reportedly done exclusively for IPA II. They have no relation to any similar assessments for national policy (which largely do not exist). This is unsurprising as such a policy formulation approach is not a recognised practice in Bosnia and Herzegovina. Also, the artificial nature of the IPA II sectors/sub-sectors/sub-sub-sectors means that any expectation that comparable national sectors assessments exist is unrealistic. Sector assessments are conducted at the behest of the EC and have no internally driven motivation.</p> <p>Kosovo: Sector performance assessment frameworks (PAF) have been developed for the two SBS interventions in Kosovo i.e. PAR and PFM. Outside of these, PAFs reportedly exist for few if any IPA II sectors – promoted by MEI in the framework of some SPDs – with limited links with the national institutional processes.</p> <p>The Republic of North Macedonia: Most of the components for PAFs in the sectors exist, although they currently do not constitute a coherent system for tracking performance. A 3-year TA project working with the NIPAC is currently working on PAF development in the country. Feedback indicates progress has so far been good. The main challenge will be to develop robust indicators – these will need to be done in an inclusive way involving all relevant stakeholders (SH), including external ones.</p> <p>Montenegro: Sector assessments have been developed within the many national strategies that exist in Montenegro. This is not a result of SA, but usually a response to needs emerging from accession negotiations, in which Montenegro has been deeply engaged. Functional PAFs exist only in the SBS sectors (PAR/PFM, IBM) and to a lesser extent the EESP SOP. These have been developed expressly to draw down IPA II support. Outside of these sectors, PAFs do not exist in any real sense. SPDs contain sector objectives and indicators, but these contain structural weaknesses and are of little use as a tool to assess sector performance.</p> <p>Serbia: Only in the cases of IPA programmes and SBS, thus always in relation to IPA.</p> <p>Turkey: In sectors, where strong cooperation has been set up, either under IPA I or II, sector PAFs have been agreed, which are coherent with national strategies. In certain cases, like in Judiciary (2009 and 2015), the national strategies are built and have been reviewed according to the EU accession criteria (Chapter 23). In all the other sectors, there are no changes in Turkish practices. However, the case of justice is particular because the implementation contradicts the main focus of the strategy (the independence of the Judges and Prosecutors), at least since 2013.</p> <p><b>Interviews conducted before the field phase:</b></p> <p>The new approach and set-up of the IPA II performance framework are well defined and have been put in implementation for both the beneficiary (bilateral) and multi-beneficiary programmes and actions of IPA II. The response of the EUDs has been good, while the response of the Beneficiary Authorities and stakeholders of the beneficiaries has been varying, from positive to cautious.</p> <p>The overall responsibility for both the policy issues, the design of the structure and technicalities of the IPA II new context and the implementation of the strategic planning have been undertaken by DG NEAR, with minimum involvement of the EEAS or the EUDs.</p>
I.1.2.1	Evidence from documents	<p><b>IPA II programming Guide:</b> “The regulatory framework consists of a main piece of specific legislation, the Instrument for Pre-accession Assistance Regulation (IPA II) along with two additional acts, the Common Rules and Procedures for the Implementation of the Union's Instruments for financing External Action (referred to below as Common Implementing Regulation – CIR) and the Financial Regulation (FR).</p> <p>Based on this legal framework, the European Commission and the Beneficiaries of pre-accession assistance shall conclude Framework Agreements, to set out and agree on the rules for co-operation concerning financial assistance. Planning of financial assistance is spelled out in the Strategy Papers, representing the European Commission's strategy for the use of EU funds in each IPA beneficiary.</p> <p>This comprehensive set of references fits into the broader context of the basic Enlargement Policy documents, namely, the European Partnerships and Accession Partnerships which present the Commission's overall enlargement policy, as well as the annual Progress Reports.”</p>



"The Country Strategy Papers (ISP) and the Multi-Country Strategy Paper (MISP) are the overarching strategic planning documents from which priorities and objectives of individual programmes derive. They are Implementing Acts (Art. 291 TFEU) adopted by the European Commission following the opinion of the IPA Committee.

The role of the Country Strategy Papers is to set the frame for financial assistance over the period 2014-2020, to prepare the ground for Action Programmes, to identify priorities and sequencing for the reforms and investments and to ensure a coherent and consistent approach in line with the enlargement agenda.

Similarly, a Multi-Country Strategy Paper defines priorities and conditions for achievement at regional level for multi-beneficiary programmes and for territorial cooperation programmes.

Other important documents of reference include the beneficiaries' beneficiary plans and sectorial strategies where they are compatible with the pre-accession objectives."

"The European Commission and each Beneficiary shall conclude a Framework Agreement (FA) for the entire programming period. The FA sets out specific provisions for the management, control, supervision, monitoring, evaluation, reporting and audit of IPA assistance. The FA also transposes into the legal order of the Beneficiary the relevant provisions of the Union's regulatory framework.

IPA II assistance can only be granted to the beneficiary after the Framework Agreement has entered into force.

The Framework Agreement shall apply to all Financing Agreements.

The European Commission and each Beneficiary shall conclude Financing Agreements. Financing agreements shall further detail, inter alia, the terms on which the IPA II assistance shall be managed, including the applicable methods of implementation, aid intensities, implementation deadlines, as well as rules on the eligibility of expenditure. Under indirect management by an IPA II beneficiary the financing agreement shall include the required provisions of Article 40 of Delegated Regulation (EU) No 1268/2012."

**Overview of IPA programme architecture; Common sector indicators in indicative strategy papers; IPA II Performance Framework (presentation + document); 2014 – 2020 Indicative Strategy Papers, 2014 CAPs, 2015 Progress Reports, IPA II regulation REG 231-2014., IPA II Implementing regulation REG 447-2014, IPA II Programming Guide, Internal documents 2014, 2015:** The new framework for the planning/ programming and implementation of IPA II clearly foresees the responsibilities of the involved EU and beneficiary stakeholders and the procedures which they are called to implement. This new framework is quite different from the previous one (implemented for IPA I), including many novelties at both policy development as well as the technicalities of the determination of the foreseen planning and programming documents up to the identification and approval of the actions/ programmes by which the IPA II will be implemented (for example see the DG NEAR document "Guidelines on linking planning/ programming/ monitoring and Evaluation). In addition, new roles and procedures are introduced for the implementation of the actions and the measurement of their performance through a reporting/ assessment system using relevant indicators. The modalities of implementation of the actions and their forms are decided and implemented with a clear view of their requirements in relation to the capacity of the beneficiary. The novelties of the overall framework are many; most of those referring to the IPA II planning and programming phase have already been implemented and actions have started to be implemented following their tendering procedures. Overall, the opinion of most stakeholders in the IPA II beneficiaries on the new sectoral approach, the introduction of the Sector Budget Support (SBS) programmes the increasing of the power (and responsibility) of the Beneficiary authorities and the other novelties of IPA II have been very positive; however, the fact that the major part of the new system was elaborated and gradually introduced after the starting date of the Instrument's eligibility (1/1/2014) and had to be implemented in parallel to the implementation of the "old system" (IPA I) created friction and complaints.

The overall responsibility for both the policy issues, the design of the structure and technicalities of the IPA II new context and the implementation of the strategic planning have been undertaken by DG NEAR, with minimum involvement of the EEAS (unlike the other EFIs) or the EUDs. Thus, the major part of the negotiations with the Beneficiary Authorities (specifically the policy dialogue) was implemented by DG NEAR Units, assisted as needed by the corresponding EUDs. At the technical level, referring to the IPA II planning/ programming and implementation, the bilateral discussions on the preparation/ agreement of the programming documents and finally the Instrument actions are passing through the two main points of the EUD and the NIPAC office, having new, extended and upgraded roles in the current period. Both these bodies/authorities are handling the involvement of all other beneficiary, regional and international stakeholders of IPA II.

The new approach and set-up of the IPA II performance framework are well defined and have been put in implementation for both the beneficiary (bilateral) and multi-beneficiary programmes and actions of IPA II. The response of the EUDs has been good, while the response of the Beneficiary Authorities and stakeholders of the beneficiaries has been varying, from positive to cautious. In general, the cooperation of the EUDs with the competent beneficiary authorities is good. The foreseen repetition of most of the planning/ programming procedures for the Mid-term review of the Instrument and its detailed planning and programming for the period 2018-2020 will also present the degree of embodying and acceptance of the new framework by all involved stakeholders.

I.1.2.2	Extent to which specific institutional responsibilities are being established in Beneficiary sectors	
I.1.2.2	Summary	<p>Specific institutional responsibilities are established in beneficiary sectors. This was done with less effort and with more effect where sectoral operational programmes were deployed earlier. Typically, agriculture sector is ready, where earlier IPARD aligned IPA and beneficiary sector policy. In more complex and less experienced sectors, institutional responsibilities are formally set, but work appears to be done almost mechanically, more to facilitate IPA, less to facilitate the beneficiary sector reform. The consolidation of the responsibility, however, is linked to the importance of the IPA assistance.</p>
I.1.2.2	Evidence from interviews and e-survey	<p><b>Field visits:</b></p> <p>Albania: Some well-identified sectors with strong SLIs (PFM, Justice) have established clear responsibilities, including coordination of sector strategies and M&amp;E systems. Complex sectors, like PAR, are coordinated directly by the PM office and the different line ministries and institutions involved show diversified levels of performance. This was also according to the external assistance received. On the other hand, there are important priority sectors, with significant IPA assistance, which are weakened by serious institutional uncertainties, like in the case of Employment (now under MoF), of which the former line ministry was suppressed.</p> <p>Bosnia and Herzegovina: Sector PAFs do not exist in any formal sense in any of the IPA II sectors. Some national institutions possess elements of the PAF (e.g. mandates and responsibilities for PA, MIS, and annual performance reporting cycle) but these are neither comprehensive nor fully reliable (due to absence of data, indicators). Institutional responsibilities related to SA in Bosnia and Herzegovina are now established and understood. The ability of the SLI to effectively discharge their responsibilities is conditioned by several factors ranging from staff numbers to support from senior management/political level and available financial resources. Evidence suggests that this varies from sector to sector.</p> <p>Kosovo: The SA has been rolled out in Kosovo gradually. MEI has been the main driver so far, pushing the SPDs. SLIs were started in 2013 (three) for the 2015 Annual Action Programme (AAP) and thereafter were put in place in the remaining sectors where IPA II assistance is planned. It is too early to see significant internal institutional changes.</p> <p>The Republic of North Macedonia: Institutional responsibilities are set among the national authorities and SLIs are now functional across all sectors. Their effectiveness is mixed, as they are stronger in the sectors receiving specific IPA support.</p> <p>Montenegro: SLIs have been created for IPA II, mainly line ministries with coordination functions vis-à-vis other relevant institutions. Their effectiveness varies from sector to sector but is generally not strong. Again, this constitutes an obligation stemming from IPA II rather than any intrinsic process stimulated by SA that has taken root and is now spreading within the Montenegrin administration.</p> <p>Serbia: Leader institutions comply with formal IPA requirements. Formal national monitoring structures are established in a few cases (Justice).</p> <p>Turkey: With the help of MEUA, in the sectors where important IPA programmes have been set up, leading institutions are active: MoJ (Justice), MoSIT (Science, Industry and Technology), MoL (Labour). They contribute to the update of the SPDs, participate in programming and oversee coordination and execution of the IPA assistance.</p> <p><b>Interviews with beneficiaries conducted before the field phase:</b></p> <p>In Kosovo, SPDs have been revised also to cover 2018-2020; not all of them have been formally endorsed yet; SPDs have been helping to develop for the first time a sector understanding/ vision.</p> <p>Programming as such is still driven by the EUO but in good cooperation with MEI; MEI is adequately coordinating the inputs from line ministries (inputs from ministries vary in terms of quality and timing)</p> <p>SWGs: Most of them are not very active and thus, EUO is now setting initiatives to "revitalise" them, for instance by actively exploring the inclusion of more stakeholders, including donors. The understanding is that the Sector Lead Institution should be the driver of the SWG (and the overall sector reform process), facilitated by MEI (NIPAC); performance of SWGs across sectors is mixed; ENE and RoL are more active in involving other donors; however, eventually donors follow their own agenda...</p>

I.1.2.2 Evidence from documents

**Particip, External Evaluation of the Instrument for Pre-accession Assistance (IPA II) (2014 – mid 2017), 2017:** Where sectoral operational programmes under IPA I components III, IV and V were deployed (Turkey, the Republic of North Macedonia and since 2012 Montenegro) this often created a basis for the sectoral approach in these beneficiaries. Where the managing authorities and operating structures have acquired experience of programming, implementing and monitoring IPA support at a sector level using multi-annual funding, these skills are being deployed for IPA II. This is mostly evident in Turkey, where IPARD has demonstrated strong strategic alignment between beneficiary and IPA policy, with IPARD also influencing the beneficiary policy approach towards regional development in Turkey.

In their way to EU accession, candidate beneficiaries have to make important structural reforms on a very long agenda of subjects. Most of these reforms are extremely difficult to implement because usually they require changes to the mentality of the citizens, fighting well-installed deeply-rooted interests, implementation of changes at many levels simultaneously, changing of the legal and regulatory framework, increasing the capacity of the authorities which will implement the relevant measures and widen the understanding of the citizens on the resonance of the necessary reforms and the benefits that the new status of the beneficiary will bring to them. In cases of poorly developed societies/economies the reforms that are needed are radical, creating among many other an uncertainty to the people about the new situation, which will arise from the reforms. IPA II by its nature is a means for promoting the implementation of reforms, based on the already expressed will of the people and governments of the beneficiary to join the EU. This is something that is politically but also practically difficult to be changed (i.e. going away from the EU accession path); therefore the implementation of the agreed reforms ("accession chapters") is politically "easier", while the rejection of the reforms cannot be publicly sustained, but in practice can be delayed by internal "resistance" and invocation of the low capacity of the administration.

Specific actions taken by the EU through the IPA implementation for the promotion of the political and policy engagement and accepted by the corresponding beneficiary Authorities of the beneficiaries include:

- Implementation of the indirect management mode, as a reward – recognition of the progress achieved by the candidate beneficiary or potential candidate in the implementation of key accession chapters.
- Introduction/use of the Budget Support modality, which provides flexibility for the use of funds by the beneficiary authorities, but this is provided under conditions concerning the Public Administration capacity, the transparency of the public accounts, etc.
- Performance reward, which provides also a reputational value to the candidate beneficiary or potential candidate, being able to progress and come closer to EU accession has not yet been implemented since this is foreseen to happen at the end of 2017 (not on a yearly basis like the ENI),
- Implementation of the "Financial cushion" (10%) to be used as a reserve for immediate actions for emergencies.
- The recognition of the central position of the beneficiary authorities in the programming of actions to be financed by the IPA II, through a bottom-up process, serving the real needs of the candidate beneficiary or potential candidate as determined in a beneficiary multi-annual development programme.
- Temporary or final "financial corrections" (i.e. cutting of amount(s) from the programmed overall IPA II amount of a candidate beneficiary or potential candidate) due to low absorption of the available funds for various reasons. (e.g. €21.7m were permanently removed from the EU engagement for the Republic of North Macedonia in 2015, due to lack of political commitment on reforms in PFM and not meeting the conditions for SBS in this area)

**Beneficiary Action Programme 2016 – the Republic of North Macedonia:** Rationale for the selection of the specific sectors under this programme:

Three sectors – Democracy and Governance; Rule of Law and Fundamental Rights; Competitiveness and Innovation – have been selected for support under this programme. The selection has been made on the grounds of:

- The need to concentrate significant financial assistance on a limited number of key priorities, thus improving the dynamics of changes in the sector and strengthening the impact of the IPA funds on the relevant reform.
- The relevance with major challenges in Europe and the neighbouring beneficiaries such as: 1) the increasing threats for the security of the citizens due to terrorism and organised crime, 2) the ongoing migration crisis – both issues are addressed through the "Migration and asylum, border management and fight against terrorism and organised crime" action and 3) need to support the economy, and particularly the SMEs, in order to create the resource grounds for development in all other aspects – addressed through the "Support for private sector development" action.
- The maturity in the implementation of the sector approach, where both sectors – of Home Affairs (as part of Rule of Law and Fundamental Rights) and of Competitiveness and Innovation – have been identified as well advancing, having set clear strategic objectives and disposing of an acceptable administrative capacity to back up the implementation of the IPA actions.
- The Indicative Strategy Paper, which identifies some recurrent priorities such as the participation in the Union programmes.

**Beneficiary Action Programme 2016 – Serbia:** Rationale for the selection of the specific sectors under this programme:

In view of moving further towards a sector approach, the actions under this programme have been selected based on their relevance and their contribution to beneficiary sector strategies as well their link to accession negotiations. In addition, actions have been assessed based on key principles of maturity, absorption capacity, adequate sequencing with previously programmed IPA and other donors' assistance. Recommendations from sector evaluations of the IPA component I programmes were also considered.

This process led to the selection of the following three sectors for financing under the present programme: Rule of Law and Fundamental Rights (Justice and Home Affairs), Competitiveness and Innovation, and Education. The present programme also includes support for general capacity building to support accession negotiations, support for the preparation and implementation of investments and participation to EU programmes.

**IPA II absorption capacities, Regional research, European Movement in Montenegro:**

As most of the processes stemming from the accession negotiations, legislative framework is in place, implementation is an issue. First of all, all ministries publish information and their reports, regularly although there are no annual reports on usage of IPA funds available. Concrete indicators we followed in order to assess current state in institutional readiness for proper implementation of IPA II were; number of people employed in IPA structures; level of their training for IPA implementation; involvement of CSOs; availability of Sectoral and Financial Agreements; availability of minutes from the Joint Monitoring Board; irregularities in usage of IPA funds and ratios between available and spent funds for 2014 and 2015. Regarding the availability of the documents, which is a number one indicator of transparency, Sectoral Agreement is available, Financial Agreements are available, but Reports from the meetings of Joint Monitoring Board of IPA are only available as press releases. Concrete numbers of funds spent in these two years are unavailable at the state level. We received information only about allocated funds for 2014 (39.5 million EUR) and 2015 (35.6 million EUR). In addition to this, specific ministries gave us information about funds they have spent through this mechanism.

**Monitoring role of CSOs:** The role of the CSOs in this process is especially problematic one. Although we have received official answers from the institutions about open calls for CSO participants in sectoral working groups and Monitoring Committee of IPA in practice this mechanism has not succeeded so far.

**Serbia:** Serbian authorities throughout the years proved to be in shortage of clear strategic thinking while at the same time having dozens of strategies that proved to be useless. Since 2014, Serbia has received accreditation for indirect management of IPA funds. Even though this is a sign that there are certain capacities in the state administration, able to conduct the coordination, planning and monitoring of the EU pre-accession assistance, it remains to be seen how the employees involved will respond to this challenging task. Serbia needs to establish Information system for monitoring and evaluation for IPA. Additional human and financial resources are needed to establish adequate systems for monitoring and evaluation i.e. an Integrated Information system needs to be put in place. Serbia needs to develop a strategy for overall monitoring to define bodies that need to conduct such functions.

**Sector Working Groups and SECO Mechanism** – opportunity for CSOs to participate in the programming and monitoring the use of EU funds and other development assistance. Divided into 10 thematic sectors, members of SECO mechanism are following state of art in thematic areas defined by strategic documents on priorities for international development assistance... SWGs ensure transparent and inclusive dialogue among all relevant stakeholders.

**Albania:** Inter-Ministerial Committee for the Coordination of IPA II (2014-2020) is an inter-institutional working group established at the Ministry responsible for European Integration... the Integrated Policy Management Groups (IPMG) – a new system to guide policy development, implementation, monitoring and evaluation and to strengthen sector and donor coordination. The IPMGs provide a formal structure that brings together senior representatives of the relevant ministries, agencies and development partners in priority sectors – particularly those requiring cross-ministerial cooperation – and allowing them to oversee the entire policy cycle and decide eventual adjustments. The IPMG system aims to provide the Strategic Planning Committee (SPC) and other high-level government committees... Four pilot integrated policy management groups (water management; public administration reform; competitiveness and innovation; and employment skills and social policy) were set up to support the government's Strategic Planning Committee.

I.1.2.3 Extent to which sector assessments are not a one-off exercise, as they are updated when needed.

I.1.2.3	Summary	Sector assessments are not updated regularly. There are different cases: SPDs are updated (once or twice) especially when the SLIs do not have their own strategies and SPDs become the main tool to identify actions for IPA assistance. When SLIs have set their own strategies and Action Plans, these are monitored and updated when some assistance is there: in a rather systematic way, when SRCs, SOPs or other multiannual supports are in place, just sporadically otherwise. The Republic of North Macedonia has developed and tested a methodology for sector assessment to ensure assessments capacities and practices are better internalised.
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I.1.2.3 Evidence from interviews and e-survey

**Field visits:**

Albania: When sectors are assisted with TA.

Bosnia and Herzegovina: See I.1.2.1 above.

Kosovo: Sector assessments are conducted as part of the SPD cycle. In most sectors, these have been done once, and there is an ongoing process of updating them. It was noted by the SHs conducting this process that it is time-consuming and, given its perceived limited value, an unnecessary distraction from development of AAPs and ADs. In those sectors where sound national strategies exist, and which correlate well with IPA II priorities, the perception of all institutional SHs is that a rolling sector assessment for SPDs diverts limited staff resources away from more pressing programming and implementation issues. This strongly suggests that SA processes are neither well embedded nor fully understood by many key SHs.

The Republic of North Macedonia: Several sector assessments have been conducted as part of the SPD drafting process. Since their last update in 2017, several new national strategies (e.g. competitiveness) have been developed which have priorities that would ideally be captured in the SPD but are not. The reasons for this not happening are linked to resources demanded for this process and the perceived usefulness of the SPD by SHs (which is not high among many of them, including EUD).

Montenegro: Sector assessments as part of SPDs are done at the behest of the EC (EUD). In the last update, conducted in 2016/7, all sector assessments within the SPD were updated, even though in the case of some sectors, no financing allocations had been envisaged from future AAP budgets. The perception of the SLIs in these sectors toward the sector assessment update was thus highly negative – their sectors would not receive any IPA II funds in the future so updating the SPD was a pure compliance exercise. This weakened their ownership of the SA further. NIPAC reported that SARs are not done in Montenegro. This differs from other IPA II countries, where it is an obligation. One SLI (Competitiveness & Innovation – C&I) stated that they had made minor adjustments to their SPD following the approval of a related national strategy. Other sectors had introduced national strategies since the SPD's creation – in some cases the SPDs had been adjusted, in others it had not. This inconsistent approach to use of sector assessments in the SPDs reflects the wider sense of uncertainty among Montenegro SHs about how to apply SA processes in practice.

Serbia: Regular sector assessments are carried out only in the framework of PAR and PFM, where SBS programmes have been established. SPDs apart from Transport have been a one-off exercise.

Turkey: Turkey is the only country where SPDs have been set up and updated in most sectors. This is a sign that the main stimulus toward SA still comes from MEUA and the leading institutions are not able to assume a full responsibility toward SA.

**Interviews with beneficiaries conducted before the field phase:**

The Republic of North Macedonia:

In the Republic of North Macedonia, last year (2016) pilot self-assessment were carried out by the SWGs; the EUD did some re-drafting and fine-tuning. In October 2017, there will be a further discussion of amendments to the methodology is foreseen, to better standardise the use of criteria and weights. Best "performing" SWGs in 2016 were ENV and EDU/EMPL/SOC. There has been no assessment of the PAR sector yet.

Pilot sector assessments are done in two steps, 1) self-assessment by the SWGs; 2) EUD (team) assessment. External TA should have provided methodology however, the TA arrived 2 years later due to contractual problems. The methodology was therefore prepared by EUD and approved by EC HQ. It was tested by the end of 2016.

PAR like PFM, is not seen as a sector, it is a crosscutting/ horizontal issue. SA forced people to think about sectoral policies and less on institutions. In PAR the lead institution is politically weak. The MISA has no capacity to coordinate. On the other hand, under the PAR SWG different institutions had to work together for the first time. This can be seen as a learning process for most of them. Still the diversity of institutions placed under the SWG is enormous with some that work directly under the Parliament (so having no formal links with the government).

PFM is under the auspices of the MoF, which is a strong institution. The PFM Strategy was drafted with external support (SIGMA, EUD); strategy should be adopted by the end of the year. SPD has quite good quality, AD is under preparation; SBS is under consideration. The SWG was established 2 years ago; they follow a serious approach and work in an organised manner.

The SWG for EDU/EMPL/SOC appears to be not as very active; their involvement is limited to IPA programming aspects. The SWG is characterised by involvement of UNDP (they made their self-assessment and wrote the SWG ToR). There is a need for the SWG to become more active.

However, participation in the SWG is not part of the job description of the beneficiary stakeholders. Therefore, usually only "IPA people" attend the meetings but not technical specialists (analytical experts which could drive change in their institution). Cooperation between different units in the same ministry is often poor.



	<p>Institutions still do not understand SA; they are used to think individually, not considering broader/ sector perspectives. In addition, inter-institutional cooperation is traditionally poor. Now at least some basic level of understanding has been achieved.</p> <p>The SWG for Home Affairs was quite active in 2016, when drafting ToR for an IOM project; in addition, the 2016 AD was prepared; in 2017, they met only once.</p> <p>SWGs are seen as “for IPA only”. The SWG for Judicial Reform could even not agree on their rules for procedures; they meet (once the meet) without any rules in place.</p> <p>There is a fundamental difference between SWGs and WGs established by an institution: The SWG has no formal recognition. As a member of a WG (e.g. from MoJ), people are personally nominated and thus obliged to participate (in some cases they also receive extra payment).</p> <p>SPDs are of adequate quality; the roadmap is seen as a good document to principally guide the sector orientation.</p> <p>Albania:</p> <p>In Albania, SPD and Road Map: Road Maps submitted to regular follow-up and update only informally, though it would benefit of a more formal approach.</p>
<p>I.1.2.3 Evidence from documents</p>	<p><b>The Republic of North Macedonia</b> represents a rather unique case of horizontal support to sectoral assessments. In most other cases, there has been an evolution from SPDs/MEI to SLIs. <b>SPDs</b> have been established, in most beneficiaries, mainly under the responsibility of ministries of European integration (MEI), in the key sectors between 2014 and 2016 and then have not been updated, with some exceptions (e.g. Turkey and some sectors, as infrastructure). In general, this is not a negative consideration, because often the <b>SLIs</b> have taken over the role of coordination and –with the support of IPA TA- have developed their assessments in the preparation of SBS or other important sectoral programmes (MAPs).</p> <p><b>Internal document, the Republic of North Macedonia, 2015:</b> EU Delegation has established well working mechanisms for consultations with the civil society organisations (CSOs) on EU assistance. The main vectors of consultations include – Consultations on EU assistance – In December 2014 an IPA Networking mechanism has been established by 94 CSOs with the objective to contribute to the IPA programming process and the policy dialogue in the 7 sectors, identified with the Indicative Strategy Paper. The first consultative meetings focused on organisational issues, on representation, state financing and other topics crucial for the functioning of the civil society organisations in the beneficiary sector. In September 2015 in relation to the political crisis and the urgent reform priorities, five thematic consultations on fundamental rights, media, public administration, judiciary &amp; rule of law were organised, and the conclusions were presented by the civil society to the Commissioner Hahn. This trend will be further extended in 2016.</p> <p><b>IPA II Monitoring Committee Meeting minutes, the Republic of North Macedonia, March 2017:</b> The sector-working group was established (5 meetings were held) and it is operational on a technical level with representation from all the judiciary institutions. They have worked on the Country Strategy Paper and later, on its update. They also worked on the Sector Planning Document, which currently is in the phase of updating through midterm review. In addition, the SWG prepared a roadmap in communication and consultation with counterparts in the EU Delegation.</p> <p>The meetings were regularly held and this practice will continue in the forthcoming period with the high-level meetings with the officials. The justice sector is the most complex; especially Chapter 23 has the biggest complexity because a lot of institutions are involved in the planning and the programming of the actions.</p>
<p><b>JC.1.3 The SA package raises interest on and awareness of its value added to improve quality of policy management and strengthen capacities toward a full uptake of the approach</b></p>	<p>Perceptions of SA benefits are mixed – Staff within institutions dealing directly with IPA II recognise its value, even if this is sometimes limited to the realm of theory rather than practice.</p> <p>This appreciation of the SA generally does not extend to senior management/ political level within beneficiary institutions, or other institutional stakeholders</p> <p>SBS and MAPs exhibit the best examples of improved awareness of the added value of SA.</p> <p>Examples from IPA II beneficiaries largely confirm these trends, although each reflects specific circumstances that currently prevail there</p> <p>Capacity support has been used to varying degrees of effectiveness. Evidence suggests that the more structured and systematic capacity support is the more effective it is likely to be.</p> <p>SIGMA was noted as a valuable resource for work related to PAR, whilst the departure of Line DGs from IPA II had consequences for some, but not all, MAPs</p> <p>IPA II beneficiaries’ experiences suggest that capacity support is in most cases not used coherently and is sometimes deployed on tasks that should ideally be covered by institutional beneficiaries</p> <p>The example from the Republic of North Macedonia could be a model for other IPA II beneficiaries to introduce SA more systematically. Strength of the evidence: medium</p>

I.1.3.1	Beneficiary stakeholders' perception on incentives (in terms of better policy processes, institutional strengthening and acquisition of capacities) towards the uptake of the approach	
I.1.3.1	Summary	The majority of the stakeholders recognises the benefits of the SA uptake. Widening focus to sector policy planning, appropriateness of the indicators and coordination of the actions are among the most obvious positives. The low incentives and the institutional volatility, which characterise public employment, however, do not help in this respect.
I.1.3.1	Evidence from interviews and e-survey	<p><b>Field visits:</b></p> <p>Albania: Advantages are recognized by the staff, such as clearer strategic visions, strategic frameworks to allow better framing and coordination of the different sub-sector programmes (e.g. the catalytic role of SBS in PFM compared to the many external supports to MoF), new operational methods and systems. However, pressure on staff is high and incentives are considered insufficient: the institutional framework is highly volatile, because of political pressure, civil service reform is at an initial state and the professionalism in PA is not adequately rewarded.</p> <p>Bosnia and Herzegovina: Due to the dysfunctionalities within the Bosnia and Herzegovina administration and its institutional set-up, there appears to be little shared agreement at political/senior management level as to the benefits on committing to SA. At the technical level among administrators, there is a good understanding of the potential benefits to apply the SA to their sectors and the inter-institutional dialogue that has emerged through the SPD drafting process is the most tangible example of this. Despite this, the technical staff running the SA are often not empowered by their superiors to move the process forward more efficiently or effectively. Thus, the application of the SA in practice has been such a slow and uneven process, with several examples of the SPD being delayed due to political blockages from one or other entity. One consequence of this is that the technical staff upon whom the SA depends for its delivery no longer see any major incentive to commit their time and efforts to a process that does not enjoy the support of their superiors.</p> <p>Kosovo: Beneficiary perceptions of the value of the SA package are mixed. On the one hand they recognise the value of a more strategic and sector-based approach to IPA II programming and delivery. On the other hand, there is an evident reticence to actually put the SA model into practice. This can be explained by several factors such as capacity limitations, weak senior management support for the process and institutional resistance to adopt new practices.</p> <p>The Republic of North Macedonia: Staff at operational level in beneficiaries recognise the benefits of the SA in terms of improved institutional and policy performance. Until recently, this had not been the case on a political level. With the arrival of a new government in 2017, there has been evidence of greater interest among the political leadership/senior management of national institutions (including ministers and their deputies) to engage in the SA processes. One example of this is the move to ensure at least one senior management member from the SLI in each SWG, which is supported by government. Within the EUD, there is strong support within senior management for the SA, but this not shared among all operational staff, where there is notable scepticism towards the benefits of SA. This scepticism has also been registered by the MK counterparts and evidently has generated some uncertainty about how they should commit to the SA process. Financial and political incentives for SA introduction are reportedly not strong at present – financial allocations under IPA II are not particularly substantial and without any accession perspective, political benefits of introducing SA are perceived as minimal.</p> <p>Montenegro: Most SHs recognise theoretical value of the SA. However, in the MNE context, its practical application outside of SBS and MAP is considered minimal. The main driver in IPA II sector are the accession negotiations and work done through the chapter working groups (CWGs) are perceived as the principal reference point for IPA II uptake. The delivery of SBS is predicated on SA and here it is clear that in at least the PAR/PFM sectors, added value is evident in several respects i.e. stronger, structured policy dialogue, capacity development through the preparation of the SRC and associated PAF, explicit linkages established between national and IPA II strategies/budgets. The value added of the MAP approach embodied by the EESP SOP is in fact derived from its continuation of IPA I component IV (the HRD OP) and in its explicit linkage towards EU structural fund preparations (ESF). Therefore, the value added of this approach is not attributable to the SA.</p> <p>Serbia: SA helps better policies (only in sectors where it is intensively applied, e.g. PAR, PFM). In these sectors, there are new comprehensive strategies that respond to SA criteria, are based on PAFs and monitored through systematic procedures. Double track policy management (there is a national strategy, which follows the traditional approaches and the EU supported reform programmes, which are addressed separately) however, persists also in such areas and limits effectiveness (many direct free comments formulated by public institutions managers in the e-survey in addition to the fixed answers recognise this reality, and the same has been confirmed during the meetings).</p> <p>Turkey: There are no incentives (apart from MEUA) toward the uptake of SA. The latter is linked to IPA assistance, which represents a very small section of the institutions' duties. The broader sector policies of the government follow their traditional logics and systems and the adoption of SA is not at all an issue.</p> <p><b>Interviews with beneficiaries conducted before the field phase:</b></p> <p>Sector Approach allows addressing the different issues under a common framework and not in a vacuum as previously.</p>

I.1.3.1	Evidence from documents	<p><b>Internal document, Bosnia and Herzegovina, 2015; Particip, External Evaluation of the Instrument for Pre-accession Assistance (IPA II) (2014 – mid 2017), 2017:</b> Regarding programming, Sector Planning Documents (SPD) have been finalised for the areas of Rule and Law, and Democracy and Governance. Programming of IPA 2015 was timely: the projects planned are based on the priorities identified in these SPDs, as well as priorities from earlier allocations that were postponed because of the May 2014-floods.</p> <p>The IPA Monitoring Committee (taking stock of the whole IPA-portfolio) is in place and functioning.</p> <p>In addition, the Commission engages in specific sector policy dialogue, primarily through the various interim committees, but as well through dedicated platforms such as the Structured Dialogue on Justice.</p> <p>The politicisation of IPA has continued, with Republika Srpska formally not engaging in IPA programming before a functional Coordination Mechanism is established and the delays in the approval of Sector Planning Documents due to the (alleged) non-consultation of Canton-al governments in the process. This had resulted in limited progress to develop beneficiary-wide strategies and has hampered the extending of IPA support to important sectors such as transport, energy, agriculture and environment.</p> <p>A willingness was expressed by the RS to re-engage and (reportedly) ratify a pending agreement on an EU Coordination Mechanism. This is an important development, which would allow for a more inclusive programming process and an opportunity to also financially support the Reform Agenda (the main plan for socio-economic reform in Bosnia and Herzegovina).</p> <p>Progress in all respects of cooperation remain problematic, both between the various institutions within Bosnia and Herzegovina and with the EU. One positive is that the EU Coordination Mechanism is in place although it remains to be seen how it will work in practice. SPD development is difficult due to lack of sector vision or institutions but in particular, due to internal political difficulties which also result in disagreement on the development of beneficiary-wide sector strategies.</p> <p><b>IPA-Minding Network led by Ekosvest, the Republic of North Macedonia 2014:</b> A network of NGOs made an exhaustive assessment of the inefficiencies, with a special focus on the weak incentives for professionalism in PA. "Public Administration Reform – The participants agreed with the problems identified in the draft ISP. Overemployment in the public sector and administration is indeed a burden to the budget along with the inappropriate management of human resources that disregards the merit system. Transparency can also be dramatically improved. Conflict of interest among civil servants prevails due to ineffective monitoring instruments. Some of the solutions... support for the development of a study on the optimal size of the public sector, introducing indicators for measuring effectiveness and efficiency, monitoring the application of the principles of independence and merit-based promotions, support for implementing the Open Government Partnership Action Plan, effective prevention of conflict of interest, implementation of grant schemes for CSOs to monitor the implementation of policies etc.... The additional indicators for this sector..."</p> <p><b>IPA II Monitoring Committee Meeting minutes, the Republic of North Macedonia, March 2017:</b> The donors are part of SWGs and they were invited to several SWG meetings held thus far. For infrastructure projects especially for second level NIC two meetings have been organised in the previous year in front the donors with the presentation of proposals for the WBIF and the single Sector Project Pipeline.</p>
I.1.3.2	Beneficiary stakeholders' perception on the adequacy of capacity support for SA implementation	
I.1.3.2	Summary	<p>Capacity support for SA implementation was and still is necessary. Beneficiaries are aware of their capacity limitations. Support has been widely provided in the programming phase and in the preparation, implementation of the sector strategies, especially in the framework of SBS and MAPs. There are various cases however (e.g. Serbia, Turkey, Kosovo), where mobilising TA has been difficult and has required complex procedures, which have delayed implementation.</p>



I.1.3.2 Evidence from interviews and e-survey

**Field visits:**

Albania: Yes. The importance of the capacity development support provided by IPA is widely recognised, especially in the framework of the main reform processes: PAR (SIGMA), Justice (EURALIUS) and Home Affairs (PAMECA). Some conditions may not be favourable, such as the mentioned volatility of institutional staff and the hurry of certain complex processes (as in the Justice reform, implying the drafting of dozens of new laws), which pushes toward a 'replacement role' of the external TA. That said, capacity development support is sought after by the Albanian stakeholders.

Bosnia and Herzegovina: TA has been provided to the NIPAC and SLIs in the initial stages of the SA deployment (for the first round of SPDs) and this is considered useful. However, the 'learning by doing' paradigm was reportedly more valuable to them.

Kosovo: There has been no dedicated capacity support to introduce SA. A wide range of TA contracts has been running in the Kosovo institutions under both IPA I & II to assist implementation of IPA and this has been deployed to inter alia develop SPDs (e.g. IPA 2013 project "Support to Kosovo's Policy and Strategic Planning) but there has been no bespoke intervention devoted to SA, although there is evidently a need for this.

The Republic of North Macedonia: The decision to contract long-term capacity support to the NIPAC and national authorities to accompany the implementation of the SA has been welcomed by the North Macedonian side. This has been running since 2017. Prior to that, capacity support had been provided via one-off training events to support inter alia programming and M&E. In addition, the EUD provided capacity support as much as its own capacities allowed. It was widely recognised that without sustained capacity development in support of the SA (such as the TA now in place), key elements of it (e.g. PAFs) would have presented a major challenge to the authorities to put in place (I 1.3.2).

Montenegro: Beneficiary's perceptions of the adequacy of capacity development support vary from sector to sector. Under PAR/PFM, capacity support was considered adequate, particularly the work of SIGMA in development of the PAF. Under EESP SOP, the capacity support provided by DG EMPL when creating its predecessor was not continued. The Montenegrin beneficiaries dealt with this in collaboration with the EUD/DG NEAR. This was apparently adequate as well. Elsewhere, TA support via the NIPAC has been used to develop SPDs and reportedly some ADs. Here the impression is that this has not served as capacity development, but rather as an additional resource the Montenegrin side can use to carry out tasks that the Montenegrin institutions choose not to do themselves. It was observed by SPOs during meetings that greater value for them would be in mentoring or peer-to-peer capacity support from other countries, which had experienced similar accession challenges to them (e.g. Croatia). Paradoxically, this had not been translated into any notable increase in the demand/usage of TAIEX or Twinning support from the Montenegrin side (see also EQ3).

Serbia: TA is not easily mobilised. Especially where BS is in place, it is not adequate to the complexity of the tasks, often late and insufficient.

Turkey: In the competitiveness programme, TA and capacity building have been considered weak in the first phase. Generally, exchange of expertise is much requested, but there are no easy delivery tools (also the interest in twinning has decreased from EU side in the last years). The reduced visibility of some Commission's DGs in the MAPs makes it more difficult.

According to the e-survey, the low technical and managerial capacities of the beneficiaries are one of the three main factors that hamper the SA uptake. Except for Turkey, this is a general conclusion, with some peaks in Montenegro and Bosnia and Herzegovina. The recognition that SA has contributed to the establishment of new capacities at the beneficiary level is medium in the overall sample, while it is high in Albania.

I.1.3.2 Evidence from documents

**Particip, External Evaluation of the Instrument for Pre-accession Assistance (IPA II) (2014 – mid 2017), 2017:** The new IPA II implementation framework has introduced many changes compared to IPA I, aiming at – among other – strengthening of the policy dialogue; indicatively:

The sectoral approach aimed at streamlining political dialogue with the beneficiaries by focusing it on a small (9) number of policy areas; furthermore, it aimed at the deepening of the analysis of sectors and the elaboration of coordinated actions serving specific objectives within each sector.

The concentration of all sectoral policy discussions and programmes' negotiations within DG NEAR aimed at better coordination of the various thematic policies with the accession policy in the candidate beneficiaries and potential candidates.

The creation of the CoTEs aimed at creating centres of EC officials with wide experience and knowledge of specific thematic areas, able to support the geographical units of the DG NEAR in negotiating with the beneficiaries on thematic policies.

The introduction of the Sector Budget Support programmes, which provide the floor for detailed discussions and negotiations between the Beneficiary Authorities and the EU on the policies to be implemented (policy dialogue).

The assessment of the success (or otherwise) of these changes is difficult under the current political, social and financial context in the Western Balkans and Turkey and should be seen in relation to the specific context of each candidate beneficiary or potential candidate. Nevertheless, the perception of the officials of the DG NEAR HQ, the EUDs and beneficiary stakeholders is commonly positive; this is a very positive sign for the success of these measures in the IPA beneficiaries except for Turkey, which has not so far endorsed and is not implementing the Sector Budget Support modality for various reasons.

The Sector approach in Albania still not being fully understood and the SPD quality variable. Nevertheless, overall even here there is progress.

**Internal document, Albania, 2015:** The IPA II programming documents (notably Sector Planning documents and Action Documents for IPA 2014, 2015 and 2016) are prepared in line with the Albanian Government reforms, strategies and development agenda within the framework of predefined sectors. The EUD has periodically organised consultations and information meetings with EU Member States.

The EUD has worked on supporting the government in the implementation of public financial management reform strategy, public administration reform strategy and employment and skills strategy through Sector Budget Support.

## EQ2. QUALITY OF PROGRAMMING – To what extent has the Sector Approach contributed to an improved pre-accession assistance programming (both at beneficiary and sector levels)?

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

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

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

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

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

SBS have evidently facilitated well-structured dialogue of stakeholders and has resulted in better programming.

Elsewhere experiences are mixed.

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

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

SMCs have been created but are not yet fully operational.

Strength of the evidence: high

I.2.1.1 Extent to which SA has increased the intensity (thorough strategic discussions) and quality (minutes, process) of the EU-Beneficiary policy dialogue in the programming process

I.2.1.1 Summary The SA has improved policy dialogue between the EU and the Beneficiary. Programmes are being established more and more around key sector priorities discussed and agreed between the parties. The action documents are expected to be coherent components of the implementation of such priorities. The dialogue is the main tool to ensure such coherence, while before each request was set a bit on a vacuum, provided it had a reference to the needs of the requesting institution and the EU accession chapters.

I.2.1.1 Evidence from interviews and e-survey

**Field visits and e-survey:**

According to the results of the e-survey, more than 80% of the respondents recognise that programming in IPA II is based on a much deeper policy dialogue between the parties, with Albania showing the highest share (more than 90%).

Albania: according to the meetings, there has been a strong change in the quality of programming, since the early stages of IPA II, due to the high-level dialogue established between the new Albanian government and the EU on key sector reforms. An intense dialogue on strategy and priorities in most sectors is carried out in the programming phase. Especially at the beginning, this was particularly strong in Judiciary and PFM.

Bosnia and Herzegovina: The introduction of the SA has contributed to improved programming in terms of better dialogue between Bosnia and Herzegovina institutions on IPA II priorities via the SWGs. However, there is little evidence to suggest that the SA has made any major difference to the intensity and quality of policy dialogue between the EU and Bosnia and Herzegovina. At a political level, there is an evident disconnect between the political discussions between the EC and Bosnia and Herzegovina on areas linked to accession (acquis) priorities and the programming process linked to IPA II. This is prevalent in sectors such as PAR and Justice but is reportedly the norm in the 2 IPA II sectors covered by this evaluation. This is a result of the often-stalled political dialogue in these sector (due to various Bosnia and Herzegovina administrations obstructing the political process) and the imperative to programme IPA II support in these 'priority' sectors, despite often the basic preconditions for their success (ownership, capacity) needing to be in place for the SA to be successful.

Kosovo: Improved sector policy dialogue is noted in the two sectors where SBS has been under preparation. The development of the sector reform contracts (SRC) demanded frequent interaction between the main institutional actors, both at a political and operational level. Stakeholders confirmed that this intensive dialogue forged a stronger strategic appreciation of the purpose of the SBS interventions. Outside the SBS interventions, the policy dialogue along SA lines began for the 2015 AAP. Prior to this, there was policy dialogue under the previous regime (IPA I). There is general agreement among stakeholders that the SA approach has fostered more intensive dialogue on sector objectives even though the vehicle for this dialogue (the donor coordination SWGs) appear to be only partially functional.

The Republic of North Macedonia: Sector dialogue takes place through JMCs but also through sector monitoring committees in those sectors established under IPA I. The quality of policy dialogue has not notably changed due to SA. Dialogue under the previous government was reportedly difficult. This has improved under the new regime. MK operational staff stated that there was greater potential to engage in meaningful dialogue with EU counterparts and that they enjoyed greater support from their superiors.

Montenegro: Regarding the sector policy dialogue for programming of the key sector programmes, all the IPA II programmes in MNE were subject to dialogue in their development for the ISP. Thereafter, three clear categories of programmes with regard to quality and intensity of dialogue are evident. The first with the most intensive dialogue relates to SBS programmes (IBM, PAR/PFM). Here, intense and structured dialogue has reportedly resulted in detailed SRCs. This dialogue has also had a capacity development function and boosted ownership of the programmes. The dialogue has also stimulated internal dialogue between the MNE institutional partners such as the MoF, MoI statistical office and external SHs, which had not existed before SA was introduced. The second category relates to the EESP SOP. This also involved intensive EU-beneficiary dialogue, although this was reportedly less intensive and productive than under IPA I when involving DG EMPL. The sector appreciation built under IPA I has continued under the SOP and is reflected in the general quality of the SOP – thus the quality of the programming process cannot be attributed to SA alone. Ownership of the SOP among institutional beneficiaries is strong, but among wider stakeholders reportedly less so. The main difference caused by the SA was wider engagement of external SHs, although this was reported to be mainly consultative, rather than collaborative. The third category covers the other programmes under SA. Here the intensity of dialogue was greater than IPA I and had a more explicit sectoral focus. The quality of the dialogue in terms of how programming has taken on a more explicitly sectoral dimension, and how the Montenegrin institutions think in terms of sectoral needs/priorities, varies but tends to be less strong than the other two categories.

Serbia: The quality and depth of dialogue in the programming phase have improved thanks to SA. New procedures have been established: the programming cycle starts in October with sector dialogue meetings, to establish sector log-frames coherent with sector strategies and identify shared priorities to work out in depth toward setting up the related action documents. All the process takes almost one year and alternates dialogue among beneficiary stakeholders at sector level, with dialogue between the two parties (EU and Serbia) including higher level political dialogue. All the process is supported by training.

Turkey: Sector level programming under IPA II has used the SPDs prepared by MEUA, with the support of IPA TA, thus having a broader sector view. In specific cases, however, such as the Competitiveness and the Employment MAPs, the policy dialogue and the exchange of know-how between the beneficiary (mainly the leading institutions) and the EU did not improve compared to IPA I. The weak involvement (or even the absence) of the Commission's DGs under IPA II reduced the opportunities of exchange on the EU approaches and best practices.

In the framework of PAR, in Serbia, programming implies regular dialogue and daily communications between EUD, MEI, and line ministry, including direct links with line ministry. On implementation, there are three levels of dialogue:

- High level, Special group on PAR, including Ministers, High level Staff, EU regional Director, Ambassador, key EUD staff, Member states, SIGMA, ReSPA. There was a pre-meeting with CSOs, now invited. Meets once a year.
- Strategic level, including ministers PA, Finance and MEI, Ambassador and EUD managers. Discusses achievements related to variable tranches. Meets twice a year.
- Operational level. EUD should be invited in regular coordination meetings held by the leading institutions. But this happens only sporadically, since the monitoring systems in the sector institutions are weak, the coordination meetings are not held regularly. The situation is decidedly better with SBS and the administration has a high degree of volatility (60% of the highest staff, reposted for political reasons).

I.2.1.1 Evidence from documents

**Particip, External Evaluation of the Instrument for Pre-accession Assistance (IPA II) (2014 – mid 2017), 2017:** Based on documentation and interviews, IPA II follows an inclusive process particularly in programming. All IPA beneficiaries report on consultations with the civil society organisations (CSOs), mainly in the programming process (making the process more participatory and inclusive). This has been confirmed by field visits. Programming guides also stress the importance of wider participation in programming and in monitoring, e.g. through sector working groups. The role of CSOs in the future monitoring of IPA II is less clear cut at present and still needs to be defined.

Programming guides note the importance of wider participation in programming and in monitoring, e.g. in sector working groups.

Kosovo is still developing its structures, approaches and systems/ means; the EU –and IPA II– is certainly affecting these, but within an existing wider context where many players (USAID, EU MS, other beneficiaries, International Organisations and IFIs) are acting in a non-coordinated way; under the existing situation a key issue for Kosovo is the lack of flexibility of the programming documents of IPA II, which are long-term but cannot address effectively and quickly urgent needs, as for example the needs of the Serbian minorities in northern Kosovo.

As in all candidate beneficiaries and potential candidates, the EU with the IPA II is influencing the development of the government structures and operations; for example IPA II programming urged the Government to introduce more coordination among the Ministries (which today are acting almost completely independently), to develop a long term Beneficiary Development Strategy and sectoral strategies, to improve Public Administration and PFM, so that they can gradually implement IPA II funded interventions under own management and to coordinate the work of the various donors. The first Budget Support programme (on Public Administration) was adopted in 2016 under which three (3) specific laws should be drafted and ratified. However, there is some scepticism about its success.

**Internal document, Albania, 2015:** Intensive consultations have been held with CSOs about both the need to improve the legal framework for their work and the possible strengthening of their participation in the policy-making process. Specific information and consultation sessions have been organised about sector budget support (SBS) in general and on specific sectors included in the SBS programming (Public Administration Reform and Education) in order to promote the participation of CSOs to the process.

**Internal document, Bosnia and Herzegovina, 2015:** Consulting with CSOs and Local authorities (LA) is a crucial component of IPA assistance programming. CSOs have been fully involved in the process of preparation of the first three Sector Planning Documents 2015-2017 under IPA II and subsequent programming exercise for 2015. Their participation in the relevant sub-WG and their feedback has helped the preparation of the sector Planning Documents. Ad hoc consultations have also taken place for the programming of the Civil Society Facility (CSF) 2016/2017. As concerns implementation of programmes, CSOs and LA are part of the consultative group LAG (Local Advisory Group) that meets four times a year. Both CSOs and LAs are also consulted during the implementation of LOD (local democracy) project, which is implemented by UNDP.

**Internal document, the Republic of North Macedonia, 2015:** The EU Delegation has established well working mechanisms for consultations with the CSOs on EU assistance. The main vectors of consultations include: – Consultations on EU assistance – In December 2014 an IPA Networking mechanism has been established by 94 CSOs with the objective to contribute to the IPA programming process and the policy dialogue in the 7 sectors, identified with the Indicative Beneficiary paper.

In line with the requirements of IPA II, the country has embarked on introducing the sector approach in 7 priority sectors as identified by the indicative strategy paper. The introduction of the sector-based approach is a slow process, and thus far has resulted into the establishment of sector working groups, the preparation of a sector coordination mechanism and sector working groups' operational procedures, drafting of sector roadmaps. Yet, the process has been developing unevenly across the established sectors with insufficient dynamics to back up the EU investments in the areas of environment, transport, competitiveness, PFM, agriculture and rural development. The finalisation of the Sector Roadmaps for all sectors (or sub-sectors where relevant) is expected by March 2016, which has been established as conditionality for the actual use of the IPA II funds. Further, the development of sector strategies has been launched in all 7 sectors with the active involvement of the EU Delegation.



EU Delegation has established well working mechanisms for consultations with the civil society organisations (CSOs) on EU assistance. The main vectors of consultations include: – Consultations on EU assistance – In December 2014 an IPA Networking mechanism has been established by 94 CSOs with the objective to contribute to the IPA programming process and the policy dialogue in the 7 sectors, identified with the Indicative Strategy Paper. The first consultative meetings focused on organisational issues, on representation, state financing and other topics crucial for the functioning of the civil society organisations in the country. In September 2015 in relation to the political crisis and the urgent reform priorities, five thematic consultations on fundamental rights, media, public administration, judiciary and rule of law were organised and the conclusions were presented by the civil society to the Commissioner Hahn. This trend will be further extended in 2016. – Consultations on CSD Programmes – In addition to the online consultations through the TACSO webpage, in February 2015, four consultations on 2014 Call for proposals were organised in 4 locations (Skopje, Gostivar, Prilep and Shtip) involving about 45 organisations. – Consultations on the EU progress report – In March 2015, two consultation meeting were organised and a functional mail box was opened to provide a platform for the CSOs to share their opinion on progress of the country in the context of the EC Progress Report.

**Quick Guide to IPA programming, 2014:** For Beneficiary and Multi-Beneficiary Action Programmes in particular, formal and informal consultation shall be organised under the leadership of DG NEAR and/or the relevant EU Delegations. To this end, regular and timely communication with Beneficiaries to facilitate their involvement, and therefore improve their ownership, shall be ensured. Detailed programming plans, including timelines and draft documents shall be circulated and shared.

The establishment of dedicated Sector Working Groups can also provide an effective operational mechanism for sector strategic planning and programming. They assist in structuring consultation with all institutions involved in sector management and provide an inclusive dialogue forum with all other relevant stakeholders.

Consultation with other stakeholders in the relevant sectors must also be organised, as well as more generally with civil society organisations (engagement with civil society being an essential cross-cutting obligation of IPA II programming) and other non-state actors, as appropriate.

Whatever the type of Action Programme, this initiation phase involves extensive consultation between the European Commission, EU Delegations, the IPA II Beneficiaries and the wider donor community (including Member States), as well as civil society and other non-state stakeholders. Early co-ordination with other donors is important to ensure consistency and co-financing, and to exclude possible double financing.

**Mapping of Sector Strategies, Final Report, 28 February 2014:** In most of the assessed beneficiaries, sector strategies do not cover the period until 2020. Most of the strategies will be updated during the period 2014-2020. In addition, the action plans for the implementation of sector strategies are weak in term of sequencing of actions for implementation. The actions plans are weak in term of indicators. Most of indicators are output indicators and not result and impact indicators or are not indicators at all. There is a lack of monitoring mechanisms and procedures to monitor the implementation of the strategies. Most of sector strategies assessed have not financial figures. When they are presented, in most of cases the quality of cost estimation is poor. In addition, sources of financing are not clearly defined. There is no clear link between the financing of sector strategies and central budget. There is also a lack of consistency between sector strategies and regional strategies. Local needs are not fully addressed in sector strategies and the coordination roles are not clearly defined.

The stakeholder involvement has been organised in most of beneficiaries with and active participation of CSOs. In most of beneficiaries, Sector Working Groups have been established but some beneficiaries have more experience in SWG meetings.

The sector Agriculture and Rural Development is ready for the sector approach in the beneficiaries studied with progress largely due to preparations for IPARD sectoral support. Beneficiary level strategies and institutional leadership are good, and this also contributes to the well-developed state of the sector.

The sector Employment/HRD/ Education/ Social Policies is substantially ready for the sector approach with good strategic planning and institutional leadership in four of the five beneficiaries reviewed. It has a variable performance as some beneficiaries have benefitted from preparations for the IPA Component IV to create a stronger strategic basis and planning structures.

The sector Competitiveness/Private Sector Development (PSD) is partially ready for the sector approach with two beneficiaries considered sufficiently developed to take the concept forward.

All assessed beneficiaries have good Public Administration Reform Strategies which are horizontal documents that form a basis for specific sub-strategies. In the Justice sector, most of beneficiaries' (the Republic of North Macedonia, Montenegro, Turkey, Albania) quality of the sector strategies are inadequate, needing improvement, and several strategies do not have Action Plans.

In all assessed beneficiaries and sectors, links between strategic planning and programming need to be reinforced. Better scored sectors such as Agriculture and Rural Development, Transport, Employment and Environment have experienced the work done with IPA III, IV and V in some beneficiaries (Turkey and the Republic of North Macedonia). They have also an easier definition of the borders of the sector, easier institutional setting and have been more exposed to planning experience.

When the sector strategy is implemented by several ministries/ institutions, sector financing should be secured also from those ministries/ institutions. The sectors/units in charge of strategic planning and programming should be in a position to oversee the “big picture” in a particular sector. Formally appointed working groups for preparation of the NPAA and future negotiations for particular chapters could serve as a good platform to establish reporting and monitoring procedures for the whole sector, provided that political decision-makers participate.

The established seven Programme Based Approach Working Groups, the existing central donor assistance database and the other different coordination mechanisms should be utilised to improve the donor coordination.

In Montenegro in some sectors (e.g. HA) it is necessary to consolidate a central strategic department/directorate inside the line ministry as a key unit in charge of the overall coordination with its relevant competent partner institutional bodies in terms of programming, identification and analysis of sector needs, definition of key strategic priorities for the short-, medium- and long-term. The monitoring systems should be developed to set up an analysis targeting a much more result-oriented approach towards the sector. The improvement in the quality of the APs is needed for implementation of the strategies not sufficiently detailed in terms of expected results and related output/result/impact indicators. Reinforcing the reporting and monitoring systems based on an updated framework AP for implementation of the PAR strategy as a necessary tool in view of a sector approach. Monitoring mechanisms should include output/result and impact indicators helping to target the analysis towards a much more result-oriented approach. In order to be in line with the time-frame to 2020 in some sectors (e.g. Transport), it is necessary to update the existing main strategic framework strategy for the transport sector extending the time to cover at least the period up to 2020.

The institutional and capacity building should also be improved in some sectors (e.g. PSD) for the training of the future appointed staff within the sector in terms of strategic planning, programming and coordination for sector approach.

In Bosnia and Herzegovina, it is recommended that introducing a sector approach in Bosnia and Herzegovina should be accompanied by clarification and agreement on the overall coordination in the sector and more precisely on the roles and responsibilities of various level stakeholders. There is also a need for a gradual introduction of sector approach, as the needs are different for the most advanced sectors and for immature sectors. Continued assistance on developing strategies to investment heavy sectors for which programming and actual implementation is long-term and time-consuming should be a priority. There is a need to assist the authorities of all levels in a gradual shift to the sector approach.

To enhance the adoption of the sector approach for the sectors which are not ready, it is recommended to support the preparation of well formulated Sector Strategies up to 2020. It is also recommended to develop common monitoring systems to provide oversight for the implementation of the Action Plans of Strategies. It is also necessary to strengthen the links between the State budgets and the practical implementation of the Action Plans of the Strategies. The sector working groups should also consolidate different coordination platforms in their sectors and better integrate them to benefit from synergies created with the other beneficiary and EU support programmes.

**Strategy Paper for Kosovo (draft version September 2013), 2014-2020:** Regional cooperation and good neighbourly relations are an essential element of Kosovo's European integration process. Following a technical dialogue agreement with Serbia in February 2012, Kosovo's participation in regional cooperation arrangements has improved. Nevertheless, status issues continue to hinder Kosovo's full integration into regional cooperation mechanisms.

**IPA II Monitoring Committee Meeting minutes, the Republic of North Macedonia, March 2017:** Regarding the programming of IPA II, the capacities have been strengthened but still more work must be done to improve the programming. SEA is aware of this issue and expects support from SEA's big project that has yet to be implemented. For the first time in 2016, related to the programming of 2017, there was over-programming with a good track record in the programming process. At the same time, the PAR strategy was drafted, and the SPDs prepared for the social sector and education and for public administration reform. It was decided to include PFM in the 2018 Programme. The IPA training centre in SEA can be used to spread the knowledge accumulated in the DIS system and this is included in the annual training plan. The conditionality table will be revised in line with Financing Agreements and will be regularly monitored. With regards to improving the impact of EU assistance, the Beneficiary Authorities will implement some of the EU Court of Audit recommendations.

I.2.1.2	Extent to which SA has also favoured the establishment of internal dialogue and consultations at sector level for better institutional coordination
I.2.1.2	<p><b>Summary</b></p> <p>Internal dialogue and consultations at sector level are required by the SA. Lead sector institutions have considered other sectoral (and wider) stakeholders' inputs in drafting the strategies and action plans. In some cases, certain subsectors were included into a sector composition for the first time – in these cases coordination has needed increased effort. Sector working groups are the main tool for sector dialogue in the programming phase. In the execution phase (see also other indicators) there are other tools such as: internal coordination and internal M&amp;E systems, which do not work properly or at least are not yet autonomous from the IPA programmes; and IPA related tools, such as SMCs (in the framework of SRCs, IMC, etc.).</p>



I.2.1.2	Evidence from interviews and e-survey	<p><b>Field visits:</b></p> <p>Albania: At the programming level, the SWGs to ensure dialogue among beneficiary stakeholders. Sector Monitoring Committees are being promoted by IPA II in the main sectors. In many sectors however, they do not meet regularly. In Justice, the institutional framework is not consolidated yet (HCJ and the Association of Prosecutors are not fully in place). Where SRCs are in place, both internal and external dialogue are more regular.</p> <p>Bosnia and Herzegovina: By contrast, it was widely acknowledged that the SA had improved the quality of dialogue among the main stakeholders over programming priorities. This is thanks to the innovation of the SWGs and has been most notable among the Bosnia and Herzegovina institutions involved in the programming process. Here their participation in the SWGs had provided for many of them the first opportunity to engage in structured discussion over the priorities of their 'sectors' and direct input into the design of the programming document – the SPD. The composition of the SWGs was reportedly largely drawn from technical staff within the Bosnia and Herzegovina institutions, with senior management involvement varying from sector to sector (feedback suggested senior management involvement in many key sectors such as PAR and Justice was limited). Regarding the other stakeholders (IOs, donors) they had also been included in the process and this was also considered an improvement over the more disjointed consultation approach prevalent previously.</p> <p>Kosovo: See I.2.1.1 above. Moreover, feedback suggests that dialogue on policy development is driven primarily by donor (IPA II) requirements.</p> <p>The Republic of North Macedonia: The SA has, through the SWGs, undoubtedly created a valuable forum for internal dialogue between institutions of North Macedonia. It was widely acknowledged that the SWGs had improved the quality of dialogue among the main stakeholders over programming priorities. Here their participation in the SWGs had provided for many of them the first opportunity to engage in structured discussion over the priorities of their 'sectors' and direct input into the design of the programming document – the SPD. The composition of the SWGs was reportedly almost exclusively drawn from technical staff within the MK institutions, with senior management involvement minimal. The other stakeholders' involvement (IOs, donors, CSOs), this appears to be limited to one or two sectors and there is much room for improvement. The introduction of new Rules of Procedures by the Government could improve participation of CSOs in the SWG activities.</p> <p>Montenegro: See I.2.1.1 above.</p> <p>Serbia: Interinstitutional consultation and coordination have significantly improved in programming. SWGs meetings are called by MEI and ensure a certain level of exchange among the different institutions involved. During the execution (see also other indicators), sector dialogue should be ensured by other tools, such as the Sector Monitoring Committees (in the framework of SRCs), which do not work properly. There are also a multitude of beneficiary instances with a coordination and joint monitoring functions in the sectors supported by IPA (as in the case of PAR): PAR Council headed by the PM, Council WG, Inter-Ministerial Project Group. All such instruments work occasionally and focus on the execution of the IPA II supported PAR project, not on the policy and institutional coordination of the Serbian policies in the area. There are also the committees strictly related to IPA II implementation, such as the SMCs (particularly in the framework of SRCs) and the annual IPA Monitoring Committee.</p> <p>Turkey: The inter-institutional dialogue, limited to the IPA programmes, was improved as a consequence of the SA. MEUA has been particularly active in promoting consultations in Justice and in other sectors (MAPs) at the level of programming.</p>
I.2.1.2	Evidence from documents	<p><b>Particip, External Evaluation of the Instrument for Pre-accession Assistance (IPA II) (2014 – mid 2017), 2017:</b> The principle of 'local ownership' has always taken a central position in IPA funding and the Commission has routinely insisted that the beneficiary's administrations and beneficiary stakeholders take an active part in the identification process for new projects. The principle of the sector-based approach consists of taking beneficiary development plans as a template for programming EU assistance. Therefore, this approach is likely to result in projects that enjoy a higher degree of ownership.</p>

The sector approach groups EU assistance under strategic sectors that are identified jointly by the EU and the beneficiary, with beneficiary sector strategies as a basis for programming. Indicative Strategy Papers (ISP) are made for each beneficiary (as well as a Multi-Country Indicative Strategy Paper) for the seven-year period. For Bosnia and Herzegovina, the ISP covers the period 2014-2017 only. Stronger ownership by the beneficiaries is intended by integrating their own reform and development agendas in these papers. The annual programming, that was predominant under Component I of IPA I (though multi-annual programming was especially possible for Components III, IV, V) is complemented by the possibility of multi-annual programming in IPA II. The priorities determined in the ISPs are not supposed to change over the programming period 2014-2020, though a mid-term review is foreseen in 2017.

Some examples of participation and building ownership by beneficiary authorities and other stakeholders include self-assessment by the beneficiary authorities using the sector approach assessment criteria, donor coordination meetings in almost all candidate beneficiaries and potential candidates, involvement of civil society at the beneficiary and local level and in different stages of the process, sector working groups composed of different stakeholders including different size CSOs etc. The high level of CSOs involvement is in part the result of the Technical Assistance to Civil Society Organisations (TACSO) which provided expert and financial support to involvement of the civil society in programming process (i.e. supporting CSO events, support in managing the work of Local Advisory Groups – LAGs). Also, Civil Society Facility programme at the beneficiary and multi-beneficiary level supported CSOs in the monitoring of the EU integration process in candidate beneficiaries and potential candidates.

**Quick Guide to IPA programming, 2014:** The Programming guides note the importance of wider participation in programming and in monitoring, e.g. in sector working groups.

For Beneficiary and Multi-Beneficiary Action Programmes, formal and informal consultation shall be organised under the leadership of DG NEAR and/or the relevant EU Delegations. To this end, regular and timely communication with beneficiaries to facilitate their involvement and therefore improve their ownership, shall be ensured. Detailed programming plans, including timelines and draft documents shall be circulated and shared.

The establishment of dedicated Sector Working Groups can also provide an effective operational mechanism for sector strategic planning and programming. They assist in structuring consultation with all institutions involved in sector management and provide an inclusive dialogue forum with all other relevant stakeholders.

Consultation with other stakeholders in the relevant sectors must also be organised, as well as more generally with civil society organisations (engagement with civil society being an essential cross-cutting obligation of IPA II programming) and other non-state actors, as appropriate.

Whatever the type of Action Programme, this initiation phase involves extensive consultation between the European Commission, EU Delegations, the IPA II Beneficiaries and the wider donor community (including Member States), as well as civil society and other non-state stakeholders. Early co-ordination with other donors is important to ensure consistency and co-financing, and to exclude possible double financing.

**Bosnia and Herzegovina Indicative Strategy Paper 2014 – 2017; Internal document, Bosnia and Herzegovina, 2015:** In Bosnia and Herzegovina, the strategy paper for period 2014 – 2020 was prepared in partnership with the State level and Entity Prime Ministers, the Beneficiary IPA Coordinator (NIPAC), line Ministers at State and Entity level and representatives of the civil society. Specific consultations on the strategic orientation of the strategy paper were organised with the joint EU-Bosnia and Herzegovina working group, several civil society organisations, EU Member States, other donors and international organisations operating in the beneficiary.

The EU Delegation is also supporting the establishment of a web-based platform for the systematic consultation of civil society that will be available for public administration services at all levels. A specific module is planned to be developed for the consultations to be carried out by the Directorate of European Integration (DEI) about EU financial assistance.

**Kosovo Indicative Strategy Paper 2014 – 2020:** Between December 2012 and December 2013 various consultation meetings were organised by the Ministry of European Integration (MEI) on development of the Indicative Strategy Paper 2014 – 2020. MEI organised consultations with line ministries and provided significant inputs for the Strategy Paper at different stages of the drafting process. Consultations with the European Union Rule of Law Mission (EULEX) were launched in March 2013 and continued throughout the drafting process. EULEX and the European External Action Service (EEAS) provided relevant input on the needs for IPA II assistance in the rule of law area. In June 2013, a first consultation meeting with civil society was organised jointly by the EU Office in Kosovo and the MEI, followed by others organised with the help of a facilitator. At the Stabilisation and Association Process Dialogue (SAPD) Plenary with civil society organisations (CSOs) held in June 2013, CSOs had another opportunity to comment on the initial draft. CSOs also provided written input and were again consulted at local level. Consultations with EU Member States and other bilateral and multilateral donors took place in the context of the bi-monthly donor coordination meetings ("MS+ meeting") hosted by the EU Office in Kosovo.

**Internal document, Kosovo, 2015:** Evaluations conducted show that the absorption capacities and ownership of the beneficiary institutions in Kosovo continued to be inadequate in some sectors of the pre-accession assistance delivery, similarly the impact and sustainability of action. Therefore, during the programming phase and in the policy dialogue with Kosovo counterparts, particular attention has been paid to ensure ownership and assessing the absorption capacity. The latter has also been put on the agenda of the donor/partner coordination mechanism.

Civil society has been consulted at several stages during the formulation of programming documents. Sectoral plans have been consulted with CSOs in dedicated meetings and the Action Document on Civil Society and Media Programme 2016-2017 has been first consulted with Local Advisory Groups following that the draft was widely circulated to CSOs who were invited to provide feedback. EUO cooperates with CSOs and their networks (ex. Civikos) regularly and the consultation process was just a confirmation of EUD commitment to engage with civil society. The capacity of CSOs to provide a contribution to the programming and implementation of assistance has been constantly increasing also thanks to the support EU has been providing in this area.

**IPA II Monitoring Committee Meeting minutes, the Republic of North Macedonia, March 2017:** It was beneficial that a big part of the assistance was provided for the NGO-sector and the non-governmental institutions which were active in this sector. The big investments connected to the financing of active labour market measures are directly linked with the final beneficiaries which are the citizens and the unemployed people who are the most vulnerable group.

The whole administration has been involved in the process of the revision of the Indicative Strategy Paper.

The consultation process has been finalised including the broad consultations with stakeholders and the Civil Society. Currently they are in the process of preparing the inter-service consultations on the revised document that will be consulted with the Line DGs, The Commission is preparing the strategic dialogue with other EU institutions particularly with the European Parliament.

Regarding the Justice sector, for the last 5 years, the EU assistance has experienced serious difficulties both in programming and implementation: relevant policy makers are not actively engaged in the justice reforms. In some instances, even regression is evident.

The judiciary system will make use of modern techniques and all tools developed by the projects financed by IPA and implemented by the IPA structure together with NIPAC and CFCD. The implementation of the projects is successful on some levels but the sustainability can be further improved.

Regarding IPA II, the sector working group will continue to meet and currently it is in the phase of the preparation of public procurement. The comments from the EU Delegation were incorporated. The focus is on the procurement and of the modalities of the contracts, and currently the focus is put on fulfilment of the conditionality. The next step is the preparation of the tender files which means that the work on the sector level will continue with meetings on operational and on a high level in the sector working areas.

IPA coordinator in the MoI briefed on the follow up of working subgroup on home affairs that was established in late 2015. So far the SWG has met in seven meetings and several strategic documents were approved by the SWG with the great support of the EU Delegation. The Sector Planning Document, the road map and the Action Document for 2016 was approved. Regarding IPA 2016, even though it will be implemented under centralised management in close coordination with the EU Delegation, many meetings are held in relation to the preparation of the tender dossier to meet all the deadlines.

IPA coordinator in the MoEPP acknowledged that the sector working group for environment and climate action was established at the beginning of 2015... the previous year they have completed the open procedure for selection of the NGO representatives in the sector working group. On their demand, two members of the NGOs participated in the sector working group. The selection was done by the MoEPP with the representatives from the NGOs themselves. In addition, with the open procedure, one NGO representative was selected to participate in the Sector Monitoring Committee. So far, they have had several meetings for the sector working group and the aim is to have three meetings per year where the roadmaps are shared and the implementation of the Multi Annual Operational Programme for environment and climate action is discussed. They are aware that they should increase the work of the sector working group but on the other side there is a big portfolio for the implementation for IPA I which limits their capacity to pay equal attention to both IPA I and other activities which are necessary for the sector working group. Hence, the activities for IPA II will come later.

Cabinet of the DPM in charge of economic affairs and representative for the sector competitiveness and innovation added that formally they did not have a meeting with the sector working group but that does not mean that there is a lack of communication since the line ministries are very much involved in the work of the sector through various activities which are covered by the sector for competitiveness and innovation. There is also constant communication with the NGO sector regarding its involvement in the SWG.

IPA coordinator in the MAFWE and representative for the sector for agriculture and rural development briefed about the sector working group on agriculture and rural development which was established in 2015. Several meetings were held that were especially intensified in 2016 for the updating of the roadmap and the assessment report which were submitted in November 2016. NGOs have not been included in the sector working group. The SWG can be extended and several NGO can be invited such as Farm Federation Association.

**Minutes: Public Administration Reform Sector Working Group (PAR SWG) for Programming and Monitoring of EU Funds and Development Assistance, April 14, 2014, Serbia:** Rounds of SWGs have been organised in the period 14-16 April 2014, to discuss state of play in respective sectors notably given the ongoing reform activities and plans and their linkages with development assistance implementation and planning; to address thoroughly annual IPA programming for year 2014 based on the first drafts of Action Documents per sector as well to receive the feedback from development partners and sector relevant civil society Organisations. It has been explained that the immediate focus has shifted in the short term towards the elaboration of annual ADs per sector. SPDs would be updated with the contents of IPA 2014 program and will provide the basis for annual programming of IPA.

Representative of the Ministry in charge for public administration as the Sector Lead Institution reported briefly on the adoption of the PAR Strategy in January 2014 and on the fact that the drafting of the respective Action Plan (AP) is advancing. The discussions are ongoing regarding the content for the SPD and on the timeline for programming of further measures beyond program year 2014. The Ministry of Finance (MFIN) is providing inputs for the relevant parts of the AP for PAR Strategy and is working in parallel on a more comprehensive PFM plan of needs and reform activities which will certainly serve also as the input for programming of support in the coming years. Representatives of the EU Delegation observed that in the submitted draft of PAR AD for IPA 2014 inputs and presence on the PFM plans are not sufficiently reflected and recommended that in conjunction with providing elements for the AP in line with the PAR Strategy, MFIN should integrate such proposals into the current programming exercise. It has been recommended that in the PAR AD available results should be presented on several interlinked projects and clear references on the involvement and commitment of MFIN have to be inserted as well as mechanisms to enrol in a systemic manner the local level in the budget reforms explained. It is necessary to provide more explanations in the AD on the (in)effectiveness of the implementation and the enforcement of the Law on Public Property (adopted in year 2011) as well as to refer to the already existing analyses on this particular topic. In addition, it is necessary to present within the AD the broader context of property management reforms and planned actions related to this, such as the implementation of the WB loan on real estate management. Representative of the Office for cooperation with civil society pointed out that already in the initial consultations with civil society stakeholders on the drafting of the Strategy for the Enabling Environment for the Development of Civil Society – it has been underlined that the issue of property management is manageable with better inclusion of the interested public in those processes has to be promoted and ensured.

#### **JC.2.2 Sector assessments and dialogue (including positive and negative cases) are reflected in Beneficiary strategies and Action programmes and used to orientate programming choices**

ISPs and sector assessments have a loose relationship.

Sector assessments are most robust in SBS and SOPs.

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

The quality of SPD assessments is subject to several factors.

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

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

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

Sector maturity is a key criterion for SBS support, the strength of the evidence is high.

##### **I.2.2.1 Extent to which beneficiary strategies are built on sector assessment and identify priorities for sector policy development**

I.2.2.1 Summary	Beneficiary strategies are generally linked to sector assessments of rather good quality in the sectors which receive intensive support by IPA (SBS, MAPs, or absolute priority sectors like Justice, even just in the preparation phases). In other sectors, SPDs may play a role to introduce preliminary assessments and comprehensive strategic concerns, but generally the quality of SPDs is weak.
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I.2.2.1 Evidence from interviews and e-survey

**Field visits:**

**Albania:** ISP is built on rather good quality sector assessments involving beneficiary institutions and CSOs. The same applies to programming documents and the most important (multiannual) action documents, as mentioned under other indicators. A sector assessment process was started from the new Government elected in 2013, with the IPA support. This brought to the establishment of country strategies in the sectors where IPA II support was concentrated (PAR including PFM, Justice, Employment, Transport, etc.). Such assessments have particularly benefited from the intensive preparation of SBS. Although the origin of sector assessments is in IPA II assistance, the content of such assessments presently informs most national strategies in the key sectors.

**Bosnia and Herzegovina:** Sector assessments are a SA innovation in Bosnia and Herzegovina. No such practice is systematically embedded in national administrations. Inevitably, the first efforts preparing them for IPA II and especially for the sectors encompassing numerous national sectors, were not particularly successful. Although TA was available, the process was reported as being very difficult to conceptualise for the participants and the resulting SPDs reflected this – they were of uneven quality at best. Staff at SLIs stated that the first round of SPDs was largely unproductive and frustrating, but nevertheless valuable, as the participants gained a much better understanding of what was expected of them. For those sectors that had experienced the first round of SPDs, the second round was qualitatively of better quality and reflected a stronger appreciation of the SA as applied to these sectors (reported for the justice sector).

**Kosovo:** There is a clear relationship between the preparation of national PAR and PFM strategies and the SBS interventions that support their delivery, although the existence of a credible national strategy was a precondition for SBS to be launched. Nevertheless, there is a strong linkage between national and IPA priorities based on common sectoral assessments. Outside of these, there is no clear evidence to suggest that Kosovo country strategies are built on sector assessments that have been conducted as part of the SA. This is not to say that the preparation of the SPDs has made no reference to existing national strategies or that the SA process has not had an influence on existing national strategies (or those under development). However, it would be highly speculative to suggest that the SA has been the basis for their creation.

**The Republic of North Macedonia:** Country strategies that existed at the time of the drafting of the SPDs were incorporated into them. For the most part this was in 2016. Since then some sectors have introduced or are introducing new strategies, some of which are important to IPA II support (national competitiveness strategy, national PFM strategy). The relationship between national strategies and sector strategies is thus a dynamic one. Ideally, the SPD would be updated to take into account the emergence of new national strategies but in practice, this does not happen (see EQ 1). Nevertheless, it can be said that the SPDs as they stand now broadly reflect the priorities of the national institutions.

**Montenegro:** Regarding the extent to which national sector IPA II documents capture the actual sectoral needs and prioritise them, the picture is broadly divided into two – SBS/SOP on the one side, and the rest on the other. At country level, the Montenegrin indicative strategy broadly reflects the sectoral priorities of the country, albeit within the constraints of the sector definitions created for IPA II i.e. they take either a very general view of sectoral priorities, or they focus in on one or two issues in what would otherwise be a lengthy list of priorities (e.g. the D&G sector deals almost exclusively with PAR & PFM). Feedback from stakeholders indicated that this was a result of trying to reconcile actual needs with the sector definitions imposed by the SA.

**Serbia:** The main national document on sector strategies is NAD, which is a document to prioritise foreign assistance and particularly IPA II. This illustrates that SA for Serbian government remains a rather external concept, which does not inform – at least not in depth – the national policies. This is partly changing with the introduction of SBS in PAR, including PFM, as the programme for its nature require a comprehensive assessment and a comprehensive strategy. Sector assessments are mentioned also in Judiciary and here and there appear in other sectors.

**Turkey:** The SPDs are a base for sector programming and building strategic programmes at sector level. As a matter of fact, Turkish government – apart from a sector like Justice, where it undertook a comprehensive strategic review according to EU principles and criteria, much before SA – did not assume SA as a reference at strategic level. Certainly its strategies are based on assessments and analyses, but not in relation with SA. The situation is different when it comes to specific multiannual programmes supported by IPA, as in competitiveness or employment. These strategy programmes at sub-sector level are embedded in national strategies and respond to the criteria of SA, being based on comprehensive assessments, carried out with the IPA support. Here, thanks to MAPs, the involvement of the lead institutions is stronger and sector strategies are well assessed, especially during the preparation of the implementation documents.



I.2.2.1 Evidence from documents

**IPA II Monitoring Committee Meeting minutes the Republic of North Macedonia March 2017:** Regarding the sector approach and the five key criteria, a revision of the SPDs and sector road maps was conducted and the assessment of the different sectors was made. SEA is expecting the start of the big project that should support the NIPAC office and all Operating structures in meeting all the IPA II requirements.

The Commission recognises the progress achieved in introducing the sector approach. The developed sector coordination framework involving 3 levels of decision making that is based on the existing consultation and policy dialogue mechanisms is being put in place rather successfully. The Sector working groups were established and started operations in all sectors. The Programming exercise 2017 was the first test for the new system and the results are encouraging. The Sector Approach Roadmaps were significantly improved and the sector planning documents were updated in 2016.

The Commission recognises increased ownership of the programming process by the administration at the technical level, notably through the involvement and the work of the sector working groups, however, there are delays in the start of projects implementation and adoption of strategic documents due to a lack of political commitment. The quality of the Sector Planning Documents has significantly improved and planning until 2020 was introduced. The quality of the Action Documents can still be enhanced

**Indicative strategy paper for Bosnia and Herzegovina (2014-2017):** Strategies exist for most of the sectors mainly at the level of the entities and cantons, to a lesser extent at the state level. However, most strategies are not harmonised and do not provide for a beneficiary wide implementation of the EU acquis. The few exceptions are the Public Administration Reform (PAR) strategy, the Justice Sector Reform Strategy (JSRS)... and the Strategy for Development of Statistics of Bosnia and Herzegovina 2020. Some of the strategies expired or will expire before IPA II starts and need to be updated.

Common to the most strategies is that they are not based on a beneficiary development strategy or European integration strategy, they are not budgeted, no medium-term expenditure and performance management frameworks exist, and only limited sector and donor coordination is available. Former EU assistance delivered several draft strategies (e.g. the beneficiary development strategy, the SME development strategy); however, there is no political agreement to adopt and implement them.

At the regional level, Bosnia and Herzegovina signed up to the South-East Europe Transport Observatory (SEETO), which was identified as the indicative extension of the Trans-European Transport Network (TEN-T) into the Western Balkan region, and to the targets of the South-East Europe 2020 (SEE 2020) strategy.

Bosnia and Herzegovina is part of two EU macro-regional strategies, namely the EU Strategy for the Danube Region (EUSDR) and the EU Strategy for the Adriatic and Ionian Region (EU-SAIR).

**Indicative strategy paper for Kosovo (2014-2020):** Kosovo does not currently have a comprehensive development strategy. However, a number of mid-term planning documents exist. The Strategy Paper takes into consideration Kosovo's Strategy for European Integration 2014 – 2020, the Declaration of Mid-Term Priority Policies 2014-2016, and the Mid-Term Expenditure Framework (MTEF) 2014-2016. The limitation of these documents is that important policy agendas such as European approximation and economic development are not yet integrated into the budget or MTEF. Steps in this direction have been taken in the last few years, but a holistic view on Kosovo's medium and long-term development is still missing. In general terms, sector planning in Kosovo is at an early stage. One of the aims of IPA II will therefore be to support Kosovo's institutions in developing comprehensive sector strategies, including the systematic use of strategic planning.

Sector working groups, established with the aim to coordinate donor activities, are not yet fully functional and lack substantial involvement from donors and line institutions. However, progress has been achieved in some sectors, such as public administration reform, and agriculture and rural development where some monitoring and implementation structures have been set up.

**Conclusions of the IPA monitoring committee meeting, November 2016, Kosovo:** The Ministry of European Integration (MEI) referred to the Beneficiary Development Strategy and the Economic Reform Programme (ERP) as overarching strategies leading the sector approach process. The Indicative Strategy Paper and its current revision for which the MEI provided a contribution is underpinned by sector strategies. The launch of the European Reform Agenda (ERA) is an additional element to reinforce the sector approach through the development of actions in specific sectors. Sector working groups for donor coordination have just been set up.

The European Commission explained the clear link between the policy platform and the IPA assistance. The Beneficiary Development Strategy, the Economic Reform Programme and the implementation of the Stabilisation and Association Agreement should guide Kosovo in its socioeconomic structural reforms. These reforms are further guided by the European Reform Agenda that focuses on a limited number of urgent priorities in the fields of good governance and rule of law, competitiveness and investment climate, and employment and education. Progress from the government on those issues will be closely monitored through the SAA structures and Kosovo reports that it has a direct link with the implementation of assistance in the sectors. Additionally, progress was made on the sector approach in the case of public administration reform and public finance management.

I.2.2.2	Extent to which action programmes contain explicit references to improvements in sector assessments to justify the choice of new actions	
I.2.2.2	Summary	Whilst the 2014 action programmes often show some transitional character (absence of sector strategies and of sector planning documents), more recent action programmes explicitly refer to sector assessments and priorities. At present, actions are derived from sector programmes, especially in the areas where specific assessments have been carried out, as in the framework of SBS and MAPs.
I.2.2.1	Evidence from interviews and e-survey	<p><b>Field visits:</b></p> <p>Albania: Action programmes are strongly based on sector assessment: IPA II 2014 approves the PFM SRC if the new Government openly gives its political commitment and secondly, if the preparatory assessments (mapping study) are adequate. The same goes for the following years. Preparatory studies and political commitment are at the base of the programming choices, (mainly SRCs in different sectors).</p> <p>Bosnia and Herzegovina: Unfortunately, the SPD drafting process is detached from both the ISP programming process and the AAPs, which has left many Bosnia and Herzegovina SHs questioning the value of participating in this demanding and complex process as funding for their priorities remain outside their direct influence (see EQ1 for more). Thus, the notion that 'SA approved actions' exist is, in this context, misplaced. The actions identified in the SPDs are essentially hostage to the priorities of the annual programming process which may, or may not, incorporate them into their fundable actions. Reportedly the most likely outcome is that SPD actions will be included in a future AAP, with all the risks that this entails with regards to relevance of the action, when it is finally entered implemented and/or delivers its results.</p> <p>Kosovo: The action programmes and action documents from all three programming years under evaluation (2014, 2015, 2016) make no reference to SPDs or the strategic assessments that they contain. This suggests a weak inter-relationship between the two. Nevertheless, the ADs from 2015 and 2016 all contain a sector approach assessment that outlines the basis for the action and sets it in the context of the respective sector. For 2014 programme ADs, this assessment is cursory but for 2015 and 2016 this assessment is more thorough (although this varies from document to document).</p> <p>The Republic of North Macedonia: Action programmes have progressively exhibited more mature analyses of sector priorities since SA's introduction. The latest round of available programming documents from 2016 show a good appreciation of sector priorities. For the sector operational programmes (SOP) developed under IPA II, sector assessments form the core of their analytical part. Here the benefits of the previous experience under IPA I is evident.</p> <p>Montenegro: Action documents contain explicit references to sector assessments. In most cases these are short (less than 1 page) and do not discuss in any detail the basis for deciding on the priorities to be targeted by the action. SBS and EESP SOP, as well as the 2016 AD for Env/CC are exceptions to this, which suggests these are the only sectors where programming takes a truly sectoral approach.</p> <p>Serbia: The 2014 action programme reflects rather a continuity with the actions of the past, despite the many references to SA. In 2015, the situation changes, with a focus on PAR SBS.</p> <p>Turkey: Both annual programmes and action documents contain references to sector assessments especially in the most recent years.</p>



I.2.2.2 Evidence from documents

**Beneficiary Action Programme for Bosnia and Herzegovina for the year 2014:** The Country Strategy Paper (ISP) recognises the SME sector as the backbone of Bosnia and Herzegovina's economy.

Bosnia and Herzegovina is not yet prepared for a sector approach regarding competitiveness and innovation. It lacks an overall socio-economic development strategy. However, following the adoption of the Council of Ministers' programme for 2014, the Ministry of Foreign Trade and Economic Relations was officially charged with the role of preparing the state-level SME strategy for the period 2014-2020. The strategy should provide for beneficiary wide harmonisation of definitions, coordination and SME development priorities in accordance with the Small Business Act and EU recommendations. However, no progress has been made so far and technical assistance which included the preparation of a beneficiary wide SME strategy could not be launched since there was (and still is) no agreement on the scope and methodology for the preparation of such a strategy. SMEs Strategies or Action Plans at the Entity (including the Brcko District) and the cantonal level exist. The priorities for SMEs development in Republika Srpska are defined in a new SME Development Strategy for 2014-2018. In the Federation of Bosnia and Herzegovina, the priorities for SMEs development are defined in the Strategy for Economic Development for 2009-2018 and the action plan for the period 2013-2015. Brcko District defined its SMEs development priorities in its Development Strategy for 2008-2017.

The self-evaluation of IPA assistance to SME, local and regional development performed in 2012 concludes that the projects which have been implemented under this programme are assessed as relevant for the beneficiary wide needs. The main recommendations of this exercise indicate the need for definition of more effective indicators and for their regular update to monitor achievement of project objectives at the policy level.

**Bosnia and Herzegovina, Civil Society Facility Programme 2014-2015:** The IPA II assistance within Civil Society Facility 2014-2015 will encourage sector based networking and cooperation among CSOs in areas of journalism and human rights concerning the right to a free access to information, freedom of expression, protection against violence and pressure.

The engagement of citizens in the decision-making processes at state level in Bosnia and Herzegovina is regulated but not fully implemented.

Yet, some positive actions may be noted such as:

- The development of a web portal for public consultations at the level of Council of Ministers of BH is being developed to facilitate citizens' access to information regarding legislation submitted to the public consultations process.
- The involvement of five CSOs in monitoring the implementation of the Justice Sector Reform Strategy 2008 – 2012.
- The setting up of the SECO mechanism (Sector Organisations Consultative mechanism) to develop a structured dialogue with civil society in specific sectors and use its information, know-how, ideas etc. to the advantage of IPA programming.

The EC has increased focus on civil society as a way to meet the key challenges in bringing about functioning democratic institutions.

The IPA II Indicative Strategy Paper for Bosnia and Herzegovina confirms that the Commission wants to ensure that work on the fundamentals of any EU integration process (rule of law, democracy, fundamental rights, economic governance, and the legacy of the past) continues and that civil society, citizens, vulnerable people, and the private sector receive further support. This should contribute to deepening citizens' understanding of the reforms Bosnia and Herzegovina needs to complete to qualify for EU membership". The preparation of the Bosnia and Herzegovina Strategy Paper and the selection of priorities has involved consultations with civil society, including series of brainstorming discussions which started early 2013 organised by the EU Delegation in close cooperation with the Directorate for European Integration and the Technical Assistance for CSO (TACSO).

The Bosnia and Herzegovina CSF is designed to impact on several sectors and/or priorities. Bosnia and Herzegovina does not have per say Beneficiary Sector Policy/Strategy re. civil society development.

**Bosnia and Herzegovina, Support to the Public Administration Reform and the Reform of the Statistics system:** The Action will support the Public Administration Reform Coordinator's Office (PARCO) in strengthening the institutional framework and in managing the implementation of the Public Administration Reform Strategic Framework 2016-2020.

The action has several objectives: firstly, to finalise and improve the institutional framework, management and organisational structure to implement the PAR Strategic Framework.

Bosnia and Herzegovina (Bosnia and Herzegovina) considers Public Administration Reform (PAR) as a key priority.

The Public Administration Reform (PAR) Strategy was adopted in 2006 and it covers the administration of these four levels of government. The PAR Strategy was supplemented by Action Plan 1 (AP1). Contrary to AP1, efforts for the development of sector capacities in key policy areas – linked with the preparation of a second Action Plan (AP2) foreseen in the PAR Strategy – have never been materialised because of lacking a political consensus regarding AP2 content. This has been generally considered as a major weakness of the on-going reform. In 2010-2011 Revised Action Plan 1 (RAP1) was prepared for the period 2011–2014.

The PAR Strategic Framework (SF) 2016-2020 would enable a multi-annual approach... A PAR Strategic Framework 2016-2020 is expected to be approved by the CoM/governments by the start of implementation of the Action. It shall be complemented by plans of activities which must be duly budgeted and aligned with the multi-annual Budgetary Framework.

At the legislative level, the PAR was implemented to a considerable extent, while implementation of measures and actions that would have concrete results for citizens and companies lacked behind.

PARCO is also in charge of the management of the Public Administration Reform Fund. It is the first institution of Bosnia and Herzegovina which is entrusted with foreign donor funds to manage.

This Action supports PARCO and all relevant counterparts in addressing the main weaknesses (as highlighted in the SIGMA 2015 baseline measurement) and in strengthening the institutional framework for managing the PAR Strategic Framework, as to say: improve capacity to manage the SF and ensure the conditions for a sector approach are upheld. This would enable further donor support to the sector including possibly EU sector budget support.

A reporting and monitoring system of the PAR is in place and produces regular biannual and annual reports.

The indicators are mainly set at the process- and output-level; thus, the monitoring system does not allow reporting on fulfilment of reform objectives and actual impacts achieved.

The Indicative Strategy Paper (ISP) for Bosnia and Herzegovina recalls that governance and public administration reform are key priorities of the Enlargement Strategy. The focus of IPA II assistance will be on the implementation of principles of good governance and improving the public-sector management, to strengthen economic management, public financial management, public service delivery and administration reform, as well as combat corruption. Furthermore, the Indicative Strategy Paper states: "A new, comprehensive PAR strategy is needed".

In the Progress Report 2014, it is noted: "There has been no progress with regard to policy development and coordination. Adequate planning of actual costs and sources of financing for implementation of the current PAR strategy is required."

According to SIGMA 2014 Report, the following priority targets are proposed for Bosnia and Herzegovina PAR sector for 2020:

1. A functioning strategic and management framework of public administration reform (PAR) which ensures, through overall political steering and monitoring of performance, a prioritised approach to reforms aligned with available financial and human resources.
2. A professional civil service, in line with EU principles.

Commissioned by DG Enlargement, a study called 'Mapping Sector Strategies' was carried out in February 2014. The PAR sector achieved the highest score out of the 6 sectors assessed in Bosnia and Herzegovina. The score was 47.97 out of 56. The PAR sector with PARCO as coordinating institution was considered ready for sector approach with some improvements.

The sector has a PAR Strategy in place. It has well developed sector coordination organised according to the pillars of the strategy and it has a unique instrument of donor coordination (the PAR Fund), which pools the resources of donors for the priority projects for implementation of the PAR Strategy. The donor coordination for the sector is conducted via the meetings of the PAR Fund Joint Management Board (JMB). The meetings are organised regularly, often monthly. There is also a Donor Coordination Forum organised by the Ministry of Finance and Treasury of Bosnia and Herzegovina. The performances of the sector are constantly measured and monitored also through various forms of external assessments such the one carried out by SIGMA.

Alongside the PAR mainstream, the subsector of statistics can be assessed as ready for sector approach having the main conditions related to the five main criteria of assessment (sector strategy, institutional settings and capacities, coordination, budget provisions and performance measurement) largely in place.

#### **Bosnia and Herzegovina, Enhanced Justice Sector and cooperation in Rule of Law:**

As a pivotal part of the European integration process, the rule of law will continue to be supported through the Instrument for Pre-Accession Assistance. The assistance will be directed to institutional and structural improvements through providing adequate physical infrastructure with the view to strengthening the efficiency and effectiveness of the rule of law institutions and agencies.

As a fundamental requirement of any democratic beneficiary, the rule of law (RoL) underpins all aspects of a state. A proper RoL system presupposes a functioning justice sector encompassing the judiciary and prosecutorial services, the prison and related services and free legal aid, amongst other areas. In tandem, without proper law enforcement, stability, security and functioning of the state can fail.

The Bosnia and Herzegovina Strategy Paper noted numerous insufficiencies in the procedures covering this sector, namely:

"...Lengthy civil procedures, insufficient enforcement mechanisms and complex administrative laws cause legal uncertainty..."

The Organisational set-up has a lot of deficiencies that lead to "... backlog of civil and criminal cases needs to be further reduced to increase judicial efficiency. Effectiveness should be enhanced by a more harmonised criminal and civil court practice...".

The need for "better skills and know-how in the investigation, prosecution and adjudication of relevant cases" is also mentioned in the report.

The strategic framework is in line with the EU accession requirements and investment perspectives indicated in the Country Strategy Paper for Bosnia and Herzegovina (2014 – 2017). In general, the process of developing sub-sector policies tends to involve several different sub-sector actors (including CSOs). Policy objectives are in line with the accession agenda and political support ensures necessary ownership and the sustainability of the overall reforms. Sector planning is theoretically linked to resources allocation but readjustments of financial allocations are frequent. Sub-sector policies are mapped, supported by a strategic framework that in general is in line with the EU accession requirements. Some of the significant sector strategies at the state level are: Justice Sector Reform Strategy (2014 – 2018).

The sub-sector budgets are easily traceable in the State and Entities budgets and a three-year strategic planning clearly indicates the scope of the sub-sector, unlike the financial allocations. Still, the budget reflects quite fairly the sector policy and objectives.

**IPA II Monitoring Committee Meeting minutes, the Republic of North Macedonia, March 2017:** The new rules of IPA II are taken on board, in particular, the sector based approach. The sector strategies were being drafted, roadmaps are revised, and the sector working groups are meeting with different dynamics. Unfortunately, the programming exercises were running with substantial under-programming in total of around EUR 47 million thus far.

The quality of the IPA II annual Report on implementation needs to be improved making it more concise and analytical, and focusing on the results and impact of the EU funds at programme and sector level... it is very important to provide the data on the achievement of the various indicators at beneficiary level (as defined in the Country Strategy Paper) and at programme level (as defined in the Action documents). The indicators tables therefore need to be filled and latest available figures must be provided to track the progress in the implementation.

**Sector planning document, Montenegro, Competitiveness and innovation:** Description of the sector priorities for assistance. The overall sector objective is defined as development of competitive, self-sustainable economy of Montenegro prepared to compete on EU level.

Based on comprehensive analysis of the sector policy documents, specific sector objectives – priorities are defined as:

1. Further enhancement of the business environment and competitiveness of the private sector,
2. Supporting implementation of the Operational Programme for Competitiveness and Innovation as well as implementation of the Industrial policy,
3. Implementation of SME Policy to follow up SBA recommendations,
4. Providing stable, sustainable and efficient financial services to support the private sector development and enhance the competitiveness of the economy,
5. Facilitation of Trade and Investment Integration and Internal Market Development in compliance with the EU Acquis communautaire,
6. Liberalisation and optimisation of the services market in line with the Services Directive,
7. Competitiveness enhancement through the further regulation of competition compliance with the EU rules.

For actions related to further IPA support, sequencing is expected based on the actions from IPA 2014. In other words, actions within IPA 2014 are multi-annual, i.e. these actions create a framework for implementing further planned actions through IPA.

**2015 Annual Report on the implementation of IPA II assistance under direct and indirect management by Kosovo:** MEI has been working directly with line institutions. However, the challenge faced in this process appeared to be that priority sectors did not have the sector strategies in place: some of strategies in place were not in line with the beneficiary strategies. MEI has made sure that priority sectors are in line with the Indicative Strategy Paper for Kosovo and contribute to the Multi Indicative Strategy Paper priority sectors. MEI has expressed the need for an annual programming timeline and the arrangement between the European Commission, EUO, and MEI should be in place to facilitate the programming cycle.

The sector approach was introduced during 2015 with the Sector Planning Document (SPD) for PAR which included two out of three Pillars of PAR Strategic Package. Coordination with other donor funds has been ensured by identifying other projects supporting public administration, and by sharing in advance information related to execution of the SBS modality to all donors through EU MS+ meetings.

The process of identifying the needs of Rule of Law institutions for IPA 2014 started back in January 2014. Sub-sector institutions of Judiciary, Home Affairs and Human Rights held several informal meetings with MEI and EUO. The whole planning and programming process was coordinated and monitored by Department of Development Assistance, while Ministry of Justice, Ministry of Internal Affairs and Ministry for Communities and Return served as leading institutions for three identified areas.

The lack of unified and comprehensive beneficiary Rule of Law strategic framework for Kosovo, imposed the identification of needs based on individual strategy areas. The development of Sector Planning Document for Rule of Law (2015-2017) started in July 2014.

The sector approach was introduced with the Sector Planning Document (SPD) for Competitiveness, which underpinned two priority areas: Private Sector Development; and Employment and Education, which differs from the Indicative Strategy Paper where Education and Employment are presented as separate sectors. The SPD Competitiveness was identified as one of the most challenging approaches on sectors due to its non-readiness and the immaturity of the beneficiary strategies and policies. During the preparation process, MEI was the leading institution in drafting the document based on the input provided by all other stakeholders. Due to the challenges and inclusion of Employment and Education within SPD Competitiveness and not as a separate sector, it resulted that competitiveness cannot be approached as a sector itself, and thus there cannot be one single institution that will overtake the leadership on this sector.

**Challenges for absorption of EU pre-accession funds in Kosovo under the Multiannual Financial Framework 2014 – 2020; Kosovo Foundation for Open Society, March 2016:** Even though Kosovo has managed to develop several documents covering most relevant policy areas, the sector approach is still nascent. An example of utilising the sector-wide approach could be seen in education, where a single planning and monitoring mechanism was put in place in 2010. The working group led by the Ministry of Education was responsible for planning, monitoring, and coordinating the implementation of the strategy, with the support of the donor community. Nevertheless, budgeting proved difficult, as the manner in which the Kosovo budget is constructed does not necessarily allow a clear link between policy and budget.

**Strategy Paper for Kosovo (draft version September 2013), 2014-2020:** Kosovo does not currently have a comprehensive national development strategy. However, a number of mid-term planning documents exist. The ISP takes into consideration Kosovo's Strategy for European Integration 2014 – 2020, the Declaration of Mid-Term Priority Policies 2014-2016, and the Mid-Term Expenditure Framework 2014-2016. The limitation of these documents is that important policy agendas such as European integration and economic development are not integrated into the budget or MTEF. Steps in this direction have been taken in the latest years, but a holistic view on Kosovo's medium and long-term development is still missing. Kosovo has started developing multi-annual strategies in most sectors, but many are of limited scope or duration and not matched by a budget. In several sectors, comprehensive, realistic and costed sector strategies have been developed by the respective ministries, often assisted by donor partners. Good examples are the Agricultural and Rural Development Plan 2007-2013 and 2014-2020, the Energy Strategy 2009-2018, the Strategy on public administration reform 2010-2013, and the Kosovo Education Strategic Plan 2011-2016.

Future IPA support will be provided to develop sector strategies in sectors where these are missing or in need of improvement.

Regional cooperation and good neighbourly relations are an essential element of Kosovo's European integration process. Following a technical dialogue agreement with Serbia in February 2012, Kosovo's participation in regional cooperation arrangements has improved. Nevertheless, status issues continue to hinder Kosovo's full integration into regional cooperation mechanisms.

Sector working groups, established with the aim to coordinate donor activities, are not yet fully functional and lack substantial involvement from donors and line institutions. However, progress has been achieved in some sectors, such as public administration reform, and agriculture and rural development where some monitoring and implementation structures have been set up.

Additionally, sector planning is at an early stage. One aim of IPA II will therefore be to support Kosovo's institutions in developing comprehensive sector strategies. The main challenge for Kosovo, however, is not the drafting of legislation, strategies or action plans, but their implementation. This is a challenge across many sectors, mainly due to limited capacity, expertise and experience in the responsible institutions. As Kosovo has only recently started setting up its public administration, improving public sector management and public administration reform, remains a major challenge.

The MEI's overall role in coordinating European integration is clear and undisputed, which provides a good base for the development of more specific functions, such as the legislative scrutiny and harmonisation that the SAA process requires... Line Ministries have launched structures to deal with European integration coordination, strategic planning and policy development. The capacity of these units to deliver is hampered by a lack of status and, more importantly, a shortage of staff and the lack of skills and expertise.

**Recommendations for improving the management of IPA and other donor assistance within Ministry of Labour and Social Welfare, April 2015 (Kosovo), Project – Enhancing Employment of Vulnerable Groups:** The institutional framework for IPA II implementation has not been established for Kosovo since Sector Planning Documents are in the process of development and wide sectors have not been defined for the whole IPA II potential areas of support.

IPA II implementation represents a great challenge for Ministry of Labour and Social Welfare (MLSW) since it will prepare all necessary steps and gradually introduce „decentralised implementation system“. Currently in MLSW, monitoring system is lacking several elements such as unique sets of indicators at different levels, direct data collection system and continuous evaluation of support provided through donor's projects. Information on financial performance will be provided every time the end beneficiary makes a claim for reimbursement of the EU contribution (a request for payment).

**Serbia – sector reform contract for public administration reform:** The PAR Council, established in August 2014, is the principal Government body responsible for decision-taking, oversight and coordination of the public administration reforms. The Council is chaired by the Prime Minister and co-chaired by the Deputy Prime Minister and Minister of Public Administration. It comprises 15 members, 14 of whom are senior members of the Government. The College of State Secretaries, which was established as a working group of the PAR Council at the Council's inaugural meeting, is charged with monitoring the coordination of the implementation of the PAR Strategy and Action Plan.

With regards to coordination of activities related to the management of EU funds, the Sector Monitoring Committee for PAR, including PFM has been established. Representatives of the donor community participate in the SWG meetings, when they take place. As a matter of fact, the SWG work relatively well for consultation in the programming phase, NIPAC/NIPAC TS being responsible for their coordination and functioning, but do not work well (for different reasons, such as redundancy, lack of interest by the SLIs) in the implementation.

NIPAC TS established a consultation mechanism with the Civil Society Organisation (CSOs). This mechanism is based on the consultative process with Sectorial Civil Society Organisations (SECOs) and serves as a platform which enables exchange of information and contribution of CSOs in relation to programming and monitoring of the international assistance including IPA. Members of SECO participate in SWG meetings based on the needs and requirements and take part in consultation processes. Additionally, the Office for Cooperation with Civil Society plays an important role in ensuring civil society participation in the screening process and in creating an enabling environment for the participation of civil society in the legislative process (recently adopted guidelines for the participation of civil society in the legislative process and the draft national Strategy for the Creation of an Enabling Environment for Civil Society Development).

I.2.2.3	Extent to which there are cases of approved SA actions which have been reviewed or slowed down, with explicit references to delays/ bottlenecks in sector maturity process.	
I.2.2.3	Summary	Sector immaturity was the reason for postponement of some planned programmes and actions. Sector maturity has been supported through annual actions, with a view to create the conditions for multiannual programmes, namely SBS. In some cases, the decision to proceed with SBS has been taken, but a long preparation process has been decided.



I.2.2.3 Evidence from interviews and e-survey

**Field visits:**

Albania: In the case of SRCs, the preparatory phases have filled the gaps in the maturity processes. This may appear not completely orthodox, because the preparation of SBS should start once the level of maturity is ascertained, but the high political commitment has been a guarantee to complete the process before the start of the action.

Bosnia and Herzegovina: Although the SA approach established sound inter-institutional dialogue, its coordination has proved to be challenging for the SLIs, particularly in those heterogeneous IPA II sectors containing multiple institutional SHs. This has been amplified by the complex Bosnia and Herzegovina institutional framework (state, entity and even canton level administrations often have competences that require their involvement in SA programming) with the result that some SWGs contain as many as 300 representatives. This makes their management unwieldy and, most significantly, slow, with consequences for the efficiency of the whole SA process. It is also important to note that Republika Srpska has raised formal objections to the deployment of the SWG, due to (in its view) the lack of a legal basis for its functioning and the failure of the respective national level institutions (primarily the NIPAC/DEI) to ensure appropriate representation of RS in SA processes. Addressing such concerns – which are primarily legalistic and procedural in character – would require considerable additional efforts (devising, proposing and, crucially, approving new procedures for application of SA, at all appropriate administrative levels. This in practice further complicates the application of SA.

Kosovo: No examples were found of SA actions that had been held up after approval. The preparation of the two SRCs was a lengthy process (up to 2 years in duration) but this was prior to its approval and reflected the fact that this was the first time such an approach had been put into practice in Kosovo.

The Republic of North Macedonia: Delays in the programming of IPA II actions are evident mainly in the SOPs that have been developed as a follow on to IPA I components III and IV (Environment, transport, Employment/Education/Social Policy). A number of factors has influenced these SOPs. The most prominent has been the departure of line DGs from the programming process and their replacement by DG NEAR, whose technical capacities to assess programmes of this kind has not proved comparable to their predecessor DGs.

Montenegro: Sector maturity appears to play a role in the programming process, but not a primary one. The speed of programming of IPA II assistance runs reportedly more slowly due to the need to channel the discussions through the newly created SA processes, but generally not due to issues of sector maturity. Interestingly, problems of sector maturity were noted in relation to SBS. The SBS for IBM was cited as an example of budget support being introduced despite the conditions not being fully conducive to it. The net result was reported to be a problematic programming process and difficulties in its initial implementation. The preparation of the SRCs for PAR and PFM took some 2 years. This does not constitute a bottleneck as such, but rather a realistic reflection of the time needed to put all the necessary elements in place to deliver SBS in the MNE context.

Serbia: PAR SBS has been reviewed various times during the implementation. In particular, the PAF and the related indicators have been better tailored to the context, to better correspond to the maturity of the sector and the absorption capacity of the beneficiaries.

Turkey: In Judiciary, several approved actions to support the High Council of Judges and Prosecutors were stopped by IPA II in 2017, because of the involution in the sector, namely the change of the rules for the election of the Council's members.

**Interviews with beneficiaries conducted before the field phase:**

In the Republic of North Macedonia in terms of quality of programming, 2014 was a year of transition; 2016 and 2017 programming shows some progress in quality; more clearly structured actions in response to identified needs, better indicators, etc.

EDU/EMPL/SOC 2017 is seen as the best programme. However, quality here benefits a lot from the experience gained under IPA I Component 4 (HRD).

Similar IPA I experience is reflected in the current ENV and TRA multi-annual programmes; thus elements of the sector approach were earlier introduced, this allowed later an easier transition to the fully-fledged approach.

I.2.2.3	Evidence from documents	<p><b>Sector planning document, Montenegro, Competitiveness and Innovation:</b> The necessity of further work on strengthening the institutions and their administrative capacities to ensure better coordination within the key stakeholders is evident. The lack of coordination and communication with previous projects have resulted in overlapping activities in several cases and missed opportunities for synergy and higher impact.</p> <p>Experience in programming and implementation of the previous projects related to the Competitiveness and Innovation sector were taken into account, particularly to avoid possible overlapping and to ensure that mistakes identified during the programming and/or implementation of previous projects would not be repeated.</p> <p><b>Minutes of the Public Administration Reform Sector Working Group (PAR SWG) for Programming and Monitoring of EU Funds and Development Assistance, April 14, 2014, Serbia:</b> Representative of the ministry in charge for regional development informed that actions on support to subjects of regional development are intentionally not included in IPA 2014. Several legislative pre-conditions need to be fulfilled including the completion of the National Plan for regional development. If this is to happen soon in year 2014, the assistance would have to be ensured and activated promptly and the donor community is invited to be responsive towards this issue.</p>
<b>JC.2.3 Improved quality of actions' design and relevance of actions' results to beneficiary objectives</b>		
<p>Action designs contain results that usually correspond to national sectoral priorities.</p> <p>In principle, IPA II actions should stem from coherent intervention logic at all programme levels and contain robust indicators.</p> <p>In practice, this has proven to be a major challenge, with limited coherence between the results at various programme levels.</p> <p>SRCs have generally sound design, but some have suffered from poorly defined indicators.</p> <p>SOPs have benefitted from IPA I and as such exhibit good sectoral focus.</p> <p>SPDs design quality is generally sub-optimal, although some improvements are noted in later versions.</p> <p>Action Documents are hampered by similar limitations to those found in SPDs.</p> <p>Efforts by DG NEAR to improve programme design are unlikely to deliver change in the near future.</p> <p>Strength of the evidence: high</p>		
I.2.3.1	Extent to which action programmes and action documents contain explicit references to Beneficiary sector results framework and indicators	
I.2.3.1	Summary	<p>Action programmes refer increasingly to beneficiary sector results frameworks, where they exist and are accessible. When SRCs are put in place, there is a two-way process, because the Action documents are fed by the national priorities, which are deeply assessed during the preparatory phases. The national priorities, on the other hand, are affected by the deep analyses and dialogue occurring for the establishment of SRCs. The national sector results framework is thus strengthened.</p>



I.2.3.1 Evidence from interviews and e-survey

**e-survey and field visits:**

According to the results of the e-survey, a great majority of respondents recognise that IPA II SA has brought a strong improvement in the correspondence between programming documents and national strategies, with a positive peak in Albania and weaker levels of correspondence in Montenegro and Turkey.

Albania: This happens in most cases, although in the case of SRCs, a double-way process has occurred. Sector strategies have been reviewed and strengthened during the SRC preparation phase and the PAFs included in the SRCs have been adopted and reviewed during the implementation to become integral part of the national strategies.

Bosnia and Herzegovina: See I.2.2.2 above.

Kosovo: Action programmes and action documents (AD) make no explicit references to national sector results frameworks or indicators. There are numerous references in ADs to national strategies and related objectives, so IPA II actions directly support these. Where national sector results frameworks do exist (in the form of sectoral action plans and associated indicators), these do not appear to have been integrated into the IPA II actions. This also applies to those SPDs made available to the evaluators. The SRC for PAR has its own results framework but this is specific to the programme and makes no explicit reference that it is derived from any national plan (although it may share some elements with it). In summary, some commonalities exist between IPA II and national result frameworks (where they exist) but there is no conclusive evidence to suggest that the two are systematically linked in the programming process.

The Republic of North Macedonia: As noted previously, where national strategies have existed, SPDs and AAP/ADs have taken these into account. Regarding national sector results frameworks and indicators, elements of these can be found in various strategies and action plans, as well as in some MISs. However, where these exist, they are not comprehensive and do not provide a sound basis for assessing sector performance. Indicators are a specific weakness and their development for sector PAFs will be a central focus of the capacity building TA that is currently ongoing.

Montenegro: The extent to which ADs contain explicit references to national sector results frameworks and indicators varies, largely in line with the three categories mentioned previously. In the SRCs for SBS, national sector results and indicators are evident. In the EESP SOP, references to these also exist and are integrated into the PAF. In the other sector documents, there are references to national objectives to which the actions link. Indicators contained in the ADs appear to be created directly for the purposes of the action, and not derived from any national framework. Also, in many cases the quality of the objectives and indicators could be better.

Serbia: Most programmes and actions are based on Government priorities as established in NAD. But these are priorities for international cooperation, while most national institutions do not have a PAF and the related M&E systems. Even in the PAR, the PAF appears the results' matrix of the PAR project, rather than the synthesis of the owned strategies and results frameworks of the sub-sector institutions involved.

Turkey: In MAPs, the objectives, targets and indicators are rather well thought and strictly related to National Development Plan. In Judiciary, given the existence of a Sector Strategy, updated in 2015, there is a close reference to its performance framework, apart from the fact that the cooperation is stopped because of ongoing changes in legislation and implementation. In other sectors/ areas (like Fundamental Rights, Democracy, etc.) the weakness of the SPDs and the leading institutions does not allow strong references.

**Interviews with beneficiaries conducted before the field phase:**

In the Republic of North Macedonia and in terms of quality of programming, 2014 was a year of transition; 2016 and 2017 programming shows some progress in quality; more clearly structured actions in response to identified needs, better indicators, etc.

EDU/EMPL/SOC 2017 is seen as the best programme; however, quality here benefits a lot from the experience gained under IPA I Component 4 (HRD).

Similar IPA I experience is reflected in the current ENV and TRA multi-annual programmes; thus, where elements of the sector approach were earlier introduced, this allowed later an easier transition to the fully-fledged approach.

### I.2.3.1 Evidence from documents

#### **Action document on Competitiveness and Innovation (Serbia-2016): Economic Reform Programme for 2015-2017**

This action is focusing on the priority measures identified in the Economic Reform Programme for 2015-2017. The priority measure 3.3.1 describes access to finance for SMEs and entrepreneurs. Priority 3.2.3 puts emphasis on the adoption of a new policy and legal framework for research and innovation to boost long term increase in the quality of research and the development of research organisations.

National strategies:

The overall and specific objectives identified in this Action are directly linked to priorities set out in the National Priorities for International Assistance (NAD) document, under the Competitiveness sector.

This action overall objective of increasing the competitiveness and innovation of enterprises is directly linked to the Strategy and Policy for Industrial Development of the Republic of Serbia for the period 2011-2020. This strategy establishes the policy ground for investments in higher levels of production and better quality of products and services as well as R&D. The Result 3 of this action links to the Strategy for Scientific and Technological Development of the Republic of Serbia for the period 2016 to 2020 – “Research for Innovation”, that identifies the importance of supporting innovation and the reform of RDIs are a precondition for sustainable socio-economic development. Finally, the action is directly corresponding to the strategic pillars developed in the Strategy for support to Development of SMEs, Entrepreneurship and Competitiveness and its action plan.

#### **Action Document: SRC on PAR (2015)**

Sector Policy

The OECD/SIGMA baseline assessment report from April 2015 notes that “*There has been progress in reforming public administration, but challenges still remain*”. SIGMA assessed that the general legal framework for a functioning public administration is in place in Serbia, but noted that the lack of effective institutional structures and inter-institutional co-operation still hinders its implementation. These two challenges have been recognised by the Government, which has taken measures to mitigate them. An important step was achieved through the formation of the new MPALSG. The Minister in charge for public administration is also the Deputy Prime Minister. Furthermore, three co-ordination mechanisms in vertical subordination have been put in place: the PAR Council, which is a high-level coordination body; the College of State Secretaries and the Inter-Ministerial Project Group. The effectiveness of these institutions and processes is yet to be assessed, but their establishment demonstrates the clear political will within the Government to support the further development and implementation of the PAR sector policy.

A new PAR strategy was adopted in 2014, and the related action plan in March 2015, spanning a three-year period until 2018. Although the strategy itself is less focused than would be desired, the action plan complements it so that the policy framework can be considered both **credible and relevant**. They address key priority areas, mirrored in this sector reform contract intervention. The 2015 SIGMA baseline assessment notes that the strategy and the action plan “*provide the foundation for implementing more cost-effective ways of delivering public services*”.

Public financial management (PFM) is an integral part of this sector reform contract. The draft PFM reform programme for 2016-20, which is to be adopted by the Government before the end of November 2015, acknowledges for the first time that various PFM sub-system reforms are closely inter-linked and have to be carefully sequenced to ensure that identified problems in the current PFM system will be addressed coherently and will produce the best results. The draft programme contains a set of objectives, measures and activities, together with baselines and indicators to measure progress.

**Action Document Support to the Public Administration Reform and the Reform of the Statistics system, Bosnia and Herzegovina, 2015:** This Action supports PARCO and all relevant counterparts in addressing the main weaknesses (as highlighted in the SIGMA 2015 baseline measurement) and in strengthening the institutional framework for managing the PAR Strategic Framework, that as to say: improve capacity to manage the SF and ensure the conditions for a sector approach are upheld. This would enable further donor support to the sector including possibly EU sector budget support.

A PAR Strategic Framework 2016-2020 is expected to be approved by the CoM/governments by the start of implementation of the Action. It shall be complemented by plans of activities which must be duly budgeted and aligned with the multi-annual Budgetary Framework. This would contribute to ensure financial sustainability of the PAR agenda.

A reporting and monitoring system of the PAR is in place and produces regular biannual and annual reports which allow the provision of aggregate and detailed information on the achievement of objectives and activities. Challenges and obstacles to progress are reported, and recommendations are provided based on the reporting information received from all levels of administration. However, the weakest part relates to the use of performance indicators. The indicators are mainly set at the process- and output-level; thus, the monitoring system does not allow reporting on fulfilment of reform objectives and actual impacts achieved. This Action will contribute to develop performance indicators and to set procedures (guidelines) for structured collection and processing of data, which will be disaggregated by gender as well.

**Action Document Competitiveness and Innovation, Montenegro, 2015:** Concerning Montenegro's Economic Reform Programme (ERP) 2015-2017, this strategic document should be considered as one of the most comprehensive from the point of view of the criteria and framework on the Competitiveness and Innovation Sector. The second part of the ERP is dedicated to the Sectoral Structural Reforms to Promote Competitiveness and Growth... Action are aligned with the following ERP priority measures:

no. 9: Construction of Innovation-Entrepreneur Centre "Technopolis";

no. 10: Financial support to the SME sector;

no. 11: Enhancement of institutional and administrative capacities for SMEs support;

no. 15: Online availability of public services and implementation of the information system for exchange of data from the registers of state authorities;

The measures included in the ERP 2015-2017 have been updated and revised in the framework of the Montenegro Economic Reform Programme 2016-2018.

**Turkey 2014 Action Document Support to Judiciary:** This Action aims to support Turkey's efforts to secure rule of law and increase the level of standards concerning fundamental rights through actions proposed strengthening independence, impartiality and accountability of the judiciary along with improving the professional competence and increasing efficiency and effectiveness of the judiciary.

Judicial Reform Strategy is the document which has a general sector strategic framework.

The Judicial Reform Strategy includes objectives and goals pertaining to the whole justice system. The Action Plan which is a supplementary document of the Reform Strategy includes commentaries about the objectives and goals and indicates relevant activities with their time scale, responsible bodies and financial resources.

A system of monitoring and evaluation has been devised for observing the implementation of these objectives and goals. This system of monitoring and evaluation ensures that necessary action is taken to eliminate problems. Monitoring and Performance Assessment of the Justice Reform Strategy are undertaken by the Department of Information Technologies, General Directorate of Criminal Records and Statistics and Presidency of Strategy Development under the Ministry of Justice.

The performance programme and activity reports are produced each year to ensure the feasibility of five-year strategic plans, determination of resources needed, establishment and observation of plan – budget relations.

Performance indicators are set to measure the achievement of performance goals indicated in the performance programme.

**Minutes from the meeting of the Sector Working Group for Justice, 14.04.2014, Serbia:** Representative of EUD underlined that the new IPA regulation has been adopted, and that the latest draft ISP that is now going in inter-service consultations at HQ. For the first time sector indicators (that are still being finalised) are included in ISP, and they will play an important role in the mid-term review that is planned for 2017.

He mentioned the importance of compliance of development aid and added that they are interested in hearing other donor's plans for the future period.

Representative of SEIO (now MEI) informed everybody that written comments regarding Action Documents are expected and invited everybody to submit their written comments regarding AD.

**Minutes from the meeting of the Sector Working Group for competitiveness, 16.04.2014, Serbia:** focus of this round of Sector Working Groups (SWGs) shall be on first draft of Action Documents for IPA 2014 National programme. Action Documents shall be priority for future period and their completion is expected by mid-2014. Sector Planning Documents shall be developed by October 2014.

Strategic framework is mostly defined by SAA, but also by national strategies, such as Industrial Development Strategy 2011-2020.

In the sector of competitiveness there are following three priorities:

1. Improving the quality of products and services and raising levels of productivity; 2. Improving innovation levels and enhancing quality of public and private sector R&D; 3. Improving operating environment for doing business through evidence-based policies and regulatory simplification.

Brief presentation of the IPA 2014 Action Documents and discussion – the purpose of this topic was to present first drafts of Action Documents for IPA 2014 and to discuss their contents with all relevant stakeholders (EU Delegation, Donor community, relevant Civil Society Organisations).

IPA interventions have been identified and defined on a basis of relevant EU documents (Enlargement strategy, Progress Report, draft Country Strategy Paper etc.). Results defined in AD are the following: 1. Funding system set up and pilot implementation of financial instruments available to SMEs; 2. Business incubators enabled to provide high value services to SMEs; 3. New products and services developed through research commercialisation in the SMEs; 4. Improved capacities of market operators and regulators to reduce the number of breaches of competition and consumer protection rules.

Regarding first result, it is urgent to acquire financing for the study to be conducted by EIF. At this point, financing is secured from IPA 2012 unallocated envelope, but donor funds which could be mobilised faster than IPA funds will be most beneficial at present situation. EU Delegation considers interventions stated in AD to be highly relevant and in line with strategic documents. Further attention should be paid to European Council conclusions on economic governance.

**Support to Justice Sector, Action Programme for Serbia, 2015:** The selection of the actions included in this Action document is based on the functional assessments and on the prioritisation of activities that need to be taken as part of the overall judicial reform process. The selection took into account the proper sequencing of activities in the NJRS and the Action plan for the Chapter 23. Proper care was also taken to ensure that there is sequencing of the actions with previously funded actions under IPA and by other donors, to foster complementarity and sustainability.

The key actions under this Action Document fall under a set of five sub-sectors in the justice reform sector, but jointly they allow for the adoption of a qualitative step forward in each of the specific areas.

Considering that inefficiency has been the serious issue of the judiciary in Serbia, the National Judicial Reform Strategy envisages a series of measures aimed at improving efficiency, by improving the procedural laws, establishing the e-justice system, as well as the monitoring and correction of the functioning of the judicial network.

The Indicative Strategy Paper 2014-2020, in Part IV determines the specific results... To meet the ISP sector results, support will be focused on the negotiation process within the Chapter 23 and completion of the judicial reform as a continuation of the IPA 2012 and IPA 2013 assistance.

In terms of strategic documents, there are several national strategies which are of importance of this sector. The main strategy is the National Judicial Reform Strategy (NJRS) for the period 2013-2018, which was enacted by the National Assembly of the Republic of Serbia enacted the on July 1st, 2013. The Government adopted an Action plan for its implementation in July 2013.

**Support to the Competitiveness sector, Annual Action Programme for Serbia (2014):** Due to the multi-faceted nature of the sector, the strategic framework for competitiveness in Serbia is complex. The relevant strategies cover the full breadth of the sector. The General Secretariat of the Government jointly with the European Integration Office has made a series of recommendations for the improvement of sector strategic framework. A consultation on strategic planning at sector level has been carried out through the Sector Working Groups and has led to proposals for a coherent and comprehensive strategic framework for the Competitiveness sector that meets common quality standards, concentrates assistance, maximises impact and takes account of cross-sector synergies. The existing Industrial Strategy, with certain improvements, can be considered as the overarching strategy for the competitiveness sector in Serbia.

Strong inter-institutional cooperation and coordination in the sector has been ensured through the Sector Working Group (SWG) that prepared the Sector Planning Document for 2015-2017 and the Action Document for 2014. The SWG also acts as Competitiveness Sector Monitoring Committee (SMC) when it includes representatives of the Ministry in charge of finance, specifically from the National Fund and the CFCU, meaning that the composition of the SWGs and SMCs are the same.

Preparations for programme budgeting which is legally mandated to be introduced in year 2015 for all budget beneficiaries. Currently 14 institutions are implementing programme based budgets as a pilot for the 2015 introduction. In the Competitiveness sector, the Ministry of Trade, Tourism and Telecommunications is one out of the 14 pilot institutions that are currently implementing the programme based budget. The 2015 budget, which is currently being developed, will be based on the programme budget methodology.

In the seven annual programmes 2007-2013, IPA component I financed projects in the competitiveness sector worth around EUR 120.83 million which focused on the effective operation of markets IPA assistance also improved the quality, range and availability of business support services, export innovation within SMEs and technology transfer through an enhanced institutional framework, improvement in the business support infrastructure, and development of instruments for financing SMEs innovations.

The sector specific evaluation "Technical Assistance for the Evaluation of the Competitiveness sector implemented and financed by IPA Programme and other Donors in the Republic of Serbia" on the other hand, found that the interventions in the sector efficient and the capacity of the central institutions increased because of direct capacity strengthening activities and through participation in the managing and implementing the projects/programmes. However, the evaluations emphasised that the issues encountered in the previous actions included an unstable legislative, political and institutional setting

**Support to Competitiveness and Innovation, Annual Action Programme for Serbia, 2016:** The overall and specific objectives identified in this Action are directly linked to priorities set out in the National Priorities for International Assistance (NAD) document, under the Competitiveness sector.

This action overall objective of increasing the competitiveness and innovation of enterprises is directly linked to the Strategy and Policy for Industrial Development of the Republic of Serbia for the period 2011-2020. This strategy establishes the policy ground for investments in higher levels of production and better quality of products and services as well as R&D. The Result 3 of this action links to the Strategy for Scientific and Technological Development of the Republic of Serbia for the period 2016 to 2020 – “Research for Innovation”, that identifies the importance of supporting innovation and the reform of RDIs are a precondition for sustainable socio-economic development. Finally, the action is directly corresponding to the strategic pillars developed in the Strategy for support to Development of SMEs, Entrepreneurship and Competitiveness and its action plan.

The Serbian European Integration Office and the ministries in charge have taken on board the recommendations described in the section above during the programming of the most recent IPA and IPA II programmes. Under the IPA 2014 programme, support is focused on the issues of Competition, State Aid and Consumer protection. At the same time, the activities described in this document are moving further in tackling the identified needs

**Strengthening the capacities of the Judicial System in Kosovo:** Improving the rule of law is one of the key priorities identified in the EU Enlargement Strategy, the EC feasibility study for the Stabilisation and Association Agreement for Kosovo, the Indicative Strategy Paper for Kosovo 2014-2020 (Strategy Paper) and the Multi Country Strategy Paper (MISP) 2014-2020.

According to the Strategy Paper, an independent judiciary that works in accordance with true democratic and professional standards is not only vital for the strengthening of the rule of law with immediate benefits for the public, but it is also crucial for international cooperation and economic development, including attracting foreign investments. EU financial assistance through IPA II is planned to improve the independence, effectiveness, accountability and impartiality of the judiciary, as well as improve the capacity and mechanisms to implement legislation and strategies and to enforce judicial decisions. IPA II will continue to provide assistance for the approximation of the legal system to EU standards through capacity-building, advising and monitoring of judicial institutions.

The Action is linked to the Strategies and Action Plans for combating Organised Crime, corruption, trafficking of Human beings and Crime Prevention. The Action is also related to the Strategic Development Plan 2012 to 2016 of the Ministry of Justice, which lists as one of the 5 main objectives the improvement and more efficient management system including as well as legal reforms (first objective) and with the recently adopted Strategy on Assistance to the Sector of Rule of Law in Kosovo 2016-2019 (Justice and Home Affairs).

The EU sector approach aims to cooperate more closely with governments, donors and other stakeholders. From a practical perspective, the sector approach entails a sector strategy with objectives, a sector program designed by a partner country, in this case Kosovo (with support from development partners), a medium-term financial framework for reforms and other needs, and a network of development partners who work together with partner countries to encourage reforms. Regarding strategic planning, Kosovo institutions have completed the mechanism for policy planning and coordination. Also, progress has been achieved in drafting documents, but there is still work to be done.

Since 2013, the Government of Kosovo has started to draft the Declaration of the Medium-Term Priority Policy (DMPP) as the main policy document, preceding the Medium-Term Expenditure Framework (MTEF), a document which makes the connection between policies and budgetary projections. Kosovo institutions have already started adopting sector strategies using the EU approach, as it will help mainstream donor funds. Sector Strategy assistance is the first of its kind in the Rule of Law in Kosovo. The Mapping Sector Strategy study recommends that the MoJ should reinforce its strategic development and programming skills. To further improve and better target the EU support under IPA II, based on the Conclusions of the Structured Dialogue for the Rule of Law (Meeting was held on 16 January 2014), Kosovo has prepared a three-year comprehensive Rule of Law Assistance Strategy and Action Plan 2016-2019. This strategy will allow the EU and other donors to provide strategically targeted assistance to Kosovo in the future and it should support and prepare Kosovo to gradually assume more rule of law – related responsibilities. Drafting of this strategy represents the first concrete step by the Government of Kosovo to sector inclusiveness of rule of law institutions. This strategic approach is fully in line with the EU sector approach, which is required for all areas of the administration of an aspiring state. This strategy will precede the sector strategy on the rule of law in Kosovo, the drafting of which is expected to take place in coming years.

**Further Support to Judicial Reform in Kosovo, Annual Action Programme for Kosovo, 2015:** IPA II will continue to provide assistance for the approximation of the legal system to EU standards through capacity-building, advising and monitoring of judicial institutions.

Kosovo does not have to date a comprehensive justice or rule of law sector strategy. Kosovo is planning to develop a justice strategy in the coming years which is likely to combine current scattered strategies under a more strategic frame. A sector approach has not yet been undertaken. Nonetheless, several complementary strategies have been adopted and are currently under implementation. The strategies described here below are the most relevant to the implementation of this Action. Kosovo Government adopted the Rule of Law Assistance Strategy in Kosovo 2016-2019, which defines the approach of the Government of Kosovo in terms of international assistance programming over the years. Kosovo Prosecutorial Council is in the final stage of the approval of the KPC Development.



Strategy 2015-2018 "Kosovo Judiciary Strategic Plan 2014-2019" includes input from all sectors of the judicial system and represents a very necessary and useful tool for the strategic management of the Kosovo judiciary and was adopted in April 2014. "National Backlog Reduction Strategy" the purpose of this document is to provide an overall strategic vision for addressing the backlog of cases (the Backlog) pending in Kosovo courts. "Kosovo Judicial Council Information and Communication Technology 2012-2017 Strategy 1": In order to proceed in an organised and systematic way with its ICT efforts in the future, KJC requested technical assistance of the EC TAIX program and the Government of Norway in preparation of the ICT Strategy for the period 2012 – 2017. The proposed activities under this Action are closely linked with the Government program for 2015 -2018. Core points of this programme are good governance and strengthening of rule of law.

**Support to enhance Kosovo competitiveness, Action Programme for Kosovo for the Year 2016 – Part I:** Kosovo's financial sector and instruments for financing are not diversified. The sector is dominated by the traditional commercial banks.

The relevance of proposed interventions is closely linked to the objectives and results foreseen in the IPA Indicative Strategy Paper (ISP) 2014-2020 for Kosovo. IPA II support to Competitiveness is expected to be essential both for increasing the competitiveness of Kosovo's private sector, especially MSMEs, and promoting private investments. Similarly to ISP objectives, the proposed interventions aim at increasing the competitiveness of Kosovo's private sector, especially MSMEs, and promoting private investments including technological upgrade and innovation capacity Private Sector Development Strategy – The Strategy of the Ministry of Trade and Industry for the Private Sector Development represent the key sector document an effort to increase employment and reduce poverty, aims to create a globally competitive private sector.

Donor Coordination is the responsibility the respective beneficiary institutions.

**SME competitiveness support facility, Bosnia and Herzegovina, IPA II 2014-2020:** Bosnia and Herzegovina is not yet prepared for a sector approach regarding competitiveness and innovation. It lacks an overall socio-economic development strategy. However, following the adoption of the Council of Ministers' programme for 2014, the Ministry of Foreign Trade and Economic Relations was officially charged with the role of preparing the State-level SME strategy for the period 2014-2020. The strategy should provide for countrywide harmonisation of definitions, coordination and SME development priorities in accordance with the Small Business Act and EU recommendations. However, no progress has been made so far and technical assistance which included the preparation of a countrywide SME strategy could not be launched since there was (and still is) no agreement on the scope and methodology for the preparation of such a strategy. SMEs Strategies or Action Plans at the Entity (including the Brcko District) and the Cantonal level exist. The priorities for SMEs development in Republika Srpska are defined in a new SME Development Strategy for 2014-2018 and programmes for the promotion of clusters and women entrepreneurship which focuses is on competitiveness, entrepreneurial learning and business environment. In the Federation of Bosnia and Herzegovina, the priorities for SMEs development are defined in the Strategy for Economic Development for 2009-2018 and the Action plan for the period 2013-2015. Brcko District defined its SMEs development priorities in its Development Strategy for 2008-2017.

The self-evaluation of IPA assistance to SME, local and regional development performed in 2012 concludes that the projects which have been implemented under this programme are assessed as relevant for the country wide needs, they provide geographical balance, improve stakeholders' cooperation and promote the relevant EU policies. The main recommendations of this exercise indicate the need for definition of more effective indicators and for their regular update to monitor achievement of project objectives at the policy level.

The EBRD will be responsible for monitoring the implementation of the Action in line with the set of indicators. At the start of implementation, the EBRD will refine the matrix of indicators for the Action after undertaking the necessary research and data collection to define accurate baselines and realistic targets. The matrix of indicators will be discussed and approved with the EUD.

**Enhanced Justice Sector and cooperation in Rule of Law, Bosnia and Herzegovina, IPA II 2014-2020:** Recommendations from the Structured Dialogue As indicated in the 2014 Progress Report 'the Structured Dialogue on Justice' is recognised as an important platform to consolidate consensus on judicial reforms and has been further broadened to other rule of law-related matters'. – on efficiency: reducing the general backlog of cases in courts and POs remains a crucial priority- on the National Strategy for Processing War Crimes.

Findings and conclusions of the Structured Dialogue continue to guide IPA support, as well as reinforce IPA financed programmes.

Although with significant weaknesses, the sector can cope with systematic use of external assistance through sector approach.

The strategic framework is in line with the EU accession requirements and investment perspectives indicated in the Country Strategy Paper for Bosnia and Herzegovina (2014 – 2017). In general, the process of developing sub-sector policies tends to involve several different sub-sector actors (including CSOs). Policy objectives are in line with the accession agenda and political support ensures necessary ownership and the sustainability of the overall reforms. Sector planning is theoretically linked to resources allocation, but readjustments of financial allocations are frequent. Sub-sector policies are mapped, supported by a strategic framework that in general is in line with the EU accession requirements. Some of the significant sector strategies at the state level.

In Bosnia and Herzegovina, at the current stage, it is not possible to assess to which extent external assistance contributes to reforms in the sub-sectors. The performance assessment framework has been set up but is not operational – the monitoring system with indicators exists, but the assessment of impact of reforms is not yet developed. However, the whole sector is periodically monitored by International Organisations and meaningful indicators are available and rather reliable.

**Support to Public Sector Management Reform in Bosnia and Herzegovina, Bosnia and Herzegovina, IPA II 2014-2020:** from the Action Programme 2016: “The sector had a PAR Strategy in place between 2006 and 2014. The new Strategic Framework development is under way and envisaged to be finished in the end of 2016. The sector coordination is well-developed and organised according to the pillars of the strategy. The sector has a unique instrument of donor coordination, set up as the PAR Fund, which pools the resources of donors for the priority projects aiming to implement the PAR Strategy’s objectives.

The donor coordination for the sector is conducted through the meetings of the PAR Fund Joint Management Board (JMB) as well as through sector donor coordination meetings. There is also a Donor Coordination Forum organised by the Ministry of Finance and Treasury of Bosnia and Herzegovina. The performances of the sector are constantly measured and monitored also through various forms of external assessments such the one carried out by SIGMA. The last performance assessment has been done by SIGMA in 2016”.

Similar references exist in most Action documents, but in the other sectors outside of PAR, the main references are to ISPs, SAA documents, specific studies, as the national strategies are weak.

I.2.3.2	Extent to which actions' design is based on results, including clear and coherent strategic objectives, measures to strengthen institutional leadership, beneficiary M&E systems and realistic expenditure frameworks.
I.2.3.2	Summary
	The most recent actions show a significant result-based approach and reflect the beneficiary priorities. Much depends however upon the level of assessment and the depth of consultation within the sector and between SLIs and IPA counterparts. There is a big difference between an action related to the establishment of an SRC and an action aimed at the better functioning of an existing institution. The former is based on sector assessments and discusses the core of the strategies and institutional setup of the sector involved: it can discuss and review the national reform indicators, review and reinforce the sector M&E system; the latter has neither the analytical and dialogue means, nor the leverage to do that.



### I.2.3.2 Evidence from interviews and e-survey

#### Field visits:

**Albania:** In the sectors, where SRCs have been launched (PFM, PAR, ESI, Anticorruption and Transport) good quality PAFs have been put in place and reviewed with a flexible approach, in a learning by doing process. The M&E systems are still very much linked to the implementation of the IPA programmes, the expenditure frameworks ensure the resources necessary for the implementation of the agreed programmes and related institutional functions. Indeed, capacities are a serious bottleneck together with institutional volatility and filling the gap will need a very long time.

**Bosnia and Herzegovina:** The actual quality of the intervention logics, risks/assumptions and indicators contained in the SPDs and the ADs are generally at best, mixed. Furthermore, SPDs contain objectives and indicators that are often not captured in either the ISP or the AAPs or ADs which may stem from them. SHs expressed considerable confusion over the relationship between the objectives and indicators of the SPD those of the 'relevant ADs', as based on the analysis done for this evaluation, there is little coherence between them. This reflects the wider problem of a lack of comprehensive PAFs mentioned in EQ 1.

**Kosovo:** As in other IPA II countries, the quality of design of actions is mixed. In SBS programmes, the SRC contains a generally coherent set of objectives backed up by well-defined institutional roles and explicitly defined expenditure frameworks. In other ADs, the quality is less strong. The roles of lead institutions are usually stated, but the coherence of objectives is often poor (confusion over what constitutes impact, outcome and output is a common problem) and the indicators provided exhibit numerous weaknesses (e.g. poor definition, absence of adequate baselines). Where M&E arrangements are mentioned, these are generally related to the creation of a project steering committee and do not refer to more sophisticated national M&E systems (which is unsurprising as these do not exist to any real extent).

**The Republic of North Macedonia:** Action designs represent a mixed picture in terms of the internal coherence of their results – this is primarily a design issue and reflects the challenges that have historically faced programming staff i.e. limited appreciation of sound intervention design, time pressure on the programming process generated by the programming cycle. This is most evident among those interventions subject to annual programming cycles. Significantly better coherence between national and IPA results, M&E processes and expenditure frameworks are evident in the SOPs that have been prepared for IPA II. Their sophistication is not a result of the SA, however, but rather a consequence of the experience gained from the preparation and implementation of the predecessor SOPs developed under IPA components III and IV. The changes to these programmes caused by the introduction of IPA II have not improved the quality of these programmes, and in at least one case (EESP) have reportedly had a detrimental effect on them (as this has now been turned into an annually funded programme due to efficiency problems of the IPA I SOP). Specific measures to enhance design and programming capacity have been put in place, and represent a successful experience and a potential model for other contexts.

**Montenegro:** The intervention logics (IL) of the action documents exhibit substantial variations in quality as do their proposed indicators. The SRCs for SBS contain generally good ILs and have indicator passports that ensure their objective monitoring and evaluation should be possible. The EESP SOP also has a robust set of results and indicators, although the indicators lack the thoroughness of those developed for the SRCs. In both cases, measures to support the lead institutions in their delivery are in place via TA support. The third category of ADs is a mixed bag – some ADs contain reasonably well-defined objectives, others not. Indicators vary significantly in their quality but for the most part are sub-optimal and lack baselines. References to M&E systems in these ADs are invariably perfunctory. The SPDs exhibit similar shortcomings to the ADs from the third category. Interestingly, the SPDs often contain results and indicators, which are not shared with the ADs, which inevitably complicate any effort to assess the contribution of the action to any sector level change. In practice, feedback from stakeholders strongly suggests that the SPDs are unlikely to be used for tracking sector performance via the SMCs (or any other forum). The SPD faces a particular challenge as, like in other countries, its actual purpose is not clearly understood by the main SHs and its usage suffers because of this.

**Serbia:** Most actions include results and indicators, rather well formulated and based on national priorities (NADs). SRCs (SBS) include in depth transformations at sectoral level (strategy, leadership, M&E, budgeting). In PAR/PFM the indicators have been reviewed several times, since they have shown to be unrealistic (overambitious). In IBM SRCs, there are sensitive improvements in the quality of indicators, thanks to the simplicity of the sector, but also to the improved experience of the actors. ADs in other sector include good logical frameworks and PAF (e.g. Home affairs-2015; Youth employability-2014; Competitiveness-2016), detailed provisions for M&E. Unfortunately, their leverage is low and there is a contradiction between the comprehensiveness of their approach and their rather narrow time and resource dimension.

**Turkey:** As said above, in MAPs and Justice, the strategic dimension (results and expenditure framework, M&E provisions) has been high and is built on a strong institutional framework (SLIs and government strategies). In the weaker sectors, although the objectives are well established, logical frameworks and PAFs are well detailed, design of M&E systems is there, their reference to the national systems is very weak (weak strategic and institutional frameworks).

I.2.3.2 Evidence from documents

**IPA II Monitoring, Reporting, and Performance Framework, Final Report January 2016** on Bosnia and Herzegovina: Under the direct management mode, the monitoring and reporting is implemented by the EUDs, while the competent beneficiary authorities operate a parallel own system for following up the implementation of the IPA actions. Since the management mode used is only the direct one, the existing coordination difficulties can be mitigated by the management activity of the EUD. Nevertheless, provided that the positive political will has been expressed by the new Government, effort should be made to set up at beneficiary and correspondingly at the entities' levels of a structure that could deal with the monitoring and reporting on the progress and results of the IPA interventions; this could provide the information/data on the real results of the existing structure. Having in mind that Bosnia and Herzegovina is still under the Centralised implementation (management) regime, the CFCU and NF are not performing any of the activities foreseen by the IPA implementation Regulation. The EUD does all.

**Particip, External Evaluation of the Instrument for Pre-accession Assistance (IPA II) (2014 – mid 2017), 2017:** The IPA II performance monitoring and reporting system is still not operational in the IPA II beneficiaries, at least across the board. In those sectors that have inherited SMCs from IPA I components III, IV & V, the basis for sector performance monitoring and reporting is in place. Elsewhere the situation is far less developed. SMCs have only recently been set up for IPA II programmes. There remains some uncertainty around the proper composition of this forum and whether existing SMCs can be used for this purpose, or whether others, such as Sector Working Groups should be integrated into the SMC model. In addition, there are few if any other elements of a sector monitoring system in place to allow such monitoring to happen in practice i.e. clearly defined responsibilities of institutions engaged in the collection, submission, analysis and presentation of monitoring data; the resources and tools needed to do these tasks; indicators that are fit for sector level monitoring and; sector monitoring strategies that capture all these elements in one document. Although some guidance has been provided by DG NEAR on how to address these gaps, this alone is unlikely to prove sufficient.

The monitoring structures for IPA II are still in a transitional period. Where possible structures established under IPA I will be transferred into the new monitoring arrangements. In many candidate beneficiaries and potential candidates, core elements of a sector monitoring system are still not in place.

On Kosovo: The role of the NIPAC on monitoring has been reinforced under IPA II and is being reviewed at the occasion of the regular IPA Monitoring Committees.

**Civil Society Annual Action Programme for Turkey, 2014:** The main problems of CSOs in Turkey is accessing to sustainable financial resources and implementation of legal framework. In the needs assessment report prepared by TACSO1 it is illustrated that one of the main problems of CSOs is the weak voluntary culture at local and national level. Lack of qualified personnel is another obstacle for CSOs. From the organisational aspect, the strategic planning capacities of CSOs are weak and majority of CSOs are managed on daily basis. Most of the CSOs have lack of information on the legislation their institution is subject to. Furthermore, good governance principles need to be promoted within civil society.

The needs and priorities of the sector have been indicated mainly on the official documents related to the accession process. The National Development Plans of Turkey put a great emphasis on the civil society, as well. In addition, several public institutions are involved in the development of the civil society. Yet, a coherent and widely-accepted civil society sector policy or strategy or a single institution responsible for facilitation of such a strategy does not exist in Turkey. The Ministry for EU Affairs has been identified as the lead institution of the civil society sub-sector due to its experience and long-lasting involvement with civil society.

Many government institutions have been supporting CSOs through grants and projects. However, although there are a few examples of donor coordination between related institutions in the civil society sector, there is neither a systematic and holistic approach nor coordination, monitoring and reporting mechanism. It is clear that a national comprehensive strategy is urgently needed for the civil society sector. The sector planning document covering the period of 2014-2017, should address many of the problems and challenges CSOs face with a holistic approach and within the budget limitations, the IPA funds will also be channelled to contribute to overcoming problems and weak areas of CSOs.

**Civil Society Annual Action Programme for Turkey, 2015:** The By-Law on Principles and Procedures for Preparation of Legislation of 2005 and By-Law on Strategic Plan Preparation for Public Institutions of 2006 have provided a legal ground for civil society participation in policy-making. For the first by-law mentioned, the level of consultations with civil society should be further increased, since for some legislative proposals, the contribution of the civil society has been limited for various reasons. For the second by-law, further efforts are needed to monitor implementation to ensure the existence of monitoring and reporting systems.

Research findings of a Needs Assessment Report of TACSO also mentioned that CSOs, especially in rural areas and small towns, are not aware of their potential to provide input to relevant public authorities to influence social policies. One of the key reasons for limited influence of CSOs over policy is insufficient capacity.

The programming of the IPA II civil society sub-sector has been proceeding with the participation of all relevant parties. The MEUA steered this process with the relevant civil society Organisations and line Ministries. However, the participation and the contribution of the civil society organisations to programming process can still be improved. By experience, it is for sure that in the planning, programming, monitoring and the reporting process of the activities, CSO contribution is an added value. A civil society sub-sector programming without the effective cooperation of CSOs will have certain short comings at some points.

As a result, a new consultation mechanism will be established by the MEUA, aiming to:

- Integrate the CSOs effectively to the programming cycle
- Enhance public-CSO cooperation
- Produce/mature innovative project proposals
- Enhance the awareness of the CSOs about the civil-society sub-sector and IPA programming process

Beginning with this 2015 Action, MEUA will apply a new multi-annual methodology for programming of Civil Society sub-sector, based on a sound consultation mechanism. The "civil society support programme" is foreseen to have a certain visibility and a brand name well known by the civil society. The new approach enshrined in programming of civil society sub-sector includes four pillars in line with the Guidelines for EU support to civil society in enlargement countries 2014-2020:

1. Enabling Environment for active citizenship
2. Strengthening cooperation between CSOs and public sector
3. Civil Society Capacity Building
4. Civil Society Dialogue

The pillars 1 and 2 will also be integrated into some of the activities under the pillars 3 and 4 to support progress also with a bottom-up approach. At the grant scheme level, in order to monitor the grant contracts a monitoring team will be formed within MEUA together with the Technical Assistance Team throughout the implementation.... For the monitoring of the Action, an Action Monitoring Committee will be established with the participation of MEUA, EUD, CFCU and CSOs' representatives.

**Civil Society Annual Action Programme for Turkey, 2016:** The EU accession process has been the catalyst for the development of civil society in Turkey. Therefore, the needs and priorities of the sector have been indicated mainly in the official documents related to the accession process. In addition, several public institutions are involved in the development of civil society. Yet, a coherent and widely-accepted civil society sector policy or strategy or a single institution responsible for facilitation of such a strategy does not exist in Turkey.

MEUA has been identified as the lead institution for the civil society sub-sector...

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Stakeholder engagement for Civil Society Sector Programming will be carried out with comprehensive consultation mechanism that will be established by the MEUA and be followed by a new multi-annual methodology for programming of the Civil Society sub-sector, based on such sound consultation mechanism.

Sector approach in further development has enshrined in programming of civil society sub-sector includes four pillars guided by the Guidelines for EU support to civil society in enlargement countries 2014-2020:

1. Enabling Environment for active citizenship
2. Strengthening cooperation between CSOs and public sector
3. Civil Society Capacity Building
4. Civil Society Dialogue

I.2.3.3	Number of Action documents proposed by Beneficiary sectors to attain beneficiary objectives (and considering beneficiary established indicators)	
I.2.3.3	Summary	There has been an evolution from requests coming from beneficiary institutions with poor strategic base and weak results frameworks toward requests linked to high level political dialogue, accession dialogue and sector assessments. When sector institutions have defined their strategies (often thanks to the IPA support) they are able to produce better structured requests. The best cases, however, are where action documents are based on in depth preparation work carried out jointly by beneficiary institutions and IPA counterparts.

I.2.3.3 Evidence from interviews and e-survey	<p><b>Field visits:</b></p> <p>Albania: More than the technical proposal from specific sectors, strong political initiatives to accelerate the accession process and fulfil the necessary steps have come from the Government. This has been the case of Justice, PFM and then PAR. The new government, in 2013-14, wanted to accelerate the process toward EU accession and decided to address some key sectoral challenges.</p> <p>Bosnia and Herzegovina: the SPDs largely reflect the main 'sectoral' priorities of the national authorities, as sometimes (but by no means always) expressed in national strategies – where they exist. In relation to national strategies, these have often been developed at the behest of external donors and developed with external TA. Thus, the extent to which these are truly 'national' strategies 'owned' by the Bosnia and Herzegovina institutions is far from clear. An often-stated point during the mission was that behind national strategies there were few credible budget allocations, timelines or clear responsibilities. Thus, the creation of strategies to meet the SA requirements is no guarantee that the strategies reflect the true policy objectives of the administrations.</p> <p>Kosovo: See I.2.3.1 above.</p> <p>The Republic of North Macedonia: The majority of the ADs proposed under IPA II in the Republic of North Macedonia in the main sectors correspond to national sector objectives, either explicitly i.e. stated in the AD/SOPs or implicitly (they cover areas that are within the scope of national policy activities). The use of national indicators is more problematic as in many cases the relevant national strategies or action plans do not contain indicators that would be considered fit for purpose. This area is a major focus for the capacity building TA as part of sector PAF development.</p> <p>Montenegro: See I.2.3.1 above.</p> <p>Serbia: Most actions are required by national sectors and respond to NAD, although their structure and indicators are deeply reviewed and renegotiated during the programming, namely in SBS.</p> <p>Turkey: Many proposed actions originate from the SPDs, which refer to the National Development Plan, but this does not imply that their performance framework is appropriated by the national institutions and responds to the need of strengthening the uptake of SA.</p>
I.2.3.3 Evidence from documents	<p><b>Local Development Strategies, Annual Action Programme, Bosnia and Herzegovina, 2016:</b> ....Plan in collaboration with the responsible bodies in the Entities and the BD. The basis for the development of the plan can primarily be found in the Law on Agriculture, Food and Rural Development of Bosnia and Herzegovina. The EU supported the drafting of a Framework Document for the Development of Tourism in Bosnia and Herzegovina, which was proposed by a team of experts and which was supported by both Entity Ministries for Tourism and MOFTER. In the field of innovation: Bosnia and Herzegovina Strategy of Development of Science and Technology 2010-2015 expired and the new draft of the strategy is being prepared...</p> <p><b>Environment and Climate Action, Multiannual action programme, the Republic of North Macedonia:</b> ...Projects for assistance are being proposed by the Department for EU within the MoEPP in cooperation with other Departments of the MoEPP and the local administration. The staff of the EU Department has received relevant IPA trainings to develop, prepare, implement, monitor and evaluate projects and to ensure appropriate analysis and reporting on the projects.</p>

### EQ3. IMPROVED SECTOR POLICY MANAGEMENT – To what extent is the Sector Approach becoming an effective tool to improve results-based policy management in the key accession-related sectors?

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

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

Sector budget support programmes and multi-annual programmes are generally well suited to deploying sector approach processes, although some difficulties in the use of budget support have been noted linked to its conditionality and the reform commitment of IPA II beneficiaries and a certain institutional volatility. Multi-annual programmes for the most part continue the work of IPA I components III, IV & V. The departure of line Directorate Generals from IPA II has not been a positive development, although most existing multi-annual programmes have been able to adapt, albeit with some reported difficulties. Despite the benefits offered by both budget support and multi-annual programmes, there are disincentives to their actual deployment. Multi-annual programmes are not utilised as widely as they might be, which given the advantages they offer appears to be a missed opportunity.

Of the tools available to IPA II institutions to support sector approach uptake, SIGMA has provided the greatest innovation by supporting the development of public administration reform and public financial management in the region, which have also benefitted from budget support programmes. In Albania, EURALIUS and PAMECA have played similar roles for support to Judiciary and Police reforms. TAIEX and Twinning continue to be deployed in all IPA II beneficiaries and provide generally useful support, although their usage has not changed since IPA I.

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

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

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

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

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

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

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

Strength of the evidence: high

I.3.1.1 Extent to which there is better institutional leadership and coordination, e.g. involvement of relevant ministries and decentralised bodies, functioning Sector Working Groups

I.3.1.1 Summary The introduction of SA in IPA II and its first experiences since 2012 have pushed the organisation of sector working groups in beneficiary sectors, namely in the programming process. The process of institutional leadership and coordination is improving rather quickly, especially where IPA II medium-term support programmes are in place. Its implementation however presents a number of difficulties, such as: multiplication of strategies, sometimes overlapping; duplication and weakness of coordinating structures; volatility of the coordination bodies (Albania); etc.



### I.3.1.1 Evidence from interviews and e-survey

#### Field visits:

**Albania:** There is strong institutional leadership in PFM and Judiciary, because the SLIs are well defined, stable and politically strong. In Judiciary, SA has contributed to open the sector leadership to the other institutions involved, namely the Council of Judges and the Association of Prosecutors. In PFM, it has contributed to harmonise around a common strategy, the different support programmes. In PAR, there is a more complex institutional framework, since there are various line ministries involved and none is particularly strong to ensure leadership (the ministry of PA has been recently suppressed). The leadership and coordination is ensured by the PM. A weak institutional setup characterises the Employment as well. There was a ministry, which had negotiated and led the IPA SBS process, but the ministry was dissolved, and the sector was split between MoF and MoH. As far as the instruments to ensure leadership and coordination are concerned, SWGs are operational in the programming phase, while during implementation, the situation varies according to the specific institutional framework and the political focus of the government. In PFM, a strong coordination is ensured through a Technical Secretariat for sector reform and consolidated M&E (SIGMA provides two annual reports). In Judiciary, a SWG is working with the support of EURALIUS for the preparation of the future SRC, to improve the strategy, the PAF and the expenditure framework and the M&E system. In PAR, the coordination and leadership is ensured through a larger coordination tool, which embraces all the ministries and institutions involved, the IPMG, headed by the PM. This tool ensures a large and strong political framework, to which CSOs are admitted as well, although the day by day coordination is more complicated.

**Bosnia and Herzegovina:** The infrastructure for the SA is at least partly in place in Bosnia and Herzegovina. This represents the main tangible evidence that the SA exists and is operational. The extent to which it ensures better leadership and coordination is variable. The SLIs are vested with the responsibilities to run the SA (convene SWGs, draft SPDs). As noted previously, their ability to discharge responsibilities depends on their capacities (which vary e.g. PAR good, EESP adequate, Justice poor) and the level of political/senior management support. The latter is also variable, but for the most part the SLIs and the SPOs are not of sufficient institutional standing to properly 'lead' the sector planning – they invariably have a coordinating role and cannot compel other Bosnia and Herzegovina institutions to engage in the process or prioritise programming actions. For the most part, the relevant ministries and other institutions participate in the SWGs, although as noted in EQ2, this is not a straightforward process, with multiple SHs present in most sectors making coordination a logistical challenge and some entities periodically obstructing the workings of the SA. This places a strain on the efficiency of the SA workings, slows down the planning/programming process and forces the SLIs to 'be creative' in their dealings with the more problematic institutions to keep them on board the SA process.

**Kosovo:** The SWG model used for SA is based on a donor coordination structure established by the Kosovo Government in 2015. This has three tiers (1. high level forum; 2. sectorial working groups; 3. sub-sectorial working groups – SSWG). These working groups reportedly exist for all the IPA II sectors, although they have not been established specifically for IPA II. Their remit is explicitly donor coordination, with IPA II being an element of this. The rationale behind this is linked to aid effectiveness and reduction of administrative burden for the Kosovo side. This is in principle reasonable, and in the first two levels contains the advantage of a high-level government official presiding over the meetings. However, in practice this model has notable limitations vis-à-vis the SA, linked to the competences (it does not explicitly devote itself to IPA programming) and composition of members i.e. there is no civil society involvement in them. It is unclear how effective the sector lead institutions (SLIs) are in their duties, with feedback indicating that the SPD preparation process is driven primarily by the NIPAC with inputs from the SLIs and external TA. Members of these (S)SWGs confirmed that they had seen SPDs and had been consulted on their content, but that their actual contribution to their final form was limited. Finally, there was convincing feedback from many SHs stating that this structure was currently, at best, only partially functional, with one or two of the SSWGs operational and the SWGs defunct. Taking all these factors in combination, it has to be concluded that institutional leadership and coordination for SA outside of the SBS sectors is not yet in place. By contrast, for the PAR and PFM sectors, a more rigorous approach has been applied and the institutional leadership and coordination are in place.

**The Republic of North Macedonia:** Institutional coordination has improved thanks to the SA. This is down primarily to the SWGs. They are composed of the main institutional stakeholders i.e. ministries, state agencies etc. The SLIs leading the SWGs formally carry out their roles and the SWGs meet regularly. They evidently serve both as a forum for planning assistance under IPA II as well as a more general opportunity for institutions of North Macedonia to discuss policy issues. The ability of the SLIs to 'lead' the SA process reportedly varies significantly from sector to sector as does the behaviour (some are passive, some very active, some tend to dominate the process etc.) i.e. there is no common standard among them. The involvement of external stakeholders in the SWGs is limited to a couple of sectors. Donors appear to be largely unaware of the SWGs and do not participate in them, although some progresses may be envisaged with an increased participation of line ministries and other stakeholders.

**Montenegro:** Sector lead institutions (SLI) have been established, as have SWGs. Their functionality is largely predicated on two factors – the first is the institutional standing of the SLI and the second is the homogeneity of the sector it is responsible for. Where the SLI has a strong SPO with good ownership of SA, the SA processes tend to work better (evidenced by the EESP sector). Where there is a homogeneous sector, it is easier to coordinate institutions which share common strategic objectives (e.g. environment). Where these elements are missing, or highly heterogeneous sectors have relatively weak SPOs, there SA processes tend to function poorly. SWGs appear to play a secondary role in coordination of Montenegrin institutions to the CWGs for accession negotiations. More generally, SWGs appear to function as a forum for discussing project ideas from individual Montenegrin institutions rather a space for strategising for sector priorities and coordinating various financial inputs.

Serbia: SWGs are functioning for programming, although they exist on paper as sector co-ordination structures (also during execution) and sometimes meet. In Transport and Human Resource, SWGs work for donors' coordination and for coordination of the multiple national stakeholders, as in the case of HR. In PAR, for instance, the SWG is unmanageable (too many institutions represented). In the sectors that benefit of important IPA programmes, SWGs roles are partly covered by the Sector Monitoring Committees, which are a much narrower tool being an IPA-related structure, in charge of formal monitoring of the execution of the IPA programmes.

Turkey: The institutions beneficiaries of IPA I MAPs (most of which have been refinanced under IPA II, namely Competitiveness, Environment, Employment, Transport and Agriculture) play an active role (in relation to IPA assistance) for strategic guidance and coordination of the different relevant partners at central and local level. Regarding the other sectors, there is a rather strong leadership and a certain coordination particularly in Judiciary, given the centrality of Chapter 23 in the accession negotiation. In all the mentioned sectors, however, such institutional coordination is not a consequence of SA, because it was built under IPA I. IPA II has added some standardisation (SPDs, various monitoring committees, mostly on paper) and the introduction of 'sectors' that have no reference in the Government structure (e.g. Fundamental Rights, or Civil Society), which involve different ministries and are led and coordinated by the MEUA.

#### **Interviews with beneficiaries conducted before the field phase:**

In Serbia and Albania, sector leadership and coordination are issues highlighted by the introduction of SA. In the past there were forms of sectoral coordination, but much less formalised and, above all, they were not pursued as an objective by beneficiaries.

On the other hand, the coordination and leadership are complex processes in both beneficiaries which generate overlapping and often inefficient mechanisms, which need a long consolidation and improvement.

In Albania, the case of the IPMGs is emblematic. Many consider the traditional sector working group more effective, although they do not ensure the necessary inter-institutional coordination and the involvement of the highest levels in Government.

In Serbia, most sectors do not hold regular meetings, especially because these should be linked to M&E systems, which are not in place. The situation changes when SBS are in place, since this obliges the institutions to follow (at least) agreed procedures, and – de facto – also to hold meetings, establish reports and feed them with data.

The SWGs of North Macedonia are working mechanically; they are not equipped to perform (sector) leadership.

Kosovo PAR/ PFM SWGs are Ok but in fact there are parallel structures (Strategy/ SPD).

Kosovo SWGs: Most of them are not very active; EUO is now setting initiatives to "revitalise" them, for instance by actively exploring the inclusion of more stakeholders.

#### **Other interviews conducted before the field phase:**

PAR CoTe There is lack of know-how. There are no strategic planning people, but only inspectors and lawyers. Institutional coordination is poor. MoF is not involved in Sector Working Groups and budgeting of the sector strategies is a very weak point.



I.3.1.1 Evidence from documents	<p>To respond to IPA II requirements for stronger leadership and coordination in Public Administration Reform and thanks to the IPA II support, the following document shows the coordination structure set up by the Serbian Government. <b>PAR Strategy 2015-17, Serbia:</b> “first level of coordination of the PAR, which primarily consists of performing operational tasks of the PAR process, is under the responsibility of MPALSG. To successfully achieve the set objectives and ensure sustainability of the process, it is necessary to improve the internal capacities of MPALSG. With the new systematisation of MPALSG, an internal organisational unit for public administration reform management was established.</p> <p>The formation of the Department of PAR is the first step towards the establishment of internal capacity of the MPALSG. In the future, the Ministry will however focus on organisational strengthening and capacity building, as part of the restructuring process within the MPALSG. Also, a project proposal that would provide support to strengthen the capacity (knowledge and skills) of employees in this unit for performing coordination PAR is in process.</p> <p>In addition, to increase the functionality of the PAR management, contact persons for coordination tasks were identified.</p> <p>Second level of coordination and management</p> <p>The Inter-Ministerial Project Group is tasked with ensuring the expert coordination and the monitoring of the PAR Strategy implementation. Tasks of the Inter-Ministerial Project Group members are primarily aimed at professional coordination and determination of reports on the implementation of the PAR Strategy. This mechanism ensures the active participation of all relevant SAB in the PAR process...</p> <p>Third level of coordination and management</p> <p>The third level of coordination and management of the PAR represents the College of State Secretaries, which is also the first level of political coordination. The Collegium was established as a working group of the PAR Council at the constitutive meeting held on 28 August 2014. In addition to the State secretaries of all ministries, the members of the College are: the Deputy Secretary General of the Government, the Deputy Director of the Office for European Integration, the Deputy Director of the State Secretariat for Legislation, the Deputy Director of the National Secretariat for Public Policy and a representative of the Cabinet of the Minister without portfolio responsible for European integration. Relevant state secretaries from each ministry will be invited to the sessions of the Collegium depending on the topic of the meeting.</p> <p>Fourth level of coordination and management</p> <p>The PAR Council was established by the Government Decision on forming the Council for the Public Administration Reform. The Council has been established as the central strategic body of the Government responsible for the PAR.</p> <p>The Council is chaired by the Prime Minister, and co-chaired by the Deputy Prime Minister and Minister of Public Administration and Local Self-Governance. A number of line ministers and representatives of other state authorities are appointed for members of the Council. The Council members are the following:</p> <ol style="list-style-type: none"> <li>1. First Deputy Prime Minister and Minister of Foreign Affairs;</li> <li>2. Deputy Prime Minister and Minister of Construction, Transport and Infrastructure</li> <li>3. Minister of Finance;</li> <li>4. Minister of Economy;</li> <li>5. Minister of Justice;</li> <li>6. Minister of the Interior;</li> <li>7. Minister without portfolio responsible for European integration;</li> <li>8. Minister of Education, Science and Technological Development;</li> <li>9. Minister of Labour, Employment, Veteran and Social Affairs;</li> <li>10. Minister of Health;</li> <li>11. Minister of Culture and the Media;</li> <li>12. Minister of Youth and Sports;</li> <li>13. Director of the Republic Secretariat for Legislation;</li> <li>14. Secretary-General of the Government;</li> <li>15. Director of the Republic Public Policy Secretariat.</li> </ol> <p>Assistant Minister of State Administration and Local Self-Governance was appointed for the Council Secretary.</p> <p>The fact that 14 members of the Government are also the members of the Council, provides to the credibility and legitimacy in the management of the entire process of PAR.</p> <p>If necessary, the Council constitutes a special working group. In addition to the College of the State Secretaries, a working group is established to coordinate and monitor the implementation of measures of long-term fiscal consolidation. ...</p> <p>Although the frequency of convening and holding meetings of the Council is not prescribed, the Council already held two sessions in the second half of 2014.”</p>
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**PFM Reform Programme 2016-20, Serbia:** The Public Financial Management Reform Steering Committee is tasked with the responsibility of high level, political coordination under the direct responsibility of Minister of Finance, who chairs the meetings of the Steering Committee. To ensure sound and effective management of the implementation of the PFM RP, Pillar Coordinators will be assigned to closely monitor the implementation of specific measures within the PFM pillars and to coordinate horizontal issues and links between the pillars, which have a direct impact on the effectiveness and sustainability of actions. The Steering Committee will comprise of the following members: The Minister of Finance as the Chairman of the Steering Committee, and the Minister who is accountable to the Government of the Republic of Serbia for the overall Public Financial Management Reform Agenda.

Serbia National Strategy for Transport 2008-15: Strategic planning of the transport, as well as modelling and monitoring of the Strategy implementation must be under the exclusive authority of the ministry competent for transport affairs. The ministry competent for transport affairs must be organisationally enabled to assume responsibilities for strategic management and planning.

To ensure better management and coordination of the reform implementation according to IPA requirement and support, Serbia has put in place the National Judicial Reform Strategy (NJRS), which is assessed by the World Bank as follows: **Serbia Justice strategy – Better strategies WB on Serbia Judicial functional review 2014**, page 49: “Effective management of the judicial system is hindered by difficulties in measuring system performance. Data are scattered across fragmented information systems with gaps, overlaps, and inconsistencies. Data collection tends to be manual, which absorbs a lot of time and staff resources and is prone to errors. Reports are not often tailored to management needs, and so do not adequately inform decision-making. Analytical capacity across the sector is inadequate, and so the foundation for management decisions remains weak. There is not a single management entity in the system able to substantiate how the system actually performs or uses data to identify areas for performance improvement. The system lacks a unified vision of what good performance should look like, or a performance framework around which stakeholders unite to set goals and targets. As a result, it is very difficult for the system to manage for results.

The adoption of the NJRS 2013-2018 and its Action Plan represents a significant milestone for the Serbian judiciary. Their content is comprehensive, and progress is being made against several milestones. However, the Action Plan may be overly ambitious and it will be difficult to implement effectively within the five-year timeframe. The NJRS also focuses heavily on enacting legislation more than ensuring the effective implementation of existing and new legislation to change behaviour on the ground. Yet the latter is the more important task and it requires an organisational and managerial approach more than a legal one. The NJRS and Action Plan also lack a clear focus on how reforms will affect court users, who should be the ultimate beneficiaries of the reforms. A Strategy Implementation Commission exists, but lacks a work plan and a secretariat and is not driving reform implementation. In the resulting vacuum, it is not clear among the many fragmented stakeholders who is leading the system's reform effort or driving for performance improvement. At this rate, at best by 2018 Serbia may have enacted relevant legislation but behaviours will not have changed and performance will not have improved on the ground.”

According to the **Serbian** government counterparts, “The Commission for monitoring the implementation of the National Judicial Reform Strategy has meetings six times a year. The Commission acts in line with the Rulebook of Procedures which regulates its activities, jurisdiction, composition, decisions etc. All relevant institutions submit reports to the Commission which closely monitors the implementation of the NJRS. The Ministry of Justice has assumed the role of its Secretariat providing the administrative assistance, with the Assistant Minister for EU Integrations and International Projects as the Secretary”.

To respond to IPA II requirements on leadership and coordination, Albanian government has set up a rather original system, which is described in the ISP. **ISP, Albania, revised 2017**. Leadership and coordination: The Integrated Policy Management Group (IPMG) system, formally introduced by the Government of Albania (GoA) in 2015, is the main institutional mechanism for coordinating sectoral reform, including taking responsibility for effective sector donor coordination. Integrated Policy Management Groups (IPMGs) and thematic sub-groups were so far established in four pilot sectors (Competitiveness and Innovation, Employment and Social Policies, PAR and Good Governance and Integrated Water Management). IPMGs are expected to meet quarterly for dialogue on priorities, planning, coordination and monitoring of the implementation of sectoral strategies and action plans, including an annual review of reform progress. Each IPMG has several thematic sub-groups which coordinate policy dialogue, monitor and evaluate specific strategy and action plan implementation, provide inputs for mid-term budget, as well as contribute to the distribution and analysis of relevant sector information, and submit findings to the IPMG. It produces and publishes annual progress reports, thus contributing to accountability, transparency and more informed sector dialogue.

However, the IPMG mechanism would still require consolidation and streamlining of processes with other strategic processes related to policy implementation and effective coordination. Some other aspects to be strengthened are related to: (i) the streamlining and harmonisation of IPMG mandate and responsibilities, as well as (ii) clearer the detailing of the business processes to be applied by the entities and staff involved in operating the mechanism, (iii) the human resources in place, (iv) systematic support to effective inter-institutional coordination and active engagement of civil society and international partners.

I.3.1.2	Extent to which there are better strategy and results-based management, including quality of M&E systems	
I.3.1.2	Summary	<p>Sometimes sectors have defined M&amp;E systems and unrealistic indicators (e.g. in some SPDs) with a view to be eligible for IPA II support, in addition they do not have reporting capacities and systems. Such weakness is addressed during the IPA II programming phase, through TA and training, but the actual possibility to involve the beneficiaries in a thorough and medium-term exercise of reviewing indicators and systems seems to be provided only by the establishment of medium-term SBS programmes. As a matter of fact, other type of programmes do not have the necessary leverage, comprehensiveness and duration to do so. Here there is also a long-term issue related to the deeply rooted culture of evaluating the processes instead of the results, focusing on outputs rather than on outcomes, on compliance rather than effectiveness.</p>
I.3.1.2	Evidence from interviews and e-survey	<p><b>e-survey and Field visits:</b></p> <p>According to the results of the e-survey, the contribution of SA to the establishment of results-based management in the national sector appears among the least appreciated by the respondents, despite the predominantly positive responses. At the level of individual beneficiaries, Albania shows the highest record, while Montenegro shows the lowest one, followed by Serbia and Kosovo.</p> <p><b>Albania:</b> Strategies are being established in most key sectors, according to SA criteria. Indicators are a longer process, facilitated by SRC preparation (Indicators Passport).</p> <p><b>Bosnia and Herzegovina:</b> The existence of strategies in the various sectors is not in itself a guarantee that these will form the basis of a results-based approach to IPA II delivery. Indeed, as noted elsewhere, the drive by external donors to create strategies against which they can then align their own programmes has not always been successful (see EQ2). Result-based management has not been established among the majority of the Bosnia and Herzegovina institutions. Whilst the SWGs and SPDs are evidence of the SA process functioning, this remains an exercise exclusively driven by the IPA II process and has not yet been taken root in national practice. There are some elements of M&amp;E systems in place (both within the EUD and Bosnia and Herzegovina institutions such as NIPAC and PARCO) but these are not comprehensive, have numerous shortcomings and are not conceived as part of a wider PAF for IPA II. In this respect, the absence of more robust obligations on conducting M&amp;E under the SA (for example there is no need to create sector monitoring committees under direct management in Bosnia and Herzegovina) undermines any incentive to move in this direction.</p> <p><b>Kosovo:</b> The components for sound results-based management, outside of SBS, are reportedly largely absent. DG NEAR's MIS using AD indicators and the establishment of the EUO's evaluation plan show that there are steps being taken on the part of the EC to strengthen this dimension of the SA, but this has not been mirrored by the Kosovo authorities. These have developed an aid coordination online platform that in principle should help ensure better coherence of donor funding. This remains the main innovation reported thus far. Outside of SBS, no sector monitoring committees appear to have been established so there is currently no forum to track sector level performance using a sector PAF.</p> <p><b>The Republic of North Macedonia:</b> It is not possible to make a definitive judgement on whether better strategies are emerging thanks to SA. The development of national strategies has been a long running process in the Republic of North Macedonia which predates the introduction of SA. It is clear that SPDs reflect national strategy priorities much better than previous EU documents e.g. MIPDs, but the interaction between the two processes (SPD and national strategy formulation) is complex, not standardised and varies significantly from case to case. M&amp;E systems have emerged in the EUD, although regarding monitoring, at least with their own monitoring strategy, one cannot attribute this directly to SA, but rather to an internal Delegation process that has recognised the importance of internal monitoring as a tool to track project performance. The introduction of an MIS system by DG NEAR to track performance against existing indicators in ADs is in principle a sound initiative but fails to recognise the multiple weaknesses within these indicators and thus its value is likely to be compromised. Elements of M&amp;E systems exist within the institutions of North Macedonia but are not coherent nor comprehensive for tracking and analysing sector performance. The Capacity building TA aims to create PAFs for all sectors in the Republic of North Macedonia and this will, if successful directly contribute to improved M&amp;E systems.</p> <p><b>Montenegro:</b> Strong sector strategies underpinned by functional SLIs using viable PAFs exist in the SBS programmes and EESP SOP. Elsewhere, these key elements of SA are not well established. PAFs are noted as being a particular weakness, with few sectors having the basic preconditions needed for their application (i.e. coherent objectives, robust indicators, functional monitoring and reporting systems – all captured in a strategic document such as the SPD. Also, unlike other IPA II countries, Montenegro does not produce SA roadmaps – for reasons not known exactly. This stands in stark contrast to other countries such as the Republic of North Macedonia, where their development is mandatory and Albania, where they are found a practical tool. This anomaly reinforces the impression that SA processes are not embedded into management processes. NIPAC's ability to effectively impose the SA among other Montenegrin institutions is reportedly limited by factors related to its institutional standing and staff capacity.</p>

Serbia: There is not RBM and systematic M&E in most sectors, although there are a multitude of sector strategies established with the support of IPA II. Results (according to the established PAF) are a base for interinstitutional and EU-Serbia dialogue in the framework of the PAR/PFM SBS. In other IPA II priority sectors M&E of the IPA Actions is ensured through the IPA II M&E system. National M&E commissions exist for Judiciary reform and Chapter 23 Action plans, but their outputs are not communicated nor discussed with CSOs and external partners.

Turkey: Again, Results based management is strengthened in the framework of the specific sector programmes under MAPs. In the sectors related to Democracy and Governance and Rule of Law and Fundamental Rights there has been a global deterioration, not only in terms of results, but also in terms of transparency in the policy management process. SPDs mention the PAF, but there is no evidence that these are used in sectors and sub-sectors outside the IPA programmes.

#### **Interviews with beneficiaries conducted before the field phase:**

In Serbia and Albania, sector leadership and coordination are issues highlighted by the introduction of SA. In the past there were forms of sectoral coordination, but much less formalised and, above all, they were not pursued as an objective by beneficiaries.

On the other hand, the coordination and leadership are complex processes in both beneficiaries which generate overlapping and often inefficient mechanisms, which need a long consolidation and improvement.

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In Serbia, most sectors do not hold regular meetings, especially because these should be linked to M&E systems, which are not in place. The situation changes when SBS are in place, since this obliges the institutions to follow (at least) agreed procedures, and – de facto – also to hold meetings, establish reports and feed them with data.

SWGs of the Republic of North Macedonia are working mechanically; they are not equipped to perform (sector) leadership.

Kosovo PAR/ PFM SWGs are OK but in fact there are parallel structures (Strategy/ SPD).

Kosovo SWGs: Most of them are not very active; EUO is now setting initiatives to 'revitalise' them, for instance by actively exploring the inclusion of more stakeholders,

#### **Interviews with beneficiaries conducted before the field phase:**

In Serbia, in the most advanced sectors –those covered by SRCs– there are new strategies, developed under the IPA assistance, there are M&E and reporting systems, supported mainly by MEI and the EU integration units in the line ministries, which are not yet mainstreamed in and appropriated by the sectoral institutions. These are still under the pressure of internal issues and dynamics. Most of the sectoral programmes, do not address social problems, so as the interest of the citizen and the related commitment of the politicians are weak.

In Albania, institutions are a bit more volatile and more permeable to SA. The new strategies proliferate and are supported at sector level, but their quality needs a lot of improvement, especially the indicators – which are badly formulated and unrealistic – also the objectives and coordination. M&E systems are very weak, although – in the most advanced sectors – they are under construction.

The Republic of North Macedonia: Strategic documents have now been prepared, also some umbrella strategies that did not exist before.

NIPAC suggested to prepare a Beneficiary Development Plan but there was no interest from the government.

#### **Other interviews conducted before the field phase:**

This is the legacy of the central planning. There are conflicts among line ministries and various autonomous agencies. There is a multiplication of strategies (e.g. in Serbia: strategy for rural tourism and strategy for cultural tourism).

SPDs are the first step of strategies, but in Bosnia and Herzegovina the strategies come before. In most beneficiaries, when strategies start being elaborated by the gov. SPDs lose their function. Perhaps SRMs are monitoring tools, which become more appropriate.

Serbia and others: M&E is the weakest point, as the idea of results based management is completely extraneous to the government culture.

## I.3.1.2 Evidence from documents

**Serbia Employment and Social Reform Programme 2015-20.** The strategy Includes a detailed monitoring table with objectives, measures, results and targets, disaggregated by

1. Labour market and employment;
2. Human capital and skills;
3. Social and child protection;
4. Pension system;
5. Health care system.

On the budgeting issue, there are cost estimates and rough considerations on source of funding, but not an attempt to build a programme budget to be negotiated with finance. On the monitoring side, the integration between the national system and the IPA II related one is not explained. As in the ESRP page 64-65.

The existing monitoring, reporting and evaluation mechanisms functioning within the Government of the Republic of Serbia will be largely employed in the monitoring and reporting process of the Employment and Social Reform Programme implementation. In the first place, this refers to the regular annual and multiannual monitoring and reporting processes conducted by the Government of the Republic of Serbia, including reporting related to the European integration processes (such as: the preparation of the annual Government Work Report, the Action Plan for the implementation of the Government Work Plan, the briefs of the Government of the Republic of Serbia for the Progress Report, the preparation of the national report on social inclusion and poverty reduction, impact analyses of the policies implemented by institutions). It is therefore necessary to adapt the timeframe for ESRP monitoring, reporting and evaluation to the existing system.

The implementation and effects of the ESRP measures funded under the Instrument for Pre-accession Assistance (IPA II) will be monitored and reported on through the national monitoring system established in the form of joint monitoring committees of the European Commission and the Republic of Serbia. The key elements of the monitoring system under indirect management of the Instrument for Pre-accession Assistance are monitoring committees (MC). Monitoring committees represent a forum for discussion about the implementation of pre-accession assistance, from the sector level to the overall IPA level. The implementation of IPA interventions programmed on the basis of ESRP objectives and measures will be monitored and discussed within the Human Resource and Social Development Sector Monitoring Committee.

The monitoring process should ensure a complete insight into different aspects of the ESRP implementation and all relevant social actors should be engaged in the monitoring process. This entails the commitment of the competent institutions at the national, provincial and local levels, as well as the engagement of social partners. In this manner, a comprehensive monitoring process will ensure successful ESRP implementation. The success of the ESRP largely depends on the efficient and active participation of civil society, local communities and vulnerable groups in the ESRP implementation and monitoring process.

**PAR Action Plan 2015-17, Serbia:** The Action Plan for the Implementation of the Public Administration Reform Strategy in the Republic of Serbia, 2015 – 2017 operationalise the Strategy and defines measures, results and activities for the implementation of the public administration reform. Its preparation fully considered the contextual limits, in particular regarding the needs of fiscal consolidation, and the Serbian accession to the European Union. The document was prepared through a participatory approach, by the coordination at three inter-related levels. At the highest level, the coordination was done by the Coordination Team (CT) consisted of deputy ministers and civil servants on positions from key ministries and public administration authorities who are the developers of the public administration reform and its implementation. At the expert level, the Expert Team (ET) was in charge for the preparation of the Action Plan, consisted of civil servants on positions, Deputy Prime Ministers' Assistants and the Minister of Public Administration and Local Self-Government and other experts, including the representatives of civil society. To ensure simultaneous work on individual parts of the AP for PAR (that is on specific objectives), ET was divided into smaller Operational Teams (OT). In the preparation of the document the support was provided also by experts of SIGMA program at the Organisation for Economic Co-operation and Development (OECD).

The methodological approach in creation of the Action Plan is focused on the results, while retaining certain elements of the process approach (implementation). Indicators for monitoring the success of the Action Plan are defined at the level of objectives and results. Also, for each result there is a list of the main activities necessary for achieving the results, with deadlines, to enable monitoring the institutional development. The terms used in the AP were primarily taken from the Public Administration Reform Strategy in the Republic of Serbia.

**Particip, External Evaluation of the Instrument for Pre-accession Assistance (IPA II) (2014 – mid 2017), Final Report Volume 1, June 2017.** The IPA II performance monitoring and reporting system is still not operational in the IPA II beneficiaries, at least not across the board. IPA II Monitoring Committees at beneficiary and sector level have been created on paper but there has been little concrete progress on the ground for putting in place the comprehensive monitoring arrangements needed to adequately assess IPA II performance, especially at sector level (not least as there are very few beneficiary M&E systems in place into which IPA II M&E can be integrated). Some guidance had been provided by DG NEAR on how to address these gaps, but this alone is unlikely to prove sufficient (I-245).



...Field missions have revealed that, apart from those sectors that have inherited SMCs from IPA I components III, IV and V, SMCs have only recently been set up for IPA II programmes. There remains some uncertainty around the proper composition of this forum and whether existing SMCs can be used for this purpose, or whether others such as Sector Working Groups should be integrated into the SMC model. Budget support programmes have incorporated efforts for improving the M&E systems in the sectors where budget support is provided. In the main, however, in many beneficiaries, there are few if any other elements of a sector monitoring system in place to allow such monitoring to take place (i.e. clearly defined responsibilities of institutions engaged in the collection, submission, analysis and presentation of monitoring data); the resources and tools needed to do these tasks; indicators that are fit for the sector level.

**Youth employability, Action Document, Serbia 2014** on beneficiary indicators. It was also noted that too often large ODA investments, such as the one in Roma inclusion, cannot be given due credit for its positive results because of lack of proper evaluation frameworks based on adequate indicators i.e. relevant, feasible, with baselines, targets and benchmarks, easy to collect and report. Therefore, indicators of the Action will closely follow relevant Strategy Paper and beneficiary strategies' indicators (including NAD indicators).

I.3.1.3	Extent to which there are stronger links between strategies, plans of action, and budgeting, e.g. MT sector budget frameworks	
I.3.1.3	Summary	On the link of policy priorities and medium-term budgeting, the issue is more complex, as it heavily involves the central government. The reforms of PFM and the introduction of policy based MTEF should address such weakness and at central level there are already some positive examples (Serbia, Albania), but it will be a long process to be appropriated by the line ministries and the multi-sectoral coordination bodies. Today, despite the improvements, this remains one of the weakest points in the process of SA uptake.
I.3.1.3	Evidence from interviews and e-survey	<p><b>Field visits:</b></p> <p>Albania: According to MoF and most of the stakeholders interviewed, this is being significantly improved, as shown also in the 2017 PEFA. Due to the implementation of SRC which has also strengthened other pre-existing assistance programmes, there has been much work to improve the dialogue with the line ministries and the process of the MTBF, to ensure a better quality in financial planning and management. This has also benefited the sectors, which can now better plan and manage their resources, especially where, as in the sectors supported through SBS, there is a clear results-based framework.</p> <p>Bosnia and Herzegovina: There is little evidence to suggest that the process of SA uptake has led to stronger linkages between strategies and budgeting in Bosnia and Herzegovina. As noted elsewhere, strategies, where they exist, are seldom backed up by budgets or even action plans. This has been the case prior to the introduction of the SA and remains the case now. As there is no SBS or MAP deployed for IPA II support in Bosnia and Herzegovina, the need for Bosnian institutions to move towards a multi-annual budgeting approach to mirror the EU approach is absent.</p> <p>Kosovo: Regarding linkages between strategies, plans of action and budgeting, the SBS interventions draw all these three elements together within the SRC, together with the tools needed to operationalise it e.g. data collection, reporting etc. The extent to which all of this is functional is currently being tested: PAR SBS has recently started in 2017 and PFM is due to start in 2018. ADs for non-SBS interventions referred to national strategies and sector assessments stemming from the SPD process. These in themselves do not demonstrate improved linkages between these two sets of documents, but suggest that there is an increasing appreciation of the strategic sectoral dimension to programme management within the main stakeholders. This finding was also stated in the responses to the e-survey.</p> <p>The Republic of North Macedonia: The process of adopting MT budgeting frameworks within the national authorities is ongoing. Given the changing structure of IPA II budget arrangements in the country (some MAP remains, some cancelled, some previously decentralised management being centralised etc.), however, it would be speculative to suggest that SA has had a positive influence in this regard. It is important to note that these observations do not apply to those sectors that have benefitted from components III and IV of IPA I. There, the sector leadership and coordination were established some years previously, as were the PAFs (albeit with some limitations). The issues of changes to these programmes under IPA II have already been noted and have generally not been positive (see below). Linkages between national budget frameworks and IPA II support are yet to emerge to any notable extent.</p>

Montenegro: National budgeting in Montenegro is based on an annual cycle. The linkages in SBS and MAP, which are nominally based on a multi-annual perspective, are therefore at odds with the national financing. Otherwise, IPA II actions are financed from annual programme allocations, so these link directly to national budget practice. Herein lies a systemic inconsistency between the SA and the financing arrangements of IPA II and national funds. The SA, with its emphasis on sector level outcomes (i.e. result-driven), has a longer-term focus that lends itself much better to multi-annual programmes with longer timeframes. The bulk of IPA II funding is locked into the annual programming cycle, with a much greater focus on contracting, implementation and disbursement of funds i.e. process driven. This impression was strongly reinforced from interviews with stakeholders, for whom the main concern linked to the SA was the efficient commitment of their annual financing allocation rather than any enhanced sector level changes. Regarding the efficiency of IPA II, the capacity of the contracting authorities, primarily the CFCU and the SLIs dealing with preparing contracting documentation, will be decisive in making many of the programmes under indirect management functional. Feedback suggests that this is a weak spot in the system and a cause of concern among stakeholders.

Serbia: Despite the progress (described in the SIGMA report) of the MoF in operational frameworks though not of their functioning, to take into account sector strategies, these are far from including sustainable MT budget frameworks. An example of the disparity between national and EU related institutional setup (double track) is the public investment pipeline. According to Ministry of Construction, Transport and Infrastructure, the government has set up the SPP (Single Project Pipeline). This system responds to the acquis and was established through significant IPA assistance. It should ensure better prioritisation of projects, based on policy relevance and economic and financial evaluation criteria and on project preparedness. Apart from the SPP, a National Investment Committee has been set up which ensures "political support [and supervision] to the operationalisation of the SPP" (see the Serbian government presentation at Pristina of 25/03/2015). Only EU and foreign assistance related and supported investments go through the SPP. The remaining projects are managed through the previous public investment system, with different national criteria.

Turkey: As generally said for the strategies, budgets respond to the agreed priorities in the framework of MAPs. Apart from this, there are no attempts to make a bridge between sector strategies and resources allocated to the sectors, according to the SA requirements, simply because SA is not recognised by Turkish counterpart. Certainly, they must have some forms of sector based budget, but this is not accessible, not shared and has nothing to do with SA. The SPDs are the only Turkish attempt to do so. In certain cases, they mention the budgetary issues as a formal compliance, requested by MoF, but with no links with the sector policy process.

#### **Interviews with beneficiaries conducted before the field phase:**

This is probably the weakest point in the SA process both in Serbia and Albania.

Plans of action support the strategies in many cases, but costing is often absent and MTBFs are almost always lacking, since budgeting is not actually linked to programmes.

The Republic of North Macedonia: beneficiary problems with setting up the overall mid-term expenditure framework

#### **Other interviews conducted before the field phase:**

CoTe PAR MoF is not involved in Sector Working Groups and budgeting of the sector strategies is a very weak point.

Serbia: PFM better advanced now. MoF checks the budget, when a strategy is drafted.

#### **I.3.1.3 Evidence from documents**

**Internal document, Turkey, 2016** – SA implementation. However, the introduction of a "reinforced sector- approach" has not been possible in Turkey, since the real alignment with the Turkey's strategies and action plans would require the implementation to start earlier, and not with a delay of 3 to 5 years from the start of planning/programming, as is currently the case. In addition, many actors are reluctant to change and keep operating as under the previous IPA I approach which focus on projects. The role of NIPAC in enforcing shift to sector approach has been disappointing.

**ISP 2014-20 and Action documents 2016, Serbia** – Various sector documents contain similar sentences on programme budgeting: The representatives of the donor community also participate in the SWG meetings based on the needs and requirements of each SWG meeting and take part in consultation processes for analysing sector priority goals, measures and operations supported by EU funds and other international assistance. Sector Budget and medium-term perspective: The programme budgeting is legally introduced in 2015 for all budget beneficiaries. The programme budget facilitates planning and prioritisation processes within the Government, as well as enables easier monitoring of spending through greater transparency. In accordance with the Programme Budgeting Instructions (PBI), the programme-based budgets are structured through programmes and activities/projects. A programme budget is developed in line with medium-term beneficiary's plans and other strategic documents related to their competencies. A programme is a set of measures undertaken by budget beneficiary in line with its key competencies and medium-term objectives. Each programme is made up of independent yet closely interlinked components, activities and/or projects, set up objectives and developed indicators. The programme budgeting mechanism developed in instructing and coordinating with the budget beneficiaries can already be qualified as very instrumental for consolidating the fiscal discipline and for the transparency of public expenditure. However, there is yet no full-fledged mid-term, sector-based budgetary planning process that could be used to develop mid-term expenditure frameworks.



**Action documents, Montenegro, 2014:** PFM support programme budgeting. To establish basic principles of good fiscal management, reflecting in clear linkages between budgeting and government policies, Montenegro will continue implementing programme budgeting, that will represent one of the most effective and efficient methodology in achieving this goal. The activities conducted so far in the field of programme budgeting have been extensive and very important from the point of view of changing the methodology of budgeting and moving towards the alignment with international practices, and creating a solid foundation for continuance of the process. Although the overall structure is in place, the system has not been fully developed, performance indicators were not introducing numerical fiscal rules and medium-term budget framework.

**SIGMA assessments Monitoring Report, Bosnia and Herzegovina, 2016** – budget framework The Government publishes a medium-term budgetary framework on a general government basis that is founded on credible forecasts and covers a minimum time horizon of three years; all budget organisations operate within it. At all government levels in Bosnia and Herzegovina, there are legal provisions to prepare a multi-annual budget framework. The key document for the multi-annual budget framework is the Budget Framework. The BF contains information on priorities and new policy proposals that are reflected in the expenditure projections. Both the Republika Srpska and Bosnia and Herzegovina have prepared Economic Policy Papers that guide the selection of priorities. However, there is not an established practice of preparing medium-term strategic documents at sectoral level which are costed and incorporated in the medium-term budget...

The first important reform in the field of MTEF introduction, took place in 2008, when Bosnia and Herzegovina Fiscal Council was created with the objective to coordinate fiscal policies for the sake of common interest of State, entities and BD Bosnia and Herzegovina. For the most important role of fiscal coordination—preparing the Global Framework of the Fiscal Balance and Policy (GFFBP)—in practice the Fiscal Council decides on revenues from indirect taxation and the budget of Bosnia and Herzegovina institutions, thereby creating pre-conditions for budget planning at lower level of governments, which are responsible for over 90% of public expenditures. Given that key government functions (social policy, subsidies, education, etc.), are performed at sub-beneficiary level, timely decision making on Bosnia and Herzegovina Institutions' revenues from indirect taxes is important in enabling timely implementation of their respective budgets. ...

The Global Framework for Fiscal Balance and Policies in Bosnia and Herzegovina (GFFBP) for the period 2017-2019 has been drafted based on the Law on the Fiscal Council in Bosnia and Herzegovina. The document contains all the necessary elements, which are indispensable for fiscal policy-makers in Bosnia and Herzegovina to produce their document of the framework budget 2017-2019. These elements are fiscal targets defined as the primary fiscal balance (the primary surplus and the primary deficit), projections of total indirect taxes based on macroeconomic projections and their allocation for the next fiscal year, as well as the upper debt limit of the budgets of the State, Bosnia and Herzegovina, Republika Srpska and BD Bosnia and Herzegovina.

The Budget Framework for Bosnia and Herzegovina's Institutions for the period 2017-2019 represents a preliminary draft of the budget of Bosnia and Herzegovina's institutions for 2017, accompanied by the framework plans for the next two years. The main objective of this document is to set macro-economic, fiscal and sectoral policies in the focus of the process of planning and determining budget, in full recognition of the fact that budget is the basic instrument for the realisation of financing priorities of Bosnia and Herzegovina institutions, adopted as part of the CoM's strategic documents.

The Republika Srpska Government adopted the Republika Srpska Framework Budget Document for the period 2017-2019. The implementation of the Law on Fiscal Responsibility in Republika Srpska, adopted in 2015, will significantly improve fiscal responsibility and discipline related to spending public funds throughout the budgetary system of Republika Srpska, at both levels, i.e. the entity level and the level of local self-government units.

The Government of Bosnia and Herzegovina adopted the Framework Budget Document for the period 2017-2019. Implementation of fiscal consolidation measures at the lower levels of government in the Bosnia and Herzegovina is coordinated through the Fiscal Coordination Body of Bosnia and Herzegovina. Formation of governments at all levels in the Bosnia and Herzegovina after the October 2014 elections presented possibilities for discussing the current fiscal situation in Bosnia and Herzegovina. In May 2015, the Bosnia and Herzegovina Parliament adopted the Law on Amendments to the Law on Budgets in Bosnia and Herzegovina amending the fiscal rule and introducing the obligation to settle the accumulated deficit in the following five years at all government levels in Bosnia and Herzegovina.

**Annex II, Assessment grid transport, Montenegro:** there is a multi-annual budgeting in place, but the Government approves only annual budgetary commitments. No information available if measures for improvement of budget planning procedures and thus cannot assess the expected results, the submitted Roadmap does not provide this information either.

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

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

IPA II places great importance against CSO involvement in SA processes.

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

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

Strength of the evidence: high

I.3.2.1 Extent to which there are awareness and communication campaigns on key sector reforms and possible responses

**I.3.2.1 Summary**

The problem of informing the public opinion is not addressed systematically in the sector related documents and it does not appear, in most cases, as a priority. More often, the issue of the visibility of the IPA II support programmes is raised, while the key issue should be to ensure the support of the large public to reform processes, which are supposed to change the society. However, when the reforms address themes that touch the sensitivity and current concerns of the large public (e.g. the judges' vetting process in Albania) the participation of the media is higher.

**I.3.2.1 Evidence from interviews and e-survey**

#### **e-survey and Field visits:**

According to the e-survey, the question whether a limited awareness and pressure of the beneficiary public opinion hampered the SA process, received a substantially negative response. Most respondents (there was a preponderance of public sector respondents) said that this was not the case, or was one of the least hampering factors. Such a reply may reflect different ideas of the respondents, e.g. the importance of the public opinion in the SA process is limited, or (at the opposite) the level of awareness of public opinion is rather good. The e-survey does not reply on this point.

**Albania:** One of the most significant and rather unique features of the Albanian case is that the most important reforms (PAR/PFM, Judiciary, etc.) have been initiated and supported through a public engagement of the Government and open debates in the Parliament, of which the large public, through the media, has been informed and toward which it is largely supportive.

**Bosnia and Herzegovina:** Public opinion is currently not being mobilised in any systematic way to support key sector reforms. The EUD (and the team of the EUSR) have a communications team that works on promoting the EU and its benefits to Bosnia and Herzegovina. However, this work is not explicitly linked to key sector reforms targeted by IPA II. There is reportedly a move within DG NEAR to try and integrate awareness/communication into the programming of all IPA II actions from its very start, which is recognised as being, in theory, a more effective way to link programming and promotion. However, it was noted that to do this properly, especially in Bosnia and Herzegovina (where public opinion on EU matters is largely sceptical and the media's appetite for non-scandalous news minimal), the EC would need constant guidance/mentoring from professional communications experts (from the private sphere). From Bosnia and Herzegovina institutions to the question of how they could more effectively use public opinion to promote their reform agendas the feedback was either incomprehension or that this was an issue that they did not deal with. PR within these institutions is reportedly focused around promotion of the minister or his/her staff. Feedback from media representatives suggested that potential for promoting EU reform issues exists – the EC has thus far failed to do this well due to many factors ("a mega bureaucracy trying to work like a PR agency"). A stronger focus on tangible benefits that are understandable to Bosnia and Herzegovina citizens and greater accessibility/openness to the staff/institutions dealing with EU issues is essential for this to work.

Kosovo: It was recognised both within the EUO and by media representatives canvassed for this evaluation that the current awareness and communications practice for IPA II is not particularly effective in promoting key sector reforms, and to do this requires a more strategic approach to promoting IPA II benefits. This would revolve around looking at sectors to promote concrete benefits in an imaginative and tangible way for the general public. However at the moment the SHs noted that several factors undermine this from happening: These include 1) a highly politicised Kosovo media with little interest in content issues typical for IPA II; 2) lack of capacity within the EUO to promote this way (OMs do not have the skills/time to include communication dimension into their work especially programming SPDs/ADs; there needs to be a thorough, clear EC strategy on how to deliver this new approach; Communications Dept. has 4 staff – to do this task effectively would need more people with real communications skills backed up by an appropriate budget; 3) Absence of a capable partner on the Kosovo government side to promote/communicate on IPA II. It was noted that public opinion remains open to and pro-EU, but this is eroding somewhat due to ongoing political issues (linked to the visa liberalisation delays and the distant accession perspective).

The Republic of North Macedonia: The EUD has taken an innovative approach to promoting IPA II results, focusing on sectors and aiming to develop 'stories' that reflect the concrete benefits that IPA has delivered. This has thus far been piloted in one sector only, but was recognised by media as being an interesting counterpoint to the previously 'boring' campaigns run to promote EU projects by the EC and ministries of North Macedonia. The media space relating to EU issues is dominated by political themes, such as the so-called 'name issue' and its impact on the country's lack of accession perspective. Media representatives concluded that positively influencing public opinion via the current campaigns is largely predicated upon a tangible shift in the accession process. Until this happens, it is unrealistic to expect any significant mobilisation of public opinion in support of EU-linked reform processes. It was also noted that, if there is a change in the political situation and accession processes start up again, the EU (and the ministries) will need to act quickly to make use of this "window of opportunity" for capturing the public's interest, both in terms of a programming response (activating projects that can be seen as helping the country in accession preparations) and in effectively communicating the benefits of such projects. For the former, media noted that the EU was not the quickest in delivering such results (due to its perceived bureaucracy) and that for the latter, this would require significant financial and intellectual resources (which would likely exceed those currently available to the EUD and its counterparts in North Macedonia).

Montenegro: IPA II is promoted in the same way as its predecessor. Feedback from interviewees indicated that, whilst the concept of integrating promotion of results into programming of interventions with a view to mobilising public opinion was sound in principle, practical barriers to this happening existed. These included the capacity of both programmers and communications staff to adapt to such an approach, the need for clear guidance on how to do this, and resources (human and financial) to make this happen. General public interest in EU issues was reportedly high, although promoting reform processes was considered to be a challenge due to their perceived often 'boring' nature. A more imaginative approach to making reform stories tangible is evidently not being considered at present even though SHs consider it potentially effective.

Serbia: Communication to the public about IPA related objectives/achievements does not seem a priority for Government and for the majority of Serbian media. According to independent advices and civil society, there are no sector reforms, where Government has taken a public commitment (as in Albania) towards given results. According to independent advices and the results of surveys, EU support is not particularly popular, and the Government does little to change this. Priorities in the media are nationalist stuff and internal matters. Government communication on PAR/PFM is very little compared for instance to Kosovo related matters.

Turkey: Public opinion has been involved in the EU supported reform process through two different modalities:

- i) The media, especially on the most sensitive reforms in Judiciary, Human Rights etc. This modality has become very difficult especially after Gezi Park (2013), and it has now almost disappeared, as most free media have been suppressed and/or are under prosecution;
- ii) The direct benefits to groups, which are normally marginalised from the large communication channels, such as the small enterprises in remote areas, which have benefited of the outcomes of a MAP programme. For example they obtained small credits, technical support for enterprise development, common infrastructures (storage, transport, others) thanks to an EU supported programme. The latter is the only modality remained today.

#### **Interviews with beneficiaries conducted before the field phase:**

In Albania and in Serbia, the reforms do not seem supported by adequate communication campaigns to inform public opinion on the consequences that such reforms may have on people's life. Nevertheless, in Albania, the Government has made a strong public commitment on the EU supported reforms, which has addressed through the media the public opinion.

Some stronger attention to public opinion awareness seems to be present in the Republic of North Macedonia, where a significant and successful test has been carried out in rural areas.

I.3.2.1	Evidence from documents	<p><b>General:</b> In general, public awareness is largely mentioned in the strategies as a key task. In the monitoring reports, its consideration is slightly overlooked.</p> <p><b>SIGMA Monitoring Report, Bosnia and Herzegovina, 2016:</b> The MoF of the Bosnia and Herzegovina, the MoF of the Republic of Serbia and the Finance Directorate of the BD should each ensure that EBFs are brought fully into the budgetary approval process in the Entities and the BD. 5) To promote greater public awareness, the draft and adopted budget and all the background documents (not just the adopted budget) should be published on the websites of the MoFs once they are adopted at the Government level.</p> <p><b>PAR Strategy, Serbia, 2014:</b> The Office of the Ombudsman continued to function effectively and improved its availability to interested parties. The number of complaints from citizens has increased, with most of the complaints referring to violations conducted in the work of the administration. The capacities of the Office have improved due to several staff training in handling the complaints, IT development and the implementation of public awareness campaigns to promote the importance of the work of an Ombudsman. The Office prepared the Code of Good Governance, which the Ombudsman submitted to the Parliament for approval. It represents the "general framework of proper administrative conduct (good governance) for public authorities and civil servants, which includes professional standards and ethical codes of conduct in discharging official duties and establishing communication with citizens". The Commissioner for Information of Public Importance and Personal Data Protection has a proactive approach to discharging his duties. There have been certain improvements in standardising and implementing the regulations allowing access to information of public importance. The capacities of the Commissioner's Office have been improved. The legal framework in the field of planning, recording and implementing more transparent public procurement procedures conducted by state authorities and public-private partnerships (hereinafter: the PPP) was upgraded. In addition to the reform process in this area, public awareness should be raised (among the citizens and legal entities of private law) in respect with novelties introduced with the new general administrative procedure. Upon determining the results of inspection controls, the administrative inspectors should ensure analytical information and recommendations aimed at improving the state in the field of administrative decision-making.</p> <p><b>Serbia Judiciary Functional Review, World Bank, 2014:</b> Monitoring, training, and public awareness should be an on-going process. Prepare and deliver training for judges, assistants and court staff on the purpose and content of court integrity plans. Develop integrity plans for all from one based on fees paid for hearings to one based on legal services and case resolution. Develop quality standards for mediators and a certified mediator registry. (MOJ – short term). Raise public awareness of mediation through websites, brochures, and public service announcements. Introduce a Mediation Self-Help Test, applying lessons from the Netherlands, so that parties can determine whether mediation would benefit them (MOJ – short term).</p> <p><b>RESPA Cross Country Comparative Study on Public Administration with Baseline:</b> The study identifies key weaknesses and stresses the importance of public awareness campaign on several crucial areas: Institutional communication; e-government; public procurement; administrative procedures and PA service delivery. It mentions the success of the mobilisation of the private businesses in Bosnia and Herzegovina in support of the Bulldozer Initiative in the early 2000s. It includes the need to raise public awareness as a key short-term priority in the reform process.</p>
I.3.2.2	Extent to which CSOs are associated in the SWGs	
I.3.2.2	Summary	<p>All action documents contain a reference to the involvement of Civil society in the sector processes. CSOs are involved in most SWGs in the programming phase and in some coordination bodies, where NIPAC and the EUDs participate. Their participation seems weaker or absent in the internal sector monitoring sessions. In most cases, because such sessions are occasional. While the participation of the most specialised or biggest NGOs is ensured in the relevant sectors (at least in the programming phase), the participation of the professional organisations, the Academia, the Unions, etc., in their specific sectors, is not pursued systematically. Any relevant programming and action document stresses that CSOs' participation should be strengthened, but this does not translate into any practical measure or change of approach. In addition, the CSOs' role does not seem supported by an adequate information of the large public (see above).</p>

### 1.3.2.2 Evidence from interviews and e-survey

#### **e-survey and field visits:**

According to the e-survey, participation of civil society in sector assessment (namely in programming) is positive for 65% of the respondents (which is a rather low score, compared to the average). In the main sectors, the score is higher for PAR, while it is lower for Home Affairs. At the level of individual beneficiaries, the score is comparable, except for the Turkey, where it is lower.

Albania: CSO representatives interviewed consider that there is a certain level of participation of CSOs in the policy process, especially for programming (including the preparation of SBS programmes). But they also consider that in the implementation, their role is partly marginalised. They are not associated in the SMCs, but participate in coordination instances such as the IPMGs, which are very important, but also a bit dispersive. They may provide a good basis for information, but do not allow in depth discussions and the search for shared positions.

Bosnia and Herzegovina: Evidence shows that CSOs have been involved in SWGs. The quality of their engagement (based on feedback from the mission) suggests that this involvement has been largely formal in character and has not allowed them significant influence over the SPD process. For example, for PAR, only 2 CSOs participated in the SWG (despite it being a large group) – only 4 were invited. Feedback from the CSOs indicated that their inputs were not considered, they had no current or future involvement in the SWG/SA process and saw no real incentive to do so. The SLIs noted that they were obliged to invite CSOs to participate in the SWGs but considered this to be enough i.e. a duty discharged. Neither party had a clear idea of what the CSO involvement should look like in practice and felt that, without better guidance and structure, CSO engagement would remain as it is now.

Kosovo: Evidence strongly indicates that there is no meaningful engagement of CSOs in SA. They are formally excluded from the SWGs created by the Kosovo authorities (they are not included in the relevant 2015 government regulation). The Kosovo side claims that CSOs are consulted via a separate forum on SPDs but feedback from CSOs suggested that where this happened, it was in the form of a formal presentation of SPDs by the NIPAC at which CSOs had little chance to respond in a comprehensive manner. Other types of sporadic engagement were noted e.g. Gender issues CSOs have been asked to comment on specific elements of ADs, but even the quality of this engagement was reportedly poor, with no evidence that the CSO feedback led to meaningful changes to the AD. It was noted that factors such as cultural resistance in Kosovo institutions to engagement with CSOs and a lack of knowledge of the SA processes among CSOs contributed directly to this. Those CSOs that were consulted in the evaluation evidently would be willing to get involved in the SA processes, if they know about it, have some idea of what it involves, and know of the incentives for them. At present, none of these things are in place. In principle forums and platforms exist between Kosovo institutions and CSOs that could also facilitate their engagement in the SA process (CiviKos etc.). Also, on the government side, the OGG (dealing with CSOs) and NIPAC are aware of the CSOs that would be possibly interested in planning/programming/monitoring. So, in theory, the basic architecture is in place. The SRC for the PAR budget support programme refers to various stages of civil society consultation during the document's development. This suggests that CSOs are more systematically and meaningfully engaged in SBS than in non-SBS areas. The government decision to establish the SAA WGs including CSOs is an opening, although their involvement still needs to be fine-tuned. Overall, there is much work to do to get to the point where CSOs are playing a proper role in the SA in Kosovo.

The Republic of North Macedonia: Aside from reported isolated examples (environment, civil society SWGs) the involvement of CSOs is very limited. This is reportedly due to lack of initiative on the part of the SLIs, but also their uncertainty over which CSOs they should invite to, and concerns over how representatives these CSOs really are for wider civil society. There is a strong need to introduce a clear and comprehensive structure for CSO engagement. The NIPAC would ideally lead this process but its efforts in this regard have thus far proved ineffective, although they commendably continue. Good practice from the environment sector may help give other SLIs better ideas of how to ensure proper CSO involvement. Paradoxically, the EUD has a well-established coordination platform with CSOs, which highly valued this mechanism to discuss priorities and influence programmes. This mechanism has not apparently been used to help SLIs develop their relationships with CSOs.

Montenegro: CSOs are formally involved in SWGs and the first SMC. The quality of their involvement in these forums is difficult to ascertain due to limited access to CSOs during the evaluation and mixed feedback from SLIs on how they incorporate CSOs in their workings. Feedback indicates that most CSOs are not particularly engaged constructively in SA processes. Feedback from SHs suggests that the quality of CSO involvement in SBS preparations and the EESP SOP was more substantial and they will play a role in these programmes' monitoring. Weaknesses in the communication between the Montenegrin SLIs and CSOs was reported by CSOs and there is evidently room for improvement here. More generally, CSOs reportedly are reticent to engage with government structures due to a long-standing adversarial attitude that prevails between them. This is likely to be a barrier to a better quality of constructive and structured dialogue with CSOs as part of SA.

Serbia: CSOs are not associated to policy process, apart from IPA programming. Even the PAR/PFM SWG does not meet. They are only invited as observers in the annual IPA Monitoring Committee. When they send reports, normally they do not receive any answer. The disappointment of CSOs is high regarding the consultation process in the framework of IPA SA.



Turkey: CSOs are associated in the programming process, thanks to the MEUA activism, although most of them are sceptical and reluctant about the transparency and the usefulness of such consultations (CSOs' Associations and EUD). There are no sector policies and legal frameworks to streamline CSO consultations in the sector policy processes, which should become mandatory. On the other hand, in the present situation of democratic crisis, CSOs need to be helped to survive and advocate for defence of the basic rights, at family, local and national level. The EU support focuses much more on independent and/or self-managed tools to finance and assist CSOs participation in public life, such as CSF-TACSO, EIDHR funds, STGM calls for proposal. Such support is much preferred by the CSOs compared to the Government calls for proposal managed by MEUA. These risk also to give room to Government-driven organisations, as it apparently happens at national and international level.

**Interviews with beneficiaries conducted before the field phase:**

In Albania and Serbia, CSOs are associated at different levels in the sector coordination bodies (IPMGs and sector working groups, in Albania, SWGs in Serbia), in all the occasions where the donors are associated. There is little information on their participation in the internal consultation, and current M&E, also because these activities are weakly structured and often do not function.

In Serbia, the CSO participation is more structured: 11 SECOs have been identified by MEI, grouping CSOs rather specialised by sector and designated to participate in the sector dialogue.

The Republic of North Macedonia: last year call inviting CSOs to participate in SWGs; a list of CSOs has been established from where SWGs should choose CSOs for involvement.

Kosovo: CSOs are involved in SWG, consulted in programming but to a limited extent; main problem: CSOs traditionally work on project-based approach; they are usually not sufficiently equipped to significantly contribute to policy-making of the sector.

**Other interviews conducted before the field phase:**

Where SBS, CSO consultations, as in Serbia PAR, take place

WeBER regional platform and monitor for CSOs on PAR

Public consultation is a recurrent weakness of PAR

**I.3.2.2 Evidence from documents**

**Internal document, Montenegro, 2015:** The Government on the other hand has adopted decrees, which prescribe the consultation of civil society when it comes to drafting legal documents and strategies, but in practice these consultation mechanisms are not yet fully implemented and CSOs are often not consulted when new legislation is drafted, for instance.

**Internal document, Turkey, 2015:** The EC should step up its efforts to maximise the EU's support for civil society in Turkey via IPA II funds. Besides policy dialogue with the Turkish authorities, the interactions and regular contacts between the EUD and Civil Society Organisations through various consultation exercises and participatory priority identification methodologies led to strong ownership of the European Instrument for Democracy and Human Rights by the civil society in Turkey. And this trend continues to be very strong.

**IPA II Monitoring, Reporting and Performance Framework, 2016:** SECO has been developed in Serbia; this Civil Society consultation mechanism and platform cover all internal development aid to the beneficiary, and has already been used under IPA I. SECO is a mechanism of civil society-public sector cooperation in the planning and utilisation of international development assistance funds in Serbia. It is not intended for negotiations with the EU. The SECO mechanism was created in 2011, at the initiative of the European Integration Office. More particularly, the team has introduced and the DG NEAR has accepted several actions to carry out a specific insight into the views and opinions of the civil society Organisations (CSOs) currently involved in IPA consultation spheres.

**Floods recovery and prevention, Action Document, Serbia, 2014:** A similar degree of involvement of CSOs is not expected during the post-flood recovery, however the involvement of CSOs is still substantial for the implementation of the Action and essential for the achievement of its results. In order to enable more inclusive and transparent dialogue, consultation and communication with all relevant stakeholders in the respective sectors, a consultation mechanism with the civil society organisation (CSOs) has been established in Serbia in 2011. This mechanism is based on the consultative process with Sectorial Civil Society Organisations (SECOs) and serves as a platform that enables exchange of information and contribution of CSOs in relation to planning development assistance, particularly programming and monitoring of the IPA. A sectorial civil society organisation indicates a consortium of maximum three civil society Organisations as partners.

**SIGMA, Baseline measurement Kosovo:** Analysis indicates that civil society, academia and the business community were not involved in the PAR monitoring process: quarterly and annual reports were discussed only within internal Government structures. Consequently, for the qualitative indicator that assesses the overall monitoring and reporting framework for PAR.

**SIGMA Monitoring Report of the Republic of North Macedonia, 2016:** The Law also includes further requirements to ensure a right of hearing, to provide reasons for administrative decisions, to inform citizens of their right to appeal decisions, and to provide procedural rules for amendment, suspension and repeal of administrative acts. Consultations with civil society organisations are rare and have little impact on decisions by the public administration (analysis under Principle 1). The revised LGAP did not benefit from comprehensive stakeholder engagement. The RIA (Regulatory Impact Assessment) report for the draft Law cites only opinions provided by government institutions and one minor public-sector union. No other non-government stakeholder opinions are included. The quality of the RIA is accordingly low, and it envisages no impacts whatsoever in the areas of economy, society, state budget, environment or public administration.

**Regional flood protection infrastructure, Action Document, Bosnia and Herzegovina, 2014:** The SECO consortium for the environment sector actively contributes to the creation of recommendations within the network and influence official documents and provides recommendations for defining priorities for financing from EU funds and development assistance. In Bosnia and Herzegovina, inputs from civil society deemed critical in a wide consultation process that took place within the Recovery Need Assessment of May-June 2014, which was conducted all over the flood-affected areas. The civil society was involved through participation of various networks and civil society organisations. All relevant stakeholders from various levels of the government in Bosnia and Herzegovina as well as non-state stakeholders have had a chance to take an active role in the consultation process in the aftermath of the floods of May 2014 and helped to prepare the priority subjects, citizens and CSOs. A similar degree of involvement of CSOs is not expected during the post-flood recovery, however the involvement of CSOs is still substantial for the implementation of the Action and essential for the achievement of its results.

**Internal document, Kosovo, 2015:** The consultations on Civil Society Facility 2014/15 with CSOs were a continuation of an existing long-term partnership between the EU Office and the civil society in Kosovo. The programming of the EU financial assistance to civil society in Kosovo, both CSF and EIDHR, is regularly consulted with CSOs through the Local Advisory Group of the Civil Society Facility. In addition to this consultation on assistance, the EU Office maintains regular contacts and organises consultation exercises related to the sectorial and plenary Stabilisation and Association Dialogue (SAPD) as well as for the drafting of the Progress Report... Throughout IPA I, the EU Office has strongly encouraged the Kosovo Government to gradually enhance the systematic consultation of beneficiary IPA programmes with civil society by sharing draft programmes and organising specific consultation meetings, notably for IPA 2012 and 2013. Also, regarding the Indicative Strategy Paper for Kosovo for IPA II, the EU Office supported the government in organising sectorial consultation meetings to allow for substantial discussions with and involvement of civil society in the drafting process.

**Most progress / enlargement reports 2014-15 and 2016:** On CSO consultations they provide generic recommendations on the need to strengthen them, make them more structured and systematic and mainstreamed in the beneficiary policy process. Only for Albania 2016, there is a recognition that significant progresses have been made.



**JC.3.3 There is complementarity/ leverage between SA and specific action modalities (e.g. multi-annual programmes, budget support) toward an increased coherence of IPA II support**

SBS and MAPs are generally well suited to deploying SA processes.

Some difficulties in the use of SBS have been noted linked to its conditionalities.

MAPs for the most part continue the work of IPA I components III, IV & IV.

The departure of line DGs from IPA II has not been a positive development, although most existing MAPs have been able to adapt, albeit with difficulty.

Despite the benefits offered by both SBS and MAP, there are disincentives to their actual deployment.

MAPs are not utilised as widely as they might be, which given the advantages they offer appears to be a missed opportunity.

Strength of the evidence: high, especially for SBS.

I.3.3.1 Extent to which SA is conducive to access to more comprehensive and strategic modalities of aid, such as multi-annual programmes and/or budget support

I.3.3.1 Summary At least in DG NEAR experience, sector approach has clearly been a pre-condition for the establishment of multiannual support through SBS. And SBS seems to be the natural evolution of an initial success of SA, at least in some sectors. As far as SA uptake advances, in key sectors, the number of SBS in the form of Sector Reform Contracts multiply. A big issue is when shifting to SBS should be advisable. Sometimes launching SBS has appeared pre-mature, due to a weak verification of indicators and poor institutional coordination (Serbia-PAR). But on the other side, all experiences confirm that – in the sectors where it has been implemented – SRC has created new conditions for strengthening beneficiary monitoring and dialogue on results between the parties. Such conditions are irreplaceable to ensure that SA uptake makes further progress.

I.3.3.1 Evidence from interviews and e-survey

**Field visits:**

Albania: MAPs, other than SRCs, do not exist in Albania. A possible exception could be the Rural Tourism programme delegated to EBRD, not yet started. In most key sectors, the establishment of SA, good strategies and associated tools, has been conducive to SRCs for further development.

Bosnia and Herzegovina: Neither SBS nor MAP are being deployed in Bosnia and Herzegovina in the context of the main sectors covered by IPA II. The conditions for use of SBS are constantly being assessed by the EC but at present there has (apart from one aborted attempt to use it in de-mining in 2015) been no move to introduce it. Issues linked to credible PFM, functional policy dialogue and budget transparency are, among others, holding back its introduction.

Kosovo: Regarding how the SA encourages the use of other forms of aid modality, SBS is being deployed in two sectors, PFM and PAR. Their usage is a direct consequence of the SA and thus far have been characterised by intensive, structured dialogue that has led to the development of two SRCs that contain detailed sector assessments, priority analysis, comprehensive risk assessments and performance assessment frameworks, which should in principle, enable the tracking of performance against agreed milestones/indicators. Whether the use of SBS will prove to be an incentive for further SA uptake depends largely on its success to both meet established indicators and draw-down earmarked IPA II funds. Neither have yet to be proven. Regarding MAP, aside from a position paper from the Kosovo side on its possible deployment in a pilot sector, there is no sign as yet of moves towards its introduction. Currently the main focus is on AAPs and the SBS interventions.

The Republic of North Macedonia: MAP has been used in the Republic of North Macedonia since 2008 with the introduction of 3 sector operational programmes (Environment, Transport, Employment/Education and social policy). These have introduced many elements of the SA into these sectors and at the same time laid the basis for introducing structural funds in the country. All SOPs were affected by efficiency problems to various extents (capacities within the operating structures, protracted contracting processes that in the case of EESP led to decommissioning of funds). Nevertheless, their value has been confirmed by the institutions of North Macedonia and the staff at the EUD involved in their delivery (as well as being recognised in the mid-term evaluation of IPA II of 2017). Benefits of the SOPs included improved ownership, a more strategic planning perspective, improved capacities to programme and implement at a sectoral level, a fruitful relationship between the line DGs supporting the SOPs.

IPA II has led to major changes in the environment for SOPs, few of which can be considered positive. The line DGs are no longer involved due to decisions within the EC and DG NEAR has not had the capacity to fill the expertise gap created by their departure. The OSs have had to undergo a lengthy reaccreditation process, to de facto confirm that they are able to do the job they had been doing for the previous 5 years. This process reportedly held back the programming and commitment of IPA II funds. In the case of EESP, the decision was made to revoke its status as a SOP under indirect management due ostensibly to poor efficiency (loss of funds) and return it to direct management funded under AAPs. Feedback from those stakeholders directly involved in the EESP OP was universally negative over this decision, stating that the ownership, institutional morale and technical capacity built up over IPA I had been seriously damaged as a result. Sector Budget Support (SBS) has thus far not been introduced in the Republic of North Macedonia. The EC has been exploring sectors where this could be done, but there is a noted reticence on the part of the authorities of North Macedonia to commit to this. Also, preliminary assessments of the readiness to introduce SBS into the area of PFM were carried out in 2015 & 2016, but due to the political situation in the country at the time, this was not taken forward. Feedback from stakeholders suggested that the basic conditions are in place for SBS in some sectors, but the political commitment for its adoption remains elusive. EESP should be the next sector to be addressed under such modality.

Montenegro: PA/PFM SBS is facilitated by the SA and operationalises many elements of it. PAR/PFM SBS has good coherence with other programmes and has been coordinated with other external actors involved in the sector (World Bank, UNDP). Although predating the formal introduction of SA in Montenegro (in 2015), the EESP SOP also implements SA and links national sector and IPA II priorities. The IPARD programme being developed under the Ministry of Agriculture in cooperation with DG AGRI also partly implements SA for IPA II. These represent positive examples of how SA can be applied to the Montenegrin context.

Serbia: SA has opened the way to SBS as a natural evolution in PAR/PFM and Education, while the stall of the dialogue on independence of judges and prosecutors is hampering the same evolution in Judiciary. However, SBS has appeared as a completely new concept, very difficult to understand. In the first two years in PAR/PFM there have been no disbursements, mainly due to the lack of agreement on indicators. Some indicators were top-down and inapplicable, like in the case of budget approval, which was not coherent with the IMF agreement. Others were overambitious and not dynamic, but rather rigid. Now, the process seems on its way and the assessments for disbursement are being carried out. In Education, SBS was launched in 2015, based on a comprehensive strategy prepared by the Ministry with the support of IPA. A change of Ministry, however, has stopped the start of the implementation. Implementation has recovered, but policy dialogue has not been implemented, since only the technical achievement of some indicators (linked to disbursement) is focused by the ministry. There is a new SBS, more flexible and innovative, in IBM. This is too micro and initial to be a model, however. There are no MAPs in Serbia, even though many officials in the e-survey have shown a preference for that form of support (probably because it is referred to Structural Funds and EU-MS procedures).

Turkey: MAPs are mainly a consequence of the IPA I approach, which was focused on enhancing the pre-accession process through the adoption of sectoral operational programmes, based on the adoption of Structural Funds modalities. MAPs were the only multiannual type of support accepted by Turkish government, which was therefore continued under IPA II. Turkish government rejected Budget support, apparently due to the invasive assessments required at PFM and Macro-economic level. From the interviews, it seems that the dialogue on the potential of Budget Support has not been developed because of a general deterioration of the political climate among the parties, while the instrument could have been positively applied to policy innovation in various areas. On the other hand, MAPs have been overlooked as an instrument of sectoral policy dialogue and their appeal as an acquisition of EU specific strategies and good practices has been weakened due to the retirement of the Commission's DGs.

#### **Interviews with beneficiaries conducted before the field phase:**

In Serbia and Albania, SA has provided the framework to make possible SRCs. And, on the other hand, SRCs have shown to be the best way to deep and complete the SA process. Indeed, the SRCs need mature strategies, relatively advanced and well thought performance frameworks, that may be provided only through a thorough implementation of SA. On the other hand, SRCs provide the incentives, the dialogue structure and mutual commitment necessary to ensure an adequate implementation.

In Turkey, the attempts so far to link SA and SRCs have failed, because SA has been rejected and SRCs have been perceived with an emphasis on conditions rather than on opportunities. Turkish government could be interested in an SBS modality linked to policy innovation and experimentation (appreciated SA experience). On the other hand, the potential conduciveness of multiannual sector programmes (which are welcome in Turkey) for SA has been overlooked so far.

#### **The Republic of North Macedonia:**

PFM: Strategy finalised; 18.6 M€ are available for 2018. Possible use of SBS under consideration; however, MoF wants to work with SBS only if the allocation would be substantially increased (40-60 M€?).

ENV and TRA multi-annual programmes are of good quality and ready to start.

EDU/EMPL/SOC 2017 is seen as the best multi-annual programme (on paper).

#### **Kosovo:**

SBS: initial difficulties to understand the new approach (lots of consultation with Albanian colleagues). SBS for PAR (IPA 2016) and for PFM (2017); in both sectors, good strategies are available.

#### **Other interviews conducted before the field phase:**

- PAR CoTe SBS plays a positive role, to strengthen Gov. responsibility in monitoring and reporting.
- In Albania, SBS has ensured the in-depth implementation of SA in PAR, although the start has not been easy: the first tranche of PAR was achieved at 37.5%. Indicators needed.
- Albania: SBS has ensured the in-depth implementation of SA in PAR, although the start has not been easy: the first tranche of PAR was achieved at 37.5%. Indicators needed.
- In Albania: the progress in PAR is due to the level of policy dialogue achieved through SBS.
- Anticorruption SBS included many institutions that were used to work separately and against each other.
- In Turkey, no green light from MS on SBS (even in innovative forms).
- In Bosnia and Herzegovina: negotiations on SBS on employment are under way (€30m over two years), but coordination mechanisms are very complex. WGs include up to 30 people. But this is necessary and does not fit the IPA timeframe.
- In Serbia: SBS has helped a lot the PAR process. It has been somehow imposed from outside, but then it has created a framework for dialogue, which did not exist before.
- In Serbia: Other sectors for which SRCs are being prepared include Education and IBM.
- In Montenegro: an SRC on IBM is ongoing. After initial delays, it is now on good track. The prospect of an SRC has been very conducive also in PAR, where there has been an acceleration in PAR strategy, with good results, good indicators.

## I.3.3.1 Evidence from documents

**Integrated Border Management, Action Document, the Republic of North Macedonia, 2015:** According to SIGMA analysis, EU assistance for SA uptake finds in SBS, rather than the project approach, an optimal tool, because it has the leverage to contribute to improving policy dialogue, better coordination of capacity building activities for the implementation of the IBM strategy, increased size and share of external assistance funds made available through the beneficiary budget, increased predictability of the disbursement of external funds, and reduced transaction costs of providing aid.

**Internal document, Albania, 2015:** A Special Group has been set up to follow up on progress and to agree on measures related to Public Administration Reform. Growth and economic policy is followed under the process linked to the Economic Reform Programme (ERP). Policy dialogue at policy and operational level has been further aligned and improved by both the introduction of sector approach and the move towards a Sector Budget Support. Sector Budget Support is being introduced in a systematic way in key areas of financial support for the EU integration process as outlined in the Indicative Strategy Paper for IPA II 2014 – 2020.

**Particip, External Evaluation of the Instrument for Pre-accession Assistance (IPA II) (2014 – mid 2017), Final Report Volume 1, June 2017:** The introduction of sectoral operational programmes (SOPs) under IPA I components III, IV and V in Turkey, the Republic of North Macedonia and later Montenegro created a basis for the sector approach in these beneficiaries. Thanks to this, the managing authorities and Operating Structures have acquired experience of programming, implementing and monitoring IPA support at a sector level using multi-annual programmes and these skills are being deployed for IPA II. The SOPs for IPA II for these sectors exhibit a level of maturity that is far less evident in other sectors that have not had the benefit of six years of running the sector approach in practice.

Components III, IV and V of IPA I have successfully laid the foundation for the delivery of the sector-like approach in Turkey. IPARD I has demonstrated good effects both in planned results and in creating a strategic alignment between beneficiary and IPARD rural development policy that will continue under IPARD II. This strategic coherence is also found in component IV in the Human Resources Development Operational Programme under IPA I upon which the Employment, Education and Social Policies Multi-Annual Programme builds. These IPA I programmes have allowed the implementation of elements such as sectoral monitoring and multi-annual programming that are important for the successful delivery of IPA II. Here there are lessons to be learned for other Sector Lead Institutions in Turkey and other IPA beneficiaries.

...Multiannual programmes in Turkey. The current arrangements allow for use of multiannual programmes with split commitments (MAP) but in most cases the traditional annual programme approach prevails. In the main, the use of MAP is limited to the continuation of certain programmes started under IPA I Component III, IV and V.

**Proposal for a regulation on IPA, COM2011\_2011:** Analysis of the positions emerging from the stakeholder consultation showed support for:

- Continuing with the instrument with similar levels of resources covering both institutional development and socio-economic development;
- Tailoring assistance to the needs and characteristics of each beneficiary;
- Strengthening the sector approach, with a more coherent longer-term planning process resulting in a strategic instrument for donor coordination and for steering private-sector investment;
- Introducing multi-annual planning to cover the duration of the next multi-annual financial framework, with a mid-term review, and developing further multi-annual programming also for transition assistance and institution-building

**Environment and Climate Action, Sector Operational Programme, the Republic of North Macedonia.** *The strategic structure of the MAP shows the high link between SA and MAPs, namely its capacity to combine specific objectives related to specific sub-sectors, with specific objectives related to the strengthening of the overall sector strategy.* The overall objective of the Multiannual Programme for IPA Sector Environment is to contribute to a cleaner environment and improved quality of life through sound management of natural resources and reduction of pollution. The Specific objectives are: Specific objective 1: to strengthen multiannual planning, legal reforms and institutional building; Specific objective 2: to increase access to EU requirements compliant drinking water and waste water treatment services and improve regional waste management systems; Specific objective 3: to support implementation of pilot measures contributing to sustainable development principles. *A comprehensive system of evaluations and mid-term reviews allows the stakeholders to assess the strategic coherence of the implementation.* During the implementation of the programme, interim evaluations complementing the monitoring of the Multiannual Programme for the Sector Environment and Climate Action shall be carried out, in particular where this monitoring reveals a significant departure from the goals initially set or where proposals are made for the revision of the programme. At any rate, evaluations should be planned to provide data on indicators agreed upon in the Multiannual Programme for the Sector Environment and Climate Action that cannot be obtained through the monitoring system. In addition, strategic evaluations.

**Turkey Internal document, 2016:** To strengthen the link between financial assistance and policy alignment, the EU Delegation requested the Contracting Authorities to submit Sectoral Approach Roadmaps (SARs) covering multi-annual programmes under the IPA II period. Under the overall coordination of the beneficiary IPA Coordinator's (NIPAC), the Contracting Authorities developed SARs for each sector (Environment and Climate Action, Transport, Human Resources Development, Competitiveness and Innovation) and submitted them to the EU Delegation in December 2016. This exercise aimed at enhancing the sectoral approach in the programming and coordination of IPA II multi-annual programmes.

I.3.3.2	Extent to which potential/ actual access to more comprehensive and strategic modalities of aid, such as multi-annual programmes and/or budget support is an incentive towards the SA implementation and uptake	
I.3.3.2	Summary	<p>Another relevant issue regards the level of incentives provided by SBS (and/or multi-annual programmes) in view of sector reforms. A key incentive of SBS (and/or multiannual programmes) for sector reform is the link with the accession prospect (it accelerates the reforms) and the close policy dialogue ensured by a shared performance framework. But SBS provides also a financial incentive, when the partner institutions consider that the financial resources provided by SBS are vital for their development. In Turkey, the NIPAC has highlighted the weak incentive that SBS would have at beneficiary level, unless it could be focused on specific sector innovations, for which it would provide a significant amount of resources.</p>
I.3.3.2	Evidence from interviews and e-survey	<p><b>e-survey and field visits:</b></p> <p>According to the e-survey, the beneficiaries having a stronger familiarity with SBS, like Albania but also Serbia, tend to think that SBS facilitates a lot the uptake of SA, while the others show a limited appreciation of SBS contribution. The same applies with MAPs, where the actors change. Typically, the respondents of North Macedonia express a rather low appreciation for SBS contribution and a rather high appreciation for MAPs. Generally, all the respondents express a high appreciation for the contribution to SA of the multiannual modality (either SBS or MAP) that they know.</p> <p>Albania: SBS has ensured intensive TA and dialogue to improve strategy design, PAF and budgeting, and close dialogue during the implementation. A multiannual approach, as in the case of SRCs, seems also a condition (or an optimal framework) to ensure continuity and depth to the process. The institutional volatility (e.g. the ESI SBS – Employment and Social Inclusion) is the main obstacle in a multiannual perspective.</p> <p>Bosnia and Herzegovina: MAP has not been introduced, except for bi-annual programming for civil society support. It offers considerable potential for more flexible programming and would accommodate the lengthy programming process in Bosnia and Herzegovina and address the problems stemming from the de-synchronisation of the SPD and annual IPA II programming cycle. Only a combined annual MAP programme would be possible for Bosnia and Herzegovina as it has yet to introduce indirect management of EU funds (which would enable split commitments of funds). At present, the main factor preventing a move towards MAP appears to be a lack of experience of running this modality in Bosnia and Herzegovina among the main institutions (both EC and Bosnia and Herzegovina), as well as uncertainty of how to approach its introduction (lack of guidance). Nevertheless, all the main parties recognised the potential that MAP offers for improving the SA delivery/uptake as well as IPA II efficiency and effectiveness.</p> <p>Kosovo: See I.3.3.1 above.</p> <p>The Republic of North Macedonia: See I.3.3.1 above.</p> <p>Montenegro: Currently there is no evidence of appetite towards Montenegrin authorities pushing for more SBS and MAP programmes. Potential exists for MAP in other sectors that lead towards future use of ERDF support (C&amp;I, Environment, Transport) but without lead from DG NEAR on this and backing from Montenegrin authorities (primarily NIPAC) this will remain potential only.</p> <p>Serbia: MAPs are mentioned as a possible incentive and leverage to be associated to SA, by the respondents of the e-survey (mainly government officials). Budget support is still seen as suspicious, due to the first long experience of negotiation in PAR, although the IBM SRC shows that simpler solutions are possible.</p> <p>Turkey: The existing and planned MAPs could help in view of developing SA in the relevant sectors. Indeed, the policy dialogue (in the form of exchanges with the Commission and the EU MS) is too weak at this stage, to enhance the links between the specific programmes and the national sector policies. In addition, inefficiencies that characterise MAPs (duration of the accreditation process, lack of preparation of national institutions) make this tool rather difficult to launch and implement, as shown in the Court of Auditors country report of 2017. In the last CoA country report, there is a strong critique of the inefficiencies linked to indirect management (MAPs) and a recommendation to recentralise. The CoA highlights this kind of inefficiencies also in other reports (Montenegro, the Republic of North Macedonia), but recognises the important benefit of MAPs for ownership and policy exchange.</p>

**Interviews with beneficiaries conducted before the field phase:**

As said before, budget support seems a necessary tool to deepen and complete the SA process, but it may not be the starting tool, as it needs a level of appropriation and implementation of SA as a pre-condition.

Regarding multiannual sector programme, the possibility to combine them with a review of the related sector policies is not formally considered, but in practice, there are significant experiences in this prospect.

**The Republic of North Macedonia:** MoF wants to work with SBS only if the allocation would be substantially increased (40-60 M€?).

Kosovo: Large interventions (in particular SBS), they help to gather the attention from the political level, "politicians take more care", some spill over effects into overall policy management

**Other interviews conducted before the field phase:**

Both SRCs and MAPs are preferred to annual actions, as they guarantee a better predictability of resource allocation.

See the previous indicator. Indeed, SA has been important for SBS, but SBS is important to deepen SA. Even when it starts with a medium quality SA, it creates the dialogue framework to accelerate and improve SA.

However, in Montenegro, the key incentive is the accession. A bad accession report is much more negative than the non-disbursement of a variable tranche.

I.3.3.2	Evidence from documents	See under 3.3.1 above. Due to the nature of the subject, evidence is often clustered together for indicators under JC.3.3.
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**JC.3.4 Specific facilities/ tools for capacity development, such as SIGMA, TAIEX, Twinning, etc., have shown to be particularly suited to facilitate the SA uptake**

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

TAIEX and Twinning continue to be deployed in all IPA II beneficiaries and provide generally useful support, although their usage has not changed under SA from IPA I; Strength of the evidence: high for SIGMA, TAIEX, Twinning, and EURALIUS.

I.3.4.1	Extent to which the adaptation and implementation of SIGMA assistance to support SA is being effective	
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I.3.4.1	Summary	SIGMA ensures the support to the PAR processes, covering all the related matters, including PFM, strategic planning and budgeting, civil service, etc. It covers different functions: baseline measurements, performance assessment, assistance to strategy design (including indicators), support to M&E systems, various kinds of and training, etc. in all beneficiaries. It assists IPA and beneficiaries in the programming and implementation phases of sector policy development. Beyond the specific features of the single cases, its services are very well known and appreciated by the parties involved. The capacity development support they provide is irreplaceable. Their monitoring reports are the key reference to measure the progress of the reforms against the baseline values.
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I.3.4.1 Evidence from interviews and e-survey

**Field visits:**

Albania: SIGMA, EURALIUS; PAMECA are very much appreciated tools, very well integrated within the national institutions, are considered peer contributors, although in some cases –Judiciary– they have ‘replaced’ the beneficiary for instance for quick drafting of laws. They provide key contributions in terms of capacity development for sector assessment, establishment of performance indicators (e.g. SIGMA passport indicators, EURALIUS support to the strategy and AP for Justice, etc.) and M&E systems.

Bosnia and Herzegovina: No obvious evidence was found to suggest that the use of tools/facilities such as SIGMA, TAIEX or Twinning had changed since the introduction of the SA. SIGMA was noted to be a useful monitoring resource for both the EC and PARCO although it was also criticised for staying out of the actual support to the delivery of PAR not being very hands-on. TAIEX and Twinning were seen as useful for capacity development.

Kosovo: As in other IPA II beneficiaries, SIGMA has been active in supporting EC efforts for strengthening PAR. This engagement predates SA. In the case of Kosovo, SIGMA has played a key role in the preparations of both SBS interventions. This has involved inter alia the development of baseline assessments (in 2015) and monitoring report (2016) for Kosovo, but also the development of prospective indicator passports for the SBS interventions. The added value of SIGMA in this regard was considered to be high.

The Republic of North Macedonia: As in other IPA II beneficiaries, no obvious evidence was found to suggest that the use of tools/facilities such as SIGMA, TAIEX or Twinning had changed since the introduction of the SA. SIGMA was noted to be a useful monitoring resource for both the EC and had played a proactive role in developing the PAR strategy. TAIEX and Twinning were seen as useful for capacity development with TAIEX noted as helping to deliver fast support to bodies. Also, the Council of Europe’s horizontal facility (funded under the IPA II MBP) was used to provide expertise from the Venice Commission for the monitoring of the 2017 election support to parliament.

Montenegro: SIGMA has had a prominent role in the PAR/PFM SBS programme development and is likely to remain involved in their implementation. It has adapted well to the needs of the SA, and it is recognised as an important provider of expert TA.

Serbia: SIGMA reports are a key tool for assessment in PAR and PFM. They have been widely used for preparation of SBS and are used for its assessment, although there are discussions on the adaptations of SIGMA indicators, especially for PFM.

Turkey: SIGMA support is not shaped according to SA, but focuses the achievement of the negotiations related to Chapter 32 (financial control) and Chapter 5 (public procurement).

**Interviews with beneficiaries conducted before the field phase:**

SIGMA support is essential and widely recognised in PAR in Serbia and Albania.

**The Republic of North Macedonia:** The PFM Strategy was drafted with external support (SIGMA, EUD), strategy should be adopted by the end of the year.

**Other interviews conducted before the field phase:**

SIGMA is key for design, assessment and training in PAR.

I.3.4.1	Evidence from documents	<p><b>SIGMA Principles of Public Administration: Baseline measurement 2015 and annual Monitoring reports.</b> SIGMA has systematised on behalf of the EC the principles of public administration since 2014, in view of establishing the basic criteria and indicators to identify and monitor the features of good governance. The principles include 5 main areas: the strategic framework for public administration reform; policy development and co-ordination; public service and human resource management; accountability; service delivery; public financial management. In 2015, SIGMA provided a Baseline study for the implementation of PAR for each of the Western Balkans beneficiaries. This has been and still is a fundamental tool for all beneficiaries to start their sectoral reform process. SIGMA provides as well annual Monitoring reports in each of the Western Balkans beneficiaries to assess the implementation of the principles, its progress on the baseline, and its main critical issues.</p> <p>SIGMA has also provided guidance to establish well-functioning Centres of Government (CoG), to ensure good functioning of government leadership, coordination, coherence and efficiency, which is a critical central issue in PAR. It provides also many publications in the most significant issues.</p> <p>With its beneficiary level teams, it assists the governments step by step in the design, implementation and monitoring of PAR. According to the work on the Principles, SIGMA sets the so-called passport indicators in the different subsectors of the Public Administration reform. This work is being refined and has shown to be very important for the establishment of sound PAFs and for the implementation of the SBS that support PAR.</p> <p><b>SIGMA Monitoring Report, Kosovo, 2016:</b> The Strategy on Modernisation of Public Administration 2015–2020, was supported by local and international experts funded by the OECD/SIGMA.</p> <p><b>IPA II Annual programme, Albania, 2015:</b> Focus on Public Administration Reform (PAR) considered as one of the fundamental challenges Western Balkans beneficiaries must cope with during the accession process. In conjunction with the EU-OECD support for improvement in governance and management (SIGMA initiative), the Commission has devised six principles to guide the PAR process... With respect to these six PAR principles, SIGMA assessments on Albania have pointed out several problems such as the capacity to draft policies and legislation; the effective implementation of the Civil Service Law in view of establishing a professional civil service at all levels of the administration...</p> <p><b>IPA II Monitoring Report, Serbia, 2017</b> An example of the detailed assessment of the indicators in the annual reports.</p> <p>Quality of the MT Budget Framework</p> <p>Overall value of indicator 2/5</p> <p><b>Sub-indicators Points</b></p> <table><tr><td>1. Strength of the medium-term budgetary framework</td><td>4/12</td></tr><tr><td>2. Strength of the fiscal rules</td><td>2/5</td></tr><tr><td>3. Credibility of medium-term revenue plans (%)</td><td>3/4</td></tr><tr><td>4. Credibility of medium-term expenditure plans (%)</td><td>3/4</td></tr><tr><td><b>Total</b></td><td><b>12/25</b></td></tr></table> <p><b>IPA II Annual programme, Albania, 2016:</b> ...out of 80 actions/activities for 2015-2020, 18% were completed, 65% of the activities are in progress, and 17% have not yet started. An action plan for 2016 was updated. The development of a comprehensive performance assessment framework with SIGMA's support is ongoing.</p> <p><b>IPA II Annual programme, Bosnia and Herzegovina, 2016:</b> The regionally funded OECD/SIGMA (Organisation for Economic Co-operation and Development/Support for Improvement in Governance and Management) programme provides continuous assistance through assessing and benchmarking progress in the area and by offering technical advice in the legal drafting of relevant regulations.</p> <p><b>IPA II Annual programme, Kosovo, 2016:</b> With assistance of OECD SIGMA, detailed costing of the new PAR strategic package was carried out in 2015... The monitoring and evaluation system for overall PAR has also been developed with support of OECD SIGMA. It was adopted by the Ministerial Council on PAR in early 2016... The strategic package is relevant since it addresses shortcomings and weaknesses within the sector as identified under analytical studies such as the 2015 SIGMA baseline measurement. Based on the first annual government monitoring reports, credibility of the strategic framework is in the process of being improved, and the government is working closely with SIGMA on revision of some of the targets and on introduction of more precise indicators for sector as identified under analytical studies such as the 2015 SIGMA baseline measurement.</p>	1. Strength of the medium-term budgetary framework	4/12	2. Strength of the fiscal rules	2/5	3. Credibility of medium-term revenue plans (%)	3/4	4. Credibility of medium-term expenditure plans (%)	3/4	<b>Total</b>	<b>12/25</b>
1. Strength of the medium-term budgetary framework	4/12											
2. Strength of the fiscal rules	2/5											
3. Credibility of medium-term revenue plans (%)	3/4											
4. Credibility of medium-term expenditure plans (%)	3/4											
<b>Total</b>	<b>12/25</b>											
I.3.4.2	Extent to which the adaptation and implementation of TAIEX assistance to support SA is being effective											
I.3.4.2	Summary	In the different documents, including inter alia MTR, TAIEX evaluation and programming documents, TAIEX is considered an effective tool for short-term TA, which ensures a peer-to-peer approach and contributes to the acquisition of good EU practices. TAIEX provides significant inputs in the programming process as well, through the promotion of preparatory sessions and the establishment of recommendations.										



I.3.4.2 Evidence from interviews and e-survey	<p><b>Field visits:</b></p> <p>Albania: Albania uses 4% of TAIEX funds (72 actions) and 5% of Twinning funds (10 actions). TAIEX is largely used for specific flexible support on updating legislation and regulation, training and information (e.g. in food safety, but also in a multitude of other sectors (from housing, to aviation safety, nurse education, etc.). Twinning is used in a rather strategic dimension, as an accompanying measure to SRCs implementation, for instance in PAR/PPM and anticorruption (IPA 2014) and Transport (IPA 2016).</p> <p>Bosnia and Herzegovina: See I.3.4.1 above.</p> <p>Kosovo: TAIEX deployment in Kosovo also predates SA. TAIEX has been used in several cases to help provide short-term support in areas such as election monitoring.</p> <p>The Republic of North Macedonia: See I.3.4.1 above.</p> <p>Montenegro: TAIEX usage under SA has reportedly not changed from IPA I. Twinning is relatively under-used in Montenegro, reportedly due to a reticence of Montenegrin institutions to commit to the instrument due to capacity demands it imposes on them. This is unfortunate as it could help address some of the problems identified by SPOs during the evaluation mission – such as the need to have mentoring and peer-to-peer support from similar institutions that had gone through accession preparations recently e.g. Croatia.</p> <p>Serbia: Serbia is a rather intensive user of TAIEX assistance, since IPA I. It has helped in reviewing the legislation in the preparation of the IBM SRC, has organised some visits in EU MS for innovation policies, has worked as well on Judiciary reform.</p> <p>Turkey: TAIEX has been largely used since 2002 to help upgrading legislation and regulations to comply with EU standards. TAIEX assistance includes in-country workshops and off-country stages. It is not particularly related to SA, but has contributed significantly to the improvement of the sector legal framework in Agriculture (namely food safety and livestock), Environment and Urban Planning.</p> <p><b>Interviews with beneficiaries conducted before the field phase:</b></p> <p>Mentioned in the three beneficiaries, as generic support in programming and TA.</p>
I.3.4.2 Evidence from documents	<p><b>AETS; Evaluation of TAIEX Instrument, Final Evaluation Report, August 2015:</b> ...increasing involvement in the programming of TAIEX has embedded the needs-based dimension of this type of support. Effectiveness. Since 2007, TAIEX has delivered useful results, which have supported the reform goals across various sectors through improved strategies and legislation, enhanced institutional capacity, modernisation of practices in institutions and overall improvements to public administrations. The extent to which these results have boosted the continuation of reforms is hard to assess, in consideration of the short-term nature of TAIEX. Efficiency. With few exceptions, TAIEX assistance has been delivered in a timely manner.</p> <p><b>Civil Society, Action Document, Turkey, 2014:</b> Results of preparatory TAIEX workshop(s) with the participation of relevant actors including international organisations e.g. CoE, Europa Nostra, activity is to provide accessibility to the Ancient Anatolian Civilizations' archaeological and historical heritage works by collecting, preserving and promoting the shared values and common cultural heritage of the EU and Turkey by means of collaborative activities. The institute will be set up in Gaziantep following a TAIEX activity which will bring together experts in the field and that will be concluded by a report offering design recommendations for a sustainable centre. The final design will be approved by the involved stakeholders including the EU Delegation. Once completed this EU- Turkey centre should provide for joint research, analysis &amp; restoration, offering trainings, internships what EU-Turkish archaeologists have done and will do in the future. Sustainability will be ensured by involving local stakeholders. The ToR for Technical Assistance will be drafted in line with the TAIEX experts' recommendations.</p> <p><b>Integrated border management, Action Document, Serbia:</b> The Visa liberalisation for citizens of Serbia travelling to the Schengen area has been in force since December 2009. As part of the monitoring mechanism in place since visa liberalisation, the EC has been regularly assessing the progress made by the country in implementing reforms introduced under the visa roadmap Recommendation within the TAIEX report, concerning the establishment of a Coordination body for the smooth implementation of the IBM Strategy and AP, and secure their efficient coordination between border agencies involved in IBM shall be foreseen within the AP. This will pave the way to solving the identified weaknesses in the Screening Report (2015) on Chapter 24 related to inter-agency cooperation between the bodies operating at the borders and in the field of organised crime and terrorism.</p>

**Particip, External Evaluation of the Instrument for Pre-accession Assistance (IPA II) (2014 – mid 2017), Final Report Volume 2, June 2017:** TAIEX assistance has been mobilised both on multi-beneficiary and on bilateral levels through IPA II. Financing has been provided for support measures for the implementation, monitoring, audit and evaluation of IPA programmes, as well as for information and communication activities. Evidence to date indicates a wide range of actions have been delivered to date under TAIEX from 2014 and 2015 APs. According to DG NEAR staff, there has been no noticeable change in the instrument's use between IPA I and IPA II. As such its effectiveness is expected to be largely as under IPA I i.e. good.

**Particip, External Evaluation of the Instrument for Pre-accession Assistance (IPA II) (2014 – mid 2017), Final Report Volume 1, June 2017:** Since its creation 20 years ago, TAIEX has established itself as a key policy tool in helping candidate beneficiaries and potential candidates meet EU accession requirements as well as a driver for deep and comprehensive reforms in neighbouring beneficiaries. From the practical side, TAIEX responds to some 1 500 requests for assistance yearly covering a wide range of service-oriented activities such as assessment of draft legislation, guidance in setting up key institutions, optimal functioning of institutions based on exchanges of best practices. On average (across the two financial instruments assisted by TAIEX – ENI and IPA), per year, around 5 000 EU MS experts have volunteered to contribute to TAIEX activities, reaching over 30 000 public officials from partner beneficiaries and beneficiaries. These figures show the confidence that both beneficiaries and MS experts put in TAIEX in pushing forward the reform process in a sustainable and pragmatic way. Both the Twinning and TAIEX initiatives under IPA II confirm the added value of bringing particular EU MS expertise into the IPA II beneficiaries to address specific beneficiary needs. The fostering of long-term relations with a similar institution in an EU MS is an intangible benefit explicitly ascribed to Twinning. The needs of the partners of TAIEX have evolved over time which has called for a redefinition, a recalibration of TAIEX's role to serve upfront and proactively the strategic core missions of DG NEAR from their elaboration – to their implementation on the ground. For example, a series of TAIEX-led expert missions on waste management or in the veterinary sector could provide a critical mass of information to fund longer term and broader-reaching programmes. TAIEX's main advantage is to be flexible, tailor-made and rather quick.

I.3.4.3	Extent to which the adaptation and implementation of Twinning to support SA is being effective	
I.3.4.3	Summary	Twinning, which seems to be very appreciated by the beneficiaries, although its flexibility and capacity to respond timely to the beneficiary demand is not always verified. Twinning is used to consolidate good practices in the recipient sector institutions and complements the SBS and the different TA support to the main sector reforms. In Turkey, the demand of EU member states to participate in twinning has decreased.
I.3.4.3	Evidence from interviews and e-survey	<p><b>Field visits:</b></p> <p>Albania: See I.3.4.2 above.</p> <p>Bosnia and Herzegovina: See I.3.4.1 above.</p> <p>Kosovo: Twinning is used in Kosovo to deliver assistance in specific areas linked to accession issues where EU MS assistance is considered most effective. Its deployment, like SIGMA and TAIEX, has not changed noticeably since SA's introduction. It was noted that Twinning is now being seen as a tool primarily for addressing issues arising from Kosovo's SAA commitments.</p> <p>The Republic of North Macedonia: See I.3.4.1 above.</p> <p>Montenegro: See I.3.4.1 above.</p> <p>Serbia: Twinning is used in Justice, in Transport and others. In Justice, beyond the technical quality of the expertise, their value added is questioned by some of the beneficiaries, because they stress that Judiciary reform needs independence and possibly investments, rather than additional MS know-how.</p> <p>Turkey: Twinning has been widely used (since 2002, 163 projects, o/w 123 completed). The largest investment in Twinning concerns Justice and Home Affairs, Environment, Finance and Agriculture to support sector reforms much earlier than SA. The existing assessments of the tool (2011 review and interviews) are rather satisfactory, although the performance is very closely related to the political commitment of the beneficiary. Partly for this reason, the performance in J&amp;HA is rather mixed, while it is generally good in Environment, medium in Finance and sufficient in Agriculture.</p> <p><b>Interviews with beneficiaries conducted before the field phase:</b></p> <p>Twinning is used in Serbia and Albania, in Justice, PAR etc.</p> <p>In Turkey, the interest of MS toward twinning with Turkish institutions has decreased very much in the last times, according to MEUA.</p>

## I.3.4.3 Evidence from documents

**Particip, External Evaluation of the Instrument for Pre-accession Assistance (IPA II) (2014 – mid 2017), Final Report Volume 2, June 2017:** There are 22 Twinning projects financed or to be financed by IPA II funds... Both Twinning and TAIEX are extensively used by IPA beneficiaries as tools for institution building efforts. Under IPA II TAIEX has been deployed in several ways... For Twinning, some Twinning projects are underway from IPA II but at this stage their effectiveness from a programme perspective cannot be assessed. Evidence to date indicates a wide range of actions have been delivered to date under TAIEX from 2014 and 2015 APs, including implementation, monitoring, audit and evaluation of IPA programmes, as well as for information and communication activities.

**Annual programme, Albania, 2014:** The action 'Support to Public Administration Reform' plans to build on the on-going IPA 2012 Twinning with several additional operations to put in place transparent procedures for selection of officials based on open competitions and establish an impartial human resource management system for merit-based careers of civil servants. Considering the high importance of PAR in the country's agenda for the EU integration process, it is appropriate to orderly sequence actions across annual programmes. Under the IPA 2014 Action Programme, the support will also include information and Procurement (EUR 2,436,389.00): an indicative number of 6 service contracts, 10 specific contracts under existing framework contracts and 3 supply contracts to be launched as from Q1 2015. Grant – Twinning – call for proposal (EUR 800,000.00): 1-to 2 Twinning and/or 1-to 3 Twinning light contracts to be launched as from Q1 2015. The specific objective of these Twinning contracts will be to provide support to the public administration for institution building, sector acquis compliance and fulfilment of the five key priorities for the opening of accession negotiations. The specific objective of these Twinning contracts will be to provide support to the public administration for institution building, sector acquis compliance and fulfilment of the five key priorities for the opening of accession negotiations.

**Annual programmes, Albania, 2016:** Sector Reform Direct EUR 21,000,000 Contract to management (budget support) Support Transport with EUR 3,000,000 Focus on Roads (complementary twinning and Total technical assistance and supply of equipment; monitoring and the ARA). The second complementary component will be implemented via technical assistance for monitoring and evaluation as well as communication and visibility. As part of the first component, the expected result of the accompanying twinning and technical assistance is that ARA and Ministry of Transport and Infrastructure (MoTI) staff is trained and capacities upgraded with regard to issues related to public investment assessment feasibility study, quality control processes, procurement, monitoring implementation and maintaining the road assets in line with the adopted standards, as well public private partnership policies and practices. The expected result of the supply complementary component is that the sector budget support action is properly monitored and evaluated, and that it benefits from proper communication and visibility.

Key performance indicators of the accompanying technical assistance / twinning are (i) number of ARA staff better at implementing transport policies and legislation, (ii) public procurement and contract implementation by ARA staff carried out in line with applicable procedures and with sound financial management, and (iii) good quality Public Private Partnerships (PPP) schemes prepared and implemented by ARA/MoTI trained staff. Key performance indicators of the supply of equipment are (i) increased schemes, one supply contract to provide equipment to the road works quality (materials) laboratory of the ARA, and one service contract for monitoring and evaluation as well as communication and visibility. c) indicative time frame for launching the procurement procedure: Q2 2017 Grant – Twinning – Call for proposal (Strengthening the capacity of the ARA): a) Objectives and foreseen results: strengthening the capacity of the ARA, notably with a view to ensuring that ARA staff are better at implementing transport policies and legislation, and at carrying out public procurement and contract implementation in line with applicable procedures and sound financial.

**EQ4. KEY STEPS IN REFORM IMPLEMENTATION, INITIAL OUTCOMES AND THEIR DIRECTION TOWARD IMPACT – To what extent has the use of the Sector Approach, in the two sectors of i) Democracy and governance and ii) Rule of Law and fundamental Rights, started contributing to the improvement of sector policy reforms?**

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

The effectiveness of the bodies charged with sector leadership (the sector lead institutions) and coordination varies significantly by sector and IPA II beneficiary. In general, the NIPACs are recognised by the key actors as the coordination points for sector approach, even if their formal role is in fact limited. The sector lead institutions can be powerful and effective institutions (such as ministries of finance leading budget support programmes in public financial management reforms, for example) that have natural respect from their status. By the same token, they can be agencies with wide agendas but with a very limited mandate to deliver them. The sector working groups have proved to be effective in the programming process and generated valuable outputs, but thereafter are under-used.

National budgetary processes adapting to IPA II sector approach needs can only be found in budget support programmes and partly multi-annual programmes. Outside of SBS and MAP, there is no consistent evidence to suggest that IPA II encourages a medium term budgetary perspective. There is little evidence that sector budget transparency has increased thanks to SA, even though in principle this should be the case, especially for SBS.

There are few initial SA outcomes to report at this stage, mainly linked to sector strategies where SBS is being deployed and/or to effective high level political dialogue in specific sectors. Outside of a few examples, the SA outputs have not yet been taken forward and transformed into outcomes. Albania offers an example of some positive developments (e.g. Judiciary), although it is questionable if these are attributable to SA alone. The accession negotiations, once opened, do not seem to be a major incentive towards SA uptake – indeed the focus on acquis requirements appears to divert IPA II beneficiary attention away from SA towards more short-term goals related to negotiations.

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

The IPA II sector planning documents developed can be considered as outputs of the SA and there is some evidence that they have influenced national sector policies.

The specific circumstances in each IPA II beneficiary have influenced the adoption of sector strategies.

The PAFs developed for SBS programmes and MAPs also represent valuable SA outputs, although these have been created for the purposes of IPA II. Elsewhere there is little evidence of indigenous sectoral performance assessment arrangements emerging.

There is a concerted effort only in the Republic of North Macedonia to put PAFs in place (via TA) for all IPA II sectors.

Cross-cutting themes appear in sector strategies, as these are mandatory. The quality of the analysis tends to be cursory, but some good examples exist in some SOPs/SRCs.

Strength of the evidence: high

**I.4.1.1 Extent to which strategies are comprehensive and adapted to changing contexts**

I.4.1.1 Summary	Significant progresses are evident in PAR, including PFM, in Albania and Serbia, in terms of strategy design and implementation. In Kosovo, Montenegro, the Republic of North Macedonia and Bosnia Herzegovina, there has been an acceleration in the SA implementation. After 2014, PAR strategies have been reviewed and/or redesigned in Albania and Serbia. The pace of the change is very slow, as the resistances are high, due to poor capacities, consolidated practices and political economy reasons. In Judiciary reform, Albania is implementing some very deep changes (updated strategy vetting process) and is ready for longer-term support by IPA II. In Serbia, there have been some progresses in terms of strategy, with a focus on independence of judges and prosecutors; the process however is slower and partially stalled, due to the difficult implementation of the independence of judges and prosecutors.
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I.4.1.1 Evidence from interviews and e-survey

**e-survey and field visits:**

A specific question of the e-survey regards the SA contribution to improve the quality of the strategies (including PAF and M&E systems). The responses are generally positive for the four sectors considered (PAR, PFM, Justice and Home Affairs), although the number of positive judgements is higher for PAR and PFM, while it is lower for the other two sectors. Apart from Turkey, Kosovo and the Republic of North Macedonia have the less positive judgements on Judiciary.

At the level of the individual beneficiaries, the responses are very positive for PAR, PFM and Judiciary, while less positive for Home Affairs. Montenegro and Serbia are the only beneficiaries where the most positive response regards the Home Affairs.

Albania: In the key sectors, strategies are in a process of continuous improvement. The government has provided a big political push, involving the Parliament and the public opinion. In the PAR/PFM Special Group meeting of July 2017, the quality of the policy process has been considered well advanced. In PFM, improvements are shown by progress in policy coherence of the budget stressed by PEFA. Important catalytic role of the SRC vis-à-vis the investment on IPS and support of other donors. In Judiciary, there has been a long process of improvement since 2013. Thanks to the assistance of EURALIA, the sector Action Plan has been reviewed in terms of design and indicators. The combination of IPA II SA and the new political determination has ensured a radical change compared to the past: SLIs, sector dialogue and coordination have been established, the contribution of the SBS in PAR has made possible in depth assessments and sound PAFs, while in Judiciary, the Constitutional (two Constitutional reforms) reform and the deep change of the laws (27 new laws) supported by EURALIUS have provided the base for the establishment of a comprehensive strategy, that is mature to be supported through an SRC.

Bosnia and Herzegovina: The SPDs that have been developed for the sectors represent one of the main outputs of the SA process. Their quality has improved over time (with their redrafting) and for the most part represent a solid basis for IPA II programming purposes. In those heterogeneous IPA II sectors, SPDs still lack a clear sectoral focus and tend to look more like a compilation of priorities from the different Bosnia and Herzegovina institutions covered by the IPA II sector. In the absence of strong SLIs and the need to achieve consensus among the Bosnia and Herzegovina institutions before they approve the SPD content, this weakness is inevitable. Also, as they take time to prepare (due to the unwieldy SWG process), adapting SPDs to changing contexts is by no means straightforward.

Kosovo: The strategies underpinning the SRCs in the PAR and PFM sectors are reportedly comprehensive and respond to SA criteria, including assessments and PAFs, with indicators that result from a closed research and policy dialogue for the preparation of the SRC. Outside of these sectors, SPDs have been developed, but as noted elsewhere, their utility is widely questioned. Their quality is reportedly mixed, but they evidently serve little purpose beyond a formal requirement for IPA II. Their adaptation is a thorny issue as the Kosovo side see little value in updating them as this diverts scarce staff resources away from the annual programming exercise which is more important to them (as it is linked directly to funding).

The Republic of North Macedonia: SPDs/SOPs have been developed for all sectors. Currently the sector performance indicators are related to the priorities for IPA assistance. They are relevant indicators for the national strategies, but are not owned by the institutions involved and not streamlined into their plans. As noted elsewhere, they are not totally up to date and have been superseded by some recently introduced sector strategies. The amount of work involved in their updating and their perceived limited utility is seen as a deterrent to this happening more frequently. Stakeholders remained either sceptical or uncertain of the value of the SPD and the field mission suggested that in some sectors (innovation, PFM) they had lost their original purpose.

Montenegro: The basic architecture for SA is in place – this can be considered as an output of the SA. SPDs are produced and reportedly updated when required by the EC. In some sectors, other strategies have superseded them e.g. IPARD strategy. The SLI for C&I stated that they had updated their SPD recently in reaction to the adoption of a national innovation strategy. This appears to be the exception rather than the norm. This underlines the limited relevance of the SPDs.

Serbia: Both in PAR/PFM and Judiciary, there are rather comprehensive strategies, established with the IPA support, based on in depth assessment, including updated Action Plans. A PAF based on relatively well thought-out indicators (discussed and updated several times) exists for PAR/PFM. In Judiciary, there is also an updated Action plan, which focuses on the attainment of the indicators which respond to the key priorities of the strategies and Chapter 23.

Turkey: The only comprehensive sector strategy built to comply with Chapter 23 of the Acquis, already under IPA I and then evolved and updated with the assistance of IPA II, was set up in the Judiciary sector. It implied a constitutional reform in 2010 and the attempt to reform the election of Judges and Prosecutors and the overall governance system of the sector. Already from 2010 there were significant resistances and attempts of the executive to undermine the effects of the reform. After Gezi Park (2013), there was a serious worsening in its implementation. Then, after the 2016 failed coup, there is a systematic attempt to its dismantling, which has brought to the suspension of IPA assistance in the sector. In other related sectors, like Fundamental Rights, there is just an SPD. The approach to improve sector policies in other areas of Governance, such as PFM has remained the one under IPA I, where specific actions (in some cases framed in SPDs) support the acquis included in EU chapters.



### Interviews with beneficiaries conducted before the field phase:

In Albania, the cross-cutting reform strategy for PA has been established in 2015 (until 2020) and is being updated (PAR). It is complemented by a PFM strategy, and other strategies and plans to address Civil Service reform, Accountability, Policy development. The strategies still present overlapping. Not all are supported by plans of action.

In Albania, a deep and comprehensive Judiciary reform is being put in place, including significant Constitutional changes, covering independence, accountability and qualification. This has started in 2013 under the pressure of IPA SA. Before actions on prisons.

In Serbia, the Judiciary reform is supported by a comprehensive strategy, with a focus on independence of judges and prosecutors, improved case management including computerisation, judiciary academy, improved monitoring, support to witnesses. Despite such improvements, judiciary reform is stalling because of the conflict between government and the Councils of Judges and Prosecutor. The financial independence of J&P is not achieved. From the Ministry of Justice, the following comment has been provided: "Financial independence of the High Judicial Council and State Prosecutorial Council is largely in place having in mind that salaries of judges and prosecutors are provided from their own budget resources. It is solely the administrative staff salaries that are still under the MoJ Budget. The complete transfer of budgetary competencies from Ministry of Justice to High Judicial Council, pursuant to Article 32 Para 3 of the Law on Courts, is postponed due the procedure for determining the unconstitutionality of the provisions of Article 32 of the Law on Amendments to the Law on the Organisation of Courts and the provisions of Article 70 of the Law on the Organisation of Courts, initiated before the Constitutional Court whose final decision is pending."

In Serbia, PAR strategy is in place since 2004, but it has been reviewed with SIGMA for the period 2015-18, under a strong leadership of the Ministry of PA (not a political person).

In Turkey, strategies follow beneficiary times and systems and are not discussed with the EU, apart from the specific achievements related to accession dialogue.

**The Republic of North Macedonia:** PAR and PFM strategies have been/ are being completed; they provide state of the art documents for sector reform.

### Other interviews conducted before the field phase:

SPDs are the first step of strategies, but in Bosnia and Herzegovina, the strategies come before. In most beneficiaries, when strategies start being elaborated by the governments, SPDs lose their function. Perhaps SRMs are monitoring tools, which become more appropriate.

PFM is more advanced in some countries (Albania, Serbia, Bosnia and Herzegovina).

No judiciary reform without review of the constitution and fundamental rights. Objectives are comprehensive and reforms can include up to the Constitutional Court.

I.4.1.1 Evidence from documents

**SIGMA Papers, Functioning of the Centres of Government in the Western Balkans, SIGMA Papers, No. 53, OECD, Paris, 2017:** The analysis indicates a correlation between the backlog and the number of draft laws planned strategy development in 2015 compared to 2014. In Serbia, the backlog has slightly increased, as is the case in the Republic of North Macedonia, where the political situation has an impact on the statistics. In Kosovo, there is a clear correlation between the high number of planned strategies and the high backlog, illustrating the weak role of the CoG in steering the sectoral planning system and a clear need for change. In Albania, it is challenging to calculate the backlog, and this was not done for 2014, as planning for sectoral strategy development is disordered and has not been managed through central planning documents. Strategic planning systems in the Western Balkans are fragmented and do not enable the full delivery of government plans. This is partly a consequence of the authority and capacity of the CoG bodies, as most of these bodies have a weaker mandate and less resource for co-ordinating planning when compared to the preparation of government decisions and ensuring legal conformity. Albania and Kosovo link planning with finances, but have cumbersome central planning systems that have several different central planning documents and, in the case of Kosovo, high implementation backlogs.

**PFM Reform programme, 2018-21, the Republic of North Macedonia:** This has been completed with the support of SIGMA, it represents a strong improvement in the national process of SA uptake. It has been based on deep assessments from SIGMA, PEFA financed by the EU and the World Bank. It is a base for the establishment of an IPA funded SRC in the PFM sector. It includes also a detailed budget allocation for reform implementation. ... The technical responsibility for the oversight of implementation of the reform rests with the Ministry of Finance, except for external scrutiny by the State Audit Office and oversight by the Parliament (those are independent institutions, although their reform endeavour is reflected in this document, thanks to coordination). However, PFM and a strategy for its reform span well beyond the Ministry of Finance and involve the entire government sector, including line ministries, public enterprises and local governments. The overall responsibility for the successful implementation of the strategy is shared among all these public-sector stakeholders, and thus requires a high-level oversight and guidance. The PFM reform management and coordination framework will consist of the following structures: Economic Council of the Government of the Republic of North Macedonia.



This is a high-level council comprised of the economic ministers of the Government chaired by the Prime Minister or in its absence by the Deputy Prime Minister for Economic Issues/ Minister of Finance, which may invite also other state stakeholders for specific economic issues. For the PFM Reform Program implementation, it will meet at least twice per year to direct and monitor PFM reform activities.

Its main responsibilities will include:

- Provide overall guidance to measures' manager in delivering their reform objectives;
- Monitor the implementation of the action plan against targets and outcome indicators;
- Resolve any coordination issues arising between stakeholders;
- Review progress reports from the PFM Working Group;
- Dialogue with Donors on the reform progress, support and scope.

**PFM Working Group:** A PFM working group composed of members from all relevant MoF departments and institutions involved in PFM issues (including SAO and Parliament was necessary) was established for the preparation of PFM Reform Program and other related PFM budget support planning documents. This working group was established with the Decision of the Minister of Finance No. 04-7053/1, dated 10<sup>th</sup> June 2015. The same working Group will be maintained for implementation. Its function will cover:

- I. Management of the relationships and sequencing between the measures
- II. Managing the rollout of the reform effort to the line ministries
- III. Monitoring the implementation of the activities under the different measures
- IV. Convening regularly (monthly or quarterly) measures' managers meeting to assess progresses and review obstacles
- V. Coordinating donors' support to the reform, especially those in the form of specific projects and technical assistance
- VI. Taking stock of progresses and reporting to the donors and the public
- VII. Addressing difficulties, risks and delays
- VIII. Provide technical support to the Economic Council of the Government and ensure decisions of the Council are implemented

The strategy identifies 6 pillars:

- Sustainable medium-term macro-fiscal and budgetary framework
- Revenue mobilisation
- Budget planning and development
- Efficient and effective budget execution
- Introducing efficient internal control
- Providing external control over public finances through external auditing and
- 36 indicators over 4 years 2017-20, including detailed measures and institutional responsibilities.

**EC Assessment of the Economic Reform Programme 2017-20, Montenegro:** ... Weaknesses in public finance management (PFM) continue to undermine Montenegro's fiscal position. The diagnostic in this area is limited to public procurement and public internal financial control. A stronger reference to implementation of the PFM reform programme adopted in December 2015 would have been appropriate. In addition, the existing fiscal responsibility framework is weak, and the deficit and debt thresholds established by the fiscal rules are not met. Fiscal reporting also remains weak with successive fiscal data revisions, especially on the spending side. There is scope for improving reporting on municipal arrears. Other areas for reform concern medium-term financial planning and the management of public funds. A public investment management system which uses sound cost-benefit analyses to inform budgetary priorities would improve fiscal control and increase transparency.

**PFM Reform 2016-20, Montenegro:** The global assessment is rather positive, in view as well of the preparation of SBS... The MoF will ensure permanent monitoring over the PFM Reform Programme. A coordination group will be set up by the end 2015, including the key implementing partners the MTA, the SAI and the PPA. Also, a representative of the Parliamentary service supporting the Committee for Economy, Budget and Finance will be invited to become a member of the coordination group. The coordination group will be chaired by the representative of the MoF. Close cooperation will be established with the Ministry of Interior which will be in charge for the monitoring of the implementation of the new PAR strategy. Relevant representatives of the coordination group should be included in the structures designated for management, coordination, monitoring, reporting and evaluation of the new PAR strategy.

This group will meet quarterly to deliberate on the progress made in the PFM Reform Programme implementation, draft progress reports, and coordinate activities within pertinent technical assistance projects. The coordination group will prepare the quarterly reports to the senior management of the Ministry of Finance as well as to the Senate of the SAI, with a goal to timely address eventual deviation from the planning.

By the end of February each year, starting as of 2017, the MoF will report to the Government on the progress made, together with possible amendments to the PFM Reform Programme. This report will be based on the work of the coordination group, consulted formally with all relevant state authorities. The report will be published after approval by the Government. At the beginning of each year, the coordination group will prepare a more detailed annual plan of implementation. An Action Plan that is a constituent part of the Programme is considered as an overall plan of the activities for a five-year period and a basis for annual implementation plans and will be unified by the coordination group. It is noteworthy that the PFM Reform Programme is a living document which may be revised on annual basis in the light of the experience gained in its implementation, and possible amendments to the EU acquis.

Twice per year, the Government of Montenegro will inform the European Commission of the progress made regarding the PFM Reform Programme, or the sectoral strategies that the PFM Reform Programme heavily relies on.

The progress reports will be done as of 2017, in line with the requirements related to the sector budget support, provisionally planned for first quarter. The monitoring system will include the following information: key specific weaknesses identified in diagnostic work, annual objectives, evolution since last annual monitoring report, source of verification, revised objectives to be monitored for the next year, medium term objectives of the PFM reform programme. Separate progress reports will be made for the meetings of the Special Group monitoring the PAR process in Montenegro in the light of the EU accession. Also, a regular dialogue on the technical level could be organised on the request of both, the EC and the Government of Montenegro. Progress reporting will continue within the established mechanisms of the European Commission, particularly the annual Progress Reports. The coordination group should be also used as a platform for the policy dialogue and donor coordination with other relevant stakeholders (IFIs, bilateral donors, civil society etc.). Those meetings should be organised at least once per year to discuss the main issues related to the sector.

The Montenegro strategy contains some key objectives (see below), for each one of them detailed tables with actions and indicators have been established:

- 4.1. Sustainable fiscal framework, public expenditures planning and budgeting
  - 4.1.1. Medium-Term Budget Framework (MTBF), including the fiscal strategy
  - 4.1.2. Annual budgeting
  - 4.1.3. Capital budget
- 4.2. Budget execution
  - 4.2.1. Revenue collection
  - 4.2.2. Public procurement
  - 4.2.3. Reform of the Debt Management Division, analysis of debt levels, cash management and foreign cooperation
- 4.3. Public Internal Financial Control development
- 4.4. Transparent financial reporting and accounting
  - 4.4.1. Transition from the cash-based to the accrual accounting and financial reporting
  - 4.4.2. Alignment with the ESA 2010
- 4.5. The Supreme Auditing Institution capacity to meet the International Organisation of SAI (INTOSAI) standards.

**PAR Sector Reform Contract, Serbia, 2015.** A public administration reform (PAR) strategy was adopted in 2004 and it was implemented through two action plans covering the periods 2004-2008 and 2009-2012. This first strategy focused primarily on setting up a legal framework. A new PAR strategy was adopted in January 2014 and the related action plan for the period 2015-17 in March 2015. The drafting of the strategy was based upon a comprehensive review of the effectiveness and impact of the previous strategy and extensive consultation with primary and secondary stakeholders, civil society organisations (CSO) and the international development partners. The new PAR strategy and especially its action plan are designed to address a number of problems outlined in assessment reports produced by OECD-SIGMA, the World Bank and the European Commission's (EC) annual enlargement progress reports.

**IPA Joint Monitoring Committee, the Republic of North Macedonia, 2017.** The need of political will for reforms and using IPA for enhancing administrative capacity. To this end, the beneficiary authorities should put more efforts in key fundamentals, such as rule of law, PFM and PAR. To demonstrate political commitment, the beneficiary authorities should adopt credible strategies in these areas, launch an inclusive policy dialogue and start to implement them.

In line with the above mentioned Special Report, the beneficiary authorities commit to continue building a convincing track record of effective investigation, prosecution and final convictions in cases of high-level corruption and organised crime and using IPA for enhancing administrative capacity in all sectors.

I.4.1.2	Extent to which information systems (data collection, processing and reporting) on strategy implementation, based on realistic and ambitious indicators, are being established and/or improved	
I.4.1.2	Summary	<p>Monitoring and evaluation systems in the fundamental sectors are still very weak, despite the progress in strategy design and initial implementation. The cultural weakness related to the rooted tradition of monitoring compliance and outputs instead of effectiveness and outcomes is even more evident than in other sectors. Among the weakest points, there is the identification of ambitious but realistic indicators. SRCs in Serbia and Albania have undergone significant delays due to the need to review the indicators that were set in the beneficiary strategies and included in the SRC agreements, because they did not reflect the real capacities and opportunities existing in the specific contexts. According to SIGMA, Montenegro and the Republic of North Macedonia have done some progress toward putting the outcomes at the centre of the government performance assessment framework. The case of the Republic of North Macedonia, however, underlines a general feature: reforms in fundamental areas are closely linked to political commitment of beneficiaries. On the other hand, by general admission of the stakeholders, it seems that – beyond the acquisition of adequate methodologies and the support of good training – there are no alternatives to a long process of learning by doing.</p> <p>The performance assessment frameworks as well have started being established through the SPDs and/or the IPA Action documents, to become more owned and internalised with the progress in sectoral reforms. Now they still seem something intermediate between IPA-supported and beneficiary owned frameworks.</p>
I.4.1.2	Evidence from interviews and e-survey	<p><b>Field visits:</b></p> <p>Albania: Indicators are being reviewed with the establishment of SRCs and targets are being adapted based on experience. The issue of the right selection of indicators has been and is an issue of learning-by-doing for both the beneficiary and DG NEAR. However, M&amp;E systems owned and mainstreamed in the beneficiary institutions, including a functioning system for data collection and reporting, remain a challenge that cannot be addressed without a medium-term perspective. In particular, data collection is an issue for Human Resources (HRM), which affects PAR. The HRMIS is not functioning well and does not provide all the information necessary in civil service (SIGMA Assessment – 2016).</p> <p>Bosnia and Herzegovina: Information systems exist both in the EUD, the NIPAC and some SLIs for data collection. These constitute a basis for data collection, processing and reporting on performance of IPA II actions. Some of these are a response to SA requirements, but others (PARCO monitoring, for example) predate SA cannot be considered a result of the approach. Beyond the fact that they basically relate to IPA assistance and not beneficiary strategy, these systems are not comprehensive and contain notable weaknesses – e.g. many sectors lack reliable data, others have data but not defined procedures for reporting, etc. A fundamental weakness is the quality of indicators, both in the SPDs and the ADs. These seriously complicate any meaningful assessment of performance and achievement of results.</p> <p>Kosovo: Information systems on strategy implementation outside of the SBS interventions exist for donor coordination but not for tracking sector performance. Data collection PAFs do not exist in any meaningful sense so performance can only be assessed in ADs and by operational monitoring. Data come from the beneficiary statistical offices and other existing sources (e.g. ad hoc surveys), but there are no sector data collection and reporting systems.</p> <p>The Republic of North Macedonia: Information systems exist within the EUD (assistance related) and in some administrations of North Macedonia at a very initial stage. The capacity building TA aims to provide guidance to integrate these into functional PAFs. The indicators remain a problem and the TA aims to develop robust ones to allow sector performance monitoring of implementation. Both remain work for the future so are not in place yet.</p> <p>Montenegro: As noted in EQ3, PAFs, including collection and reporting systems, are in place for SBS and MAP programmes in Montenegro. In other sectors, these systems are not complete and lack many basic elements (quality of indicators, targets, institutional responsibility, data collection, etc.) to facilitate RBM.</p> <p>Serbia: PAR/PFM budget support. The leading institutions collect data, under the coordination of their EI units, and oversee reporting to the IPA sector monitoring committee, which should meet once a year for disbursement. MoJ leads a specific Commission for the implementation of the Judicial Reform Action Plan, including the different stakeholders, which meets quarterly. The Commission reports to the Council for the implementation of the AP for Chapter 23, which reports every six months to EU for negotiations on Chapter 23. Indicators and targets are established in the Action plans for Judicial reform and the one for Chapter 23. The reports for the implementation of Chapter 23 are available both in Serbian and English on the MoJ website. They are not easily readable, since they are extremely detailed on single scattered issues and related actions. The 2018 report includes more than 1000 pages. EU accession purposes completely drive the system. Recently some progress has been registered with the use of the 'Interim benchmarks', which allow to put at the centre of the negotiations not the single scattered acquis, but the substantial steps in an agreed implementation process.</p>

Turkey: As said above, the exception is the Judiciary sector, where a strategy exists, including detailed objectives, targets and time frames. Various national monitoring structures are in place to follow the achievements of the strategy (Chapter 23). The outputs of such monitoring are not easily accessible.

**Interviews with beneficiaries conducted before the field phase:**

In Albania, M&E systems are still very weak, based on incoherent, not realistic and badly measurable indicators, under review. This is the case also in budget support, of which most indicators are being reviewed, to better fit the actual context and capacities.

In Albania, policy development (including M&E) is considered the weak point of the PAR process, which is seen as generally good (last Special Group on PAR).

In Serbia as well, despite a stronger control of the MEI and the EI units in the line ministries, M&E systems are weak. This is particularly evident in budget support, since indicators are expected to measure progress and allow disbursement. According to the stakeholders met, budget support should need better preparation: many indicators show to be inadequate and need review. SRCs would need more time and care to be instructed, but there is strong pressure from DG NEAR to accelerate.

**Interviews in the Republic of North Macedonia & Kosovo:**

The Republic of North Macedonia: PAF is expected to be ready in the summer 2018, as soon as it is ready with all the data uploaded, it will be possible to prepare per each sector a sector performance report. It can be expected that the data in the availability of the SWG will be sufficient to measure the progress of each indicator vis-à-vis its original baseline and the target to be achieved by 2020.

**Other interviews conducted before the field phase:**

Bosnia and Herzegovina. A new PAR strategy is under elaboration. PFM strategy is sound but separated by PAR. Only 60% of the PAR programme implemented since 2014 (SIGMA).

Albania. The first tranche of PAR was achieved at 37.5%. Indicators needed adjustments and the overambitious time frame had to be reviewed. Now monitoring of sector reforms is improving and outcome-based indicators are being identified, thanks to the improved dialogue created by SBS.

Montenegro. Good results in PAR. Good indicators.

I.4.1.2 Evidence from documents

**SIGMA Papers, Functioning of the Centres of Government in the Western Balkans, SIGMA Papers, No. 53, OECD, Paris, 2017:** A more detailed examination of the characteristics of the monitoring systems of the Western Balkans demonstrates that the key challenge for all the centres of government is to move from a system reporting on basic outputs to monitoring and analysing the outcomes of the government's work. Montenegro has achieved this for its sectoral strategies, and outcome-oriented monitoring is used for reporting on basic outputs to monitoring and analysing the outcomes of the government's work. Montenegro has achieved this for its sectoral strategies, and outcome-oriented monitoring is also used in the Republic of North Macedonia when reporting on sector strategies, albeit only randomly. At the same time, most of the Western Balkan governments do not have a functional monitoring system for the sectoral strategies at all, and their jurisdictions only concentrate on outputs when monitoring the implementation of central planning documents.

**Rule of Law, Sector Planning Document, the Republic of North Macedonia, 2016:** The sector performance monitoring system is incomplete as for some of the strategies there are no action plans or implementing indicators that would enable monitoring of the implementation strategies. In the sector, there is no practice for developing key performance indicators that will enable measurement of the level of implementation of the strategies. At institutional level, the Ministry of Internal Affairs (MoI) has organised monitoring of the implementation of projects as the task for the IPA Department within the Department for the EU and International Cooperation. In addition, the newly established Department for the Strategic Planning is responsible for the monitoring of the implementation of the strategies and quality assurance. There is no legal basis for reporting and for evaluating the performance in implementation of the policy documents. Therefore, there is no effective mechanism for monitoring the implementation and impact of the policy documents. There are no requirements for regular reporting on the strategies. It should be noted that most of indicators in Strategy's Action Plans are not SMART and some indicators are even not indicators. In addition, there is no clear distinction between Outcome and Output indicators. The beneficiary strategic documents define the scope of the results and indicators foreseen for realisation through a comprehensive set of activities. The overall framework for monitoring implementation of sector policies and strategies is a responsibility at the level of ministry and/or coordinative bodies with ensured representation from the relevant stakeholders. Although the beneficiary has invested efforts to establish efficient system of monitoring, both for IPA and other donor activities, regular informing to the Government and to the SEA referring to the progress done in each of the NPAA chapters and regular semi-annual reporting is performed in front of the respective committees established in the Parliament.

I.4.1.3	Extent to which cross-cutting themes, such as gender, environment and other relevant ones are being better considered in sector strategies and actions	
I.4.1.3	Summary	The consideration of cross-cutting issues, including gender, minorities and vulnerable groups and environment, is rather well established in the strategies and supported by the action documents. There is evidence of significant resources invested in IPA support (mainly TA) toward statistics disaggregation by gender and vulnerable groups, both in PAR and Judiciary reform. Access of women and vulnerable groups to PA and Justice is focused as well. Gender sensitive indicators are being included in the PAR PAF.
I.4.1.3	Evidence from interviews and e-survey	<p><b>Field visits:</b></p> <p>Albania: Especially in the PAR area, these themes are addressed with a number of sub-sector strategies, of which the harmonisation and coherence is still far. According to the SIGMA monitoring report 2017, the strategy on gender equality (together with other cross cutting strategies) is only poorly aligned and harmonised with the PAR and PFM strategies. And "horizontal sustainability policies, such as on environmental and social considerations, are not reflected in the legal system at all".</p> <p>Bosnia and Herzegovina: Cross-cutting themes feature in the SPDs, which is a requirement, but not in the beneficiary strategies, which do not exist (at least in the terms defined by SA). The quality of the analysis of these themes varies from sector to sector. For example, in the EESP sector, the analysis is good and offers potential for their inclusion in any ADs emerging from the SPD. In others, the analysis is more perfunctory. A critical factor in this process is the access to expertise to advise on how these themes can be effectively captured in the programming documents. The main resource noted was the centres of thematic expertise (CoTE) in DG NEAR. Their value was noted in the PAR sector. Elsewhere, this resource was less pronounced.</p> <p>Kosovo: SPDs and ADs refer to cross cutting themes and this is reportedly due to the SA. Also, CSOs specialising in gender issues have been consulted by the NIPAC on the quality of the ADs for these cross-cutting themes, which is a further indicator of positive change. The fact that these consultations reportedly made little difference to the subsequent quality of the AD and the CSOs were left questioning the value of participating in such a process indicates how much work remains to be done to turn the SA idea into results on the ground in Kosovo.</p> <p>The Republic of North Macedonia: Cross-cutting themes feature in the SPDs, which is a requirement. The analysis presented on these issues is generally adequate. Document analysis shows that few such issues have been integrated into objectives or indicators (except for example, climate change measures in the SOP for environment). CoTEs were not considered to be of much added value by the stakeholders, primarily due to capacity limitations within them, a point highlighted also in the IPA II MTR.</p> <p>Montenegro: Cross-cutting themes are reflected in the SPDs and ADs as a separate chapter. SBS SRC for PAR and EESP SOP provides a more holistic analysis to these issues than in other sectors, which reflects their more thorough preparation.</p> <p>Serbia: The Strategy for Gender Equality 2016-20 ensures the national strategic framework. Indeed, the strategy is far from being harmonised with the key sector strategies: one of the main challenges is the mainstreaming of gender equality principles, objectives and measures into the sector strategies. This is partly starting in PAR, where gender sensitive indicators have been introduced in 2017. The government is also working on the new legal framework for gender equality, which is a substantial issue in the Chapter 23 negotiations.</p> <p>Turkey: In the SPD on Fundamental Rights, the room for women rights and the rights of children, and vulnerable groups is rather large. Women, children and vulnerable groups protection are one of the ten key objectives of the Judiciary strategy (2015). There are two action plans led by the Ministry of Family to combat domestic violence (2011-15) and violence against women (2016-20). The same for children. There is a gender equality action plan (2013-18) under review. The coordination and implementation of such initiatives seem rather weak and mainly orientated to acquire some assistance from IPA. As a matter of fact, there are numbers of IPA II actions (apparently stand-alone) to support these areas.</p> <p><b>Interviews with beneficiaries conducted before the field phase:</b></p> <p>There is increased awareness about the requirements for proper defining and incorporation of cross-cutting issues in line with IPA II principles in both Kosovo and the Republic of North Macedonia.</p>



## I.4.1.3 Evidence from documents

**European Integration Facility, Action Document, Albania, 2016.** With reference to Activity 3.1, SWGs will also be supported in engaging in gender-sensitive monitoring of sector priorities, applying the Beneficiary Set of Harmonised Gender Indicators (HGI), adopted through Ministerial Order no. 1220 (dated May 27, 2010) as the guiding framework.

**PAR, Sector Reform Contract, Serbia, 2015.** It should be noted that the cross-cutting concerns related to gender mainstreaming in both PAR and PFM processes, improved inclusion of vulnerable groups within the PA and improved consideration of environmental policies constitute relevant aspects of this technical assistance, as better described in specific sections of this document.

A crucial aspect for the PAR reform will be the application of the gender disaggregation of statistical data, needed to both inform and guide the process, but also to measure and evaluate the impact of the measures upon the issue of equality of man and women in the PA systems.

The actions and reform processes supported through this SRC intervention will have a clear environmental approach and will actively look for ways to ingrain improved environmental policy concerns, processes and frameworks into the public administration reform in Serbia. In particular, the development of capacities within the centre of Government for the consistent application of the recommendations on environmental policy concerns in PAR and in budget planning processes will be part of the work of the complementary TA for the PAR and for the PFM sector institutions.

**Consolidation of the justice system, Action Document, Albania, 2016:** The roll-out of the reforms in the justice sector will be in line with Directive 2006/54/EC and the framework of gender justice. The framework brings in substantive and normative contents of rights as well as those relating to governance and the rule of law and other human rights principles which shape both duty bearers' and rights holders' roles and capacities.

Support will be provided for increasing the general gender capacity and skills of legal practitioners (legal institutional mechanisms in the justice system and the judiciary will be capacitated to monitor and guide progress towards greater gender equality, and for establishing gender indicators allowing for the monitoring of gendered impact of justice reform on women and men, in line with beneficiary legislation, Eurostat standards, and EU Gender Action Plan II 2016-2020, Indicator 4.4.1.

Building on gender-sensitive studies and analyses (UNDP, UN Women, UNICEF, and Civil Society Organisations), a gender-sensitive assessment of the justice sector will be conducted as integral part of justice sector reform, identifying and analysing gender inequalities and enabling the tailoring of appropriate actions across the reform process.

Among the general population and among women and marginalised groups in particular, familiarity with key principles of the rule of law, the concept of 'rights', legal literacy, and awareness of specific laws, e.g. on support will be provided for overcoming current shortcomings in the implementation of the legal aid legislation which hinder effective access to justice especially for vulnerable women and men in urban and rural locations, and with different socio-economic and cultural characteristics.

Special attention will be paid to the effective adoption of EU directives regarding procedural rights of victims and minors, and their gender-specific needs. Regarding juvenile justice, support will be provided for alignment of the legal and policy frameworks pertaining to juvenile justice with international norms and standards and the correct application of international juvenile justice standards.

The gender-sensitive monitoring of impact of reform on access of minorities and vulnerable groups will be an integral part of support: Improve the system for appointment, evaluation, promotion and transfer of judges and prosecutors; Rationalise the court network and increase its efficiency through internal reorganisation and better trained judicial staff appointed in a transparent manner; Reinforce main institutions related to the Judiciary and strengthen equitable access to justice, as well as its gender-sensitive monitoring.



#### JC.4.2 Reinforced institutional sector leadership and coordination.

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

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

Likewise, the SLIs can be powerful and effective institutions (such as ministries of finance leading SBS programmes in PFM, for example) that have natural respect from their status. By the same token, they can be agencies with wide agendas but with a very limited mandate to deliver them.

As noted in EQ3, the SWGs have proved effective in the programming process and generated valuable outputs, but thereafter are under-used.

Strength of the evidence: medium-high

I.4.2.1 Extent to which the leadership of the institution in charge of sector coordination is operational and recognised by the key stakeholders, including central, local and international actors

I.4.2.1 Summary In most beneficiaries (Albania, Bosnia and Herzegovina, Kosovo, the Republic of North Macedonia, Montenegro, Serbia and Turkey), leadership in Judiciary and PFM is clearly ensured by the respective line ministries (Justice and Finance). The same applies to other well-defined sectors outside the fundamental ones (e.g. Transport, Agriculture). In PAR (which is not properly a sector), ministries of PA, when they exist, struggle to ensure the coordination of the different ministries involved (namely PA itself, Finance, Home Affairs and local governments, other line ministries and a number of autonomous institutions). Similar situations occur as well in Employment and Competitiveness, but also in key thematic areas, such as the fight against the corruption. Coordination models are diversified as they are adapted to the contexts.

In Albania, the PM office has tried to ensure stronger leadership and coordination in the key sectors (starting with Good Governance and Public Administration, Water Management, Employment and Social Sector, Competitiveness and Innovation) through the creation of Integrated Policy Management Groups (IPMGs) led by the OPM itself. The IPMG experience is rather controversial, however, as it ensures a large coordination and inter-sectoral communication, but does not provide a strong leadership. Therefore, it has not been decided yet whether to continue and possibly extend the experience. In the case of Judiciary, for instance, there is a strong resistance of MoJ to undergo a new IPMG and expand the previous Sector Working Group led by the ministry. The difficulties met by the IPMG system in Albania are reflected also in the case of PFM. The latter is part of the Governance and Public Administration IPMG, but – at the same time – has its own inter-ministerial coordinating body: the PFM steering committee, led by MoF, which includes representatives of other ministries and institutions.

I.4.2.1 Evidence from interviews and e-survey

##### **e-survey and field visits:**

In the e-survey a specific question asks about the SA contribution, in the four sectors of PAR, PFM, Justice and Home Affairs, to strengthen internal dialogue and coordination and sector leadership. The respondents are moderately positive on all the sectors, with a slight preference for PAR and PFM. At the level of individual beneficiaries, the results are the following: in Albania, there is a strong positive judgement on the SA contribution in the Justice sector, immediately followed by PAR and PFM; apart from Turkey, Montenegrin respondents are the less positive on all the sectors; while Serbians are very positive on PAR and much less positive on Justice.

Albania: PFM and Justice have strong leadership in the respective Ministries, recognised by the various institutions involved. In addition, Justice is supported by a wide political process (Constitutional reforms, etc.) which facilitates the internal dialogue. PAR (apart from PFM) does not have a strong 'natural' leadership and the already mentioned institutional volatility affects the reform process, although the political engagement of the Government might compensate such weakness: PM, through one of his deputies, has taken the leadership of PAR, after the dissolution of the MPA following the last elections.

Bosnia and Herzegovina: As noted elsewhere, the SLIs are established and operational. Their effectiveness varies but is generally sub-optimal due to their relatively weak institutional positioning within the Bosnia and Herzegovina administrative landscape. Nevertheless, their role in SA delivery is recognised by the key stakeholders and their formal standing is respected by them i.e. they are mostly not subverted or ignored by them. Also, through their involvement in SA processes, they have developed their capacity to programme along sectoral lines and have a much better appreciation of the value of the SA for conceiving and designing interventions. This applies not only to the SLIs, but also the NIPAC and those Bosnia and Herzegovina institutions that are involved in IPA II.

Kosovo: Feedback indicates sector leadership, including recognition of stakeholders, varies but tends to be weak, with the SLIs relying heavily on the NIPAC and TA (where available) to carry out their duties. This does not apply to the Ministry of Finance, which leads on the two SBS interventions. The engagement of key stakeholders via the donor coordination mechanism SWGs evidently is weakened by its limited functionality.

The Republic of North Macedonia: As noted elsewhere, the SLIs exist and perform their roles to varying degrees of effectiveness. Key factors here influencing their performance are the quality of the staff in them, their experience and their institutional standing. Where the SLI is institutionally weaker than some of the other ministries in the SWG, this limits its power to influence them. The absence of external stakeholders in most SWGs suggest that the SLIs are not recognised by them, at least in the context of IPA II.

Montenegro: As noted in EQ3, the effectiveness of the SLI (including recognition of stakeholders) varies and is largely predicated on its institutional standing, the heterogeneity of the IPA II sector and the individual appointed the SPO. Whilst this varies from sector to sector, it is evident that improved leadership and coordination has not emerged across the board in Montenegro. The capacity of the NIPAC to push this process forward seems not fully sufficient to ensure a comprehensive approach to SA among Montenegrin institutions.

Serbia: The leadership of the MoF for PFM, the MPA for PAR and MoJ for Judiciary is well established and recognised, as well as the role of MEI as coordinator of EU and other bilateral assistance.

Turkey: The leadership of the MoJ in Judiciary sector is rather strong and its coordination capacity and recognition by the different stakeholders, as well. SA in Judiciary has been strong since IPA I, because of the centrality of Chapter 23 for the EU accession process and the political commitment of the Government. Of course, when the political framework has changed, most achievements of the reform have been destroyed. On the other side MoI in the Home Affairs sector is a strong institution, but has not produced a comprehensive strategy. It has produced several sub-sectors policy papers and action plans (Migration, IBM, Organised Crime, etc.) orientated to acquire IPA assistance.

#### **Interviews with beneficiaries conducted before the field phase:**

In Albania, the coordination structure (IPMG) is in place, but it is weak, under review. This is true for PAR, but is also starting to complicate the things for Judiciary, where a SWG led by MoJ has been working so far.

In Serbia, MoJ ensures a strong leadership in the Justice reform process. Paradoxically, this does not favour the reform implementation of which the focus is on independence of Judges and Prosecutors, because the government tends to limit the independence of Judges and Prosecutors by stating a prominence of the Assembly on Judicial power (see Venice Commission, Opinion of June 2018). In IPA II 2016, a couple of important actions have been stopped. IPA II does not work as necessary with the judges and prosecutors' associations. MoJ has added the following comment: "IPA II 2016, including the projects that support the High Judicial Council and the Supreme Court of Cassation, have been implemented under the Direct Management, which implies that the tender documentation for both projects was prepared by the EUD and representatives of the end recipients, with no participation or involvement of the MoJ".

In Serbia, PAR should be led by the MoPA and MoF, which should lead specific sector working group, where CSOs and donors should be invited. Such WGs do not meet regularly, as the M&E system in place is weak. The existence of the SRC obliges to hold a strategic coordination meeting twice a year, prepared by MEI and its line ministries units, to discuss the achievements of the SRCs variable tranches.

In Serbia performance of sector Lead Institutions varies a lot, depending primarily on the sector as such. PAR: good performers (but weak Ministry!) – ENV; bad performer (but strong Ministry!) – TRA.

#### **Other interviews conducted before the field phase:**

PAR. General weak coordination, due to the multitude of sectors and line ministries and other institutions involved. Inter-ministerial coordination is a learning process, even where it is a bit advanced through the IPMGs (Albania).

Judiciary, coordination by the MoJ is complex due to the potential conflict with other autonomous institutions within the sector (e.g. Councils of J&Ps in Serbia).

MoF normally ensures a strong coordination of PFM (in Albania, it does it with its own IPMG or PFM Steering Committee, outside the PAR one).

Coordination in Bosnia and Herzegovina is extremely complicated, due to the state duplications.

## I.4.2.1 Evidence from documents

**Support to the Justice Sector, Action Document, Serbia, 2016:** The main strategy is the Beneficiary Judicial Reform Strategy (NJRS) for the period 2013-2018, which was enacted by the Beneficiary Assembly of the Republic of Serbia on 1<sup>st</sup> July 2013. The Government adopted an Action plan for its implementation in July 2013, with concrete measures and activities for the implementation of the strategic objectives, deadlines and competent authorities for its implementation and financial sources. The mechanism to monitor the implementation of reform measures is the Commission for Implementation of the Beneficiary Judicial Reform Strategy, composed of 15 members, who are representatives of all relevant stakeholders in the reform process.

...The sector lead institution (SLI) for the justice sector is the Ministry of Justice, which is leading the relevant sector institutions in the process of planning, elaborating, implementing, monitoring /reporting, coordinating of sector policies. Furthermore, in relation to negotiation process the Ministry has leading role in Chapter 23. In line with the sector approach and considering the complexity of the justice sector, there is a strong need to further strengthen inter-institutional cooperation and coordination processes. To improve and coordinate activities related to the management of EU funds and other international assistance and to increase the efficiency and effectiveness of international assistance, additional mechanisms have been introduced, mainly the Sector Working Group (SWG) for Justice. The SWG for Justice is responsible for the coordination of activities related to management of EU funds and other international assistance. The functioning, management, organisation and composition of SWG is defined by the Rules of Procedure for Sector Working Groups for the Programming and Monitoring of the EU funds and international assistance.

**Justice Sector Reform Strategy (JSRS) 2014-18, Bosnia and Herzegovina:** Bodies responsible for Bosnia and Herzegovina JSRS development: The development of Bosnia and Herzegovina JSRS was overseen by a Steering Board, comprising the representatives of the Ministry of Justice of Bosnia and Herzegovina (MoJ Bosnia and Herzegovina), Swiss Agency for Development and Cooperation, as the donor, and Lucid Linx, as the consultant. For each of the identified pillars of reform, previously established FWG were used, and they were tasked to, through the Technical Secretariat for monitoring and evaluation of implementation of the previous Bosnia and Herzegovina JSRS (Bosnia and Herzegovina JSRS TS), propose to the MC: the long-term priorities for each of the strategic pillars, the strategic programs required to address key issues within the pillars, timeframes for implementation of the strategic programs, institutions responsible for their implementation and implementation indicators.

**Cross Sector Strategy for the reform of Justice, Albania:** Ministry of Justice manages the institutional mechanism for monitoring the Inter-Sectorial Strategy of Justice. The institutional mechanism for monitoring the strategy collects and analyses periodic reports on the implementation of the action plan of this strategic document. Each institution reports on the level of enforcement of each policy and activity, problems encountered and evaluation of the progress of the strategy. The mechanism will consequently decide on corrective measures, the institution responsible for correction and appropriate sanction. For this purpose, the mechanism will analyse for each activity the indicators of performance such as evaluation reports, recommendations, filled out questionnaires, consequences received. Periodic reporting of the monitoring and implementation of the strategy is published in the official website of the Ministry of Justice. The institutional mechanism for the monitoring of this strategy will be ensured through the establishment of a special structure, the composition of which will be:

- Deputy Minister of Justice;
- Representatives from the Ministry of Justice;
- 1 representative from the Ministry of Finance;
- 1 representative from the Council of Ministers covering the issues of coordination of strategic documents;
- 1 representative from the High Council of Justice;
- 1 representative from the Constitutional Court
- 1 representative from the High Court;
- 1 representative from the National Judicial Conference;
- 1 representative from the General Prosecutor's Office
- 1 representative from the Budget Administration Office;
- 1 representative from the School of Magistrates;
- 1 representative from the Ombudsman;
- 1 representative from the National Chamber of Advocacy;
- 1 representative from the National Chamber of Notary;
- 1 representative from the National Chamber of Judicial Private Bailiff Service;
- 1 representative from the National Chamber of Mediators;
- 1 representative from the Union of Judges;
- 1 representative from the Association of Prosecutors;
- Also, representatives of foreign missions that assist institutions of the justice system as well as representatives of civil society are invited to participate in the meetings of the monitoring group.

I.4.2.2	Extent to which SWGs are functioning and increasing coordinated actions are put in place by the sector stakeholders	
I.4.2.2	Summary	<p>In general, the structure of the Sector Working Groups remains linked to the European integration bodies and has not affected yet the working modalities of the line ministries, even in the fundamental sectors (including PFM and Judiciary, which are the most advanced sectors in terms of institutional leadership). SWGs are an effective tool for programming IPA assistance. For implementation of sectoral strategies, they are a much complex and diversified instrument. The case of Serbia shows that the PAR working group, which should put together MoPA and MoF and should invite civil society and donors' representatives, does not meet regularly. The ministries involved have their own priorities, one of which – and not always the first one – is the implementation of the sectoral strategy along the lines agreed upon with IPA II. The ministries involved often do not have a performance framework against which to assess their performance and do not have internal systems that oblige them to report regularly on results. When an SRC (or a different multiannual support) is in place, they have to report twice a year against a set of shared indicators. This practice influences and – through a very long process – modifies their own operational modalities.</p>
I.4.2.2	Evidence from interviews and e-survey	<p><b>Field visits:</b></p> <p>Albania: A formal structure of SWGs for donor coordination and consultations with CSOs existed in the past. Working groups for consultation with Civil Society and other external stakeholders have been set up during the preparation of the different sub-sector strategies and action plans in PAR, but they are not associated to M&amp;E. The Anti-corruption strategy is an exception, as CSOs are associated in M&amp;E rather regularly (SIGMA monitoring report 2017). The IPMGs (especially in the case of PAR) work relatively well as coordination bodies to ensure a better coordination of the institutions involved in the execution (various ministries and entities) and a better information of the others (CSOs, other donors). On the second part of the indicator, the functioning of SWGs in the programming phase ensures a level of coordination with other donors and CSOs. In the implementation phase, this becomes much more difficult.</p> <p>Bosnia and Herzegovina: The SWGs are functioning and despite logistical and political difficulties posed by effectively including the many SHs who are members or observers. The dialogue generated between the participants in the SWGs is reported as being an important innovation that had previously not existed in any structured way. Also, the collaboration that the SWGs have fostered represents something that in the past had proven difficult to put in place. Both these elements represent results that are directly attributable to the SA.</p> <p>Kosovo: The SWGs themselves need to be revitalised to function as intended under IPA II. Due to their limited utility, sector stakeholders reportedly tend to liaise bilaterally to coordinate actions in a given sector.</p> <p>The Republic of North Macedonia: SWGs, namely in the programming phase, represent the main positive innovation so far from SA in The Republic of North Macedonia. As commented on previously, in most cases their membership is limited to sector institutions and does not include external stakeholders.</p> <p>Montenegro: As noted under EQ3, SWGs may serve as a forum for improved wider dialogue among the Montenegrin institutional stakeholders, but it is not the only forum for this – the CWGs also have this function, albeit with a different purpose and slightly different composition. The absence of donors and international organisations from the SWGs undermines their role as a forum for coordinating all donor inputs into the IPA II sectors.</p> <p>Serbia: The Inter-ministerial WG on PAR does not meet (there are more than 40 institutions represented, too heavy). There are also lots of other rather overlapping committees (Government Transparency, SDGs committees, etc.). The SWG has worked for programming and to start SBS. During implementation, the SWG, including the participation of all components, met once, according to donors and CSOs interviewed. The EU accession dominates the scene. In this context, other main donors have their own entries influencing different pieces of legislation/ orientation. According to SIGMA report (2016 and 2017), consultation on public policies is the lowest indicator for policy development. A significant coordination among the different donors occurs through the Multi Donor Trust Fund in Justice Sector.</p> <p>Turkey: SWGs met only in the programming phase and do not work particularly well. In the implementation phase, they do not work at all.</p> <p><b>Interviews with beneficiaries conducted before the field phase:</b></p> <p>In Albania, the issue of the IPMG is still under discussion, as they are weak (weaker than the sectoral WGs, in the more advanced sectors). The example of the PFM Steering Committee, led by MoF: it works much better than the IPMG, of which should be part; ensures inter-ministerial coordination and is supported by a Reform Coordination Unit paid by the MoF. The case of the Justice WG led by MoJ is similar: it should go under an IPMG, of which functions and structure are not clear.</p> <p>In Serbia, the WG structure is ensured by MEI and its line units.</p>

**Other interviews conducted before the field phase:**

SWGs are promoted by NIPAC when establishing the SPDs, then they continue as coordination and possibly monitoring bodies under the leading institution.

Often there is an extreme fragmentation of WG (in Albania they were 78), and in most cases, they do not have an autonomous life, as sector coordination tools, but continue to be NIPAC-related structures, which meet when NIPAC requires.

In Albania, IPMG on PAR and Steering Committee on PFM.

In Albania, the WG on Judiciary is coordinated rather well by MoJ, but an IPMG under the OPM should be put in place with uncertain consequences.

Already mentioned difficult situation of the WG on Judiciary in Serbia.

I.4.2.2 Evidence from documents

**Action Plan Support to the Justice Sector, Action Plan 2014-18, Montenegro:** Monitoring of the implementation of the Action Plan measures will be done by the Council and Operational Team. The Council will be composed of the representatives of key judicial institutions, civil society sector, representatives of relevant Governmental departments, Judicial and Prosecutorial Council, Judicial Training Centre and other professions working with the judiciary (lawyers, notaries, public enforcement officers, mediators, court experts, court interpreters). Council will have Secretary who will lead Operational Team. Operational Team will perform activities aimed at collection and processing of data and preparation of reports of responsible authorities, as well as other administrative-technical tasks. All institutions obliged to submit reports to the Operational Team will nominate contact persons who will be responsible for collection of data within their institutions.

**Rule of Law, Sector Planning Document, the Republic of North Macedonia, 2016:** ... The line ministries are obliged to regularly report on the progress made in every beneficiary strategic document and to monitor the implementation of the objectives defined. Information and data could be provided, but knowledge and skills are lacking, thus imposing challenges for successful implementation of any action or multi-sectorial approach needed for their achievement. In addition, the EU Progress Reports assessing the achievements and the progress made against certain issues regarding the accession criteria and/or SAA implementation measures can be perceived and used as monitoring instruments thereto. Moreover, the implementation of obligations under the SAA is being followed in the framework of the Stabilisation and Association Committee and the respective Sub-Committee on Justice, Freedom and Security presided on the beneficiary's side by the Ministry of Internal Affairs and with active participation of all responsible institutions. Regarding the question of sector policy monitoring and evaluation (M&E) system, the key required improvement is an increased emphasis on outcome/impact indicators and greater familiarity of the stakeholders with and application of the results-oriented monitoring framework. Systems should be oriented towards Programmes (blocks of projects) rather than a single project to assess performance over a longer period. All in all, while the Home Affairs sector reform policy M&E systems require improvement, they are reasonably expected to evolve in line with the advancement of the quality of policies and the coordination mechanisms. NIPAC has an important role in the M&E of IPA programming. Once per month, the M&E Unit prepares detailed reports for the implementation of the whole IPA Assistance to be presented by NIPAC on government sessions. These reports should assist in reaching some consensus over the implementation of the EU assistance and to raise the awareness of the challenges that the IPA II /IPA II bodies/structures are faced with throughout the implementation. On regular basis NIPAC organises coordination meetings to ensure regular information to the Government for IPA related issues, such as regular weekly coordination meetings of the IPA structure, regular sector-based meetings on monthly basis, regular monthly meetings with EUD and bi-annual high-level meeting.

The Secretariat for European Affairs (SEA) is responsible institution that coordinates the mutual coordination of the institutions which are part of the process of EU integration (for all chapters, including Chapter 24) and directly monitors the implementation of the measures and activities foreseen of NPAA. The SEA representatives are present at all activities implemented through the NPAA, thus providing support and coordination.

According to the Government Decision for creation of Working Group (WG) for preparation of NPAA and preparation of the EU negotiation positions, there is special WG for each chapter. The Coordinator of each WG is being appointed by the SEA. SEA, Ministry of Foreign Affairs (MFA), Ministry of Finance (MF), the Secretariat for Legislation and the State Statistic Office are part of each WG. The Head of the WG coordinates and aligns his/her work according to the SEA guidelines. SEA monitors the work of the WG based on the reports submitted by the WG and controls the quality of the received materials, makes consultations with foreign assistance donors and provides opinion on the alignment of the NPAA priorities with the beneficiary strategic programmes. NPAA WGs harmonise the NPAA priorities with the other Government strategic, planning and programmatic documents, including the priorities for use of foreign assistance; determine the competences of the institutions regarding any EU legal regulation, including the necessary activities for provision of alignment in the appropriate sector. The WGs also prepare, monitor, update and harmonise the NPAA respectively, they assess the required resources for implementation of the legislation, prepare reports for implementation of each NPAA chapter etc. Each WG prepares Rules of Procedure that determines the manner of work of the WG itself.



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- Also, representatives of foreign missions that assist institutions of the justice system as well as representatives of civil society are invited to participate in the meetings of the monitoring group.



#### JC.4.3 Reinforced budgetary process for sector strategy implementation.

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

There is little evidence that sector budget transparency has increased thanks to SA, even though in principle this should be the case, especially for SBS and MAPs.

Strength of the evidence: high on the link between priorities and budgets; medium on sector budget transparency

I.4.3.1 Extent to which sector budgets increasingly respond to medium-term sector priorities

I.4.3.1 Summary

The adoption of programme budgeting is a long process, which has started in most beneficiaries, but has not yet produced substantial improvements regarding the link between sectoral strategic priorities and budget. Most strategies, even in the fundamental sectors, are not really costed and financial resources for their implementation are not ensured. The approach to budgeting is still fragmented. When medium-term frameworks are adopted, the budget projections are not based on real forecasts, neither on the expenditure nor on the revenue side. The link between sectors and MoF is still based on annual allocations and plans, in most cases.

In Albania, the use of medium-term budget frameworks started a long time ago, but then the MoF was weakened and the know how dispersed. Now an MTBF is in place, but the projections are rather optimistic and there is a weak – though improving – link between central budget and sector strategies.

In Serbia, programme budgets are at an initial stage and MoF has begun to systematically examine the budgetary implications of sectoral strategies, rejecting those that are not financially sustainable.

In the Republic of North Macedonia, PFM reform is under way and a programme-based budgeting is being introduced, but at line ministries' level, strategies and action plans are far from considering any real medium-term budget prospect.

I.4.3.1 Evidence from interviews and e-survey

##### **e-survey and field visits:**

In the e-survey a specific question asks about the SA contribution, in the four sectors of PAR, PFM, Justice and Home Affairs, to strengthen sector budgetary processes. The respondents are moderately positive or neutral on all the sectors, with an exception for PFM, where the SA contribution is considered much positive. At the level of individual beneficiaries, the results are the following:

Albanian respondents are very positive on PFM followed by PAR, and moderately positive on the other two sectors; Serbian respondents are very positive on PFM, and exceptionally positive on Home Affairs;

Montenegrin respondents are the less positive on Justice;

The Republic of North Macedonia and Kosovo are not particularly positive on all the sectors.

Albania: According to MoF, there are very positive changes in the budgeting process. MTBF has improved, because the line ministries have their own strategies (thanks to SA uptake), so as matching policy priorities and resource allocation becomes possible and realistic. Sector budgets for PAR implementation are improving along the years and the resource gap has been reduced by 40% in the last three years. Still much remains to do in terms of accurate financial planning and costing for PAR implementation. The Justice strategy has been reviewed and the budget has become more realistic, with a gap compatible with the resources foreseen by the future SRC.

Bosnia and Herzegovina: There is no evidence of sector budgets responding to mid-term sector priorities. There is no requirement on Bosnia and Herzegovina institutions to adapt their own budgeting practices to SA criteria. Even the SPDs, which represent an attempt to outline sector strategies under European Integration guidance in the priority IPA II sectors, to introduce and prepare SA in the beneficiary policy process, contain three year budgets exclusively referred to IPA II programming. Within the Bosnia and Herzegovina institutions, mid-term budgeting is not common, with annual budget cycles being the norm. Without the introduction of SBS or MAP it seems difficult for the Bosnia and Herzegovina administration to find a motivation to change their processes towards SA uptake.

Kosovo: Regarding budget transparency, SBS has positively influenced sector budgets in the areas it targets (PFM, PAR). The PFM reform has established a detailed budget over four years according to the pillars of the reform and the different priorities. Elsewhere, there was little reported change from prevailing practice that could be attributed to the SA.

The Republic of North Macedonia: So far, there is no evidence of sector budgets responding to medium term priorities as a result of SA. Annual budgeting prevails in administrations of North Macedonia. The linkage of national budgeting with SA criteria (mid/term, strategic coherence, sustainability) is evident only when co-financing arrangements are in place with IPA SOPs. The SOPs require national co-financing, although this is allocated on an annual basis. SBS has not been introduced to the Republic of North Macedonia, so this has yet to influence national budget allocations or transparency. A work in such direction has started in EESP sector.

Montenegro: There is a clear distinction between SBS, EESP SOP (and reportedly also IPARD SOP) on the one hand, and other IPA II supported national programmes, in terms of their budget structures, on the other. The former have a 3-year budgeting perspective to support a comprehensive sector or sub-sector strategy, whereas the latter have one-off annual IPA funding allocations. The former include resources coming from national budgets and other external inflows, which allows greater strategic planning and flexibility in deployment of resources over a longer time horizon (although the EESP SOP in fact has annual allocations spread over 3 years and as such, represents a 'hybrid' MAP). The latter, lack this strategic, flexible response dimension, but are much more suited to the national Montenegro budget cycle. As noted elsewhere, this runs annually so there is as yet no space for their adjustment to any medium-term sector priorities set by IPA II.

Serbia: As in other sectors, the national budget, although improved, does not correspond yet to the sector strategic priorities and the sector requests are not formulated taking into account the national budget constraints. Programme budgeting and MTBF are far from being established.

Turkey: The Judiciary strategy ensures that the financial needs are covered, although the disaggregation of the sector budget and its link with the main strategic objectives is not specified. No reference to budget and resource availability is established in the multitude of 'Action Plans' in the other subsectors.

#### **Interviews with beneficiaries conducted before the field phase:**

The Republic of North Macedonia: assessment of progress in roadmap will be done in late autumn (including sector budget criteria); most likely no progress; overall beneficiary problems with setting up the MT expenditure framework.

#### **Other interviews conducted before the field phase:**

Much depends upon the strength of the PFM process and MoF. As mentioned, in Serbia, MoF has started to ensure thorough exams of the sectoral strategies, when they are produced by the other sectors, in relation to the financial sustainability.

#### I.4.3.1 Evidence from documents

**Support to the Justice Sector, Action Document, Serbia, 2016:** This Action is planned considering programme budgets that are developed in line with the beneficiary's medium-term plans and other strategic documents related to their competencies. Each programme is made up of independent yet closely interlinked components, activities and/or projects, set up objectives and developed indicators.

**SIGMA assessments, Baseline Measurement, Serbia, 2015:** The 2015 Budget is the first to be presented on a programme budget basis, but this does not extend to creating strong links between allocated expenditure and policy objectives. There is no emphasis on results yet. The SAI (supreme audit) staffing levels increased from 179 in 2013 to 223 in 2014. This enabled the SAI to adopt more audit reports, up from 56 in 2013 to 135 in 2014, including the SAI's first performance audit report. Although subordinate institutions are legally required to adopt FMC, there is no evidence to suggest that this is widely applied. Nor can it be said that SOEs, which have incurred large losses in recent years, are subject to robust monitoring by their responsible first-level organisations.

While the introduction of programme budgeting will enhance the transparency of expenditure and will show responsibilities more clearly, managerial accountability is not well established in Serbia. The 2013 CHU Annual Report lists a number of shortcomings including, in most organisations, no plans for FMC implementation, a failure to establish a working group to develop FMC, poor attendance rates among high-level managers at FMC training events, and an emphasis on legal compliance but no awareness of required to estimate likely costs before the Government can consider the proposals, there is no evidence that Budget users have fully implemented this requirement.

Public organisations have not implemented financial management and control in line with the legal framework. A significant number of institutions do not even return the annual CHU questionnaire, and many that do complete it are not implementing the key steps for developing it within their organisation. This is an impediment to the development of the new programme Budget system, since managers need to understand their responsibility and take actions through FMC to ensure that they achieve their programme objectives.

**SIGMA assessments Monitoring Report, Albania, 2016:** The review was positive and will allow Albania to draw down the next tranche of EUR 72.4 million (SDR 57.76 million). This brings the total disbursement to EUR 226.8 million (SDR 180.84 million). The review noted that, while Albania had made progress, downside risks, including the level of debt, remain. It noted the desire of Albania to improve its public financial management and to tackle fiscal risks. While Albania tries to use a three-year period for its budget framework, the medium-term approach is largely indicative and has been characterised by overly optimistic revenue projections. In recent years, the Budget has had to be revised during the year because of this overestimation of revenues. In 2015, the Budget was revised three times. The growth in the debt to gross domestic product (GDP) ratio in recent years remains a concern. While it may stabilise in 2016, when it is estimated to be 70.9% at the end of the year (having been 72.5% in 2015 and 71.8% in 2014), this projection must be seen in the government budget balance and the debt-to-gross domestic product ratio are on a sustainable path.

**Rule of Law, Sector Planning Document, the Republic of North Macedonia, 2016:** There is no link between strategies, action plans and sector budgeting. Even if a PBB (Program Based Budget) has been established several years ago and the Budget is divided per Programs, the link between the definition of the content of the Programs and the Strategies/Action plans is missing. There is also no unified methodology for costing of the implementation of the strategy. There is a fragmented approach to budget elaboration and no appropriations for the various public-sector institutions. In addition, there is no public consultation during the budget elaboration. Costing of Action Plans implementation is done case by case without the involvement of the Mol's Budget Department.

The Budget of the Mol is prepared on the basis of Programmes in January. There are 15 Programmes. The Budget department in the Mol receives a "Circular" to express the needs for a one year period. In this exercise, there is no link between the priorities expressed in Strategies. Usually needs are higher than financial limits. The Parliament of the Republic of North Macedonia adopted the 2015 Budget in October. The Projections for 2016 and 2017 are not based on real forecasts and budget projections analysis. The institutional arrangements are in place to drive and coordinate the reform processes in the Home Affairs areas. That said, greater efforts could be made to strengthen inter-ministerial coordination, to address staffing problems and ensure that the necessary infrastructure, technical equipment and tools are available to the competent institutions. The Government is actively pursuing policies targeted at macro-economic stability and fiscal prudence. Public Finance Management will be further strengthened by the carrying out of a PEFA in summer 2015 and the elaboration of a PFM reform strategy an Action Plan on the basis of the results. There are concerns regarding budget transparency but these should be addressed through the PFM strategy. There are areas which require further urgent attention. First, budgeting capacity needs to be strengthened. While annual and multi-annual programming budgeting will be addressed through the PFM strategy, it will be necessary to provide direct support to the Mol and other relevant institutions to ensure that their strategies/action plans are presented in the proper programme format with associated indicators. Second, relevant Ministries and law enforcement agencies will need to improve their performance monitoring capacities. This will entail strengthening the Strategic and Analytic Departments, developing policy monitoring tools in line with OECD-DAC Guidelines, and establishing structures and processes for receiving, commenting and auctioning monitoring reports.

The beneficiary authorities should ideally address the following issues to improve institutional budgeting and PFM capacities, in order to ensure a supportive domestic context for a sector-oriented assistance under IPA II: (a) increased degree of transparency, programme budgeting methodologies and use non-financial performance information at the GOM level; (b) development of Sector Expenditure Plan (SEP) for HA Sector – with the sector budget ‘integrator; role for the MoI, with requisite role given for the autonomous limbs of the HA sector – to serve as an effective tool for strategic sector prioritisation and ex-ante approval for programme implementation and aid delivery control; (c) definition of financial projections with regard to the sector reform policy documents, with realistic and achievable multi-annual budgetary commitments tied to each major item of the respective strategy/policy and drawn against the background of the MTEF projections with regard to each relevant institution of the HA sector. More active involvement of the Ministry of Finance – and experts specialised in financial planning – in the HA sector reform coordination mechanism is among key conditions to achieve the above objectives. Ideally, the diagnostic work for PFM – including within the Home Affairs sector would follow a cross-cutting PFM assessment, such as that of the Public Expenditure Financial Assessment (PEFA). The PEFA for the beneficiary is very outdated and an update is required. The HA Sector does not currently meet the criterion on mid-term budgetary perspectives. There is an urgent need to strengthen the annual and multi-annual budgetary processes and in particular to reinforce the capacities within the MoI and other relevant institutions to prepare, manage, and monitor programme budgets and their associated indicators. It is understood that support will be provided to the Ministry of Finance to address these factors. Moreover, the MoF needs to develop more realistic/accurate medium-term budget forecasting based on sound and internationally recognised methodologies and to ensure that staff in the line Ministries is well-trained in the application of these methodologies.

The Government has introduced a number of measures designed to strengthen **public financial management**. Amendments have been introduced to the Law on Budget and the Manual of Treasury Operations and Parliament adopted a constitutional amendment, which enters into force in 2017, establishing a ceiling of 60% for public debt and a 3% ceiling on the fiscal deficit as a share of GDP. The Treasury Information System has been updated and came fully on stream at the beginning of 2014. Public Internal Financial Controls have been improved with the introduction of programme budgeting and internal auditing. While internal auditing has started to function well and a Central Harmonisation Unit has been established, there is little evidence of programme budgeting either in the published documents or in the operation of the line Ministries. The capacities of the State Audit Office (SAO) have been strengthened and the Public Revenue Office (PRO) has taken steps to strengthen tax collection. In 2013, the Government introduced several further changes to administrative and legal rules to strengthen public internal financial control and budgetary planning. In December 2013, the Law on Financial Discipline was adopted and harmonised with the EU Late Payments Directive. From January 2014, all budget users are required to record multi-year commitments.

In October 2014, the Government adopted a new medium-term Fiscal Strategy 2015-2017, which includes a Public Debt Management Policy. The twin goals are to maintain fiscal discipline (target 2.6%) and limit public debt (including placing tight controls over the State-Owned Enterprises). The Government intends to create the fiscal space and credibility with lenders to continue with investment in capital infrastructure projects as a stimulus for economic activity and employment growth. The Government has indicated that it will adjust monetary policy to sustain the exchange rate peg, and will work with the Beneficiary Bank to counter the depletion of foreign reserves. Nevertheless, the Government's Pre-accession Economic Programme (PEP 2014) appears somewhat optimistic regarding inflows of foreign direct investment given the current deflationary pressures in Europe. DG ECFIN has concluded that the beneficiary needs to enhance its budget planning capacities and its controls over commitment and implementation, and to improve fiscal transparency. The link between the medium term fiscal framework and the annual budget process is problematic, with little correlation between projected and actual budget allocations. DG ECFIN also highlights that the Government needs to strengthen its medium-term fiscal framework to contain spending pressures arising from ad hoc pension and public-sector wage increases and an overly ambitious investment programme.

I.4.3.2 Extent to which sector budget transparency is increased		
I.4.3.2	Summary	Data from interviews show a certain improvement of this indicator, although the documentation available is limited and there is little evidence of the SA contribution to it. Albania is the only beneficiary with a significant progress in the OBI (from 32 in 2010 to 50 in 2017). All the other countries (Montenegro does not participate to the survey) have deteriorated their position: Bosnia and Herzegovina from 43 to 35; the Republic of North Macedonia from 50 to 38; Serbia from 53 to 42; Turkey is stable on 58.
I.4.3.2	Evidence from interviews and e-survey	<p><b>Field visits:</b></p> <p>Albania: According to the Open Budget Transparency Index, Albania has made significant continuous progresses since 2010, shifting from a score of 37/100 to a score of 50/100. It classifies first among the group of Western Balkans potential and actual candidates. The main weaknesses regard information to the public and civil society participation. Budget transparency has improved in the sectors supported through SRCs, especially because they show instances like the IPMGs, which – beyond their efficiency – ensure access to information (including on budgeting) to all partners.</p> <p>Bosnia and Herzegovina: Given the minimal influence that the SA has had on budgets so far, there is no indication that sector budget transparency has improved as a result of its introduction.</p> <p>Kosovo: Budget transparency has evidently improved in the sectors where SBS is being deployed. Elsewhere there were no reported improvements or changes in the prevailing budget practices thanks to SA.</p> <p>The Republic of North Macedonia: See I.4.3.1 above</p> <p>Montenegro: In principle, SBS and EESP SOP improves sector budget transparency as it ties funding to a robust PAF that should demonstrate that allocated funds are contributing to sector level change, or if not, allow to identify reasons why this is not happening. In the other sectors, the absence of adequate PAFs weakens this dimension of transparency significantly.</p> <p>Serbia: Budget transparency has increased, but not as expected, because of the delays in the sector strategies and for the inefficiency of Internal Control and Audit (see SIGMA report 2017). See also the OPG Action Plan 2015.</p> <p>Turkey: As said there are no explicit links between budget allocations and strategy objectives in Judiciary.</p>
I.4.3.2	Evidence from documents	N/A

**JC.4.4 Initial outcomes are being achieved and recognised.**

There are only a handful of SA outcomes to report at this stage, linked to sector strategies where SBS is being deployed. Otherwise, they have yet to emerge although this may change over time.

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

Albania offers an example of some positive developments, although it is questionable if these are attributable to SA alone.

There is no evidence of the public having any improved perception of sector performance thanks to the SA. Strength of the evidence: high

**I.4.4.1 Extent to which there are steps forward in the implementation of reforms, which imply the overcoming of strong political-economy resistance**

**I.4.4.1 Summary**

There are significant and visible achievement in Albania, in some sensitive areas that meet the interest and the expectations of the public opinion, such as: the new civil service law and the establishment of concurs for staff recruitment, the drastic reduction of the number of municipalities and the entering into force of a new local taxation system, the new public procurement law and the installation of the related commission, and – more than any other – the constitutional and legislative changes for the Judiciary reform, in particular the launching of the vetting process among the judges. The latter affects one of the most sensitive subjects among the Albanian public opinion: the corruption of the judges. The progress is becoming operational and has already produced some important results with the resignation of dozens of judges to avoid the selection process. In Serbia, as well, there are visible progresses, mainly in PFM (oversight, efficiency and effectiveness in budgeting, etc.) although they still remain at the level of new legislative and management frameworks, of which the visibility among the public opinion is limited.

Although there is some acceleration of the process in PAR and PFM, in Kosovo, Montenegro and the Republic of North Macedonia, and some initial signs of change are appearing, there are still little achievements in terms of significant outcomes in the fundamental sectors.

In Turkey, there are dramatic steps back compared to the significant achievements before the attempted coup of July 2016, in terms of democracy and basic freedoms, independence of justice, etc.

Judiciary is the area where achievements are more difficult, because governments do not give up their pressure on the independence of judges.

According to the WGI classification, in dynamic terms between 2011 and 2016, Albania has recorded the most significant positive changes in Political Stability and Absence of Violence and in fight against Corruption. It has been the second best in Voice and Accountability and Governance Effectiveness, while it is 3<sup>rd</sup> in Regulatory Quality and 5<sup>th</sup> in Rule of Law. Apart from Corruption and Regulatory Quality, Turkey is always among the worst performers. In absolute terms, in 2016, Albania is first by far in Voice and Accountability and first in Political Stability and Absence of Violence, while it occupies the second last position in Rule of Law. The dynamic classification of Albania confirms the progress assessed in the sectors supported by IPA II, namely with reference to Governance Effectiveness (PAR) and fight against corruption (vetting process).



#### I.4.4.1 Evidence from interviews and e-survey

##### **e-survey and field visits:**

According to the e-survey, the question on the SA contribution to accelerate and enhance the outcomes of sector reforms in the four priority sectors, received a rather neutral score for Judiciary (56%) and Home Affairs (61%) and a slightly positive one for PFM (67%), followed by PAR (64%). score. The responses of the individual beneficiaries are as follows: in Albania, respondents are very positive on PFM followed by PAR and rather positive on Justice and Home Affairs; in Serbia, they reflect the average responses mentioned above; in Kosovo and the Republic of North Macedonia, they are very negative on Judiciary; in Montenegro, they are rather negative on PFM. Turkey has completely negative scores (the number of responses is too low to be representative).

**Albania:** Major achievements regard PFM and Judiciary. There is an overall improvement of the PFM and the management of the budgeting process. The public procurement is improved and controlled by the Parliament. The public deficit and the debt have been significantly stabilised, thanks to improvement in data collection and processing. Much remains to be done in terms of efficiency and transparency, but the process is on the right path (interviews with national and international stakeholders, and SIGMA monitoring 2017). Significant reform outcomes are evident in Judiciary. The important constitutional changes and the advances in the process of reelection of Judges aim at creating the conditions for defeating the endemic corruption and ensure the effective independence of judges.

**Bosnia and Herzegovina:** At this stage, there are no discernible outcomes thanks to SA. The improved inter-institutional dialogue offers potential for a more holistic and focused use of IPA II, linked to national priorities. Nevertheless, it is important to emphasise that the dialogue takes place primarily at a technical level between administrators with experience of EU and other funds. The involvement of senior management from these institutions in this dialogue is reportedly limited. Policy dialogue between political representatives of the EU and Bosnia and Herzegovina for the most part does not transmit down into development of IPA II programming priorities. The internalisation of SA practices into the Bosnia and Herzegovina administration (e.g. SWGs for developing national priorities, strategies emerging from structured interplay between institutional actors of North Macedonia) has not yet started to any notable extent. This will take some time to embed itself and become standard practice. Also, given that many priority actions in the SPDs have not yet been incorporated into ADs, there unsurprisingly is no evidence as yet of more effective IPA II action results emerging, which are influencing the reform processes they target.

**Kosovo:** SBS in two key sectors indicate a courageous commitment of both the Kosovo and EU institutions to push forward the reform agenda there. The protracted preparation of these interventions indicates the challenges that this type of measure presents. As noted elsewhere, the success of these measures remains to be seen. Otherwise, results in terms of more effective interventions delivering sustainable sector level results that are measurable using PAFs are not evident as no interventions under IPA II have delivered these yet.

**The Republic of North Macedonia:** The internalisation of SA practices into the Macedonian administration (e.g. SWGs for developing national priorities, strategies emerging from structured interplay between Macedonian institutional actors) has not yet started to any notable extent. This will take some time to embed itself and become standard practice. The capacity development TA may help in this regard but will require sustained political support to happen.

**Montenegro:** Evidence now suggests that there are no outcomes from SA in terms of better sector level results. The SA architecture is in place but its functionality is questionable (too early and little internalisation and mainstreaming) and so is at best, an output. More inclusive, structured dialogue seems to have emerged, although this is at least partly attributable to the negotiations process and facilitated via the CWGs. It was reported by several SHs that there is an increased appreciation among some Montenegrin institutions of conceptualising programming at a sectoral level. Regarding EESP SOP and PAR SBS (and IPARD SOP) there are more visible outcomes, due to the evidently good ownership among Montenegrin partners and this has emerged thanks to the process of developing these programmes, and the accession perspective that underpins the reforms supported by IPA II. Also, the Montenegrin beneficiaries and EUD confirmed that quality of capacity development was much greater thanks to the deep, long-term preparation process these institutions had to undertake. In the case of EESP SOP and IPARD SOP it is important to emphasise that these benefits are not directly attributable to SA, but rather the experience of the Montenegrin institutions from component IV of IPA I (EESP) or their direct collaboration with DG AGRI (IPARD). In the case of SBS, the contribution of SA to these benefits is direct and clear.

**Serbia:** Both in PAR and Judiciary the formal level of the reforms is relatively advanced, including strategies, laws and bylaws. But the actual implementation is poor. For instance: i) The law on public service is operational, but political appointees, temporary employment and areas of exemption are the norm. M&E system is in place, but there are no communications on the outcomes of the reform; ii) in PFM, according to SIGMA 2017 report, there are good scores for the establishment of new frameworks (Internal control, Internal audit), but the scores become very bad for execution. There are good scores for improvement of procurement and for external audit, but not for budget scrutiny. It must be said that SIGMA indicators are criticised by Serbian Government as being not suitable for the Serbian decentralised administration system; iii) in Judiciary, there are improvements in efficiency (reduction of a backlog of about 800,000 cases at the Cassation Court). According to the EC 2018 Serbia Progress Report:

- The independence of Judges and Prosecutors however is lagging: in 2009-10 an overall re-election of judges took place in compliance with the new legal framework established with the reform. Indeed, this re-election occurred without control: almost 900 new judges entered into the system and about 700 old judges were not re-elected, based on rather political criteria, as verified by independent assessments carried out by the EU. Then all judges and prosecutors were re-elected by the end of 2012. Another issue is the availability of judicial (prosecutors') police. The law establishes that police must respond to prosecutors' orders for their investigations. But, since the police is institutionally under the MoIA, the latter may hamper the action of prosecutors and does it in many cases, particularly in politically-sensitive cases. The e-survey among government officials confirms that SA has facilitated the achievement of some outcomes, but the positive judgements on this point are much lower than in all the other questions, with the exception of Home Affairs (79%). In PFM, positive judgements are 67%, in PAR 62% and in Judiciary only 54%. Considering the origin of such judgements (Government officials) they are rather low.

Turkey: The reforms related to Chapter 23 have represented an impressive process of modernisation of the Turkish society, which – despite the ongoing deep democratic involution – will not be easily cancelled. To use a quotation from an article of a Turkish Judge (Sitki Hasan SÖYLEMEZOĞLU), the reforms related to Chapter 23 “triggered a transformation process enhancing all the rights and freedoms and thus positively affecting all segments and individuals of the society. In this process, the fundamental laws were rewritten and the Constitution of the Republic of Turkey and all the legislation regarding the rule of law and fundamental rights were changed. More importantly, a mentality change started among the judges, prosecutors, law enforcement officials and public servants”.

#### **Interviews with beneficiaries conducted before the field phase:**

In Albania, PAR has achieved significant outcomes:

- Concurs recruitment and new Civil Service law
- PFM. Generally good assessment of results (Positive assessment of SRC). Good public expenditure management. New law on procurement passed and Commission under installation.
- Territorial reform: Municipalities have shifted from 373 to 61. The new Local Taxes Law has entered into force. Regional agencies in place. Concessional grants established.
- Weaknesses: MTBF to match policy priorities and budget still weak. MoF understaffed. M&E weak (indicators and systems). Concerns about restructuring and new recruitment to correspond to the new law on civil service.

In Albania, Judiciary reform is producing crucial outcomes, with deep constitutional changes: the establishment of two Supreme Councils (Judges and Prosecutors), a Court and a Prosecutor for corruption and organised crime, and – the most important – the Vetting law to dismiss and reselect all the judges is something exceptional, of which the implementation (independent commission and international EU-US monitoring headed by IPA) is under way.

In Serbia PAR, since 2014, significant progresses are visible in PFM strategy, e-Governance, and the regulatory framework.

In Serbia Judiciary, according to most stakeholders interviewed, the reform has not produced yet real outcomes. The MoJ has a different advice, as in the following statement “Such a conclusion does not correspond with the findings presented the EC Serbia Progress Reports. What is more, it minimises the significant efforts invested and results achieved so far in judicial reform. For more details on the progress in Chapter 23: Judiciary and Fundamental Rights, please refer to pages 12-30 in the latest EC 2018 Serbia Progress Report”.

In Turkey, significant steps back in Democracy. In Rule of Law, legislative progresses have been cancelled, the independence of the Councils of Judges and Prosecutors (established in 2010) has been cancelled as well after the coup and J&P have been put back under the authority of the president, who has reviewed all the nominations and removed, arrested, put under pressure many of them.

The Republic of North Macedonia: significant problems in setting up the new Judicial Reform Strategy

Kosovo: similar difficulties with JUS; more progress noticeable in PAR/ PFM

I.4.4.1 Evidence from documents

**Enlargement report, Kosovo, 2016:** Some progress was made with the adoption of a comprehensive public financial management strategy and of the law on general administrative procedures. However, Kosovo did not address the Commission's recommendations in accountability. Non-merit-based recruitment continues to adversely affect effectiveness, efficiency and professional independence of public administration. The first monitoring reports on implementation of the public administration reform package indicate considerable delays. There are also serious concerns about the financial sustainability of the reforms.

**Enlargement report, Serbia, 2016:** Serbia is moderately prepared with the reform of its public administration. Good progress has been achieved with adoption of the public financial management reform programme, e-government strategy, a strategy on regulatory reform and policy-making, new laws on general administrative procedures, public salaries and civil servants at provincial and local government levels. However, implementation of the public administration reform action plan has been slow in some areas, and no progress was made with amending the legal framework for central government civil servants.

**PAR Special Group, Albania, Sept. 2017:** Statement of the EUD on implementation: The 7<sup>th</sup> meeting of the Public Administration Reform Special Group for Albania took place on 27 September 2017 in Tirana. The meeting was co-chaired by Mrs. Senida Mesi, Deputy Prime Minister, and Mrs. Michela Matuella, Head of Unit for Albania and Bosnia and Herzegovina in the European Commission. The Albanian authorities provided an update of the main developments focusing on civil service reform implementation, policy planning and coordination, service delivery and accountability as well as decentralisation and local governance. They also presented the plan of ministerial restructuring and reorganisation of public administration aiming to increase effectiveness of service delivery. The European Commission welcomed the further progress in implementing Public Administration and Public Finance Management reforms, supported by € 11 million of EU funds approved for disbursement in July 2017. The Commission further encouraged the government to maintain the good pace of reform implementation. It also underlined the importance of ensuring that the envisaged reorganisation is conducted in compliance with the civil service law. The Commission also emphasised the need to improve the mechanisms for policy planning, and to align budgeting with strategic planning. Reform of public administration is one of the five key priorities for the opening of the EU accession negotiations. The PAR Special Group is the main policy dialogue forum where the Commission together with Albanian government institutions and independent institutions discuss the progress in implementation of the reforms of public administration, decentralisation and public finance management.

**Enlargement report, the Republic of North Macedonia, 2016:** The implementation of the new legal framework on human resources management started. However, there has been insufficient commitment to implement the Commission's 2015 recommendations. Ineffective accountability lines, the use of the public sector as a political instrument, allegations of pressure exerted on public employees and alleged politicisation of administration in an electoral year continue to be of concern. Furthermore, the lack of political commitment to deliver on necessary reforms in public financial management led to a significant reduction of EU financial assistance in 2016.

**Enlargement report, Turkey, 2016:** Turkey's judicial system is at an early stage/has some level of preparation. There has been backsliding in the past year, in particular regarding the independence of the judiciary. The extensive changes to the structures and composition of high courts are of serious concern and are not in line with European standards. Judges and prosecutors continued to be removed from their profession and in some cases were arrested, on allegations of conspiring with the Gülen movement. This situation worsened further after the July coup attempt, following which one fifth of the judges and prosecutors were dismissed and saw their assets frozen.

The application of the principle of immovability of judges remains highly problematic. Transfers of judges and prosecutors against their will were frequent and were not open to judicial review. Several disciplinary and criminal cases against judges and prosecutors have not seen due process, being sometimes solely based on the indictments interference in court cases. There are serious concerns about direct interference by the executive in cases (e.g. through public comments) which continue to undermine the credibility of the judiciary.

The Justice Academy is responsible for pre-service and in-service training of candidate judges and prosecutors. Since the February 2014 legislative changes, the President of the Academy and deputies have been appointed by the executive, which is threatening the independence of the Judicial Academy. The human and financial resources of the judiciary seem proportionate administration, energy, construction and transportation, including when implemented via public-private partnerships, remain particularly vulnerable to corruption.

**Enlargement report, Albania, 2016:** Good progress was made in the past year, notably through the adoption of a set of constitutional amendments that paved the way for comprehensive and thorough justice reform. This work followed an intensive process of public consultation and close cooperation with the European Commission for democracy through law (Venice Commission) at the Council of Europe, which adopted an opinion on the constitutional changes. A law on the re-evaluation of judges, prosecutors and legal advisors was adopted. As part of measures to fight corruption and re-establish public trust in the judiciary, the law provides for the re-evaluation (vetting) based on 3 criteria: integrity through assets assessment, background assessment (inappropriate links with organised crime) and professional competence. Its application has been suspended by the Constitutional Court, which is reviewing its constitutionality and has requested an *amicus curiae* brief from the Venice Commission. Moreover, a set of organic laws, identified by the Albanian legislator as priority for the implementation of justice reform, were adopted. These regulate overall organisation of the judiciary, the prosecution office, status of judges and prosecutors, Constitutional Court, creation of specialised institutions for the fight against organised crime and anti-corruption. In addition to this legislative package, preparations for other 40 laws and by-laws relevant for justice reform are ongoing.

**Expert Group on Rule of Law, the Republic of North Macedonia, 2017:** Only one of the twelve recommendations from 2015 in judiciary and prosecution has been implemented. That was the recommendation to maintain the Academy for Judges and Prosecutors as the sole point of entry to the judiciary, which necessitated no more than continuance of the status quo. Many of the practices denounced in the 2015 report have continued. The control and misuse of the judicial system by a small number of judges in powerful positions to serve and promote political interests has not diminished in any significant respect. These judges have continued to bring pressure on their more junior colleagues through their control over the systems of appointment, evaluation, promotion, discipline, and dismissal which have been used to reward the compliant and punish those who do not conform. This has been described as a type of “state capture” but is perhaps more precisely characterised as the capture of the judiciary and prosecution by the executive power. It remains to be seen how the situation will develop following the formation of the new government. Although there is a need to reform certain procedures, notably the systems for disciplining and evaluating judges, the problem is not generated primarily by bad laws and legal structures. The laws and structures in place are such that the judicial system could function properly if all the judges acted properly. On a more positive note, despite the misbehaviour of a minority, many of the judges do their best to administer justice honestly and fairly. While the new authorities would be entitled and are indeed duty-bound to act against those who are proven to have abused their position, a general vetting of all judges is not recommended as judicial misbehaviour is by no means universal. This minority of politically-influenced judges should be subject to effective professional and ethical rules and, where evidence is available to prove criminal responsibility, should be made criminally liable for their misconduct. Any judges dismissed for proven misbehaviour should be barred from practising law at any level. There is a danger that some in the new government may be tempted, under the excuse of acting against wrongdoers, to replace judges who have misbehaved with others willing to act for them in a similarly unacceptable manner. Suggestions that the judiciary needs to be “cleaned” are therefore unhelpful. It is essential that the new authorities stand back, respect the separation of powers and allow the judiciary to function as an independent arm of government administering justice fairly and impartially and operating fair and effective systems of judicial self-government unencumbered by any outside interference. One particular aspect of the organisation of the judiciary, which was manipulated to facilitate abuse and which was the subject of recommendations in the 2015 Report, is the system of assigning cases to judges which is supposed to be done in a random manner using an automated system (ACCMIS).

**Enlargement report, Serbia, 2016:** The beneficiary judicial reform strategy was revised and brought into line with the Chapter 23 action plan. The Commission overseeing its implementation met regularly, but did not manage to ensure correct and timely implementation of all activities. It failed to solve problems in the Judiciary and to address over-ambitious deadlines for activities that were delayed in 2015. The action plan required to open Chapter 23 was adopted by the government in April 2016 and implementation started. Management bodies: The election of new members to the HJC and SPC has created a new opportunity to improve their legitimacy and reputation. In December 2015, the laws on the HJC and SPC were amended to make their work more transparent. They should become more visible and proactive in protecting the independence of judges and prosecutors. The transfer of full responsibility for the judicial budget to the Councils has been delayed to January 2017. Intensive preparation is needed for the transfer, which is important for the independence of the judiciary. Further efforts are needed for the Councils to implement a fully coherent and efficient judicial administration. Independence and impartiality in the selection process for prosecutors in autumn 2015, the SPC selected only 55 candidates for 85 posts. The candidates' ranking did not reflect their professional merits. The government submitted the list of candidate prosecutors to the Beneficiary Assembly for appointment. Under Article 156 of the constitution, the prosecution service is an independent body. Selection and promotion of judges and prosecutors should therefore be independent of the executive and the legislature, and should be based on pre-established, objective, merit-based, and uniform criteria. The SPC's role as appointing authority should therefore be respected. The role of the Beneficiary Assembly in high-level judicial appointments should be eliminated from the constitution. Political comments on ongoing investigations and cases continue to call judicial independence into question. Court rules of procedure provide for random allocation of cases, but this is not applied in all courts, especially smaller courts outside the bigger cities. This leaves scope for interference by court staff and court presidents. There is no mechanism for random allocation in prosecution offices.

**Enlargement report, Bosnia and Herzegovina, 2016:** Bosnia and Herzegovina's justice system has some level of preparation. Some progress was made in addressing some of last year's recommendations on accountability and integrity in the judiciary, namely through the adoption by the High Judicial and Prosecutorial Council of a set of guidelines on conflict of interest, drafting of integrity plans and disciplinary measures. However, a number of recommendations were not fulfilled. The action plan needed to implement the 2014-2018 justice sector reform strategy was not adopted. The slow reduction of the utility-cases backlog in the courts and inadequate procedures for execution of court decisions continued to harm judicial efficiency. Sanctions for breaching disciplinary and ethical rules were not yet much of a deterrent. Politically motivated threats on the judiciary continued. Judicial independence, including from political influence, remains to be strengthened.

**Enlargement report, the Republic of North Macedonia, 2016:** Multiple amendments to the legal framework were made, in a hasty manner, with shortened adoption procedures and without proper consultation with the professions affected, including in the areas of misdemeanours, sentencing, notaries and bailiffs or, where relevant, the European Commission and/or the Venice Commission. Political will is needed to move the reforms forward in the right direction.

The Judicial Council made some efforts to improve transparency, particularly through regular updates of its website and by allowing the presence of journalists and Civil Society Organisations at its sessions. The Council of Public Prosecutors still lacks its own budgetary allocations, appropriate IT support and staffing.

The new President of the Association of Judges started to actively engage in promoting judicial independence. However, there are no indications that judges feel confident enough to complain to the competent bodies.

**Progress report, Serbia, 2014.** On fight against corruption. The court networks have not yet had a noticeable impact on the efficiency and quality of the judiciary. There is a strong political impetus to fight corruption. Several investigations into high-level cases have been conducted and efforts have been made to improve coordination and institutional leadership in this area. However, corruption remains prevalent in many areas and remains a serious problem. The ratio of convictions to indictments is low. Whistle-blowing protection mechanisms have yet to be established. Effective prevention and repression mechanisms remain to be built. The Anti-Corruption Agency and Council's role need to be supported at the highest level and their recommendations and proposals properly followed up. Effective alternatives to the excessive recourse to incriminations under the offence of abuse.

**SIGMA Monitoring Report, Albania, 2016:** on PA performance indicators  
Public Service and Human Resource Management

Pr.#	Indicator	Baseline		Assessment	
		year	Val.	year	Val.
3	Extent to which recruitment of public servants is based on the merit principle in all its phases.	2014	4	2015	4
3	Extent to which the termination of employment of public servants is based on merit.	2014	3	2015	3
4	Extent to which political influence on the recruitment and dismissal of senior managerial positions in the public service is prevented.	2014	3	2015	3
5	Extent to which the remuneration system of public servants is fair and transparent and applied in practice.	2014	4	2015	3
6	Extent to which the training system of public servants is in place and applied in practice.	2014	3	2015	3
6	Extent to which the performance appraisal system of public servants is in place and applied in practice.	2014	3	2015	3
7	Extent to which the integrity and anti-corruption system of the public service is in place and applied in practice.	2014	3	2015	4
7	Extent to which the disciplinary procedures against public servants are established to promote individual accountability and avoid arbitrary decisions.	2014	4	2015	4
3	Annual turnover of civil servants at the level of the central administration.	2014	NA	2015	9%
3	Number of candidates per vacancy at the level of central administration	2014	47%	2015	20%
4	Number of candidates per senior civil service vacancy at the level of central administration	2014	NA	2015	183
3	Percentage of women in the civil service at the level of central administration.	2014	48%	2015	52%
3	Percentage of women in senior managerial positions in the civil service at the level of central administration.	2013	47%	2015	34%
3	Percentage of civil servants at the level of central administration by different ethnic origin in relation to the general ethnic division in the beneficiary based on the latest census.	2014	NA	2015	NA
4	Annual turnover of senior managerial civil servants at the level of the central administration.	2014	0%	2015	8.60%
4	Turnover of senior managerial civil servants at the level of central administration within six months of a change of government	2014	NA	2015	NA
5	Ratio of average annual compensation of central government civil servants to compensation of tertiary-educated workers.	2014	NA	2015	NA
5	Ratio of average annual compensation of central government senior public servants to compensation of tertiary-educated workers.	2014	NA	2015	NA
7	Transparency International Corruption Perception Index – the beneficiary score on a scale of 0-100	2014	33	2015	36
7	Citizens' perception of the integrity and trustworthiness of the public service.	2014	NA	2015	NA
7	Number of public servants who have been criminally convicted of corruption crimes.	2014	21	2015	NA



**Minutes, policy dialogue meeting on PAR Sector Reform Contract, Serbia, 2017:** Civil service reform. With regard to the Policy Framework for Human Resources Management in the Civil Service, we are satisfied to see that most of EC recommendations have been accepted and reflected in the new document – including on the point which concerns waiving the power of the minister to choose all the staff in the institutions – which is now delegated to the highest civil servant level. This would mark an important step forward in the de-politicisation of the civil service.

You are currently preparing amendments to the civil service legislation covering both central and local level. The draft amendments should undergo comprehensive public consultations. At present, this is only the case with regard to the professional development of civil servants related to establishment of the Beneficiary Academy for public servants. From the report, it seems that establishment of professional development framework through planned Beneficiary Academy is getting into a mature phase. On the other hand, the changes to amend the civil service framework to ensure merit based recruitment, performance appraisal, continuity of senior civil servants etc., planned for the year 2017, do not seem to progress at the same degree. Are the amendments to the civil service laws (central and local level) planned to be amended twice in 2017? If so, what is the reason not to amend them through one single process?

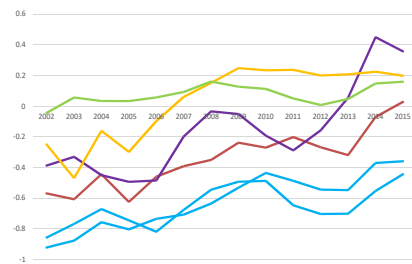
**Progress Report, Montenegro, 2014:** Montenegro has a comprehensive strategic framework for public administration reform in place. The Public Administration Reform strategy 2011-2016 covers the state administration, local government and publicly-owned bodies and agencies. The areas it addresses include civil service reform; public-sector wage reform; improving the quality of legislation and strategic planning, including the introduction of regulatory impact assessments; modernisation of administrative procedures for better service delivery; reform of the inspection supervision system; and local-level organisation and administration, including financing and public financial management.

**Policy Analysis, an analysis of the vetting process in Albania, 2017:** The re-evaluation of judges and prosecutors, known as vetting process, is a key pre-condition that Albania needs to fulfil. Following pressure by key international actors such as the U.S.A. and the EU, as well as additional concrete threats to withdraw Albania's candidate status by the chairman of the German Parliament's EU Affairs Committee, the opposition, the Democratic Party of Albania (Partia Demokratike e Shqipërisë), and the government lead by the Socialist Party of Albania (Partia Socialiste e Shqipërisë) have reached an agreement on the approval of a package of judicial reforms. The Parliament of Albania has thus unanimously adopted these constitutional amendments in regard to the judicial reform, including the implementation of the Vetting Law. The two key pillars of the judicial reform package include the amendment of 46 articles of the Albanian Constitution and the approval of a bundle of laws (including the vetting law) set to create new judicial institutions. This law has vital importance for the political future of Albania, determining how quickly and expedite will be its accession path to the EU and how much credibility will be gained vis-à-vis the Albanian people over the judiciary system. Despite everything, the proposal of the vetting law has sparked a heated debate and several controversies in the political arena of Albania. While the government argues that the vetting process will pave the way for Albania's European Union accession talks, key figures from the opposition have warned that public officials could use the new rules to influence judicial appointments, hence hindering the credibility of an already fragile system. With more than one hundred judges and prosecutors resigning from the office in order to find escape from the re-evaluation process, it is a crystal clear indication that the vetting process has started to plant its seeds.

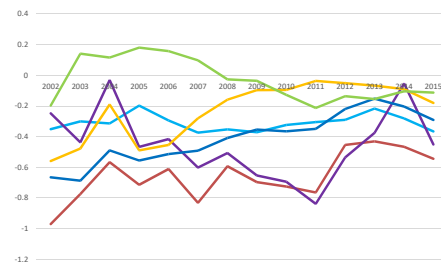
#### I.4.4.1 Evidence WGI indicators

#### World Governance Indicators (WB), see legend on next page:

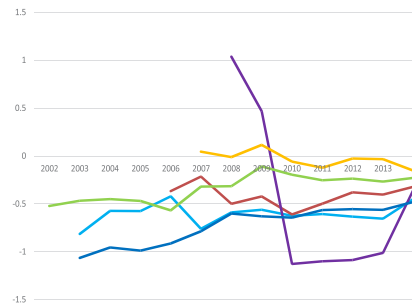
Albania WGI



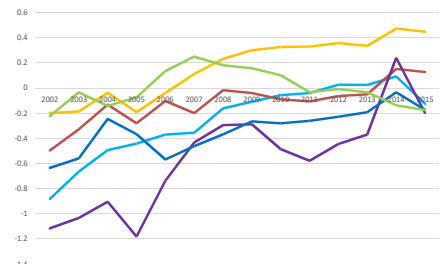
Bosnia and Herzegovina WGI



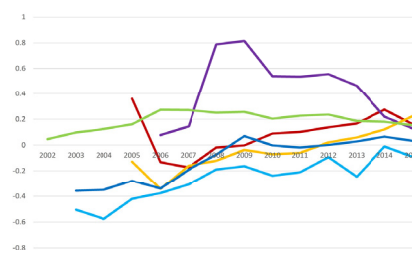
Kosovo WGI



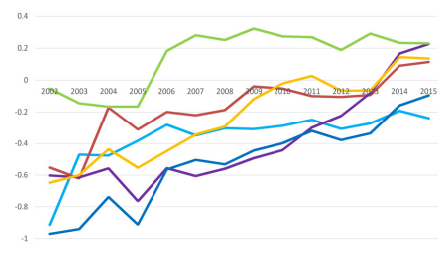
The Republic of North Macedonia WGI



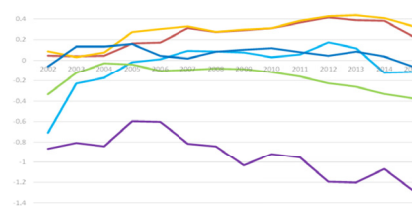
Montenegro WGI



Serbia WGI



Turkey WGI



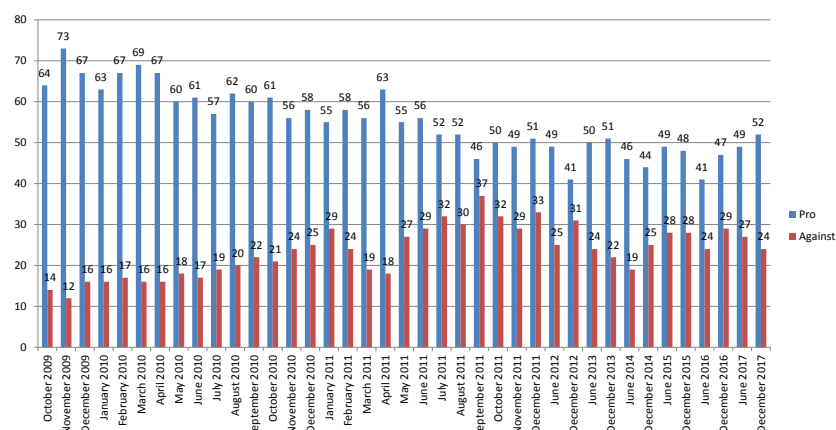
I.4.4.2	Degree of improved perception of sector performance by public opinion	
I.4.4.2	Summary	<p>In Serbia, the deterioration of some reform processes and/or some basic freedoms over the last few years is something rather visible in the stakeholders' perception and the free press, as in the mentioned case of the stall in the Justice sector reform, or the recent case of the nation-wide protest of the press against the pressures of the presidency (Sept. 27, 2017).</p> <p>In Albania, the Judiciary reform has a certain echo in the media and among the large public. Less so in other beneficiaries.</p> <p>In the other beneficiaries, the public seems not particularly interested in the matters addressed by the reforms, although some exceptions must be done at local level, where the SOPs provide direct benefits to often marginalised people (in agriculture, SMEs, etc.)</p>
I.4.4.2	Evidence from interviews and e-survey	<p><b>Field visits:</b></p> <p>Albania: The media follow very closely the reform process especially when it affects judiciary and corruption, although they express different points of view on government's reforms. According to civil society and independent observers interviewed, the Constitutional reforms and their follow-on regarding Justice have been and are widely followed. Less so PAR and PFM, apart from issues related to public procurement and recruitment in PA. There are no specific surveys on public opinion as in other countries, but there is a relatively large consensus (shown as well by the recent electoral results) on the benefits of the reform process.</p> <p>Bosnia and Herzegovina: According to the independent observers interviewed, public perception of sector performance is minimal due to factors mentioned in EQ3.</p> <p>Kosovo: Key stakeholders confirmed that public opinion has little perception of sector performance linked to IPA II, for the reasons outlined in EQ3.</p> <p>The Republic of North Macedonia: Public perception of sector performance is currently minimal due to factors mentioned in EQ3.</p> <p>Montenegro: Currently there is no evidence of the public having any improved perception of sector performance thanks to the SA. SHs interviewed expressed their uncertainty about how this could happen without a change of approach to promoting/communicating these issues.</p> <p>Serbia: The large public is not particularly interested in such performance, as the focus of public opinion is on nationalist issues and employment. They could be interested in fight against corruption, but the media do not emphasise EU related achievements. The CSOs, as said, comment and criticise, but are aware that Government does not consider their points of view. Many of such data are also confirmed by the public opinion polls carried out regularly by MEI. In particular the overwhelming importance given to the Kosovo matter (which 'should be addressed outside the EU') and the positive view of Russia as a 'model' and as 'a key partner'.</p> <p>Turkey: This was very high on Judiciary and Fundamental Rights, until Gezi Park (2013) and the attempted coup of 2016. After that, there are a lot of journalists and opinion leaders in jail.</p> <p><b>Interviews with beneficiaries conducted before the field phase:</b></p> <p>In Albania, apparently (Lex-Ferenda, Blogs), there is a feeling that the corrupted power of the judges' lobby has received a first important coup and the law on vetting is a breakthrough. Less understanding of the PAR reform so far.</p> <p>In Serbia, apparently, there is no particular feeling about actual progress in the reform processes and changes are seen as rather formal and instrumental to accelerate accession.</p> <p>In Turkey, strong feeling about the mentioned steps back.</p>

#### I.4.4.2 Evidence from documents

**Expert Group on Rule of Law, the Republic of North Macedonia, 2017:** in many areas the appropriate regulatory framework is in place. As explained below, however, the considerable gap between legislation and practice, which has different causes, needs to be bridged. In general, the group considers that the behaviour of some office holders might turn out to be the biggest obstacle for proper implementation. There is an insufficient culture of accountability and transparency within state institutions, which is required to promote greater consistency in policy and action, or ensure clarity and foreseeability of law and practice. None of the public or non-governmental bodies should be put under pressure or intimidated in the exercise of their mandate and tasks. The group has noted a change in the political context and a greater commitment this time, among some stakeholders, to address political challenges and proactively assume responsibility. There has also been more openness of interlocutors in speaking about the problems. Non-governmental organisations remain outspoken and are engaging dynamically to contribute to reforms. The group was impressed by the professionalism of many, though not all, of those who work in the judiciary, executive branch and other public services. ...Trust needs to be rebuilt. There is a widespread perception in the country that in recent years, decisions were politicised, that the parties had taken ownership of the state, that office holders had conflicts of interest and confused their official mandate with their party/personal agenda. The public has to regain confidence that all state institutions and public bodies work in the public interest, within their mandates, respecting the law and complying with high ethical and other professional standards.

**Serbia – MEI – Opinion Polls 12/2017** (a summary table of the historical trend)

If there was a referendum tomorrow with the question: "Do you support the accession of our country to the European Union", what would you vote for?



**Montenegro Survey on EU integration process, including sector concerns (January 2017)**

#### Conclusion

- The citizens of Montenegro have an overall positive attitude toward the European Union, given that as many as 61% citizens hold a generally positive attitude towards the Union – the percentage being higher than in any of the previous research waves;
- When it comes to the number of citizens who are absolutely or predominantly supportive of Montenegro's membership in the EU, this year's research is the first out of the three implemented that comes up with a figure that surpasses 60%, and in fact amounts to 62.4%;
- The data obtained indicate that the referendum on Montenegro's accession to the European Union would be pretty uninteresting "result-wise", there is over 75% of those who support the membership and would cast a "Yes" vote;
- Citizens believe that EU membership will positively affect all spheres of social life;
- The data indicate a growing perception of the EU's potential to ensure security, namely its role as a guarantor of stability and peace in the Balkans;
- There is an ever-decreasing number of citizens who find the information on EU accession to be incomplete and partial, while the government remains to be held most responsible for informing citizens on these issues;
- Citizens found chapters 23 and 24 to be the most demanding ones in the coming period. Additionally, other challenging areas are said to be agriculture, environmental protection and unemployment.

**EQ5. DIALOGUE, COHERENCE AND COORDINATION – To what extent does the development of sector approach ensure an increased coherence of the IPA II assistance with the overall accession partnership, other EC instruments and the assistance of different external players?**

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

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

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

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

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

This is facilitated by the existence of forums for dialogue – the SMCs for monitoring the SRCs – and PAFs as a basis for discussions on sector progress.

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

Where there is no SBS or MAPs, there are no dedicated forums for structured sector level policy dialogue related to IPA II during implementation.

JMCs ensure formal programme level dialogue but this does not use national indicators as a basis for discussion.

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

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

Engagement of other sectoral stakeholders not directly involved in IPA II implementation is significantly lower.

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

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

Strength of the evidence: high

I.5.1.1	Extent to which EU-Beneficiary policy dialogue for joint monitoring of sector support implementation is based on the beneficiary sector performance indicators and embraces the strategic implications of the achievements
I.5.1.1	<p><b>Summary</b></p> <p>In general terms, in sectors where SA has reached a satisfactory level of implementation, the EU-beneficiary dialogue is carried out around the indicators of the beneficiary strategies, or – when SA is in its initial phases – it focuses the beneficiary capacity to establish adequate indicators (for instance, starting from the SPDs, then working on sector strategies, then working on sector PAFs and M&amp;E). Apart from such general considerations, it must be noted that a systematic dialogue on the implementation (e.g. two formal high level meetings per year, based on beneficiary institutions' reports and beneficiary indicators) takes place, in most cases, only in the framework of the SRCs, including their preparation (e.g. Montenegro). In such cases, it happens that the indicators have been largely discussed and reviewed in the preparatory phases, although – as in the case of PAR in Serbia – they would have needed much more joint work and deeper analyses before an SRC could be launched. This opinion of various stakeholders is mitigated by other considerations often formulated by the same stakeholders, such as: only the SRC provides the systematic dialogue space and the flexible resources available to carry out the necessary learning by doing process (same dilemma examined under the EQ3).</p>
I.5.1.1	<p><b>Evidence from interviews and e-survey</b></p> <p><b>Field visits:</b></p> <p><b>Albania:</b> A joint EU-beneficiary monitoring of strategy implementation exists only under SRCs (which cover the most important sectors), where it occurs on PAF and targets established in the FA and coherent with national indicators. The instrument of such joint activity are the IPA sector monitoring committees, for assessment and disbursement. In some sectors, the government has established the IPMG, including the different institutions involved and CSOs, with the participation of the external partners as observers. Other joint monitoring tools exist, including the EU Special Group on PAR and the IPA Monitoring Committee. Given the openness of the Government attitude, in general the dialogue embraces the overall reform process.</p> <p><b>Bosnia and Herzegovina:</b> Monitoring of IPA II exists at 2 levels – the first is the annual national joint monitoring committee of IPA II. The other level is at action/project level. The former discusses current and future use of IPA II, general programming priorities and sometimes specific implementation issues in sectors or individual actions. This represents the main 'high level' forum. These are attended by relevant senior officials and their staff. The discussions do not focus on national sector performance indicators, as these do not exist in any formal sense. The SPDs are not used as a basis for guiding policy dialogue. Feedback indicates that this forum operates along the same lines as IPA I. The discussions at action level are operational and address project-related issues. No sector monitoring exists, as this has not been created – even though the rationale behind this is unclear (apart from it not being a requirement of the IPA II regulation).</p> <p><b>Kosovo:</b> The picture on the effectiveness of policy dialogue on implementation of IPA II is very mixed. At programme level, this is assured via the annual JMC. Also, the SAA process (with its working groups) provides a conduit for regular, structured dialogue on a range of issues linked to IPA II priorities. Also, the Kosovo-led SWG model offers a space where in principle dialogue at various levels (political, sectoral, operational) could be conducted. However, as noted elsewhere, in practice this model is only partially functional. Sector Monitoring Committees (SMCs) are not set up in non-SBS sectors so there is no dedicated forum for structured policy dialogue during implementation. The quality of this sector level dialogue, as far as it can be objectively assessed, has been strongest for the development of the SRCs for the 2 SBS programmes. Here the linkage between political and operational level representatives of the both Kosovo and EU sides was put in place at the start of the preparatory process and this ensured a robust (albeit lengthy) policy dialogue. Evidence suggests that these different types of dialogue do not draw on sector performance indicators largely, as, in most cases, these do not exist in any meaningful sense. National strategies and action plans with indicators exist, and many of these are in sectors where IPA II funds are present. However, in practice these indicators are for the most part not underpinned by any sound baselines or realistic targets, and access to data and reliability of its collection not reliable. In relation to IPA II, national sources are generally not used and IPA II indicators are derived from non-national sources. This is noticeable even in the SRC for the PAR SBS, where the main outcome objectives are derived from SIGMA and the WB. In SPDs, the indicators are of mixed quality and they would not lend themselves to sector monitoring if/when this would be conducted.</p> <p><b>The Republic of North Macedonia:</b> Joint monitoring at programme level functions in accordance with IPA II requirements. At sectoral level, sector monitoring committees (SMCs) have existed for the decentralised assistance and were set under IPA I. National sectoral performance indicators are reportedly not used as the basis of tracking sector performance. In the sectors using SOPs, the indicators contained in the programme documents are used to track performance (although they are largely output level indicator, and thus limit the ability of decision makers to assess changes stemming from the programmes). The capacity development TA will attempt to devise sector level indicators as part of the sectoral PAFs. However, these will not constitute national policy indicators, unless integrated into national policy by the institutions of North Macedonia.</p>



Montenegro: Joint monitoring is in place for SBS SRCs and for the EESP SOP and these use the PAFs developed for this purpose. EESP SOP will function largely along the lines used for its predecessor (HRD OP), but the SMC has yet to convene as the programme has yet to start. This also applies to the PAR/PFM SBS programme. SMCs for other sectors have not yet been established. One 'overall' SMC for all sectors was convened in December 2017. This was a forum to discuss all issues in all sectors at once. The main focus was on contracting and programming issues, as few actions under SA had started. This combined forum was reportedly of limited practical value and represented only a stop-gap before proper SMCs are put in place.

Serbia: There has been a strong policy dialogue on performance indicators in PAR/PFM (and partially in Education, the first year before the stop), thanks to the SBS. The dialogue in PAR/PFM has not taken place in the SWG, to which the SBS has just been presented at its start. The dialogue, however, has taken place formally and informally in many instances and has brought to the identification of indicators much smarter than in the original formulations. Now the first meeting of the IPA Sector Monitoring Committee is expected to discuss the assessments carried out by the administration (on the one hand) and the EU consultants (on the other hand). In the other sectors, the dialogue on implementation is lagging. In Judiciary, it is very much fragmented in the framework of the different actions. The new WB functional review of the sector should represent a base for the dialogue on the new sector strategy.

Turkey: In MAPs, there is dialogue during the implementation on the performance frameworks, which are coherent with beneficiary national plans and sector strategies. Such dialogue (according to the beneficiaries) is going to be downgraded in terms of competence and approximation with IPA II compared to IPA I, because of the disappearance of the Commission's sector DGs, as already shown in the preparatory phase. In Judiciary, the sector strategy (2009 and 2015) to implement Chapter 23 is a national strategy, but the level of dialogue on its implementation is very low, although the beneficiary monitoring on Chapter 23 so far has been carried out with periodical meetings.

#### **Interviews with beneficiaries conducted before the field phase:**

In Albania and Serbia, particularly where SRCs are in place, IPA programmes include indicators which are based on the beneficiary strategies, but this does not mean that they are realistic and sound. The weakness of the beneficiary indicators and the related information systems affects the quality of the dialogue on SA implementation. The low quality of indicators often obliges to complex technical discussions, which hamper strategic dialogue.

In Turkey, there is not joint monitoring (including shared indicators) for sector strategy implementation.

#### **Other interviews conducted before the field phase:**

Normally, EU-Beneficiary policy dialogue on implementation (beyond programming) takes place systematically only when SBS is in place. Because, it creates specific spaces and deadlines for dialogue and it contributes (as seen) to the consolidation of the beneficiary strategy and the beneficiary performance framework.

The dialogue takes place on beneficiary indicators (often established with the aid of IPA, in the framework of SBS preparation).

Such indicators are often weak, unrealistic and need to be reviewed/ adjusted.

I.5.1.1 Evidence from documents

**Facility for political priorities, Action Document, Kosovo, 2014:** The Structured Dialogue on the Rule of Law between the European Commission and Kosovo, launched on 30 May 2012, was designed to help Kosovo to address the challenges in the field of the rule of law. The Structured Dialogue provides a high-level forum to regularly assess Kosovo's progress on three issues in particular: the judiciary, the fight against organised crime and the fight against corruption

**EC Press Release 05/2017, Kosovo:** Representatives of Kosovo Government and the European Commission met in Pristina to discuss developments in Public Administration Reform. The discussion was held in the framework of the regular Stabilisation and Association Agreement which entered into force in April 2016. The implementation of identified priorities and commitments undertaken by both sides as part of the SAA-processes, including the European Reform Agenda, remain crucial to Kosovo's European integration path, independent of political changes.

The participants discussed on the Government's draft annual monitoring reports of the public administration reform strategies. They reiterated the commitment to ensure the planned legislative package, which include the laws on civil service, salaries and organisation of state administration, are prepared in a coordinated way through an inclusive and evidence-based process on the basis of concept documents agreed at government level.

Public Financial Management was also discussed during the meeting. Both sides stressed the importance of the implementation of recommendations stemming from the review of agencies, with a view to rationalising the system of agencies in Kosovo. The European Commission stressed the need for the new government to take forward this important work. It was agreed that a new meeting of the Public Administration Reform Special Group shall be convened once a new government is in place.

**Progress Report, Montenegro, 2014:** The coordination and monitoring mechanism for implementing the strategy was further strengthened through the establishment, in November, of an inter-ministerial body led by the Ministry of Interior, while overall coordination is led by the Deputy Prime Minister. The revised 2014-2015 action plan and reports on implementation during the previous period and the first half of 2014 were adopted in December and July respectively. A special group on PAR, established as a forum for policy dialogue between the Commission and Montenegro in the framework of the SAA, met in February and July to discuss and monitor implementation of the strategy.

**Internal document, Serbia, 2015:** The European Commission through the Enlargement Strategy defines the enlargement policy toward pre-accession beneficiaries. The enlargement agenda has been dominated by a stronger focus on addressing fundamental reforms early in the enlargement process. The Commission has put particular emphasis on the three pillars of rule of law, economic governance and public administration reform. In the above fields, the Commission makes use of existing mechanisms and fora to drive reforms forward, be it through Stabilisation and Association Agreement structures, the accession negotiations or Commission-led targeted beneficiary-specific initiatives such as high-level dialogues or structured dialogues on the rule of law. In the case of Serbia, the key process in the economic governance field is the development and monitoring of the Economic Reform Programme. In the PAR field, the Special group on PAR meets regularly to discuss the reform process. In the field of rule of law, there is a structured process in place in connection to the opening of the acquis Chapters 23 and 24, which are to be opened among the first in the accession negotiations, and closed among the last.

In the following, we refer to an example of policy dialogue in the context of the preparation of a Sector reform contract in the field of PAR. Policy dialogue is an integral part of the negotiations in relation to Sector reform contracts. Serbia has prepared the first Sector reform contract under the IPA 2015 Beneficiary Programme. The overall objective is to improve efficiency, accountability and transparency of public administration and the quality of service delivery and management of public finances. The total value of the SRC is EUR 80 million, of which EUR 70 million will be disbursed through sector budget support and EUR 10 million through complementary support. Policy dialogue initiated in the identification stage of the preparation of the SRC, and led to the establishment of key milestones. The work with the Serbian authorities on achieving these milestones as part of the policy dialogue produced very important and concrete results: Serbia expanded the Action Plan of the Public Administration Reform strategy by a year, and properly costed the strategy; the Action plan was adopted, as the initial condition to launch the discussions for the SRC; Serbia developed the beneficiary PFM reform roadmap and adopted it in December 2015; Serbia is developing the first ever Midterm expenditure framework for the PAR sector, and will complete this until the signature of the Financing Agreement. Lastly, the 2016 Budget law was altered in this process to increase the expenditure limits for the PAR sector institutions, meeting the condition related to the need to ensure the amounts required for the financing of the reform.

**Internal document, Albania, 2015.** Policy dialogue takes place on a continuous basis via both processes such as the High-Level Dialogue to follow up on the progress regarding the 5 key priorities set for the opening of accession negotiations – good governance, organised crime, corruption, judiciary system and fundamental rights – and working groups monitoring the implementation of the action plans concerned. The alignment with EU policies and acquis is covered and followed up through reporting under Stabilisation and Association Agreement (SAA) and the regular sub-committees. A Special Group has been set up to follow up on progress and to agree on measures related to Public Administration Reform. Growth and economic policy is followed under the process linked to the Economic Reform Programme, ERP. Policy dialogue at policy and operational level has been further aligned and improved by both the introduction of sector approach and the move towards a Sector Budget Support. Sector Budget Support is being introduced in a systematic way in key areas of financial support for the EU integration process as outlined in the Indicative Strategy Paper for IPA II 2014 – 2020. Sector reform contracts for Sector Budget Support are already being implemented for the Public Finance Management reform under IPA 2014. The employment/skills and public administration reforms are adopted under IPA 2015 (with dialogues being carried out in the identification and formulation phase). Road transport and fight against corruption are proposed for IPA 2016 and are in the identification phase. The dialogue is also developed in a way to make progress in the implementation of reforms more visible and is fully linked to progress made in the accession agenda.

**Minutes Policy Dialogue meeting on Sector Reform Contract PAR, Serbia, 2017 June:** Monitoring of the SRC is part of the integral EC -Serbia PAR policy dialogue. Serbian – EC Policy dialogue comprises of three levels:

- High level: existing PAR SG meeting annually (or twice annually, if necessary);
- Strategic level: PAR/PFM dialogue platform and the SRC coordination mechanism meeting twice a year, in April and October, represented by the Ministers or State Secretaries on Serbian side and the EUD Head of Cooperation on behalf of the Commission; A separate PFM dialogue meeting will precede and feed into the strategic level policy dialogue on PAR. Meetings will be followed by the minutes of meeting prepared by the beneficiary authorities and agreed with the EUD.
- Operational-technical level: will be exercised through participation of the EUD PAR/PFM programme managers in regular meetings of the sector PAR/PFM working groups of the beneficiary coordination structures and through regular donors' coordination meetings held at least twice a year.

I.5.1.2	Extent to which EU-Beneficiary policy dialogue on IPA II implementation includes formal periodical sessions and informal channels for exchanges	
I.5.1.2	Summary	<p>The informal channels between IPA and beneficiary stakeholders are rather active when SA is under implementation and are particularly strong when an SRC is in place, especially in view of the joint Monitoring Committees. The key issue, however is the relation between the dialogue meetings organised to respond to the needs and the deadlines established by the various support programmes (namely the SRCs) and any regular dialogue meeting internal to the beneficiary institutions in charge of the implementation. Such internal meetings should be organised regularly with a significant frequency to assess the sector strategy performance, against a given results framework (or PAF, or logical structure of objectives, indicators and targets, etc.). In addition, when a significant IPA support is in place, the IPA partners should be invited. There is no evidence that this internal dialogue is in place and occurs rather systematically.</p>
I.5.1.2	Evidence from interviews and e-survey	<p><b>Field visits:</b></p> <p>Albania: According to sectors, EU-Beneficiary policy dialogue may be more formal and limited to the measurement of the achievements of the variable tranches of SRCs (Employment), or more substantial including broader sessions and frequent informal communications (PFM, PA). In the case of Justice, there is a lot of dialogue going on, mainly fed by EURALIUS support in view of the SRC preparation.</p> <p>Bosnia and Herzegovina: See I.5.1.1 above.</p> <p>Kosovo: In addition to the formal structures mentioned above, informal dialogue on IPA II reportedly takes place regularly between the EC and Kosovo institutions, although this is a practice that precedes the SA introduction. Despite the obvious weaknesses of the SWG model in Kosovo, all institutional partners consulted as part of the evaluation stated that the SA's introduction has improved the quality of policy dialogue, albeit to varying degrees (with SBS programmes being the most positive examples).</p> <p>The Republic of North Macedonia: The JMC and SMCs represent forums for sectoral policy dialogue and these are augmented by the SWGs, which offer space to discuss sector issues operationally. They also constitute an opportunity for participants to informally exchange ideas and discuss technical issues. The JMC and SMCs have a clear political dimension in their composition (senior management/ministers are present) whilst for now the SWGs lack this – although this likely to change soon.</p> <p>Montenegro: Policy dialogue on IPA II is formalised through the forums mentioned above. It takes place indirectly via the CWGs, where evidently discussions take place on how IPA II funds can be used to address immediate and upcoming issues emerging from chapter negotiations.</p> <p>Serbia: There are many formal channels (SWGs, various committees) which do not meet, or meet only occasionally in most cases (exception Transport). In the case of the PAR/PFM SBS, the informal channels are very active. There are also the Accession related instances, which work as established, but do not enter always in the substance of the sector reform implementation.</p> <p>Turkey: This is the case for MAPs, according to IPA I experience and the experience of the preparatory phase. This should be the case for Judiciary, but EU does not participate in sector monitoring committees (apart from IPA actions) and is not regularly informed of their outcomes.</p> <p><b>Interviews with beneficiaries conducted before the field phase:</b></p> <p>In Serbia, dialogue on implementation takes place with a certain degree of regularity and depth in PAR, thanks to the SRC which imposes specific deadlines. Strategic dialogue is carried out twice per year, including ministers, Ambassador, etc. on variable tranches. SWGs exist in most sectors, but they do not meet regularly on strategy implementation.</p> <p>Something similar applies in Albania for PFM, PAR and other sectors where SRCs are operating.</p> <p><b>Other interviews conducted before the field phase:</b></p> <p>The formal dialogue – when SBS is in place – occurs twice a year, with a large participation of stakeholders. These sessions are often called Sector Monitoring Committee, although various stakeholders do not like such definition, as it overlooks the leading responsibility of the beneficiary institution in monitoring.</p> <p>Most stakeholders think that there are not enough sessions, regularly organised by the leading institution for internal monitoring and dialogue, with the possible participation of EUDs. This occurs only occasionally.</p> <p>There are different informal (ad hoc) meetings and exchanges of the EUDs with the various institutions involved, but these are beneficiary-donor meetings, rather than signs of improved institutional functioning and dialogue on results.</p>
I.5.1.2	Evidence from documents	See under 5.1.1 above. Due to the nature of the subject evidence is often clustered together for indicators under JC. 5.1.

I.5.1.3	Extent to which EU-Beneficiary dialogue on IPA II implementation involves a wide range of institutional stakeholders and civil society	
I.5.1.3	Summary	<p>The formal dialogue meetings linked to the external programmes (through the SMCs, JMCs, etc.) sometimes are participated by CSOs, with the features and limits already commented under the EQ3. Such participation is mainly ensured through the beneficiary European Integration institutions and does not affect the sector dialogue of the sector beneficiary institutions, which is not yet a structured and consolidated practice.</p> <p>High level dialogue, especially when strong monitoring and coordination mechanism for reform implementation are not in place, on reform implementation occurs in different fora, namely the SAA.</p>
I.5.1.3	Evidence from interviews and e-survey	<p><b>Field visits:</b></p> <p>Albania: The institutional actors involved in SRCs' execution meet regularly twice per year (SMCs, JMCs), but CSOs participation is not institutionalised, with some exceptions, namely in anti-corruption.</p> <p>Bosnia and Herzegovina: As noted elsewhere, civil society involvement in the SA processes is formally in place but its quality is limited and cannot be considered as a significant factor in strengthening the overall quality of dialogue in IPA II.</p> <p>Kosovo: Regarding involvement of wider stakeholders in IPA II dialogue in implementation, there appears to be limited involvement of external stakeholders. As noted above, donors are involved in the government-led SWGs but their functionality is questionable and the extent to which they have a mandate to discuss IPA II progress is likely to be limited (as their remit is wider and more targeted towards coordination of all external assistance). As mentioned above, SMCs are yet to be established so there is no forum for sector level dialogue to take place with stakeholders, both internal and external to the programme. CSOs appear to have been engaged sporadically in the programming process (with this most evident under the SRC for the budget support programme) but their involvement is (based on feedback from interviewees) minimal in implementation. Thus, dialogue with wider stakeholders needs strengthening.</p> <p>The Republic of North Macedonia: As noted in EQ 2&amp;3, the involvement of institutional stakeholders in IPA II dialogue is generally satisfactory. This is not the case for civil society, which is only very partially engaged – apart from programming, which is managed by MEI and EUD – in the processes linked to SA.</p> <p>Montenegro: Civil society is involved in the various forums for dialogue. Feedback from CSOs indicates that their involvement is primarily formal and they are sceptical of the value of their participation in these forums. Feedback from Montenegrin institutions emphasised that CSOs are generally difficult to engage constructively and their participation in forums for IPA II dialogue tends to hamper their efficiency and effectiveness. It is therefore reasonable to conclude that CSO engagement in SA remains very much work in progress. Even in better cases such as EESP SOP, this CSO engagement is reportedly a challenge. Other international partners such as the WB and UNDP are involved in dialogue on areas of common strategy i.e. PAR, EESP both in the programming and implementation.</p> <p>Serbia: As said, the participation of CSOs, apart from programming, is weak. CSOs will participate as observer in the future meeting of the PAR/PFM IPA Sector Monitoring Committee. They have participated in other few sector meetings and in the annual IPA Monitoring Committee. They are disappointed about the level of their consultation in the implementation of the IPA supported reforms: in particular, they stress that their written observations are not considered and they are demotivated because of the rather formal level of participation.</p> <p>Turkey: The level of consultation was high in the preparatory phase of MAPs and in the process of updating the Judiciary strategy (2015). In the execution of MAPs (based on IPA I experience), the different institutions and stakeholders involved meet regularly.</p> <p><b>Interviews with beneficiaries conducted before the field phase:</b></p> <p>The strategic dialogue, in Serbia and Albania, on the SRCs' variable tranches is formally extended to Civil society.</p> <p>In the other sectors, the involvement of a large number of stakeholders is systematic only for programming (including in Turkey).</p> <p>In Serbia Judiciary, the leadership of MoJ tends to limit the participation of J&amp;P and the professional association of J&amp;P are not on board, as stated by many stakeholders. The MoJ, however, has stressed its different advice as follows: "The Ministry of Justice regularly includes judges and prosecutors in all processes and relevant decision-making, and includes their representatives in the working groups during the processes of law adoption and drafting relevant legal amendments. Professional associations (being registered as citizens' associations) are regularly included in public debates".</p> <p><b>Other interviews conducted before the field phase:</b></p> <p>In Albania, the IPMG intend to involve the largest number of partner institutions in some key sectors, including various line ministries, under the leadership of the OPM. Civil society is part of them as well. But IPMGs do not function as they should due to their complexity.</p> <p>Often CSOs invited are only rather traditional NGOs, not professional organisations (e.g. judges), nor trade unions and consumers' associations</p>
I.5.1.3	Evidence from documents	See under 5.1.1 above. Due to the nature of the subject evidence is often clustered together for indicators under JC. 5.1.

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

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

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

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

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

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

Strength of the evidence: high, although controversial

### I.5.2.1 Extent to which key reform progresses addressed in the IPA II policy dialogue are discussed in the pre-accession dialogue and reflected in the beneficiary reports on enlargement

**I.5.2.1 Summary** Sector reforms, namely in the fundamental sectors, are systematically referred to in the enlargement reports, under the general section of Political Criteria. There is an assessment of the reform process in the different sectors (PAR, including PFM, Rule of Law, etc.), with specific reference to the key issues addressed by sector support. Despite this, there seems to be a clear division between the accession negotiations and the results of the IPA strategic support in key sectors. In the accession negotiations, there is a strong emphasis on technical matters related to the chapters of the acquis (the approval of a law, the establishment of an institution, etc.), while the IPA II approach emphasises the outcomes, including institutional behavioural changes (e.g. the quality of MTBF, the improvement of a sector PAF and the related M&E systems, the strengthening of strategic leadership and coordination in a given sector, the implementation of challenging processes, etc.). As an example, the Commission has been supporting Albania's accession for two years, based on the consideration of the results achieved.

### I.5.2.1 Evidence from interviews and e-survey

#### **e-survey and field visits:**

The e-survey contains only one sub-question on the issue of the link between sector policy dialogue and pre-accession dialogue. The general response is rather positive and the individual beneficiaries' responses are as follows: extremely positive in Albania and rather positive in almost all the other countries, apart from Turkey.

**Albania:** There is a two-way relationship between political and policy/technical dialogue. In the case of Justice, political dialogue has pushed and dialogue on sector strategies has followed. In the PAR and other sectors, the other way around. The objective of EU accession has driven the reform process, of which the enthusiasm, commitment and effectiveness would not have been conceivable otherwise.

**Bosnia and Herzegovina:** As noted under EQ1, there is a noticeable disconnect between the political dialogue between the EC and the Bosnia and Herzegovina institutions and the programming process of IPA II under SA. This was illustrated in the PAR sector, where significant shortcomings in the reform process form the core of the political discussions between the two parties. At the same time, the SA process is running and the SPD is identifying 'priorities', even though these are not endorsed by the political leaderships of the Bosnia and Herzegovina entities. It is open to question how effective any IPA II interventions are likely to be given the absence of political support and high-level ownership. Also, the actions in the current PAR SPD focus heavily on capacity development, which as noted elsewhere is not a particularly critical issue in Bosnia and Herzegovina institutions (as most have been the recipients of multiple TA interventions already). Feedback from stakeholders confirmed that this reflected the programmers accepting the reality on the ground – programming actions that can be realistically delivered without touching on the core issues of PAR that would prove politically too contentious.

**Kosovo:** The linkage between sector policy dialogue on IPA II implementation and accession negotiations is most obvious in the SBS programmes, which target areas that are critical to both structural reform processes in Kosovo and the country's aspirations to move towards accession. This has been reflected in the intense dialogue between the EC and Kosovo side in their preparation. As noted elsewhere, SBS programmes have also strengthened the co-operation between the political and cooperation sections of the EUO. Outside of SBS, the linkage between political priorities and IPA II varies from sector to sector. A challenge noted by programmers is the often inconsistent approach of the Kosovo government to key reform issues, its impact on the policy dialogue with the EU as well as on IPA II. This is linked to several factors and reflects a wider problem within the Kosovo administration on policy formulation and implementation. It was reported that Kosovo administrations have little capacity of their own in these key areas and rely heavily on external TA for this. An additional complication is the disconnect between the operational and political levels of the Kosovo institutions with the latter often having a weak grasp of the interdependence of political decision-making, operational policy dialogue and the programming of IPA II support. This leads to situations where strategies that underpin IPA II support have nominal support from the political level but, for example in the agriculture sector, have not been approved by parliament and are thus in a state of limbo. Other similar examples can be found in the education and energy sectors. Overall, this leads to a strong sense of disconnect between the policy dialogue and IPA II processes in many sectors.



The Republic of North Macedonia: Linkages between IPA policy dialogue and political reporting in the EC appear to have been fairly strong. In the past, the absence of political will to push through key reforms was highlighted in the country progress report and ultimately led to re-allocation or suspension of IPA funds to the relevant sectors. Nevertheless, there was evidence of IPA funds being programmed into areas where there was little evidence of any progress on the ground (e.g. fight against corruption). Under IPA II this generally positive approach has been maintained. A major weakness on the Macedonian side is the disconnect between the political and operational personnel of the beneficiary institutions. Senior management of the Republic of North Macedonia has participated in policy dialogue at programme or sector level (via the various forums created) but their appreciation of the implications of the SA and how their dialogue would be translated into IPA II actions was reported to be generally very weak. Conversely, operational staff had a good understanding of accession-related issues and their programming implications but had little influence over decision-making. There is an expectation that this situation will improve thanks to the recently elected new government, although this remains generally unproven to date.

Montenegro: Dialogue on accession negotiations and their linkage to IPA II is captured via the CWGs. These have similar compositions to the SWGs and evidence suggests CWGs have primacy in terms of deciding on priorities for IPA II funds. The extent to which IPA II can respond sufficiently quickly to needs identified in the CWGs is conditioned on the implementation modality, which tends to be slow. Coherence between these chapter needs and sector level changes that should be addressed via IPA II SA is not always evident – in principle, sector reforms supported under IPA II using the SA should ensure that Montenegro meets its chapter commitments. In reality, chapter negotiations tend to focus on technical issues of compliance whereas SA is more developmental/transformational that target more complex, long term processes. Stakeholders noted that in practice, where the two do not coincide, then the needs of the accession negotiations prevail over SA priorities.

Serbia: The high-level dialogue takes place in the SAA Committee and Sub-committee, and specifically on accession chapters, namely on Chapter 23. There are also continuous meetings at ambassador level, on specific sensitive matters. Such dialogue takes into account the reports coming from the IPA task managers, including the identification of the main bottlenecks in the reform processes. All this, however, takes place in a rather routine way. As a consequence, for instance on Justice, for the last 8 years the same complaints have been formulated by the EU side, without substantial changes by the Serbian side. On the one hand, it is noted that the IPA reports do not reflect with adequate analytical evidence the key issues to be addressed at higher level. On the other hand, it is mentioned that only occasionally the dialogue has been particularly tough on the Serbian failure to comply with key steps of the reforms. In Justice, this has coincided with the participation of DG Justice in the dialogue on Chapter 23.

MoJ has a different advice, as follows: “Such statements do not correspond with the findings presented in the EC Serbia Progress Reports. What is more, they minimise the significant efforts invested and results achieved so far in judicial reform. For more details on the progress in Chapter 23: Judiciary and Fundamental Rights, please refer to pages 12-30 in the latest EC 2018 Serbia Progress Report: <https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/20180417-serbia-report.pdf>

Indeed, reading the document recommended by MoJ confirms our statements: “Preparations for amending the constitutional and legislative framework to further improve the independence of the judiciary are still ongoing. Corruption is widespread and remains an issue of concern. The legal framework on fundamental rights is mostly in place but remains incomplete and its implementation inconsistent. Freedom of expression has seen no progress. Independent and regulatory bodies need to be strengthened, including in budget and skilled staff, and their functional independence must be guaranteed in practice” (pages 12 and 13).

Turkey: The last available country report on Enlargement (end of 2016) clearly highlights the steps back in the judiciary reform process, namely in the independence of judges (both legal involutions, unacceptable repressions and political interferences) and the freedom of expression. After that, there have been clear political positions well-coordinated and coherent with IPA decision of suspension of sector assistance.

#### **Interviews with beneficiaries conducted before the field phase:**

This happens in PAR and other, where there are systematic reports and dialogue on the implementation, i.e. where SRCs are in place, or are being prepared (intensive work on reform implementation encouraged by the prospect of budget support or other significant IPA investment).

#### **Other interviews conducted before the field phase:**

Financial assistance and accession policy do not interact as they should. Political side tend to stress the technical dimension of the acquis, while IPA SA focuses on strategic change (Montenegro, Serbia).

SA is highly result oriented, while accession negotiations are not. There is not a direct link between the two and this weakens the execution of the programmes. For instance, the Commission recommends Albania starting negotiations for two years.

There may be complementarity between accession and SA dialogue, if SA looks at a bigger and longer-term picture. Otherwise there is overlapping.



1.5.2.1 Evidence from documents

**Annual programme, Albania, 2014.** Reference to accession negotiations. As stated in the 2014 Progress Report, Albania must fulfil five key priorities for the future opening of accession negotiations, including the strengthening of the professionalism and de-politicisation of public administration. Therefore, in PAR, the IPA 2014 action programme is planning two major interventions.

The facility will also prepare the Albanian administration for future accession negotiations and will support the effective translation and implementation of the EU acquis.

This type of support also reflects the beneficiary's agenda for the opening of accession negotiations, which includes protection of human rights and anti-discrimination policies as a key priority.

This component will also provide ad hoc expertise for EU acquis reforms and will respond to political needs for the fulfilment of the five key priorities for the opening of accession negotiations.

**Annual Programme, Albania, 2015.** Reference to negotiations. Commission has identified five key priorities in view of the opening of negotiations, for which the Albanian Government has devised a roadmap. The EU integration facility will provide ad hoc expertise for EU acquis reforms and will respond to political needs for the fulfilment of the five key priorities for the opening of accession negotiations. The objectives include support to the public administration with dedicated capacity building actions targeting proficient and highly motivated civil servants in order to strengthen their skills to manage the EU integration and negotiation process.

**Annual Programme Albania, 2016.** Reference to negotiations. Policy dialogue for the fight against corruption has been taking place between the EU and Albania in the framework of the High-level Dialogue which was launched in 2014 for the purpose to move forward towards implementation of the five key priorities to open accession negotiations. The High-Level Dialogue has set out the requirements by defining deliverables regarding fight against corruption (track record, human resources, statistics gathering, and inter-institutional cooperation). An ambitious judicial reform process has been launched in November 2014, including fight to judicial corruption.

**Annual Programme Bosnia and Herzegovina, 2016:** Reference to negotiations. Another proposed Action will enhance the capacity of the Public Procurement Agency and contracting authorities at all levels of government to implement, monitor and control public procurement procedures in line with EU standards. Furthermore, one Action will strengthen the role of Parliaments (at state, entity, Brcko District and cantonal level) in the context of EU integration, and enhance their capacity to support and supervise accession negotiations and adopt legislation required for alignment with the acquis. Finally, one Action will ensure participation of Bosnia and Herzegovina in EU Programmes by co-financing the cost of entry-tickets and participation fees in areas such as research and innovation, culture and audio-visual activities, education, customs and fiscal policies.

**Annual programme, Montenegro, 2014.** Reference to negotiations. A high number of sectors are addressed because of the needs identified in numerous chapters during the negotiation process. The small size and limited absorption capacity also prevents the implementation of larger interventions at this stage of preparation. Actions included in the Democracy and Governance sector address the reform of the public administration (PAR). Furthermore, in the areas of taxation, customs and procurement the programme supports Montenegro's efforts to align with the EU acquis. Lastly, an EU integration Facility will support IPA II implementation and programming as well as the preparation of the negotiation process in the sectors not otherwise addressed in the Programme. The Rule of Law and Fundamental Rights sector will support the implementation of the Action Plans for Chapters 23 and 24 with a focus on the judiciary and the fight against organised crime and corruption as well as on anti-discrimination and Progress will be measured according to a number of key indicators, including: Progress in the accession negotiations on related Chapters no. 5, 8, 17, 18, 32 and 33. Significant improvement in the Public Expenditure and Financial Accountability rating.

The objective of this Action is to support the preparation and implementation of already adopted IPA programmes, the better programming of new IPA programmes and the preparation of the negotiation process in the sectors or subsectors not addressed in the Programme. The beneficiaries are the Beneficiary IPA Co-ordinator (NIPAC) office, line ministries.

**Annual programme, Montenegro, 2015.** Reference to negotiations. Therefore, the two specific objectives of this Action are 1) to strengthen overall capacities for accession negotiations, transposition of the acquis and implementation of EU policies; and 2) to improve the quality of planning, programming, implementation and monitoring of EU assistance. The beneficiaries are the Beneficiary IPA Co-ordinator (NIPAC) office, line Ministries, and other stakeholders. – Legislative and institutional capacities of Montenegrin administration for transposition and implementation of the acquis and capacities for leading and carrying out the accession negotiations are strengthened – Capacities and relevant documentation for identification, programming, implementation and evaluation of EU assistance are developed – Montenegro's progress towards meeting the political, institutional, administrative reforms assessed by the Progress reports (qualitative assessment); – Number of accession negotiations benchmarks met; – Percentage of EU funds absorbed. (2) Assumptions and conditions. Public policy during the accession negotiations, Montenegro, together with EU border experts, identified several main shortcomings that Montenegro needs to address.

**Employment, Education and Social policies, Multiannual programme, Montenegro, 2015:** Reference to negotiations. In addition to the fact that the EAM has its representatives in the negotiation teams for these two chapters, the activities in this SOP have been defined to address some of these challenges. In line with the negotiation position for Chapter 19, the focus will be on reducing unemployment rate, increasing activity and employment rates, adult education, reduction of regional disparities and combating informal employment.

**Annual Programme, Serbia, 2016, Annex 1:** Reference to negotiations. In view of moving further towards a sector approach, the actions under this programme have been selected based on their relevance and their contribution to beneficiary sector strategies as well their link to accession negotiations.

The present programme also includes support for general capacity building to support accession negotiations, support for the preparation and implementation of investments and participation to EU programmes...

Recommendations for the planning of further assistance were drawn, in particular the need to strengthen the link between accession negotiations and financial assistance.

The overall objective of this action under the Democracy and Governance sector is to contribute to the establishment of legislative and institutional capacities in line with the better regulation approach, for the efficient carrying out of accession negotiations and for fulfilling the requirements of EU membership. Specific objectives of the action are: To support Serbian administration to effectively conduct accession negotiations and successfully manage overall EU integration and pre-accession assistance geared towards EU membership in the sectors of Fundamental Rights (rights of IDPs, refugees and returnees), Food Safety, Veterinary and Phytosanitary Policy, Statistics, Transport, implementation of the Serbian Beneficiary Programme for Approximation with the Acquis. Speed of progress on the negotiation of a number of acquis chapters.

Plan for the implementation of the negotiations acquis Chapter 23 "Judiciary and Fundamental Rights".

IBM strategy has been adopted in 2016, in the context of the Action plan for the implementation of the negotiations of Chapter 24. The strategy is in line with the EU IBM concept from 2006 and considers the Guidelines for IBM in European Commission External Cooperation.

The implementation of the programme is being followed up in the context of the public administration reform (PAR) sector budget support (SBS), Chapter 32 (financial control) negotiations and other policy dialogue fora such as PAR Special Group.

However, the action plan adopted in 2015 did not develop explicit measures in these areas. Strategies and action plans for both areas were developed in the context of Chapter 23 accession negotiations. The SRC will support both aspects, based on Serbia's commitments in EU accession negotiations. Macroeconomic policy plan adopted in 2015 did not develop explicit measures in these areas. The beneficiary PFM reform programme which considered the results of the latest PEFA assessment was adopted in November 2015, and PFM reforms are currently being implemented.

**Enlargement report, Serbia, 2016 on PFM:** Serbia made progress with the adoption of a comprehensive public financial management reform programme (PFM) 2016-2020 which covers all the relevant PFM sub-systems. A monitoring framework has been set up, but its efficiency still needs to be assessed. The first implementation report due in July 2016 is still to be published. Among the key short-term reform priorities are to improve macroeconomic forecasting, to align the medium-term budgetary framework and annual budget processes with strategic planning, to enhance programme budgeting, to enhance tax collection and voluntary compliance, to improve debt management, and to strengthen public investment and capital project planning. The programme envisages stepping up practical implementation of internal control (see Chapter 32). The Ministry of Finance is implementing a functional review, which will support the reorganisation of the Ministry. As concerns ongoing PFM reforms, the tax administration is implementing a programme to enhance compliance and reduce the administrative burden of the tax collection process. Courts, public prosecutors and the judiciary are included in the financial management information system for budget execution. The legal framework for public procurement was developed further. External audit is well established, and the State Audit Institution has continued to expand audit coverage. The Parliamentary Budgetary Office set up in November 2015 provides professional support to the Members of Parliament on formulation and execution of budget policy.

Serbia is committed to improving budget transparency. It has made the executive's budget proposal and the enacted budget more informative. Furthermore, a Citizens' Budget, a 11-pre-budget statement, and a mid-year report are to be produced and published. The executive's budget proposal and the year-end report should be made more comprehensive. Public participation in the budget process is weak and budget oversight by the legislature needs to be improved.

#### **Serbia Progress Report 2018 (on RoL)**

##### **2.2.1. Chapter 23: Judiciary and fundamental rights**

The EU's founding values include the rule of law and respect for human rights. A properly functioning judicial system and an effective fight against corruption are of paramount importance, as is respect for fundamental rights in law and in practice.

Serbia has some level of preparation to apply the *acquis* ... Some progress was made, notably by reducing the backlog of old enforcement cases ..., while preparations for amending the constitutional and legislative framework to further improve the independence of the judiciary are still ongoing. Corruption is widespread and remains an issue of concern. The legal framework on fundamental rights is mostly in place but remains incomplete and its implementation inconsistent. Freedom of expression has seen no progress. Independent and regulatory bodies need to be strengthened, including their budget and skilled staff, and their functional independence must be guaranteed in practice. In the coming year, Serbia should:

- strengthen the independence, accountability, impartiality, professionalism and overall efficiency of the judicial system;
- ensure an effective implementation of the national anti-corruption strategy and action plan, including by providing effective coordination and ensuring that all key institutions have adequate capacity and resources to fulfil their remits effectively;
- improve the situation regarding creating an enabling environment for freedom of expression and media freedom.

Serbia is implementing a detailed action plan which was adopted prior to the opening of the accession negotiations on this Chapter in July 2016 and the country is in the process of revising its action plan with more realistic deadlines.

#### Functioning of the Judiciary

Serbia's judicial system has some level of preparation. Serbia has partially fulfilled the 2016 recommendations. Some progress was made, notably by reducing the backlog of old enforcement ... The scope for political influence over the judiciary remains a concern.

In the coming year, Serbia should in particular:

- make significant progress on strengthening the independence of the Judiciary and the autonomy of the prosecution through amendments to constitutional and legislative provisions related to appointment, career management and disciplinary proceedings of judges and prosecutors;
- ensure that the High Judicial Council and the State Prosecutorial Council can fully assume their role and achieve a coherent and efficient judicial administration in line with European standards, including the management of the judicial budget;
- adopt and implement a human resources strategy for the entire judiciary including the establishment of a uniform and functioning case management system, which will in combination lead to a measurable improvement in efficiency and effectiveness of the justice system.

#### Strategic documents

The commission overseeing the implementation of the national judicial reform strategy and its action plan (2013-2018) met infrequently in 2017, and the impact of the strategy's implementation is limited. The national judicial reform strategy and the action plan for Chapter 23 are broadly aligned but need to be revised considering Serbia's new objectives and deadlines for the completion of accession negotiations and the resources available. Their monitoring should be improved to include a more precise assessment of the activities' results and impacts.

#### Management bodies

The High Judicial Council (HJC) and the State Prosecutorial Council (SPC) are responsible for independently managing the justice system, including judicial appointments, transfers and dismissals, and for helping to make judicial administration coherent and efficient. The 2018 budget of the Judicial Council is EUR 2.95 million (EUR 4.88 million in 2017). The 2018 budget of the Prosecutorial Council is EUR 1.02 million (2017: EUR 0.99 million).

While the Councils continued to build their capacity, they have not yet fully assumed their role due to legislative and administrative delays. In particular, the transfer of full responsibility for the judicial budget from the Ministry of Justice to the Councils has been delayed for the third time by one more year to January 2019. Both Councils need to improve their capacity for strategic, budget and human resources planning, as well as their public communication. Both Councils also need to improve the transparency of their work, including by giving full reasons for and publishing decisions on promotions and appointments.

#### Independence and impartiality

The current constitutional and legislative framework still leaves room for undue political influence over the judiciary. Little progress has been made in establishing a fully objective, transparent and merit-based system for the appointment of judges and prosecutors. Any future constitutional or legislative changes in this regard should be designed and implemented on the basis of European standards, and the current two-track system of access to the judicial professions should be gradually streamlined. In addition, the broad discretionary powers of court presidents and heads of prosecution offices over the work of individual judges and deputy prosecutors, respectively could affect their independence and impartiality.

The constitutional reform process on judicial independence was launched in May 2017 with a call for submission of amendments to the Constitution by civil society organisations. The subsequent organisation of several roundtables was envisaged as a first phase of a consultative process. Many professional associations and civil society organisations left this process, citing the lack of an official government-sponsored draft constitutional text; they contested the arrangements for and legitimacy of the consultations. A new draft of amendments to the Constitution in the domain of the Judiciary was published in January 2018 and was put forward for public discussion. Several stakeholders withdrew from the consultative process criticising its format and atmosphere, and claiming a lack of genuine debate. They sent an open letter to Parliament, Government and the Ministry of Justice highlighting their concerns. The Serbian authorities and stakeholders need to enter into a broad, inclusive and meaningful public debate conducted in a constructive manner. This should raise awareness of the constitutional reform process in the country and its outcome of which should be reflected in the draft to be sent for the Venice Commission's opinion.

Other planned interim measures to improve the institutional independence of the Councils are still pending. These include the transfer of authority, from the Ministry of Justice to the Councils, over the entire judicial budget and the judicial administration, supervision of the courts, the collection of statistical data, and the adoption of the rules of procedure. In particular, no progress was made in amending the Law on Public Prosecution in this regard.

Pressure on the judiciary (including from authorities within the judiciary) remains high. Public comments by government officials, some at the highest level, on investigations and ongoing court proceedings continue and are perceived as pressure on judicial independence. Some progress was made in this respect: the High Judicial Council amended its procedural rules to react more efficiently in cases of alleged political interference in the judiciary upon requests filed by the judges. The amended rules do not foresee a mechanism for a regular HJC reaction. The procedure has only been used in a very limited number of cases. A more elaborate mechanism has been put in place by the State Prosecutorial Council for both ad hoc and regular reactions in cases of alleged political interference. The SPC's newly appointed Commissioner for Autonomy has a mandate to act on individual complaints by deputy prosecutors and has already processed several cases.

#### **Progress report 2018 of the Republic of North Macedonia (summary)**

The country is moderately prepared with the reform of its **public administration**. Good progress has been made with the adoption of the public administration reform strategy and the public financial management reform programme. Concrete efforts have been made towards increasing transparency and accountability and involving external stakeholders in policymaking. The capacity of the Ministry of Information Society and Administration to drive and coordinate public administration reform needs to be improved. Strong political commitment to guarantee the professionalism of the public administration, especially on senior management appointments, and the respect for the principles of transparency, merit and equitable representation in line with the spirit and the letter of the law, remains essential.

The country's **judicial system** has reached some level of preparation and good progress was made, notably in the latter part of the reporting period. The backsliding of previous years has started to be reversed through decisive steps taken in recent months, notably to start restoring the independence of the judiciary. The country adopted a credible new judicial reform strategy which lays the basis for further reform in this field, and key pieces of legislation have been amended in line with recommendations of the Venice Commission and the "Urgent Reform Priorities". The Special Prosecutor's Office faces less obstruction from the courts, allowing it to work more effectively. To address outstanding recommendations and to ensure the judiciary can function without undue influence will require sustained efforts.

Regarding the **fight against corruption**, the country has achieved some level of preparation. The legislative and institutional framework is in place, as well as a track record on both prevention and prosecution, although final court rulings on high level corruption cases remain limited. Corruption remains prevalent in many areas and continues to be a serious problem. The capacity of institutions to effectively tackle corruption has shown structural and operational deficiencies. Political interference remains a risk.

In the **fight against organised crime**, the country has reached some level of preparation. The legislative framework is broadly in line with European standards, and efforts to implement strategies must continue. The country has taken steps towards reforming the system of interception of communications and to address the related "Urgent Reform Priorities". More needs to be done to effectively fight certain forms of crime such as money laundering and financial crimes. Coordination among all relevant stakeholders is essential. A track record on investigations, prosecutions and convictions in the fight against organised crime needs to be improved. The number of convictions remains low.

I.5.2.2	Extent to which the pre-accession dialogue and the beneficiary reports on enlargement are referred to in the programming documents	
I.5.2.2	Summary	On the other side, there are strong references to the accession negotiations in the IPA II programming documents. Enlargement reports are a basic reference and the main justification of the priorities established in the CISPs and in the APs.

I.5.2.2	Evidence from interviews and e-survey	<p><b>Field visits:</b></p> <p>Albania: All the programming documents heavily refer to the enlargement process.</p> <p>Bosnia and Herzegovina: An issue that was raised during the field phase was Bosnia and Herzegovina's accession perspective. All parties accepted that this was distant, with little prospect of the country acceding to the EU in the foreseeable future. Without a clear accession perspective, the efforts to embed and internalise SA into Bosnia and Herzegovina institutions lacked any obvious political incentive. In combination with the lack of financial linkage between SPD preparation and IPA II programming (see EQ2) this absent accession perspective constrains a more thorough application of the SA. This is also exacerbated by the uneven ownership of SA at political level (see EQ1).</p> <p>Kosovo: The programming documents refer to the key issues mentioned in country reports. The IPA II programme overall targets sectors that are important to Kosovo's EU accession efforts, with the SBS programmes the most obvious examples of this. The actual mix of actions financed is rather heterogeneous and appears to be a reflection of the programmers seeking to balance a range of competing factors into the programmes i.e. EU political imperatives to address key reform issues (such as corruption), demands from the Kosovo side for IPA II support (which may not coincide with EC priorities), obligations stemming from the SAA (e.g. in agriculture) which need to be considered, and the absorption capacities of the Kosovo institutions, the political commitment of the Kosovo side to align with EU priorities in key areas. This is a rational response to the challenges of programming IPA II support in an environment where the SA has not yet been fully established.</p> <p>The Republic of North Macedonia: Programming documents invariably refer to findings of country reports. The extent to which these findings influence the actual focus and content of the programming documents varies on the sector. The prevailing approach appears satisfactory.</p> <p>Montenegro: The programming documents strongly refer to enlargement country reports.</p> <p>Serbia: Yes, this is widely the case. The programming exercise normally starts with the reference to the priorities established in the accession reports.</p> <p>Turkey: While the ISP starts from the Enlargement report to set the priorities for the medium/term plans, the annual programmes do not establish strong links with the Enlargement level. The main reference is to the specific requests coming from MEUA through the SPDs. In the MAPs' action documents, the link with the Enlargement process is just mentioned as a rather far background.</p> <p><b>Interviews conducted before the field phase:</b></p> <p>Beneficiary reports are standard reference for programming documents.</p> <p>The SPDs in Montenegro refer to the accession chapters more than to sectors.</p>
I.5.2.2	Evidence from documents	See under 5.2.1 above. Due to the nature of the subject evidence is often clustered together for indicators under JC. 5.2.
<b>JC.5.3 IPA II establishes synergies and complementarities with other EC instruments, such as EIDHR, IcSP and CSO/LA</b>		
<p>Coordination and complementarity between IPA II and other EC instruments is generally satisfactory.</p> <p>Ensuring such complementarity with the WBIF is more challenging due to its absence from SA programming or implementation structures.</p> <p>Stimulating synergies should in theory be an added value of SA but evidence suggests that this is not a major focus of IPA II programmers and so examples are only sporadic and scattered.</p> <p>Strength of the evidence: medium-high</p>		
I.5.3.1	Extent to which mechanisms are in place to ensure that such specialised instruments are associated to the programming and implementation phases in the relevant sectors	
I.5.3.1	Summary	<p>EIDHR and IcSP run small programmes compared to the IPA resources, which may complement IPA actions, as in the case of some supports to address specific issues (NGOs' campaigns in the democracy area, or emergency situations). Such contributions may become extremely important as in Turkey in the case of EIDHR. The coordination with IFIs seems rather low, although there are not many complaints about that. The coordination with EIB and EBRD and the Western Balkans Investment Framework seems more important and rather significant in the areas of SMEs development and infrastructure.</p>



I.5.3.1 Evidence from interviews and e-survey

**Field visits:**

Albania: EIDHR supports small programmes in the human rights area (prisons, LGBT...), through calls for proposal. CSO/LA does not intervene in the IPA area and the IcSP has not been used in Albania.

Bosnia and Herzegovina: Feedback from stakeholders indicated that the SA had not made any major difference to synergies or complementarities with other instruments. These were considered to be generally satisfactory (particularly with the EIDHR), although there was an expectation among Bosnia and Herzegovina stakeholders that the SA would simplify access to EBRD/EIB/WBIF instruments but this had not proved to be the case.

Kosovo: Coordination with IPA II and the EIDHR and IcSP is done via the EUO and its Kosovo institutional interlocutors. This is reportedly functional. WBIF issues are dealt with via the national investment committee created for this purpose. Complementarity with IPA II is not an issue as IPA II funds are not anticipated for infrastructure investments.

The Republic of North Macedonia: Coordination with the EIDHR has been well established and the EUD has a strong CSO programme that complements this. It is worth noting that this is not attributable to the introduction of SA. For instruments such as WBIF and EDIF, these are reportedly included in the discussions of the SWGs but that in the case of WBIF, for example, line ministries have sometimes not discussed applications for funding to it as part of sectoral discussions with other stakeholders. This suggests that the mechanisms are not yet fully functional in terms of ensuring full coherence and complementarity of assistance.

Montenegro: Complementarity with other EC instruments is generally good. The only challenge noted by stakeholders relates to the WBIF, which provides funding in a manner that falls outside the existing SA structures – its financing runs directly via the national investment committee (NIC) and although in principle its usage should be integrated into the SWG and SPDs, in practice, feedback suggests that in practice this does not always happen. This is not a major practical problem as IPA II national funds have small allocations for infrastructure, but it nevertheless highlights the gap in the SA in Montenegro.

Serbia: CSO/LA does not apply to the candidate countries, where operates the CSO facility. EIDHR run calls for proposal of about 1.0 million a year, including support to international criminal courts. No interventions for the IcPS have been found.

Turkey: EIDHR has a very important role, especially in the last years to ensure continuation of HR defence. EIDH intervention is very well integrated and its funds are managed by the EUD. Its country allocation (5M € per year) is the largest in the world. Blending, particularly through the intervention of the EIB group, namely the EIF for SMEs, could be used much more, especially in the framework of MAPs, but there is no familiarity with this method of intervention (in DG NEAR and the EUDs).

In general, specialised instruments are coordinated and aligned with the standard actions. This is done through a mechanism and dialogue platform managed by the EUD and/ or NIPAC where the leading line ministries are also participating. Indeed, there are no cases where conflicts and/or overlapping occurs, because their use is strongly controlled by EUDs. There may be cases, where the complementarities are not exploited as possible, for instance for blending.



I.5.3.1	Evidence from documents	<p><b>Particip, External Evaluation of the Instrument for Pre-accession Assistance (IPA II) (2014 – mid 2017), Final Report Volume 1:</b> On EIDHR and IcSP. Complementarity of IPA II with the actions of other EFIs active in the candidate beneficiaries and potential candidates (EIDHR and IcSP) is good but not secured. Synergies between IPA II and each of these EFIs are promoted when the IcSP/ EIDHR are seeking coordination of their actions (usually of small budget and short duration) with the IPA actions (bigger budget, long duration). The lack of access to the DCI CSO/LA programme in the current period (2014-2020) is a big loss for the Local Authorities of the IPA II beneficiaries.</p> <p>The EIDHR (mainly) and the IcSP (with a limited number of interventions and very small envelopes in total) are other EFIs which are active in the Western Balkans and Turkey, providing grants for the implementation of specific actions directed to final recipients (people/ organisations) and/ or addressing ad hoc urgent needs. These and the IPA II actions, which – as needed – are also co-financed with loans by the European Banks (European Investment Bank – EIB, European Bank of Reconstruction and Development – EBRD) and other IFIs, contribute to both the long-term objectives of EU accession, the social development of the candidate beneficiaries and potential candidates and to addressing urgent needs stemming from emergencies such as natural disasters (e.g. the floods of Serbia and Bosnia and Herzegovina of 2014) or social problems (e.g. the problems created in the Republic of North Macedonia and Serbia from the recent migration crisis in 2015 and 2016). The IPA II procedures for planning, programming and implementation of its programmes and actions foresee the coordination and the stimulation of synergies with these EU financing instruments. However, due to the introduction of novelties in the relevant IPA II processes (mainly sector-based approach, sector budget support, performance measurement, etc.) which have not yet been standardised, as well as due to the non-joint planning and programming of the interventions of these EFIs with those of IPA II, such stimulation of synergies is not yet guaranteed. The coordination of the ad hoc (non-programmable) actions of EIDHR and IcSP with the similar actions of IPA II (to achieve complementarity and synergies) can happen when the competent services (EEAS/EC) of these two EFIs take the initiative for this coordination, as well as at the level of the EUDs where the IPA II actions are defined. On the other hand, the planning of IPA II should take into consideration the multiannual strategy papers of these two EFIs when their different planning time-lines allow it. Overall, complementarity and synergies of the actions of these thematic Instruments with the IPA II actions could still benefit from more coordination/ cooperation during both the planning and programming of the Instruments. However, more time under a stable environment is required for the new processes to perform better.</p> <p><b>Civil Society Programme, Bosnia and Herzegovina, revised 2017:</b> The civil society will be supported through the IPA Multi-Beneficiary Civil Society Facility that is active in the region, complementary to the support provided under sectors through the beneficiary Civil Society Facility envelope and complementary to EIDHR and IcSP financing.</p> <p><b>Civil Society Programme, Kosovo, revised 2017:</b> In addition to IPA, Kosovo receives EU assistance also through the European Instrument for Democracy and Human Rights (EIDHR) and the Instrument contributing to Stability and Peace (IcSP). Coordination with IPA assistance is ensured by the EU Office in Kosovo.</p> <p><b>Civil Society Programme, Montenegro, revised 2017:</b> Regarding complementarity with other EU instruments. Montenegro receives assistance under the European Instrument for Democracy &amp; Human Rights (EIDHR). Montenegro may also be covered by actions under the Instrument contributing to Stability and Peace, which is a key instrument of the EU for crisis response and security threats, as well as under the Instrument for Nuclear Safety Cooperation.</p>
I.5.3.2	Degree of stakeholders' perception referred to actual opportunities and/or cases of synergy	
I.5.3.2	Summary	<p>The leverage of SA and its capacity to generate synergies with other opportunities are considered rather low by the stakeholders interviewed. There is the perception that SA is implemented in a rather closed environment and is not sufficiently able to attract new initiative, namely in the field of investment.</p>

I.5.3.2	Evidence from interviews and e-survey	<p><b>e-survey and field visits:</b></p> <p>The e-survey contains a specific sub-question on SA capacity to facilitate complementarity with and leverage of other actions (investment, other support measures). The average score of this question (though still positive) is the second last among the different positive contributions of SA to the quality of policy management (just above the SA contribution to the results' based management, which has the lowest score). This position, with minor variations, is reflected also in the individual beneficiaries' responses. Indeed, the respondents consider that SA does not bring enough synergies with it and especially investment is rather limited.</p> <p>Albania: the stakeholders interviewed have confirmed that the leverage of SA and its synergies especially with investment are considered weak.</p> <p>Bosnia and Herzegovina: Synergies between IPA II and these instruments were not perceived as being strengthened thanks to the SA.</p> <p>Kosovo: Perceptions of opportunities for synergies are limited. Potential synergies of IPA II and other actions could be identified via the SWG structures if they were functional. In practice, any potential synergetic effects are likely to be identified via discussions between EC and Kosovo operational staff. This is fair enough, but does not constitute a more systematic process anticipated by the SA.</p> <p>The Republic of North Macedonia: Feedback from stakeholders suggested that the SA offered a better chance for synergies to be identified and programmed into ADs, and SOPs should increase this likelihood due to several factors such as sectoral homogeneity, experience of the OS, programming approach of SOP.</p> <p>Montenegro: Synergies with these other funding instruments are not a major focus of IPA II programmers or implementers. Given the limited funds available from other sources, this is unsurprising.</p> <p>Serbia: there are no operations of blending in the IPA annual programmes, while blending is a common practice for the Western Balkans Investment Framework, which is very active for road, water, transport and other main infrastructures, many of which are addressed through blending formula with private and public, national and international institutions. This separation is not well explained by the stakeholders, and could be a source of inefficiencies.</p> <p>Turkey: The stakeholders interviewed see at the IPA II interventions (namely MAPs) as a rather closed universe.</p>
I.5.3.2	Evidence from documents	N/A
<b>JC.5.4 Strengthening sector dialogue led by beneficiary institutions, internal coherence and coordination with other external partners</b>		
<p>Mechanisms for coordinating dialogue with other external partners exist. Some of these – joint forums on sector issues such as PAR and PFM led by the EU and national authorities appear to be generally effective.</p> <p>SWGs do not function as the forum for coordinating IPA II and external partner actions as they could (or should).</p> <p>Formal donor coordination mechanisms exist, typically led by NIPAC.</p> <p>In several IPA II beneficiaries, this forum does not work as well as expected and as a result, donors have formed their own parallel structures to ensure more effective coordination of actions.</p> <p>Strength of the evidence: medium-high</p>		
I.5.4.1	Extent to which an effective mechanism for external partners' coordination is in place	
I.5.4.1	Summary	<p>Donors' coordination mechanisms exist in most beneficiaries, often strictly linked to the institutions in charge of European Integration (e.g. Serbia). In many cases donors' coordination profits of the sectoral coordination mechanisms established through the IPA II sector approach, as the SWGs in IPA programming, or larger mechanisms like the IPMGs in Albania during the implementation. This is not the case for some standalone interventions in infrastructure and specifically for some donors like China.</p>

#### I.5.4.1 Evidence from interviews and e-survey

##### **Field visits:**

**Albania:** In PAR/PFM and Judiciary, the coordination is high, mainly due to the high leadership of EU and the advanced implementation of SA. In many other sectors, SA facilitates coordination. In particular, there is a strong coordination in PFM with World Bank, IMF and other donors, in the framework of the inter-institutional PFM working group. The World Bank has relaunched its support thanks also to the IPA funded SRC, which has provided resources and know-how to the MoF. In Judiciary, there is a strong presence of US and the support to the vetting process is carried out together by EU and US, who are the external 'guarantors' of the process. Mechanisms for donor coordination are set up and work in the framework of the anticorruption SRC, with World Bank, EBRD, UNDP and OSCE.

**Bosnia and Herzegovina:** Donor coordination is reportedly functional, although the mechanisms to facilitate this were put in place prior to the introduction of SA. The involvement of international organisations and most other donors is ensured via formal sector donor coordination done by NIPAC and this is often augmented by EUD-led donor coordination (for example in the PAR sector). Some external donors outside the EU do not participate in these mechanisms (Turkey, China, Gulf region) and this occasionally complicates coordination.

**Kosovo:** As noted elsewhere, the SWG model established by the Kosovo government has as its primary function donor coordination. IPA II has been included into this. The shortcomings of this model are discussed in detail under EQ3.

**The Republic of North Macedonia:** Several donor coordination mechanisms exist in the country, both formal and informal (reportedly there is an inter-institutional donor coordination mechanism via PM's office, NIPAC-led 'sector coordination', EUD-led coordination and informal coordination between individual donors). In theory, the SA would reduce the need for these multiple fora, as the SWG would involve the main donors in discussions about programming priorities and funding options. In practice, few donors attend the SWG so this does not happen to any notable extent. Donors feel they generally have a good idea of each other's programmes and can coordinate their actions well, independent of their inclusion in any SA-related forum. In any case, including the relevant donors in SWG meetings would ensure donor inputs are discussed and coordinated in a systemic manner, rather than the haphazard approach that currently prevails.

**Montenegro:** There are relatively few external partners in Montenegro with whom IPA II has to coordinate. These include EBRD, WB, UN agencies, KfW (based in country), WBIF and EIB, which have programmes in the country. Also, a handful of EU MSs have programmes in Montenegro, but these are reportedly small scale. The SWGs do not serve as a mechanism for coordinating external partners' programmes with IPA II, as these partners do not participate in the SWGs. Coordination of donors in Montenegro takes place via various forums. These are governmental (via NIPAC), via EUD, via some sectoral groups (PAR group) and informally among agencies and donors. These have not been fundamentally affected by the advent of SA, and they serve primarily as a means for semi-structured information exchange between government, EU and external partners. Feedback from stakeholders confirmed that this arrangement adequately ensured complementarity between funding programmes, as the small number of actors and the modest size of the programmes would not warrant a more elaborate arrangement.

**Serbia:** The situation is different according to the sectors. In transport, there is a functioning SWG, specifically for donors' coordination. In PAR/PFM, the EU has a dominant position thanks to the SBS, while most donors have direct relationships with the relevant institutions. The SWG does not work. In Judiciary, the TF for Judiciary reform, managed by the WB, meets the most important donors that support the implementation of Chapter 23. The EU is observer. The SWG plays a rather formal role, as confirmed by the donors' representatives meet and does not meet (MoJ states that it meets twice a year). The coordination in this sector works and the different stakeholders have decided to wait for the completion of the new functional review carried out by the WB, to support Government to update the sector strategy and AP.

**Turkey:** There are no functioning mechanisms in place for external partners' coordination and dialogue. There has been an attempt to improve and consolidate external partners coordination in the Justice sector, but this remains a proposal. In most SPDs donor coordination is envisaged as a future task.

##### **Interviews with beneficiaries conducted before the field phase:**

In Albania, donor coordination has been moved under MoF. Indeed, the strategic coordination should take place at sector level, in the IPMG, but these do not function as desired (see above). The SWGs in some sectors work better (e.g. Judiciary), but in many sectors, do not work well. There is a certain level of coordination on specific matters, which is facilitated by the direct connections between donors (EU-WB on PAR. EU-US on Judiciary)

In Serbia, MEI has strengthened the coordination mechanism, through the NAD and the EUI units in the line ministries. Working groups are functioning in this framework, not as strategic dialogue structures owned by the line ministries.

In Turkey, working groups are established to better coordinate multi-annual programmes and sector investment. They have a very operational focus and are only partially involved in strategic dialogue.

**Kosovo:** SWGs in some sectors also used for donor coordination (in fact for information sharing only).

I.5.4.1	Evidence from documents	<p><b>Particip, External Evaluation of the Instrument for Pre-accession Assistance (IPA II) (2014 – mid 2017), Final Report Volume 1:</b> The different IPA II actions are coherent/ complementing with one another (including coherence between bilateral and multi-beneficiary programmes) as well as with the actions of IPA I. The novelties of the IPA II (mainly the sector approach in programming with a limited number of sectors, sector budget support programmes, performance measurement, strategic planning/ programming processes and responsibilities, CoTEs, etc.) are expected to further contribute to the coherence and complementarity of the IPA II actions in each beneficiary, between the bilateral and the multi-beneficiary and CBC IPA II actions and between the IPA II and IPA I actions. Each of the above categories of actions is coordinated through specific programming and implementation processes of IPA II in which the EUDs and the NIPACs bilateral actions and for increased policy and financial leverage, thus facilitating delivery of results against the IPA II objective to prepare the beneficiaries for membership. This assessment is based mainly on EQ5...</p> <p>All the novelties introduced under IPA II ... lead to more policy dialogue among the beneficiary authorities, the EU, the EU MSs and the other donors, improvement of the capacity of the involved stakeholders, more careful elaboration of the programmes/ actions and finally to more coherence, action documents seen by the evaluators suggest that the move from the project-based programming approach towards sector programming is still very much in transition.</p> <p><b>Civil Society Programme, Albania, revised 2017.</b> A high-level donor-government dialogue is taking place once per year as 'round table' to focus on aid harmonisation, followed by regular operational meetings. This work is supported by a Donor Technical Secretariat (DTS), composed of four multilateral donor organisations, including the EU and a rotating participation of two bilateral donors.</p> <p>In addition to the coordination by the government of Albania, the EU is regularly consulting with other donors, civil society and others (e.g. judiciary), both at the time of preparing the overall strategic approach, as well as for the preparation of annual programmes.</p> <p>See also entries under 5.4.2 below</p>
I.5.4.2	Extent to which, when necessary, IPA II actions are complementary to and coordinated with other external partners	
I.5.4.2	Summary	<p>Since the EU has a prominent role in external assistance, most donors (EU MSs, IFIs) identify their support actions as complementary support to overall sector support provided by IPA. In this respect, SA plays a facilitation role, as it ensures that the strategic framework of any specific intervention is supported. There are actions of particular political relevance, like the support to the vetting process in Albania, which are jointly run by EU and US.</p>

#### I.5.4.2 Evidence from interviews and e-survey

##### **Field visits:**

Albania: A clear complementarity exists in PFM and Judiciary area. In PFM, the SRCs are not only complementary with the interventions of other external partners (World Bank), but has also been catalytic as it has created an environment where such interventions work better. Complementarities with the MS through the Twinning programme, for capacity development are evident. In the PAR SRC a specific complementary action with a focus on local government capacity, managed by UNDP, have been financed by IPA II. In anticorruption, a specific action complements the existing engagements of other donors in communication and public awareness. There are other examples of delegated cooperation with MSs, as in the case of integrated water management, through German and Austrian development agencies.

Bosnia and Herzegovina: For the most part, IPA II actions are well coordinated and complementary with external partners, and their involvement in the SWGs has reinforced this.

Kosovo: Aside from the abovementioned SWG model, the NIPAC has an aid coordination database that is available to donors to update with new interventions as needed. This is a classic passive donor coordination tool that is a useful auxiliary to a functional coordination forum that the SWG model is expected to be. The SRCs of the SBS programmes have a short analysis of other donor activities in these sectors but the one seen by the evaluator makes only a cursory reference to the work of other cooperation partners. Feedback from interviews confirmed that there was a significant presence in both the PAR and PFM sectors of other donors (notably USAID) that would need to be coordinated by the Kosovo beneficiaries themselves and this represented a notable risk due to the Kosovo side's limited capacities to do this and track record of requesting and using duplicate assistance from various donor sources. In reaction to this, donors have unsurprisingly developed their own parallel coordination structures to ensure more proactive complementarity of their programmes. The EUO has its own, which is reportedly functional and ensures that, at least in the planning of actions, complementarity with other donors. It was noted by the NIPAC that it was aware of this EUO-led forum but was not invited to it. This is unlikely to contribute to better transparency of coordination or confidence building. Also, despite the existence of this separate donor forum, there is evidence that some beneficiaries had promoted investments into sectors that are not in line with this approach e.g. US investments into the energy sector that contradict both Kosovo government and EU donor objectives. In summary, the approach to donor coordination is fragmented and does not lend itself to promoting complementarity or synergies in any systematic way.

The Republic of North Macedonia: See I.5.4.1 above

Montenegro: See I.5.4.1 above

Serbia: Most donors' support, with few exceptions (China and others), is aligned with the priorities of EU accession and try to be complementary as possible. The delays associated with the EU decision process are seen as a source of difficulties for such coordination.

Turkey: This may happen through the government in areas that see the support of other external partners (e.g. Energy), but it is not a matter of dialogue between donors, apart from EU MSs.

##### **Interviews with beneficiaries conducted before the field phase:**

This happens at programming level. Coordination does not take place during implementation.

The Republic of North Macedonia: ENV SWG also includes several donors. Many donors are interested in gathering information (in particular ideas for soft projects) which they use to prepare their own actions.

The Republic of North Macedonia: Donor coordination (besides WBIF) is particularly difficult in TRA with non-member state actors like China or Turkey. Also, UK/ USA often use the collected information to come up with rapid actions that are "preparing the ground for EU assistance".

##### **Other interviews conducted before the field phase:**

WB is active in PAR in Serbia on reform of public companies.

## I.5.4.2 Evidence from documents

**Serbia ISP 2014-20 revised**

...preference shall be given to providing financial assistance under a sector approach, to ensure a more long-term, coherent and sustainable approach, allow for increased ownership, facilitate cooperation among donors, eliminate duplication of efforts and bring greater efficiency and effectiveness....

The main donors in Serbia are the EU, USAID, Germany, Sweden, Switzerland and Norway. Many of the EU Member States also provide targeted assistance in specific sectors. The IFIs – EBRD, EIB, KfW, World Bank – provide loans for development of the Serbian economy.

Donor coordination is ensured by the National IPA Coordinator (NIPAC). The previous informal and mostly donor-led coordination groups have been rearranged following the NIPAC's increased leadership for programming of assistance. The NIPAC's Technical Secretariat, SEIO, guides the work of nine sector working groups for programming and monitoring of external assistance, comprising of representatives of relevant national institutions responsible for policy making, implementation and monitoring in their respective sectors. They are responsible for sector and donor coordination, co-financing, analysis of project implementation and monitoring of implementation. The sector working groups are a forum for consultation with the civil society and development partners, and they also serve as IPA sector monitoring sub-committees. A lead donor has been agreed and associated to each sector working group.

This reform on donor coordination is progressing well but is not yet fully effective in all the sectors. Once completed, this reform will be a major step towards better coordination and ownership. In addition, the EU holds regular consultations with the EIB, EBRD and the World Bank to explore synergies for cooperation, including blending of EU grants with loans.

**Albania ISP 2014-20 (revised)**

This overall donor coordination is under the responsibility of the Deputy Prime Minister with support from the Department of Development Programming, Financing and Foreign Aid (DDPFFA) of the Prime Minister's Office. As mentioned above in Section 2.2, the strategic framework is provided through the NSDI. The implementation of strategic plans is planned through the medium-term budget programmes which include projections for domestic and donor funded resources to implement the strategies. The coordination of donor funds is therefore embedded in the systems of strategic planning and related budget programmes.

The overall coordination within the Albanian government includes a Strategic Planning Committee as an inter-ministerial committee chaired by the Prime Minister that reviews and endorses the government's policy and fiscal priorities. This involves: (i) setting the policy priorities and strategic directions within a sound fiscal framework at the beginning of the annual planning process; (ii) deciding on the inter-sector resource allocation (MTBP preparation ceilings) over the medium term, i.e. 3 years; (iii) reviewing the draft MTBP prior to the preparation of the state budget; and (iv) receiving regular reports on progress against key IPS commitments.

The Integrated Policy Management Group (IPMG) system, formally introduced by the Government of Albania (GoA) in 2015, is the *main institutional mechanism* for coordinating sector reform, including taking responsibility for effective sector donor coordination. Integrated Policy Management Groups (IPMGs) and thematic sub-groups were so far established in four pilot sectors (Competitiveness and Innovation, Employment and Social Policies, PAR and Good Governance and Integrated Water Management). IPMGs are expected to meet quarterly for dialogue on priorities, planning, coordination and monitoring of the implementation of sector strategies and action plans, including an annual review of reform progress. Each IPMG has several thematic sub-groups which coordinate policy dialogue, monitor and evaluate specific strategy and action plan implementation, provide inputs for mid-term budget, as well as contribute to the distribution and analysis of relevant sector information, and submit findings to the IPMG. It produces and publishes annual progress reports, thus contributing to accountability, transparency and more informed sector dialogue.

**SIGMA assessments Monitoring Report, Kosovo, 2016:** The Strategy on Local Self-Government 2016-2026 was prepared with the involvement of the representatives of the World Bank, the German Agency for International Development (GIZ), the United Nations Program for Development, and the U.S. Agency for International Development.

Development of the Strategy on Information Technology was supported by GIZ and the Norwegian Ministry of Foreign Affairs.

**Internal document, Serbia, 2015:** The cooperation between the EU Delegation and the EU Member States (EU MS), who are also donors in Serbia, is excellent. The Press and Information team shares the forward planning of events and activities related to EU project events with the donors, and invites them regularly to follow and contribute to these events where relevant. The Delegation also shares with EU MSs the opinion poll including results on awareness of EU and EU MS donations. Several joint activities with MSs have been organised to raise awareness of the EU and EU funding including initiatives such as EU MS embassies' open days coordinated by the EU Delegation during Europe month.



**Indicative Strategy Paper, Serbia, revised 2017:** The main donors in Serbia are the EU, USAID, Germany, Sweden, Switzerland and Norway. Many of the EU Member States also provide targeted assistance in specific sectors. The IFIs – EBRD, EIB, KfW, World Bank – provide loans for development of the Serbian economy. Donor coordination is ensured by the Beneficiary IPA Coordinator (NIPAC). The previous informal and mostly donor-led coordination groups have been rearranged following the NIPAC's increased leadership for programming of assistance. The NIPAC's Technical Secretariat, SEIO, guides the work of nine sector working groups for programming and monitoring of external assistance, comprising of representatives of relevant beneficiary institutions responsible for policy making, implementation and monitoring in their respective sectors. They are responsible for sector and donor coordination, co-financing, analysis of project implementation and monitoring of implementation. The sector working groups are a forum for consultation with the civil society and development partners. A lead donor has been agreed and associated to each sector working group. There are also the IPA sector monitoring sub-committees.

This reform on donor coordination is progressing well but is not yet fully effective in all the sectors. Once completed, this reform will be a major step towards better coordination and ownership. In addition, the EU holds regular consultations with the EIB, EBRD and the World Bank to explore synergies for cooperation, including blending of EU grants with loans.

#### JC.5.4 Strengthening sector dialogue led by beneficiary institutions, internal coherence and coordination with other external partners

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

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

Formal donor coordination mechanisms exist, typically led by NIPAC.

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

Strength of the evidence: medium-high

##### I.5.4.1 Extent to which an effective mechanism for external partners' coordination is in place

**I.5.4.1 Summary** Donors' coordination mechanisms exist in most beneficiaries, often strictly linked to the institutions in charge of European integration (e.g. Serbia). In many cases donors' coordination profits of the sectoral coordination mechanisms established through the IPA II sector approach, as the SWGs in IPA programming, or larger mechanisms like the IPMGs in Albania during the implementation. This is not the case for some standalone interventions in infrastructure and specifically for some donors like China.

##### I.5.4.1 Evidence from interviews and e-survey

###### Field visits:

**Albania:** In PAR/PFM and Judiciary, the coordination is high, mainly due to the high leadership of EU and the advanced implementation of SA. In many other sectors, SA facilitates coordination. In particular, there is a strong coordination in PFM with World Bank, IMF and other donors, in the framework of the inter-institutional PFM working group. The World Bank has relaunched its support thanks also to the IPA funded SRC, which has provided resources and know-how to the MoF. In Judiciary, there is a strong presence of US and the support to the vetting process is carried out together by EU and US, who are the external 'guarantors' of the process. Mechanisms for donor coordination are set up and work in the framework of the anticorruption SRC, with World Bank, EBRD, UNDP and OSCE.

**Bosnia and Herzegovina:** Donor coordination is reportedly functional, although the mechanisms to facilitate this were put in place prior to the introduction of SA. The involvement of international organisations and most other donors is ensured via formal sector donor coordination done by NIPAC and this is often augmented by EUD-led donor coordination (for example in the PAR sector). Some external donors outside the EU do not participate in these mechanisms (Turkey, China, Gulf region) and this occasionally complicates coordination.

**Kosovo:** As noted elsewhere, the SWG model established by the Kosovo government has as its primary function donor coordination. IPA II has been included into this. The shortcomings of this model are discussed in detail under EQ3.

**The Republic of North Macedonia:** Several donor coordination mechanisms exist in the country, both formal and informal (reportedly there is an inter-institutional donor coordination mechanism via PM's Office, NIPAC-led 'sector coordination', EUD-led coordination and informal coordination between individual donors). In theory, the SA would reduce the need for these multiple fora, as the SWG would involve the main donors in discussions about programming priorities and funding options. In practice, few donors attend the SWG so this does not happen to any notable extent. Donors feel they generally have a good idea of each other's programmes and can coordinate their actions well, independent of their inclusion in any SA-related forum. In any case, including the relevant donors in SWG meetings would ensure donor inputs are discussed and coordinated in a systemic manner, rather than the haphazard approach that currently prevails.

Montenegro: There are relatively few external partners in Montenegro with whom IPA II has to coordinate. These include EBRD, WB, UN agencies, KfW (based in country), WBIF and EIB, which have programmes in the country. Also, a handful of EU MSs have programmes in Montenegro, but these are reportedly small scale. The SWGs do not serve as a mechanism for coordinating external partners' programmes with IPA II, as these partners do not participate in the SWGs. Coordination of donors in Montenegro takes place via various forums. These are governmental (via NIPAC), via EUD, via some sectoral groups (PAR group) and informally among agencies and donors. These have not been fundamentally affected by the advent of SA, and they serve primarily as a means for semi-structured information exchange between government, EU and external partners. Feedback from stakeholders confirmed that this arrangement adequately ensured complementarity between funding programmes, as the small number of actors in Transport, there is a functioning one and the modest size of the programmes would not warrant a more elaborate arrangement.

Serbia: The situation is different according to the sectors. In Transport, there is a functioning SWG, specifically for donors' coordination. In PAR/PPM, the EU has a dominant position thanks to the SBS, while most donors have direct relationships with the relevant institutions. The SWG does not work. In Judiciary, the TF for Judiciary reform, managed by the WB, meets the most important donors that support the implementation of Chapter 23. The EU is observer. The SWG plays a rather formal role, as confirmed by the donors' representatives meet and does not meet (MoJ states that it meets twice a year). The coordination in this sector works and the different stakeholders have decided to wait for the completion of the new functional review carried out by the WB, to support Government to update the sector strategy and AP.

Turkey: There are no functioning mechanisms in place for external partners' coordination and dialogue. There has been an attempt to improve and consolidate external partners coordination in the Justice sector, but this remains a proposal. In most SPDs, donor coordination is envisaged as a future task.

#### **Interviews with beneficiaries conducted before the field phase:**

In Albania, donor coordination has been moved under MoF. Indeed, the strategic coordination should take place at sector level, in the IPMG, but these do not function as desired (see above). The SWGs in some sectors work better (e.g. Judiciary), but in many sectors, do not work well. There is a certain level of coordination on specific matters, which is facilitated by the direct connections between donors (EU-WB on PAR, EU-US on Judiciary).

In Serbia, MEI has strengthened the coordination mechanism, through the NAD and the EUI units in the line ministries. Working groups are functioning in this framework, not as strategic dialogue structures owned by the line ministries.

In Turkey, working groups are established to better coordinate multi-annual programmes and sector investment. They have a very operational focus and are only partially involved in strategic dialogue.

Kosovo: SWGs in some sectors also used for donor coordination (in fact for information sharing only).

#### **I.5.4.1 Evidence from documents**

**Particip, External Evaluation of the Instrument for Pre-accession Assistance (IPA II) (2014 – mid 2017), Final Report Volume 1:** The different IPA II actions are coherent/ complementing with one another (including coherence between bilateral and multi-beneficiary programmes) as well as with the actions of IPA I. The novelties of the IPA II (mainly the sector approach in programming with a limited number of sectors, sector budget support programmes, performance measurement, strategic planning/ programming processes and responsibilities, CoTEs, etc.) are expected to further contribute to the coherence and complementarity of the IPA II actions in each beneficiary, between the bilateral and the multi-beneficiary and CBC IPA II actions and between the IPA II and IPA I actions. Each of the above categories of actions is coordinated through specific programming and implementation processes of IPA II in which the EUDs and the NIPACs bilateral actions and for increased policy and financial leverage, thus facilitating delivery of results against the IPA II objective to prepare the beneficiaries for membership. This assessment is based mainly on EQ5...

All the novelties introduced under IPA II ... lead to more policy dialogue among the beneficiary authorities, the EU, the EU MSs and the other donors, improvement of the capacity of the involved stakeholders, more careful elaboration of the programmes/ actions and finally to more coherence, action documents seen by the evaluators suggest that the move from the project-based programming approach towards sector programming is still very much in transition.

**Civil Society Programme, Albania, revised 2017.** A high-level donor-government dialogue is taking place once per year as 'round table' to focus on aid harmonisation, followed by regular operational meetings. This work is supported by a Donor Technical Secretariat (DTS), composed of four multilateral donor organisations, including the EU and a rotating participation of two bilateral donors.

In addition to the coordination by the government of Albania, the EU is regularly consulting with other donors, civil society and others (e.g. judiciary), both at the time of preparing the overall strategic approach, as well as for the preparation of annual programmes.

See also entries under 5.4.2 below.

I.5.4.2	Extent to which, when necessary, IPA II actions are complementary to and coordinated with other external partners	
I.5.4.2	Summary	<p>Since the EU has a prominent role in external assistance, most donors (EU MSs, IFIs) identify their support actions as complementary support to overall sector support provided by IPA. In this respect, SA plays a facilitation role, as it ensures that the strategic framework of any specific intervention is supported. There are actions of particular political relevance, like the support to the vetting process in Albania, which are jointly run by EU and US.</p>
I.5.4.2	Evidence from interviews and e-survey	<p><b>Field visits:</b></p> <p>Albania: A clear complementarity exists in PFM and Judiciary area. In PFM, the SRCs are not only complementary with the interventions of other external partners (World Bank), but has also been catalytic as it has created an environment where such interventions work better. Complementarities with the MSs through the Twinning programme, for capacity development are evident. In the PAR SRC a specific complementary action with a focus on local government capacity, managed by UNDP, have been financed by IPA II. In anticorruption, a specific action complements the existing engagements of other donors in communication and public awareness. There are other examples of delegated cooperation with MSs, as in the case of integrated water management, through German and Austrian development agencies.</p> <p>Bosnia and Herzegovina: For the most part, IPA II actions are well coordinated and complementary with external partners, and their involvement in the SWGs has reinforced this.</p> <p>Kosovo: Aside from the abovementioned SWG model, the NIPAC has an aid coordination database that is available to donors to update with new interventions as needed. This is a classic passive donor coordination tool that is a useful auxiliary to a functional coordination forum that the SWG model is expected to be. The SRCs of the SBS programmes have a short analysis of other donor activities in these sectors but the one seen by the evaluator makes only a cursory reference to the work of other cooperation partners. Feedback from interviews confirmed that there was a significant presence in both the PAR and PFM sectors of other donors (notably USAID) that would need to be coordinated by the Kosovo beneficiaries themselves and this represented a notable risk due to the Kosovo side's limited capacities to do this and track record of requesting and using duplicate assistance from various donor sources. In reaction to this, donors have unsurprisingly developed their own parallel coordination structures to ensure more proactive complementarity of their programmes. The EUO has its own, which is reportedly functional and ensures at least in the planning of actions, the complementarity with other donors. It was noted by the NIPAC that it was aware of this EUO-led forum but was not invited to it. This is unlikely to contribute to better transparency of coordination or confidence building. Also, despite the existence of this separate donor forum, there is evidence that some beneficiaries had promoted investments into sectors that are not in line with this approach e.g. US investments into the energy sector that contradict both Kosovo government and EU donor objectives. In summary, the approach to donor coordination is fragmented and does not lend itself to promoting complementarity or synergies in any systematic way.</p> <p>The Republic of North Macedonia: See I.5.4.1 above.</p> <p>Montenegro: See I.5.4.1 above.</p> <p>Serbia: Most donors' support, with few exceptions (China and others), is aligned with the priorities of EU accession and try to be complementary as possible. The delays associated with the EU decision process are seen as a source of difficulties for such coordination.</p> <p>Turkey: This may happen through the government in areas that see the support of other external partners (e.g. Energy), but it is not a matter of dialogue between donors, apart from EU MSs.</p> <p><b>Interviews with beneficiaries conducted before the field phase:</b></p> <p>This happens at programming level. Coordination does not take place during implementation.</p> <p>The Republic of North Macedonia: ENV SWG also includes several donors. Many donors are interested in gathering information (in particular ideas for soft projects), which they use to prepare their own actions.</p> <p>The Republic of North Macedonia: Donor coordination (besides WBIF) is particularly difficult in TRA with non-member state actors like China or Turkey. Also, UK/ USA often use the collected information to come up with rapid actions that are "preparing the ground for EU assistance".</p> <p><b>Other interviews conducted before the field phase:</b></p> <p>WB is active in PAR in Serbia on reform of public companies.</p>

#### I.5.4.2 Evidence from documents

##### **Serbia ISP 2014-20 revised**

...preference shall be given to providing financial assistance under a sector approach, to ensure a more long-term, coherent and sustainable approach, allow for increased ownership, facilitate cooperation among donors, eliminate duplication of efforts and bring greater efficiency and effectiveness....

The main donors in Serbia are the EU, USAID, Germany, Sweden, Switzerland and Norway. Many of the EU Member States also provide targeted assistance in specific sectors. The IFIs – EBRD, EIB, KfW, World Bank – provide loans for development of the Serbian economy.

Donor coordination is ensured by the National IPA Coordinator (NIPAC). The previous informal and mostly donor-led coordination groups have been rearranged following the NIPAC's increased leadership for programming of assistance. The NIPAC's Technical Secretariat, SEIO, guides the work of nine sector working groups for programming and monitoring of external assistance, comprising of representatives of relevant national institutions responsible for policy making, implementation and monitoring in their respective sectors. They are responsible for sector and donor coordination, co-financing, analysis of project implementation and monitoring of implementation. The sector working groups are a forum for consultation with the civil society and development partners, and they also serve as IPA sector monitoring sub-committees. A lead donor has been agreed and associated to each sector working group.

This reform on donor coordination is progressing well but is not yet fully effective in all the sectors. Once completed, this reform will be a major step towards better coordination and ownership. In addition, the EU holds regular consultations with the EIB, EBRD and the World Bank to explore synergies for cooperation, including blending of EU grants with loans.

##### **Albania ISP 2014-20 (revised)**

This overall donor coordination is under the responsibility of the Deputy Prime Minister with support from the Department of Development Programming, Financing and Foreign Aid (DDPFFA) of the Prime Minister's Office. As mentioned above in Section 2.2, the strategic framework is provided through the NSDI. The implementation of strategic plans is planned through the medium-term budget programmes, which include projections for domestic and donor funded resources to implement the strategies. The coordination of donor funds is therefore embedded in the systems of strategic planning and related budget programmes.

The overall coordination within the Albanian government includes a Strategic Planning Committee as an inter-ministerial committee chaired by the Prime Minister that reviews and endorses the government's policy and fiscal priorities. This involves: (i) setting the policy priorities and strategic directions within a sound fiscal framework at the beginning of the annual planning process; (ii) deciding on the inter-sector resource allocation (MTBP preparation ceilings) over the medium term, i.e. 3 years; (iii) reviewing the draft MTBP prior to the preparation of the state budget; and (iv) receiving regular reports on progress against key ISP commitments.

The Integrated Policy Management Group (IPMG) system, formally introduced by the Government of Albania (GoA) in 2015, is the *main institutional mechanism* for coordinating sector reform, including taking responsibility for effective sector donor coordination. Integrated Policy Management Groups (IPMGs) and thematic sub-groups were so far established in four pilot sectors (Competitiveness and Innovation, Employment and Social Policies, PAR and Good Governance and Integrated Water Management). IPMGs are expected to meet quarterly for dialogue on priorities, planning, coordination and monitoring of the implementation of sector strategies and action plans, including an annual review of reform progress. Each IPMG has several thematic sub-groups which coordinate policy dialogue, monitor and evaluate specific strategy and action plan implementation, provide inputs for mid-term budget, as well as contribute to the distribution and analysis of relevant sector information, and submit findings to the IPMG. It produces and publishes annual progress reports, thus contributing to accountability, transparency and more informed sector dialogue.

**SIGMA assessments Monitoring Report, Kosovo, 2016:** The Strategy on Local Self-Government 2016-2026 was prepared with the involvement of the representatives of the World Bank, the German Agency for International Development (GIZ), the United Nations Program for Development, and the U.S. Agency for International Development.

Development of the Strategy on Information Technology was supported by GIZ and the Norwegian Ministry of Foreign Affairs.

**Internal document, Serbia, 2015:** The cooperation between the EU Delegation and the EU Member States (EU MS), who are also donors in Serbia, is excellent. The Press and Information team shares the forward planning of events and activities related to EU project events with the donors, and invites them regularly to follow and contribute to these events where relevant. The Delegation also shares with EU MSs the opinion poll including results on awareness of EU and EU MS donations. Several joint activities with MSs have been organised to raise awareness of the EU and EU funding including initiatives such as EU MS embassies' open days coordinated by the EU Delegation during Europe month.

**Indicative Strategy Paper, Serbia, revised 2017:** The main donors in Serbia are the EU, USAID, Germany, Sweden, Switzerland and Norway. Many of the EU Member States also provide targeted assistance in specific sectors. The IFIs – EBRD, EIB, KfW, World Bank – provide loans for development of the Serbian economy. Donor coordination is ensured by the Beneficiary IPA Coordinator (NIPAC). The previous informal and mostly donor-led coordination groups have been rearranged following the NIPAC's increased leadership for programming of assistance. The NIPAC's Technical Secretariat, SEIO, guides the work of nine sector working groups for programming and monitoring of external assistance, comprising of representatives of relevant beneficiary institutions responsible for policy making, implementation and monitoring in their respective sectors. They are responsible for sector and donor coordination, co-financing, analysis of project implementation and monitoring of implementation. The sector working groups are a forum for consultation with the civil society and development partners. A lead donor has been agreed and associated to each sector working group. There are also the IPA sector monitoring sub-committees.

This reform on donor coordination is progressing well but is not yet fully effective in all the sectors. Once completed, this reform will be a major step towards better coordination and ownership. In addition, the EU holds regular consultations with the EIB, EBRD and the World Bank to explore synergies for cooperation, including blending of EU grants with loans.

**EQ6. VALUE ADDED – To what extent is the Sector Approach adding value to what other support actions do?**

In principle, the added value of the sector approach is considered as being positive by IPA II stakeholders. However, whether this can be translated into practice via coherent national policies, M&E systems and better sector level results remains to be proven. The sector approach has contributed to better IPA II-specific policies, primarily in those sectors using budget support and multi-annual programmes. These have also had some positive influence on national policy sector development. Otherwise, IPA II and national strategies tend to remain separate from one another, with little sign of the former influencing the latter.

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

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

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

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

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

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

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

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

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

The establishment of functioning M&E systems that facilitate IPA II performance assessment is still ongoing.

Outside of SBS and MAPs, these are largely absent.

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

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

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

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

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

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

Each IPA II beneficiary exhibits a different state of development.

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

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

Strength of the findings: High

1.6.1.1 Extent to which the uptake of SA, compared to the past, has allowed significant steps toward the establishment of sound and coherent sector policies in key subsectors



I.6.1.1	Summary	<p>The uptake of SA leads in the direction of sound (sub)sector policies. Some Beneficiaries have already gone further in this direction while others made only the initial few steps. This difference is related to their capacity but also to the structural problems in the given (sub-) sector. The EU provides the necessary support, appropriate to the stage of the reform that the Beneficiary is engaged in.</p>
I.6.1.1	Evidence from interviews and e-survey	<p><b>Field visits:</b></p> <p>According to the e-survey there is a rather unanimous appreciation for the value added of SA, in particular with a reference to the improved strategic consistency of the assistance, in comparison to IPA I. Multi-annual programmes (including SBS and SOPs) are considered the big facilitators of SA uptake. With respect to the individual beneficiaries, the results show that Albania expresses the most positive scores, while the Republic of North Macedonia is more conservative, especially on the facilitation of SBS.</p> <p>Albania: In the interviews, there is a strong recognition of the improvements brought by SA. The establishment of IPA II and the first steps of SA have coincided with the election of the new Government, which has given a completely new impulsion to the accession objective.</p> <p>Bosnia and Herzegovina: The SA has helped formulate more comprehensive planning documents based on structured and more inclusive dialogue. This is the SA's main added value. These have yet to be translated into more robust national sector policies or indeed IPA II-financed actions (due to the annual programming cycle being detached from the SPD drafting process).</p> <p>Kosovo: Feedback from stakeholders confirmed that the added value of SA has not been that pronounced in Kosovo outside of SBS. This rather contradicts the e-survey results, but this is possibly because the main respondents were non-EU or Kosovo state institutions (CSOs, International Organisations). Regarding sector policies, SBS has aligned national practice with SA processes. However, a critical caveat to this is the fact that neither of the 2 SRCs have, at the time of the mission, been running for any significant length of time. SHs from both the EUO and Kosovo institutions recognised that significant institutional, capacity-related and political risks existed that could prejudice the successful delivery of SBS in Kosovo. SPDs appear to have limited added value and the perception of all main stakeholders of the SPD (and SAR) as a box-ticking exercise clearly hinders its effectiveness as a tool to promote more coherent sector policies that are aligned with IPA II actions. Nevertheless, stakeholders did also confirm that the SA has forced programmers to conceive their actions within a wider, sector context (through the document templates, EC guidance notes, TA – when given, and the obligation to develop SPDs/SARs) and this had contributed to a certain change of mentality among some key staff (both in EUO and Kosovo institutions). Again, this was set against the caveat that this was far from being a widespread phenomenon and tended to be found in the NIPAC, a few SLIs and some OMs at the EUO. Also, the dialogue between the main participants has been strengthened to some extent in some sectors and given some formal structure via that SWGs, where these have been functional.</p> <p>The Republic of North Macedonia: Evidence indicates that the deployment of SA has contributed to better sector policies, at least in relation to IPA II sectors/subsectors. As noted elsewhere, the relationship between national sector policy development and SA related processes is complex and not always linked. It is better to consider that the two have had a mutual influence on one another. The most obvious added value stems from the structured dialogue that the SA has established among Macedonian institutions via the SWGs. This has reportedly strengthened the quality of the programming and the ownership of actions stemming from the process among the SWG members. The SPDs themselves seem to have only limited added value at the moment, although their deployment as a compliance tool by the EC has ensured that they have been used by all the relevant Macedonian institutions as required (although their ownership of the SPDs is evidently weak). As noted above, the introduction of the SA for those sectors that had previously been benefitted from SOPs under IPA I has not, by contrast, been wholly positive.</p> <p>Montenegro: SA has contributed to better sector reform policies in the areas covered by SBS (with direct evidence of this for PAR/PFM). Added value in terms of linkages between policy and programmes, PAFs and increased capacity within the institutions involved (both Montenegro and EUD) is evident. However, SBS is not a panacea, and works best when sector maturity is assured. It was noted by EUD that the introduction of the Integrated Border Management (IBM) SBS programme in 2016 was premature and reflected more a desire of DG NEAR and the Ministry of Interior of Montenegro at political level to introduce budget support than the actual preparedness on the ground. This resulted in reportedly notable teething problems in its preparation and implementation. The benefits of using MAPs to the rural development and EESP sectors cannot be attributed to SA (the former being developed independently with DG AGRI, the latter having been established under IPA I component IV), but there is no doubt that in these sectors, IPA II support is contributing to strengthened sectoral planning and implementation processes, as well as building institutional capacities among the main actors there. Outside of these sectors, there appears to have been only limited progress in uptake of SA to develop coherent sector policies. Stakeholders of Montenegro reported that the SA had moved the Montenegrin institutions to conceptualising IPA II assistance in sectoral terms, but this had yet to be translated into more coherent policies linked to IPA II assistance. Programming has largely remained a project-based exercise, with some SLIs and NIPAC attempting to move this into a more holistic, sector-based approach.</p>

**Serbia:** Since the early stages of SA, Serbia has established the NAD document, fixing sector priorities for 2014-18 in line with SA. This has facilitated the uptake of SA. The e-survey, among the government officials, confirms that they appreciate the improvements of SA in their specific sectors. More than 75% stress the positive change compared to the past and about 90% confirm that SBS enhances the added value of SA.

**Turkey:** There are no significant improvements compared to the past. The significant experiences of SA are all related to the IPA I period. In Judiciary, an overall improvement in sector strategy, including quality of the policy framework (strategy, performance framework and budgeting) and actual results (Constitutional changes, changes of all the legal and operational set up) has taken place. It started in the mid-2000s and reached its apex between 2009 and 2015, while showed strong signs of decline since 2013 (Gezy Park) and July 2016 (attempted coup). In the sectors involved in MAPs (Regional Cohesion, Employment, Environment, etc.) under IPA I, there has been an attempt partially successful (apart from heavy inefficiencies) to experiment new EU type sectoral policies. These should be continued under IPA II, although the retirement of the Commission's sector DGs weakens the specific approximation content and the related motivation of the beneficiaries. There are some improvements under IPA II, especially in programming. These are due to the SPDs. SPDs play a deputising role for the poor ownership – and often the rejection – of SA in national institutions. Therefore, their importance and their updating are stronger than in other beneficiaries. They are the only real new effort for the implementation of SA under IPA II, indeed rather light, since they are still limited to the construction of a framework, rather theoretical, around individual sectoral requests, often overlapping and inconsistent with each other.

#### **Interviews with beneficiaries conducted before the field phase:**

**The Republic of North Macedonia:** The process of preparing SPDs showed the actual ownership of the programming process. SWGs were forced to develop some kind of sector vision – however and initially only for the period 2014-2017 – what kind of vision can be established for such short period?

It is also evident that not all what was developed in the SPDs can be completely financed.

Uncertainty about the future distribution of funds – since in 2018 a new distribution of funds was established – is likely. Such funding uncertainty also further reduces the extent of ownership in some sectors.

New Strategy for Judicial Reform is under preparation; to be prepared by a WG Group in the MoJ until end of October – this is separated from the SWG.

Agriculture: support planned on SPD basis for 2015 and 2017; and most likely for 2019 (this relates to the DG NEAR part; DG AGRI is a separate part – IPARD II).

For IPARD II they received 1600 applications (highest number ever); will take 6-9 months to deal with all these applications.

PAR: Strategy is ready, Action Plan under preparation, SPD is ready.

Allocation only under 2017 (11 M€); AD document in inter-service consultation; action implementation in 2020?

#### **Kosovo:**

- SA works with well-defined sectors (AGR, ENE); most problematic under sector requirements is the Competitiveness and Innovation (C&I) sector; C&I has many diverse subsectors; it also includes EDU/ EMPL/ SOC which altogether makes it impossible to set up an overall sector understanding; SPD has been revised to better reflect the natural diversity of this sector
- Much clearer link between the underlying reform and the particular intervention
- Forces planners to do things that are important for the sector
- Large interventions – they help to gather the attention from the political level, “politicians take more care”, some spill over effects into overall policy management
- Facilitates political dialogue between EC/ government but also within the government (at least in some sectors).

**Albania:** Under the PAR there are many strategies (PA, PFM, Civil Service...). Most strategies are not costed. Procedures and guidelines are lacking.

All the strategies must be coherent with the Beneficiary Development and European Integration Strategy and the related Action Plan, on which reports are set every three years. Indeed, there is not yet proper budgeting, since the budget is not yet organised by programme. There is however a Medium-Term Budget Framework, on a three-year rolling base.

The Integrated Planning System is in place since 2007. Must be improved however and integrated with Medium-term Budget Programmes. This is not yet the case, especially because most sector strategies have no measurable indicators and therefore are not costed.

## I.6.1.1 Evidence from documents

**Particip, External Evaluation of the Instrument for Pre-accession Assistance (IPA II) (2014 – mid 2017), 2017:** IPA II puts more emphasis on an inclusive programming process, compared to its forerunner. Sector Working Groups (SWG) have been established in all beneficiaries and for all sectors.

Their main role so far has been the preparation of Sector Planning Documents and Action Documents.

Usually under coordination of a Sector Lead Institution, all institutions relevant for a given sector are present in the Working Group. Civil Society Organisations are part of the Working Groups. Where relevant also Local Authorities, Business Representations and other stakeholders can participate in the work of these Groups. In several cases, donors also participate in the meetings of the SWGs.

**Particip, External Evaluation of the Instrument for Pre-accession Assistance (IPA II) (2014 – mid 2017), 2017:** Beneficiary strategies increasingly respond to the IPA II SA criteria and programming documents are in line with beneficiary strategies. Policies and measures are in line with the beneficiary strategies, particularly their more recent updates. Where disparities (e.g. in Bosnia and Herzegovina) have been identified, these are addressed either by revising/developing the respective strategies or by freezing IPA assistance in the related area until satisfactory compatibility has been reached. SPDs are not official documents. By definition, SPDs are living documents until a fully fledged sector approach is in place. Their individual quality is variable.

**Indicative Strategy Paper, Bosnia and Herzegovina**, p. 7-8: "Strategies exist for most of the sectors mainly at the level of the Entities and Cantons, to a lesser extent at the State level. However, most strategies are not harmonised and do not provide for a beneficiary wide implementation of the EU acquis. The few exceptions are the Public Administration Reform (PAR) Strategy, the Justice Sector Reform Strategy (JSRS), the Beneficiary War Crime Strategy (NWCS), the Strategy for the Implementation of the Annex VII of the Dayton Peace Agreement (Refugees and Internally Displaced Persons, including the Sarajevo Process), the Roma Strategy, and the Strategy for Development of Statistics of Bosnia and Herzegovina 2020. Some of the strategies expired or will expire before IPA II starts and need to be updated. Common to the most strategies is that they are not based on a beneficiary development strategy or European integration strategy, they are not budgeted, no medium-term expenditure and performance management frameworks exist, and only limited sector and donor coordination is available... Former EU assistance delivered a number of draft strategies (e.g. the beneficiary development strategy, the SME development strategy); however, there is no political agreement to adopt and implement them."

**Indicative Strategy Paper, Kosovo**, p. 10-11: "Kosovo does not currently have a comprehensive development strategy. However, a number of mid-term planning documents exist. The Strategy Paper takes into consideration Kosovo's Strategy for European Integration 2014 – 2020, the Declaration of Mid-Term Priority Policies 2014-2016, and the Mid-Term Expenditure Framework (MTEF) 2014-2016. The limitation of these documents is that important policy agendas such as European approximation and economic development are not yet integrated into the budget or MTEF... sector planning in Kosovo is at an early stage. One of the aims of IPA II will therefore be to support Kosovo's institutions in developing comprehensive sector strategies, including the systematic use of strategic planning... Kosovo has started developing multi-annual strategies in most sectors, but many are of limited scope or duration and are not accompanied by a budget. Nevertheless, in a few sectors, comprehensive and realistic sector strategies have been developed by the respective ministries, often assisted by donor partners..."

**Indicative Strategy Paper, the Republic of North Macedonia**, p. 6-7: "The Government has a four-year Programme (2014-2018), which sets out five strategic objectives... that largely coincide with the main objectives for IPA II assistance, namely improving socio-economic development, rule of law and good governance, and are reflected in the Beneficiary Programme for the Adoption of the Acquis and the Pre-accession Economic Programme. In addition, IPA II will support environment protection and climate action... Important sector strategies that could guide reforms with respect to the main objectives for IPA II assistance are listed... the beneficiary currently lacks a beneficiary development plan which could provide overall strategic guidance on how it plans to meet its strategic development objectives... The Government is therefore considering developing a beneficiary development plan as a way of formulating a comprehensive development agenda that could overarch the beneficiary's sector strategies and guide its European integration process."

**Indicative Strategy Paper, Montenegro**, p. 7-8: "As part of the preparations for the accession negotiations, the Government of Montenegro has engaged in the process of developing new strategies or updating existing ones in order to better focus and sequence the reform efforts of the beneficiary in the next period. This is also a requirement stemming from the opening benchmarks for certain negotiating chapters. The planning of IPA II assistance for the period 2014-2020 will seek to support the implementation of the beneficiary strategies of Montenegro in line with the priorities identified in this document, as well as in the annual Progress Reports prepared by the European Commission... Montenegro's main overarching strategies are as follows: The Accession Programme of Montenegro (2014-2018), The Montenegro Development Directions (MDD) 2013-2016, The Pre-accession Economic Programme (PEP) 2014-2016. In addition to these overarching strategic documents, relevant strategies are in place to define more focused reform and development plans for each respective sector. In certain cases, detailed action plans have already been prepared for the implementation of such strategies."

**Indicative Strategy Paper, Turkey:** “At beneficiary level Turkey has a well-developed multi-annual planning process. The 10<sup>th</sup> Beneficiary Development Plan (NDP), covering 2014-18 and prepared under the Ministry of Development’s lead, was adopted by the Turkish Grand Beneficiary Assembly in July 2013. The NDP sets out the beneficiary’s development objectives and defines strategic priorities in all the areas relevant for IPA II support... In line with the 10<sup>th</sup> NDP, Turkey’s Supreme Regional Development Council also developed a new Beneficiary Strategy for Regional Development (NSRD). This is intended to serve as the backdrop for regional development, help ensure coordination on regional development and regional competitiveness, increase harmonisation between spatial development and socio-economic development policies, and establish a general framework for regional and local level plans and strategies... serves as guidance for the next generation of regional development plans, coordinated by 26 NUTS II development agencies at regional level in line with the Nomenclature of Units for Territorial Statistics (NUTS II)... Turkey’s Public Financial Management and Control Law (PFMC Law) requires a Medium-Term Programme (MTP) to be prepared each year, covering the following three years. This must be linked to a Medium-Term Fiscal Plan (MTFP). The MTP is based on macroeconomic policies and principles, and economic targets and indicators... Turkey also has numerous strategies and action plans in different sectors. In several cases, these are specifically designed to bring Turkey into line with EU requirements. Relevant (macro-) regional strategies and initiatives.”

**Particip, External Evaluation of the Instrument for Pre-accession Assistance (IPA II) (2014 – mid 2017), 2017:** The interviews conducted in the candidate beneficiaries and potential candidates confirm that the actual involvement of beneficiaries has been increased, particularly through the introduction of Sector Working Groups (SWGs). Capacities of these SWGs vary from sector to sector and from beneficiary to beneficiary. Involvement of CSOs in the programming process is much more evident but has also still room for improvement. The technical capacities of CSOs are often still insufficient to significantly contribute to the quality of the programming process. Moreover, all programming processes are currently characterised by shortage of time, leaving also only moderate space for involving the CSOs and other third parties more thoroughly.

Under the new sectoral approach, the coordination of IPA II actions within a candidate beneficiary or potential candidate is much more secured, considering that all IPA II actions have to contribute to the specific sectoral objectives as they are specified in the corresponding Sector Programming Document (SPD) and the ISP. For example, the AAPs should not include ad hoc actions which cannot fit in the corresponding approved SPDs or ISP. Furthermore, the advanced role of a single body, the EUD, in the programming procedure ensures better coordination. In addition, the tools which are used (e.g. Action Document template) request the examination of synergies, complementarity, and coherence of each action with others under implementation/ programming in the beneficiary, regardless of their source of funding. Once the novelties of the new system will have been fully stabilised and will be implemented with no difficulties by the competent stakeholders, the coordination of all IPA actions in a beneficiary will be fully secured.

The determination of the bilateral (in each beneficiary) IPA II actions/ programmes is not foreseen to be coordinated with the bilateral actions/ programmes in other beneficiaries. All bilateral IPA II actions/ programmes are beneficiary-specific. Nevertheless, good/bad practices and actions are communicated among the candidate beneficiaries and potential candidates for “educational” purposes mainly, through the existing informal communication networks of the Beneficiary Authorities of the beneficiaries.

On the other hand, actions or parts of actions of the multi-beneficiary programmes and of the CBC and territorial cooperation programmes which are implemented in each beneficiary are coordinated in the framework of the management (direct or shared) of these programmes through their relevant specific programming and monitoring procedures. This coordination is crucial especially during the programming phase of these programmes in order to streamline the requests of the participating beneficiaries (and many times the frictions among them).

The overall level of coordination has improved, in comparison with the IPA I period, as a result of the single responsibility undertaken by DG NEAR concerning the CBC and territorial programmes.

**Competitiveness and innovation, Sector planning document, Montenegro:** Sector “Competitiveness and Innovation” is... complex... from the management point of view... the working group for the sector consists of 10 ministries and a number of independent bodies... the Ministry of Economy as lead institution coordinates the work...

The main goal in this sector is to support and speed up Montenegrin integration and increase competitiveness on the European market. Focus in the sector should be given to entrepreneurship and SMEs, innovation, research and development including IT, tourism (including cultural tourism), business environment and infrastructure, as well as strengthening the ability of enterprises to fulfil the requirements prescribed in EU legislation.

Main problems for this sector is (i) the lack of administrative capacity and expert staff for performing demanding activities that contribute to the development of this sector; (ii) non-existence of an Operational Programme for Competitiveness and Innovation 2016-2020 developed, as well as SME policy documents; (vii) insufficient inflow of foreign direct investment; (viii) implementation of the industrial policy is in the initial phase.

Swot analysis... review... positive and negative influences on the sector. Strengths: Individual strategies have identified overall objectives, relevant and with a clear scope and vision, connected to the main goal for the PSD and competitiveness sector; Time frames of relevant beneficiary strategic documents are broadly in line with the new financial perspective; Sufficient sector coordination mechanisms among the government institutions themselves, and with non-government actors;

Opportunities: Strengthening the development of internal market in line with EU requirements (in free movement of goods and services, financial services, intellectual property and protection of competition); Ability to use IPA funds Involvement in EU programmes (COSME, HORIZON 2020, EUREKA); Support through the Western Balkans Investment Framework (WBIF) and in particular the Enterprise Development and Innovation Facility (EDIF).

Functional donor coordination arrangements do not exist at the sector level. Also, a sector budget still does not exist, but medium term budgetary framework will be defined through adoption of the two strategic documents. The Performance Assessment Framework (PAF) for monitoring the implementation of beneficiary sector /sub-sector strategies and for the achievement of sector results and objectives exist through an IPA beneficiary monitoring system.

Sector "Competitiveness and Innovation" is recognized as one of the key priorities... sector policies are linked with Accession Programme of Montenegro 2014-2018... there are many beneficiary strategies in various fields that support this sector.

The Beneficiary Economic Reform Programme, especially measures developed in the second part are supposed to be financed through IPA II.

An appropriate sector coordination mechanism exists... functioning SWG will contribute to the effective donor coordination within this sector.

ISP identifies the... indicators in the Competitiveness and Innovation sector.

A beneficiary sector policy or strategy does not exist but there are many beneficiary strategies in various fields that support this sector.

The sector Competitiveness and Innovation is in line with the Pre-accession Programme of Montenegro 2014-2018.

According to the IPA Indicative Strategy Paper: Montenegro 2014-2020, one of the main sectors which are the most relevant to be addressed by IPA II support for Montenegro for the next seven-year period is Sector 5: Competitiveness and Innovation (policy area: Socio-economic and Regional Development).

The implementation of activities under three Action documents of this Sector for IPA 2014 will bring results fulfilment under this sector.

The actions programmed under the 2014 programme: Enhancement of Business Environment and Competitiveness of the Private Sector; Support to Regulation of Financial Services; Alignment and Implementation of the EU Internal Market acquis. actions within IPA 2014 are multiannual, i.e. these actions create a framework for implementing further planned actions through IPA.

Indicative plan of activities for future IPA programming: Competitiveness and Innovation: 2015: Alignment with, implementation and enforcement of the EU acquis; Development of enterprises and improving the linkages between research and industry; 2016: Further alignment with, implementation and enforcement of beneficiary legislation with the EU acquis; Further development of enterprises and strengthening the capacity for research development; 2017: Further implementation and enforcement of the EU acquis; Business environment and further development of enterprises; 2018-2020: 3 possible Action documents in line with previously programmed and implemented IPA assistance, related to: continuation of implementation and enforcement of the EU acquis, implementation of Small Business Act, activities related to strengthening the business development and advisory services infrastructure as well as, activities related to improving the access to finance through the development of innovative instruments.

Directorate for Finance and Contracting of the EU Assistance Funds (CFCU) being the Implementing Agency under IPA bears the sole responsibility for the proper implementation of all contracts.

Implementation monitoring will be performed to obtain information on progress achieved and collect data required to prepare relevant reports for the Beneficiary IPA Coordinator (NIPAC) Office and the CFCU, providing advices to contribute to tackle any issues and possible mistakes which could endanger the successful completion of the implementation. The major tools of the PIU for performing monitoring are: monitoring visits, participation in the regular progress meetings, participation in the Steering committee's meetings, review of regular progress reports and participation at on-the-spot checks, carried out by the CFCU.

Risks under this sector... Implementation of the projects will be delayed due to the late adoption of the new IPA regulation which postponed all the subsequent activities.



**IPA II Monitoring Committee Meeting minutes, the Republic of North Macedonia, March 2017:** The DIS/indirect management is needed to be applied as general management mode rule, especially where there is a need to ensure transition towards the Structural and Cohesion funds. The other management mode could be used on exceptional case with very limited involvement of the donor otherwise the IPA loses its original purpose.

**SIGMA Monitoring report; The principles of public administration, Sigma, May 2016, on Serbia,** p5, 11, 14, 45: This report covers four Principles for the public service and human resource management area and four Principles for the public financial management area. Both areas are highly relevant. The public financial management chapter is relevant because negotiations on Chapter 32 (Financial Control) were opened in December 2015 and because the Strategy for the Development of Public Internal Financial Control 2016-2020 is being drafted.

The scope of the civil service has improved with the adoption of two important pieces of legislation... The legal framework, policies and institutional set-up are in place, but important challenges remain, especially with regard to implementation. The HRMIS, the central co-ordination unit, lacks the authority to ensure the implementation of the legislation in a coherent manner across the public service. The HRMIS system is not regularly updated or linked to other databases. The AI is not effective in ensuring the smooth implementation of civil service legislation. Legislation on its own is not sufficient to safeguard the merit principle. Around two-thirds of senior civil servants working for the Government are still political appointees;

The MoF should ensure that Budget Department and Treasury IT systems allow the recording and monitoring of further delegation of budgets and related outcomes, and encourage the use of more detailed performance indicators below the programme or sub-programme level.

**SIGMA Monitoring report; The principles of public administration, Sigma, May 2016, on Kosovo,** P 6, 12, 17, 18: All functions of a well-organised, consistent and competent policy-making system remain in place within the Office of the Prime Minister (OPM), the Ministry of Finance (MoF) and the Ministry of European Integration (MEI), but not all of them are being implemented at the expected level. The biggest challenges remain with the co-ordination of the policy content of proposals for Government decision. Even though the capacities of the OPM's Strategic Planning Office (SPO) have increased and there was better co-ordination within the OPM leading up to the adoption of the National Development Strategy (NDS) 2016- 2021, the SPO is still not able to ensure quality control before the approval of sectoral strategies.

The alignment between medium-term policy-planning documents has improved, but it is not comprehensive. The National Programme for Implementation of the Stabilisation and Association Agreement (NPISAA), adopted in 2015, was prepared by the MEI without the involvement of the centre of government (CoG) bodies in their horizontal responsibilities and is only partially aligned with the Government's Annual Work Plan (GAWP). The Government Co-ordination Secretariat (GCS) is in charge of the process of preparing the GAWP and has ensured co-operation within the OPM through the establishment of Technical Review Teams for reviewing proposals from line ministries. However, the GAWP is prepared with a bottom-up approach, and the review of the GCS does not ensure that the number of activities included in the plan corresponds to the implementation capacities of the ministries. This, alongside the lack of emphasis on the budgetary impacts of policies during the planning stage, results in unrealistic plans and a large backlog in the adoption of strategies, concept documents and laws. The majority of sectoral strategies include systematic information about expenditure needs, but the sources of funding are not always included.

Monitoring of the Government's performance against the central planning documents is in place. However, due to the lack of proper targets and indicators, the monitoring focuses on the activities implemented, not on the outcomes.

The basic CoG functions critical to a well-organised, consistent and competent policy-making system are established. However, implementation challenges remain in several functions, most notably in co-ordinating the policy content of proposals for government decision, co-ordinating preparation and approval of the Government's work programme, and ensuring that policies are affordable.

The medium-term planning system is in place with mostly aligned but often unrealistic medium-term planning documents, resulting in high backlogs and low implementation rates.

The Government does not have a well-functioning system to regularly monitor its performance and attainment of stated policy objectives, as the annual planning documents generally are not outcome-oriented and lack good indicators and targets. The annual report is not consistent and lacks a coherent overview of the implementation of the legislative programme. There is no regular monitoring of the implementation of sectoral strategies.



I.6.1.2	Extent to which the uptake of SA, compared to the past, has allowed significant steps toward the establishment of beneficiary M&E systems at subsector level	
I.6.1.2	Summary	<p>See also evidence under indicators 3.2.2, 4.1.2, 4.1.3.</p> <p>SA requires the establishment of beneficiary M&amp;E systems at subsector level, which is so far only partially achieved and in close relation with IPA support multiannual programmes (SRCs and partly SOPs). No beneficiary reports of own reliable and fully appropriate M&amp;E systems. On the contrary, assessments describe them as weak. This is an achievement which is completely due to SA.</p>
I.6.1.2	Evidence from interviews and e-survey	<p><b>Field visits:</b></p> <p><b>Albania:</b> M&amp;E systems are being upgraded. In sectors benefitting of SRCs or where SRCs are being prepared, Indicators passport and sector PAF are being put in place.</p> <p><b>Bosnia and Herzegovina:</b> There is no evidence to suggest that the SA has allowed significant steps towards the establishment of national M&amp;E systems at sector or sub-sector level. Currently, both national and IPA II M&amp;E arrangements are fragmented and are unlikely to improve any time soon. A clearer set of requirements from DG NEAR for this would at least act as a stimulus to improve IPA II M&amp;E arrangements. How far this might push the Bosnia and Herzegovina authorities to improve their own set up is open to question, but the absence of clear financial or political incentives to make this effort is an obvious constraining factor.</p> <p><b>Kosovo:</b> The SBS programmes have required the MoF to create PAFs (including indicator passports to measure performance). Interviewees were not wholly convinced of the robustness of these arrangements and it remains to be seen whether these PAFs will prove to be fit for purpose or not. Outside of the SBS programmes, stakeholders reported no significant progress in the establishment of national M&amp;E systems thanks to the SA. This remains a major challenge for the future.</p> <p><b>The Republic of North Macedonia:</b> As noted under EQ3, elements of M&amp;E systems exist within the institutions of the Republic of North Macedonia but are not coherent nor comprehensive for tracking and analysing sector performance. Thus far SA has not contributed to their strengthening, although the Capacity building TA aims to create PAFs for all sectors in the Republic of North Macedonia and this will, if successful directly contribute to improved M&amp;E systems. Those sectors that have benefitted from components III and IV of IPA I are the exception to this, as such M&amp;E systems were created as part of the SOP process there.</p> <p><b>Montenegro:</b> The establishment of M&amp;E systems linked to the SA are largely confined to the SRCs and MAPs. These are reportedly fit for purpose for IPA II measures and can also be used for assessing national policy delivery. However, feedback from stakeholders confirmed that these systems remain in the domain of IPA II and had not yet been integrated into national practice. Outside of the MAPs and SBS programmes, there are some responsibilities stemming from IPA II (creation of monitoring and evaluation forums and processes) that national authorities have had to respect and implement. However, feedback from interviews confirmed that sector monitoring exists exclusively for IPA II and has yet to function properly (<i>inter alia</i> due to minimal implementation of IPA II actions) and beyond establishing a process for evaluation, nothing has happened in this area. Whether these constitute steps towards the creation of national M&amp;E systems remains to be seen.</p> <p><b>Serbia:</b> As mentioned elsewhere, M&amp;E for IPA supported programmes work, but they have not been mainstreamed in the Serbian policy management. The double-track model is explicitly mentioned and confirmed in the e-survey.</p> <p><b>Turkey:</b> See I.6.1.1 above.</p> <p><b>Interviews with beneficiaries conducted before the field phase:</b></p> <p><b>The Republic of North Macedonia:</b> when it comes to monitoring, IPA I structures are moved towards IPA II; IPA I Component 3 sectors will be integrated into IPA II structures by the end of the year.</p> <p>SMC for Rule of Law will also include Home Affairs.</p> <p>JMC is dealing with both, IPA I and II.</p> <p>SMC for PAR and PFM are still missing (nothing to monitor yet).</p> <p><b>Serbia:</b> Monitoring is a weak point of the beneficiary strategies at sector level. IPA programmes are monitored and reports are submitted twice a year to the IPA Monitoring Committee. But the level of ownership in sector institutions is poor and monitoring is not ensured. For instance, the MoF does not monitor the indicators from the sector action plan. Now things may change with the adoption of the programme budget (SBS). The Education strategy has remained three years without action plan and monitoring.</p> <p><b>Albania:</b> The Integrated Planning System is in place since 2007. It must be improved however and integrated with Medium-term Budget Programmes. This is not yet the case, especially because most sector strategies have no measurable indicators and therefore are not costed.</p>

I.6.1.2	Evidence from documents	<p><b>Particip, External Evaluation of the Instrument for Pre-accession Assistance (IPA II) (2014 – mid 2017), 2017:</b> The role of SWGs in the future monitoring of IPA II is less clear cut at present and still needs to be defined. In some Monitoring Committees (for IPA I) also CSO representatives are present as observers.</p> <p><b>Monitoring, reporting and performance framework, Specific Contract 2014/351-964, Final report 2016, 25.1.2016:</b> There is a number of new arrangements that have been introduced which will cover the needs of all IPA II stakeholders. The most important new structures are the new Sector Monitoring Committees (SMC) and (the re-organised) IPA Monitoring Committee (IMC), which have very important mandates since they comprise members from all competent/interested IPA stakeholders and are the fora where all issues of IPA implementation are discussed and existing/foreseen problems are examined and solved, as possible. The SMC and IMC have a greater role in the IPA recipient beneficiaries operating under the indirect management mode...</p> <p>... under IPA II new sectoral approach a new role was introduced for a number of Ministries: the Lead Institution (authority) for a sector (SLI); this role comprises a monitoring and coordination mandate for all subjects and on all involved implementing authorities within a sector; among other the SLI should care for the supply of correct and reliable information on the implementation of all IPA actions/projects in the sector, as well as for the "operation" of the results indicators at sector level.</p> <p>IPA II beneficiaries, under the instructions of the EC have tried already to set up their systems to deal with the requirements of the implementation of IPA II, under the management mode(s) applicable in each of them (mainly under the indirect management mode); nevertheless, they still have clear weaknesses, which have to be minimised through coordinated action supported by the EC. The main weaknesses refer to: ... the implementation of the new sectoral approach... due to the limited number of sectors (9), which imposes coordination among Ministries/ Institutions; this is exactly the role of the SLIs, introduced under the IPA II.</p> <p>Progress has been made in strengthening the governmental supervision on the use of EU funds in the beneficiary through establishing a cycle of regular quarterly thematic sessions of the Government on IPA related issues in addition to the weekly meetings of the Government where the most pressing IPA issues requiring political attention are discussed. The NIPAC will inform the EU Delegation about the conclusions deriving from the quarterly thematic sessions of the Government, when relevant.</p> <p><b>IPA II Monitoring Committee Meeting minutes, the Republic of North Macedonia, March 2017:</b> The beneficiary has made progress in meeting some technical requirements of the sector approach under IPA II framework. The sector roadmaps were significantly improved and the sector working groups reinforced. However, additional efforts and greater political commitment should be invested in achieving full compliance with the sector approach criteria. The beneficiary authorities commit to reinforce sector working groups in all sectors, to build stronger capacity for policy coordination. Particular attention is required for the sectors of Justice and Home Affairs, Transport and Agriculture and Rural Development, which are lagging. Specific and targeted assistance will be provided through an IPA II project, which is expected to start in May 2017.</p>
I.6.1.3	Extent to which success and/or weakness of SA are related to specific beneficiary-level contextual factors in the different beneficiaries	
I.6.1.3	Summary	SA is favoured or hampered by specific contextual factors, of which the most important are the political commitment of the governments, the level of capacity of the PA and the level of resistance of old bureaucratic practices.
I.6.1.3	Evidence from interviews and e-survey	<p><b>e-survey and field visits:</b></p> <p>The e-survey contains a question on the main factors which affect SA uptake at beneficiary level. This has been considered also under other indicators, but it is important to mention it here as well. The average score identifies three main factors: a) bureaucratic resistance and b) low technical and managerial capacities are the first ones, at the same level; c) the political will is the third one, slightly below. At beneficiary level, the situation is more diversified on the most important factors, but it is almost unanimous on the least important one, because most beneficiary respondents identify that the low awareness and pressure from civil society is not an important obstacle. The analysis of this response is complex and is outside of the evaluation scope: in particular it may have different justifications. On the highest scores, instead, Albania and Serbia emphasise the bureaucratic resistance, Kosovo the political will and the others the technical capacity.</p> <p>Albania: The change of Government in 2013-14 has given a strong push to EU integration objective and SA has provided an opportunity for its implementation.</p>

**Bosnia and Herzegovina:** As noted elsewhere, the fragmented institutional landscape of Bosnia and Herzegovina, the problematic levels of political engagement and associated ownership represent major country-specific factors that hinder the SA being successfully deployed in Bosnia and Herzegovina. As the EAMR from 2016 notes: 'The recurrent risks remain that there is no sufficient political will to agree on developing country-wide strategies on key sectors. Unless such agreement is quickly reached it is premature to start planning for sector budget support and as such to be in a position to provide financial assistance in support of the implementation of the reform agenda'.

**Kosovo:** The success of the SA is highly dependent on three factors that were identified in the e-survey and confirmed in the field mission. These were 1) sustained and sincere Kosovo political support to the SA (which was noted by many as being currently merely declaratory; 2) institutional resistance within Kosovo (and among some elements of the EC) to applying the key tenets of the SA, resulting in a failure to make the SA processes work better and 3) capacity of institutions to actually make the SA work in practice (e.g. NIPAC has reasonable capacity but is not effective, SLIs are reportedly mostly very weak and there is strong dependency on TA among them). A wider contextual factor is the absence of any realistic accession perspective for Kosovo, which was noted by Kosovo operational staff as being a major disincentive for their political leaders to push through difficult reform agendas in some key sectors (especially linked to RoL issues).

**The Republic of North Macedonia:** Contextual factors have weighted heavily on EU financial assistance to the country. Most notably, the problematic relationship between the EU and the previous government acted as a constraint on better progress on implementing reforms from IPA I. It is hoped that IPA II will enjoy the benefits of a new opening provided by the recently elected new government. Also, the accession perspective of the country has been stymied by the lack of progress on the so-called 'name issue'. Without a resolution to this, the main political incentive for pushing through key reforms, including the update of the SA for IPA II and in future national policies, has been absent. These two issues have led to several undesirable trends on the side of North Macedonia. Senior officials of the country have till recently been largely disengaged from the SA processes and provided lip-service to EU accession efforts within their institutions. Consequently, there was a tangible sense of de-motivation among key staff within the administration of North Macedonia dealing with EU affairs, which led to their departure. As a result, institutions of North Macedonia have been, to cite one SH, 'hollowed out'. Recently appointed senior management from the new government is only now starting to understand the complexities of IPA II and the SA, while the staff needed to deliver these changes is too few, demotivated and uncertain of the realistic prospects of any positive changes coming from the SA. Nevertheless, the new government, in power since mid-2017, has declared its willingness to revive the country's EU path and this has reportedly led to a renewed and positive engagement at political level and potentially greater empowerment of operational staff that had previously been institutionally isolated.

**Montenegro:** Country specific factors influencing SA uptake are the limited capacities of the Montenegrin institutions (due to their size) to implement SA concurrently with accession negotiations and programming annual IPA II actions. Positive factors are the accession perspective, which acts as a strong incentive in sectors with clear Structural Fund linkages (ESF, EAFRD). Accession negotiations in principle should also be a push factor for SA uptake, but in practice the impression is that it takes priority over SA for limited Montenegrin resources. A major factor hindering SA uptake in Montenegro was the problematic definition of some SA sectors, with those more heterogeneous ones posing a major challenge for the institutions to work within.

**Serbia:** The political factor is much related to the success of the approach. The formal compliance of sector policies with the EU criteria and the rather low level of implementation reflect the political position of the Government, who wishes to comply with the EU criteria, but inspires itself to different priorities and often different (when not opposite) principles.

**Turkey:** SA could have been well understood and built on the rich experience of IPA I, if the political context did not change rather radically at the beginning of the 2010s and particularly in the years of preparation and starting of IPA II. This created a climate of mistrust between the party facilitated reciprocal rigidities.

#### **Interviews with beneficiaries conducted before the field phase:**

**The Republic of North Macedonia:** SA is very difficult to promote. A main cause of problems might be the already high number of existing coordination frameworks and mechanisms (Stabilisation and Association Agreement, Accession Negotiations, WBIF, Beneficiary Strategies – PAR/PFM...). This also poses huge demands on the existing human resources. In fact, the same people meet all the time on several occasions. IPA I was clear, under IPA II nothing is clear. IPA I was more technical, IPA II is more political.

**Albania:** There are many vacancies in the main ministries, especially MoF. Vacancies are partly due to the frequent changes in the administrative structures, which often hide political pressures to ensure the political loyalty of key PA departments and staff.

**Turkey:** In 2017, the difficult agreements on Sector Approach have been complicated by a de facto 'suspension' of the programme, due to a huge payment backlog determined by the incapacity of the Central Finance and Contracts Unit to complete the procedures for payment. Only 25-30% of the 2014 programme has been contracted so far: there is more than one year of backlog. A reason for the weakness of SA in Turkey is the little leverage, what the EU funds have on sector resources. It could be possible to link sectors to chapters, concentrating the funds on specific actions with a comprehensive feedback on sector policies and directly linked to the accession process.

I.6.1.3 Evidence from documents

**Particip, External Evaluation of the Instrument for Pre-accession Assistance (IPA II) (2014 – mid 2017), 2017:** Bosnia and Herzegovina: Due to the lack of beneficiary-wide sectoral strategies in most areas addressing political reforms, the increased deployment of IPA II programmes, including BS remains still a challenge.

Some progress has been observed, although this is a result of sustained pressure by all international parties, not directly IPA or IPA II, e.g. the creation of an 'implementation mechanism on EU matters'. The potential success of IPA II in leveraging political change via introduction of legal measures is unclear, and in the hands of the Bosnia and Herzegovina institutions which remain largely fractured and lacking consensus. Evidence of this fragility is the rejection of conditions for IPARD II i.e. the failure of the Bosnia and Herzegovina authorities to agree on the establishment of single IPARD paying agency to manage rural development funds for the whole beneficiary rather than one agency for each entity.

**European Court of Auditors Special report 2016: EU pre-accession assistance for strengthening administrative capacity in the Western Balkans: A meta-audit:**

Western Balkans:

"... since 2010, the Commission has moved from supporting mostly individual projects to a clearer and more measurable sector-based approach, under which programmes and projects clearly fit into sector-based strategies. The Commission planned to fully apply the sector-based approach during the implementation of IPA II. During the programming of IPA II, at beneficiary level, indicative strategy papers (2014-2020) replaced the IPA I planning documents. They paid more attention to the beneficiaries' capacity to commit to sector reform at political level and manage IPA funding. In some Western Balkan beneficiaries, it was difficult to make payments on contracted amounts under IPA I, mainly due to weak administrative capacities.

Based on an examination of different IPA operating structures in the Western Balkans, this can partly be explained by the fact that the Commission decentralised significant parts of IPA management to the beneficiary authorities. As we observed in the Republic of North Macedonia and Serbia as well as in Albania, this required a learning period and a more demanding management structure.

Experience with decentralising management under IPA I

The Republic of North Macedonia: The Commission decentralised management in compliance with the Financial Regulation and the IPA I regulations, but these regulations did not require it to assess whether the beneficiary authorities were ready to manage the volume and complexity of the funds to be decentralised. Following decentralisation, the beneficiary administration struggled to keep deadlines and present contracting documents of adequate quality. In many cases, this resulted in the loss of projects designed to fund key reforms, and further losses are expected.

Serbia: The establishment of an audit authority and the operational body for managing IPA projects was affected by longstanding and serious weaknesses identified by the Commission's own audits. Decentralised management was not linked to a preliminary comprehensive assessment of public finance management at beneficiary level, but was solely based on the compliance of Serbia's IPA structures with the internal control requirements set out in the Financial Regulation.

Under IPA II (2014-2020), more focus is being put on improving the beneficiaries' public financial management systems. However, IPA II programmes were only adopted at the very end of 2014, due to delays in the new IPA legislative framework and procedures. Contracting and payments were further delayed by the beneficiaries' ratification procedures.

Strict conditionality at programme level, Justice in Bosnia and Herzegovina: In 2013, the EU integration process in Bosnia and Herzegovina came to a halt. The beneficiary's political representatives appeared unable or unwilling to reach the consensus necessary to move forward on the pre-accession path. This was exemplified by the beneficiary's inability or lack of political will to enforce a European Court of Human Rights judgment. This led the Commission to apply conditionality by reducing the 2013 IPA I allocation by 45 million euros and imposing further reductions of allocations under IPA II. When Bosnia and Herzegovina failed to adopt a new overall justice sector reform strategy endorsed by all four constitutional entities, including the Republika Srpska, the Commission suspended ongoing budget support in the field of justice.

Strict conditionality not applied during IPA I.

Albania: For seven out of the 15 projects audited, the Commission did not set strict conditions at the contracting stage and prior to effecting payments. This was not only the case for projects featuring complex objectives (such as strengthening anti-corruption measures), but also those aiming at relatively straightforward results, like the Tirana Justice Palace project... For this project, the necessary permits were not in place and alleged land ownership irregularities caused further difficulties. After negotiating with the Ministry of Justice for 4.5 years, the Commission cancelled the project and reallocated part of the funding to measures that were not related to the rule of law sector.

Serbia The Commission: paid inadequate attention to conditionality, sequencing in project design and legal inconsistencies. This often threatened the smooth and timely implementation of the projects. After 2012, project proposals were sometimes postponed or downscaled due to missing permits or a failure to submit required feasibility studies.

Recommendation 1 Objectives. Indirect management.

Under IPA II, the Commission should set specific objectives based on ranked priorities and measurable targets.

To simplify management requirements, when the Commission identifies a weak administrative capacity, it should apply indirect management selectively, taking into account the volume of the funds involved and the complexity and political sensitivity of projects to be decentralised.

Recommendation 2 Conditions. Monitoring. Evaluation

The Commission should apply relevant conditions at sector, programme and project level and follow up on them. For instance, it could apply, where appropriate, a net reduction in future IPA allocations, suspend payments, cancel projects not yet contracted and systematically monitor project compliance with predefined conditions. The Commission should systematically monitor sensitive programmes and projects and carry out external evaluations of interventions in priority sectors in the Western Balkans.”

**A new approach to Sector Policy Co-ordination; SEA with GIZ “Support to the Secretariat for European Affairs” project team; the Republic of North Macedonia, March 2016:** The IPA II regulation and the IPA II Framework Agreement between the EU and the Republic of North Macedonia place high importance on the co-ordination of policies, strategies and funding within the sectors identified with the Indicative Country Strategy paper... this approach complies with the opinion of OECD and other donors urging foreign assistance to be put in line with beneficiary (sector) strategies, in a co-ordinated long-term perspective, based on regular exchanges between donors and beneficiaries... one sector working group (SWG) ... 7 SWG are established which operate under a common coordination framework. Each sector working group is at the same time:

Forum for sector policy dialogue, including a focal point of the discussion on sector readiness, assessment of the sector policy advancement and of the institutional capacity.

Forum to discuss IPA programming and regarding the infrastructure projects – a forum for work on the single project pipelines.

Forum for overall donor coordination.

Preparatory forum for the sector monitoring committees, which also focuses the discussion of the IPA projects implementation.

Support structure to the SAA and in future – the negotiation process.

One of the five key criteria for assessing beneficiary’s readiness for receiving EU funds is the sector and donor co-ordination – Is there sector leadership and willingness of government to take the lead in donor coordination or does the government show potential to develop leadership role effectively in the short term?

...IPA-focused process needs also to be synchronised with the Western Balkans Investment Framework, which introduces specific arrangements in each beneficiary for the identification, prioritisation, preparation and implementation of infrastructure projects. The Republic of North Macedonia already established Beneficiary Investment Committee (NIC), supported by Sector Working Groups (SWG). The objective of the NIC and its subordinated SWG is ensuring that donor funds are used in line with relevant cross-sectoral and sector strategies. In view the similarity in the objectives, the present SCPF concept merges the SWG under WBIF and the SWG under the beneficiary IPA thus ensuring not only an optimum use of resources but most of all integrated approach towards the sectors of energy, transport, environment and social inclusion.

While sector co-ordination remains an issue of beneficiary competence, the IPA Implementing Regulation does contain detailed rules regarding monitoring... monitoring functions under IPA will strongly benefit from the availability of strong sector coordination mechanisms. Being the inter-institutional coordination forum, the SWG will discuss the progress of the various IPA actions, along with the progress of the specific sector policy and, in case of need, will address particular issues that cannot be addressed at pure unit/institution level. On the other hand, by processing data on the implementation of IPA actions, and focusing the discussions on effectiveness, efficiency and sustainability of the IPA actions in the context of the overall sector strategies, the SWG will prepare and support the work of the sector monitoring committees.

The Republic of North Macedonia has the most elaborate Beneficiary Programme for Adoption of the Acquis (NPAA) in the region, and a well-established structure of working groups for each of the 35 Chapters of the acquis communautaire supplemented by the dialogue on the political and economic criteria and Public Administration reform. This structure is relevant for the SAA and will also be relevant during the negotiation process... IPA has a different logic, with 7+1 (regional and territorial cooperation) sectors. If IPA is to provide an efficient support to the integration process, there must be a clear link between the IPA sectors and the NPAA chapters/SAA/negotiations structure. The present SCPF indeed streamlines the two processes (IPA-focused sector approach and the political dialogue) by turning the SWG into a support system for the political dialogue at SAA and accession (future) level based on tight interrelations.

The sectoral breakdown of beneficiary policies and their formulations are, of course, in beneficiary competence. While for obvious reasons, no government organisation could fully correspond to the IPA-based sector breakdowns, the inter-ministerial co-ordination will play the role needed to ensure compliance in the sector policy making at beneficiary and at IPA level. In this aspect, the SWGs remain the most important mechanism the beneficiary will put into use to ensure the synchronisation between the beneficiary and IPA programming.

Sector meetings with the GRM (relevant ministers) represent the highest level of sector coordination.



The policy co-ordination framework needs to be at the same time 1) flexible to integrate all aforementioned aspects, and 2) optimal to avoid multiplication of coordination mechanisms and extensive use of resources. To address these two requirements, the sector coordination framework is based on sector working groups.

Regarding identification of the beneficiary priorities, the SWG will discuss the beneficiary strategies and establish the priorities, which would shape the IPA programming framework. The SWG is expected to make the links between the beneficiary strategies, the beneficiary funding/budget and the IPA objectives and funds.

Regarding external sector coordination, SWG shall also integrate in their work development partners and non-state actors. While this coordination may come in a more mature stage of programming, it is to be considered an obligatory step in the programming process.

Regarding the implementation and monitoring of IPA, SWG shall discuss the ongoing IPA actions and if problems arise will spell out measures to ensure the smooth implementation. Further on, the SWG will assess how the IPA actions address the sector objectives and what is their impact and sustainability. In the context of the performance framework exercise the SWG shall establish key performance indicators to follow the progress in the sectors and to outline what is the IPA impact.

The SWG should be treated as a flexible platform for policy co-ordination that can meet at different levels and in different compositions – but always as part of the same policy (reform and development) process...the SWG are still to develop their own working agendas, which will reflect the specificity of the sectors, but are yet guided by some mandatory parameters:

All SWGs have to develop sector roadmaps defining the measures and timeline for achieving compliance with the 5 sector approach criteria. The sector Roadmaps represent the basic platform for action of the SWG and the deadline for adopting the roadmaps for every sector (in some cases sub-sectors) is 16 June 2016.

All SWGs have to establish a performance assessment framework, based on clear priorities, indicators, source of information and monitoring and assessment mechanisms to allow a constant follow of the progress in the sector.

The SWGs have to ensure transparency in their work through engaging into public consultations at sector level and providing reporting to public.

The SWG will operate under the methodological guidance and supervision of NIPAC and NIPAC office. At least one representative of the NIPAC office will be present on the SWGs meetings.

**Mapping of Sector Strategies, Final Report, 28 February 2014, on the Republic of North Macedonia:** In the Republic of North Macedonia, the highest ranked sector from all 8 sectors which were analysed is "Agriculture and Rural Development" and the last ranked is the sector "Justice".

Overall the three weakest criteria are the following: Donor coordination, Actual implementation and Budget appropriation. One of the main capacity gaps is related to the sector-based multi-annual financial planning linked to the weak inter-ministerial and coordination and it is relevant for all three sub-criteria. The other weak sub-criteria taken as an average for all sectors are the following: Monitoring framework and indicators; Consistency with the relevant regional development strategies, Timeframe and the Institutional capacity. Very few of the sectors have existing main strategy covering the whole period 2014-2020.

Monitoring and evaluation is weak in all sectors. Indicators are usually not SMART and fully-fledged monitoring mechanisms do not exist. There are more Action Plans where the activities are either not budgeted or not budgeted properly. Financial monitoring of the implementation of the Action Plan is in general not done. Quality of planning and sequencing is a weak point, while criteria for prioritisation of projects do not exist. In most of the sectors the lead institution is formally appointed. In most of the ministries / leading institutions, the Unit for strategic planning exist, but they are not leading the process of elaboration of the main sector strategy/key sub-sector strategies.

Programme Based Approach Working Groups which were established in 2009 for donor coordination are put on hold, but they could/should be easily used for the sector approach. In 2013, the Government has also established seven Sector Wide Approach Working Groups to support the process of preparation of IPA II 2014 – 2020.

**Mapping of Sector Strategies, Final Report, 28 February 2014, on Montenegro:** Four analysed sectors in Montenegro have obtained high scores which shows their readiness for sector approach with some improvements. Most of the other sectors are "In progress towards sector approach". The lowest ranking is in the Security Home Affairs sector.

**Mapping of Sector Strategies, Final Report, 28 February 2014, on Bosnia and Herzegovina:** There are two outstanding sectors in Bosnia and Herzegovina: "Justice" and "Public Administration Reform" which are scored as ready for the Sector Approach... Both sectors have active beneficiary-wide strategies with action plans under implementation. The implementation is monitored via monitoring tools and there are regular reporting activities. Both sectors are also actively managing sector coordination activities as well as donor coordination. Nevertheless, the strategies for both sectors are about to expire and there is a need to develop new action plans. At present, there is no existing beneficiary-wide sector strategy covering the whole period 2014 – 2020. The other sectors, according to the scoring are at the early stages of progress towards the Sector Approach.



Home Affairs sector is covered by a number of sub-sector strategies and there are no plans to develop a beneficiary-wide sector strategy.

Lack of agreement on coordination might jeopardise further work on updating the strategic documents even in the most mature sectors. The main issues identified which influence not only the prospects on a shift to sector approach but the prospects of adopting any beneficiary-wide strategy include (1) lack of agreement on interpretation of state level coordination role on strategic planning (2) a lack of definition on beneficiary-wide strategy in relation to the Bosnia and Herzegovina administrative system (3) low institutional capacities on strategic planning at state level and opposition from the entities on further strengthening the state level institutions (4) dependence on the heavy donors' assistance on preparing strategic documents.

**Mapping of Sector Strategies, Final Report, 28 February 2014, on Kosovo:** One out five sectors assessed; "Agriculture and Rural Development" sector has obtained the highest score (Ready for sector approach with some improvements). Three other sectors, respectively; Energy, Security and Environment sectors have obtained lower scores that classify them "In progress towards the Sector Approach". This necessitates structured improvements in establishment and/or strengthening strategic planning and monitoring structures, improving capacities in strategic planning and monitoring, developing real budget estimations and strengthen the link between strategic planning and central budget. The Justice sector has obtained the lowest score which shows that this sector is not yet in progress towards a Sector Approach.

**European Court of Auditors Special reports; Strengthening administrative capacity in the Republic of North Macedonia: limited progress in a difficult context; and EU pre-accession assistance for strengthening administrative capacity in the Western Balkans: A meta-audit:** During the programming of IPA II, at beneficiary level, indicative strategy papers (2014-2020) replaced the IPA I planning documents. They paid more attention to the beneficiaries' capacity to commit to sector reform at political level and manage IPA funding.

In some Western Balkan beneficiaries, it was difficult to make payments on contracted amounts under IPA I, mainly due to weak administrative capacities.

Strict conditionality at programme level, Justice in Bosnia and Herzegovina. In 2013, the EU integration process in Bosnia and Herzegovina came to a halt. The beneficiary's political representatives appeared unable or unwilling to reach the consensus necessary to move forward on the pre-accession path. This was exemplified by the beneficiary's inability or lack of political will to enforce a European Court of Human Rights judgment. This led the Commission to apply conditionality by reducing the 2013 IPA I allocation by 45 million euros and imposing further reductions of allocations under IPA II. When Bosnia and Herzegovina failed to adopt a new overall justice sector reform strategy endorsed by all four constitutional entities, including the Republika Srpska, the Commission suspended ongoing budget support in the field of justice.

**Recommendation 1 Objectives. Indirect management**

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**Internal document, the Republic of North Macedonia, 2015:** The weaknesses in the management of the beneficiary Budget and the absence of multi-annual budget planning negatively influence the introduction of the sector approach. The lack of long term planning, disconnection of the strategies and the beneficiary budget, lack of strong consultative mechanisms... The late adoption and communications on IPA II regulation and the related guidelines and instructions... Serious delays were accumulated which resulted into under programming of the IPA 2014 and 2015 allocations, exclusion of a very key sector as the employment and social inclusion from the list of supported sectors for 2014-2016. Further on, there are some shortcomings identified in the established operating structures and financial management and control systems, which despite the fact that do not question the legal compliance, impact negatively on the decision-making at beneficiary level... Some examples include the separation between the political responsibility at sector level and the responsibility for the EU funds in the respective sectors and the inefficiency of the beneficiary monitoring procedures and systems...

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

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

The more common practice among IPA II beneficiaries has been, however, to remain focussed on projects and then fuse them into a pseudo-sectoral programme.

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

Strength of the findings: High

I.6.2.1 Extent to which stand-alone actions are programmed according to specific needs (namely in relation to the 3<sup>rd</sup> Copenhagen criterion) and not only in relation to the lack of maturity of the sector

I.6.2.1 Summary There are exceptions to the “SA rule”. Some emergency programmes, which IPA II supports prove its flexibility, which allows for those exceptions (response to floods and to migration). The rest of the actions result from strategic sector planning. Where basic strategies are still missing, those are addressed first.

I.6.2.1 Evidence from interviews and e-survey

### Field visits:

Albania: Specific stand-alone actions have been supported to enhance the sector policy process, to help consolidate one or more pillars of SA, or to address specific stand-alone needs related to the acquis, like it could be an awareness campaign a support to election, etc.

Bosnia and Herzegovina: The recent AAPs for Bosnia and Herzegovina tend to group stand-alone actions into ‘sectoral’ interventions. These are some way from representing the sort of sectoral actions anticipated by the SA. This will only happen once SPD drafting cycles and IPA II annual programming exercises are somehow harmonised, although under prevailing circumstances, this seems unlikely to occur.

Kosovo: The success of the SA is highly dependent on three factors that were identified in the e-survey and confirmed in the field mission. These were 1) sustained and sincere Kosovo political support to the SA (which was noted by many as being currently merely declaratory; 2) institutional resistance within Kosovo (and among some elements of the EC) to applying the key tenets of the SA, resulting in a failure to make the SA processes work better and 3) capacity of institutions to actually make the SA work in practice (e.g. NIPAC has reasonable capacity but is not effective, SLIs are reportedly mostly very weak and there is strong dependency on TA among them). A wider contextual factor is the absence of any realistic accession perspective for Kosovo. Feedback from stakeholders suggested that stand-alone actions had appeared in the annual programmes outside the scope of SA processes. This suggests that the full integration of SA practice into IPA II programming has yet to be achieved.

The Republic of North Macedonia: The SA has encouraged programmers to avoid stand-alone actions and the EUD has keenly promoted this approach. A review of programme documents indicates that there are very few actions, which would constitute stand-alone actions in the Republic of North Macedonia.

Montenegro: Feedback suggests that in most sectors outside of MAP/SBS, one-off actions are the main modus preferred by Montenegrin institutions. SWGs often serve as a forum for fusing these project requests into a ‘sectoral’ priority. Thus, sectoral programming remains *de facto* largely based on one-off actions. Also, stand-alone actions can emerge from chapter negotiations process. Finally, the recent ‘performance reward’ (€8m) given to Montenegro is likely result in further one-off actions (in areas not planned for support from current IPA II assistance).

Serbia: There are not significant stand-alone actions, because the annual actions are generally included in a sectoral framework, which –at least in terms of programming– is coherent and responds to national priorities (at least to those established by the European and donor coordination authorities).

Turkey: Apart from SPDs, and outside of the Judiciary, there are no reliable sector assessments.

### Interviews conducted before the field phase:

Donors are invited and participating in the various stages of the IPA II planning and programming procedures, at two levels: DG NEAR (HQ) where they discuss general cooperation issues (strategic) and the strategic planning of the Instrument; and at EUD/NIPAC level where they discuss the programming of IPA II actions, their coordination with the donors’ own projects in the beneficiary and their participation in the IPA II funded projects, either by just contributing to the financing scheme of the actions or by co-financing and managing the actions (indirect management, since in a number of sectors some of the donors have wide experience and the capacity to implement the actions effectively/ efficiently to the full satisfaction of both the EC and the recipients of the actions).

### I.6.2.1 Evidence from documents

**Twinning Facility, Action Document, Serbia, 2016:** The aim of this Action is to support the process of gradual alignment of the Republic of Serbia with the requirements of the EU acquis and the relevant standards according to the better regulation approach in several key sectors. The action will contribute to the achievement of progress in reform fields by allowing a faster response to the priority needs, through the implementation of specific twinning and other contracts in the indirect management mode. The sectors covered in this portion of the twinning facility will be: (i) Home Affairs- Asylum, (ii) Competitiveness – Intellectual Property Rights and (iii) Environment – Water Management.

**EU Integration Facility (EUIF), the Republic of North Macedonia, 2015:** With the sector based approach to programming of IPA II assistance, a vast area of horizontal accession related activities needs to be covered to meet specific and urgent needs in a highly strategic and justified manner. The EUIF would address these issues, deriving from the EU Progress Report, ensuring complementarity between actions and avoiding any overlap of assistance.

**Particip, External Evaluation of the Instrument for Pre-accession Assistance (IPA II) (2014 – mid 2017), 2017:** To date EU assistance has been effectively used for provision of emergency support to Serbia, Bosnia and Herzegovina and the Republic of North Macedonia as response to natural disasters like floods in 2014 under Special Measure on flood recovery and flood risk management in Albania, Bosnia and Herzegovina, the Republic of North Macedonia, Kosovo, Montenegro, the Republic of Serbia and Turkey. A total of €127m IPA funding was allocated for this Special Measure was implemented via a mix of direct and indirect management.

A smaller special measure using IPA II funding for addressing migration flows in the Western Balkans region (€10m) was also adopted in October 2015. This illustrates the flexibility that IPA II has in its design to respond to urgent needs.

Substantial EC funding has been provided through the transfer of finances to the relevant trust funds (e.g. MADAD Fund) in response to refugee crisis in 2015. Concerning IPA II, information is available on the transfer of funds from IPA 2015, which has been programmed for transfer to the EU Regional Trust Fund in Response to the Syrian Crisis.

Sources: 2014 – EU – IPA II Regulation 2014-2020 REG 231-2014, Internal documents 2015.

Commission Implementing Decision of 17.12.2014 adopting a special measure on flood recovery and flood risk management in Albania, Bosnia and Herzegovina, the Republic of North Macedonia, Kosovo, Montenegro, the Republic of Serbia and Turkey, Commission Implementing Decision of 07.10.2015 adopting a special measure on strengthening response capacity in Western Balkans to cope effectively with mixed migration flows under IPA II 2015.

During the field missions, respondents generally praised the flood special measures as having been launched quite promptly and “less bureaucratic” (by IPA standards). In both Serbia and Bosnia and Herzegovina, the feedback was clearly positive along these lines. In the case of Bosnia and Herzegovina, leftover IPA I funds were utilised, augmented by a first tranche from IPA 2014 and then integrated into a special flood relief package for 2014. Aside from helping the flood relief efforts, this approach also helped to reduce the financial backlog from IPA I.

EU MS bilateral assistance often focuses on financing pilot initiatives or on providing quick technical support where gaps in systems, structures and resources have to be immediately covered. IPA often builds on these achievements or continues to expand pilot initiatives. Besides the response to crises and emergencies, there are not many joint actions and the financial engagement is strictly separated.

Joint financial engagement in one action is also difficult to achieve both for EU MSs and IPA II due to different budgetary cycles and rules. Predominantly, EU MSs prefer to work separately or in parallel with IPA II funds. There has been an increased use of the indirect management mode with international organisations / EU MS agencies. These bodies act as implementing agents, providing no or only very little own funds into the envisaged action.

Apart from the EU, also other donors are active in the region, comprising: EU MS (external cooperation Agencies), International Organisations and IFIs, which are mainly lending/ guaranteeing banks (such as the EIB, EBRD, World Bank, KfW, CEB and many other).

**Internal document, Bosnia and Herzegovina, 2015:** Several sectors (e.g. Rule of Law, Public Administration Reform, Education, Social Inclusion, Human Rights and Fundamental Freedoms) benefit from a complementary approach between IPA beneficiary, multi-beneficiary and Cross Border Cooperation programmes, as well as between IPA, the EIDHR and Instrument for Stability. Examples: the support of EUROSTAT in relation to the population census; SIGMA in relation to Public Administration Reform; and the IMF in relation to Public Finance Management. Regardless whether allocated via the IPA II beneficiary or multi-beneficiary programmes (e.g. WBIF), investments in the sectors of Energy, Environment and Transport as well as technical assistance for their preparation and implementation and the inclusion of these sectors into the Indicative Strategy Paper for Bosnia and Herzegovina are conditional on comprehensive and concrete beneficiary-wide sector strategies. In addition, investments proposed for IPA II support, in particular via the WBIF, need to be endorsed by a Beneficiary Investment Committee (or an equivalent beneficiary structure) on the basis of a single project pipeline at least in the relevant sector. The regional funds made available under the Connectivity-agenda allow for concrete projects and engagement in the transport sector at a time when there are no funds available from the beneficiary envelope. Moreover, ongoing activities under IPA beneficiary funding to support competitiveness for SMEs in Bosnia and Herzegovina at the local level complements well broader financial instruments available at the regional level (e.g. EDIF).

**Internal document, the Republic of North Macedonia, 2015:** Last year shows improving synergy between the various EU financial instruments and improving coordination between the EU HQ, Delegations and beneficiary authorities in all elements of the management cycle: from programming and identification of needs through implementation up to monitoring and evaluation. Good examples in this aspect are the WBIF, EDIF and TAIEX. The establishment of NIC (Beneficiary Investment Committee) and the Single Project pipeline will better balance the beneficiary and regional needs and ambitions and address the financial challenges. The WBIF methodology is being replicated at beneficiary level in the sector working groups established within the IPA II sector approach. Under the EDIF the opening of a beneficiary window to support business competitiveness has been an issue of intense discussions under the 2016 programming exercise (still to be finalised). Under TAIEX, a joint programming mission in 2015, involving also the Delegation staff, along with the beneficiary authorities, turned to be very effective in ensuring complementarity between the beneficiary and regional instruments. Other examples, such as the programming of the regional actions on PFM, as well as the findings outlined in the 2015 performance audit of the ECA call for further strengthening of the coordination to avoid overlaps and improve the efficiency in the use of EU funds. In addition, the 2015 external evaluation of the Multi-beneficiary programme recommended improving internal and external communication on the regional projects, an issue which the Delegation will address in 2016.

**IBF International Consulting, Third IPA Interim evaluation, final report, 2015:** IPA has been a leading driver of beneficiary strategic planning, either bilaterally or with involvement from a range of other donors, most notably the UNDP which began efforts to introduce the sector wide approach in Albania and the Republic of North Macedonia. In Albania and Kosovo, the EU is a leading political driver and IPA is a key source of funding of efforts to establish the Integrated Planning System (IPS) as a central planning tool. In Albania, the IPS has been held up as an example of best practice despite it not surviving more recent institutional changes. It is in the process of being replicated in Kosovo with the addition of further substantial IPA resources into a Trust Fund administered by the World Bank.

Whilst the EU because of its scale and scope is at the forefront of financing sector planning and the implementation of sectoral programmes, multilateral and bilateral donors provide important policy, political and financial support to developing the approach. Sweden, for example, implements in Kosovo the closest example in the region to sector budget support with trust fund type assistance to the education sector.

These smaller, more mobile actors are key interlocutors for the Commission Services in learning lessons for the further development of the sector approach for the IPA II.

The EC plays a leading role in aid coordination in those IPA beneficiaries where there is a need to do so. It uses both formal and informal collaboration mechanisms to share information that is sufficient to avoid overlaps in the design of assistance although there will still be examples of this occurring and of stakeholders who do not feel sufficiently well informed. IPA has driven much of the development of the sector approach in beneficiary beneficiaries but other donors and agencies have made valuable contributions that will contribute to the process.

**Implementing sector approaches in the context of EU enlargement – Challenges and Lessons learned from the Sarajevo Workshop 22-24 March 2010 A “How to” Note:** Under the EU Code of Conduct, EU donors will work towards and support the establishment of a lead donor arrangement for a sector approach thereby reducing the transaction costs for both the beneficiary and donors. The lead donor should be given a substantial mandate for specific aspects of sector policy dialogue and have an obligation to regularly consult with other donors in the sector. The lead donor model might differ from one case to another. A team of supporting donors which take on roles according to local needs and circumstances could be envisaged where relevant. The important objective is to ensure that the partner beneficiary is faced with a structured donor set-up, which for example identifies who is the lead donor, which donors have agreed to delegate authority to another donor for the administration of funds and sector policy dialogue with the government, which donors will phase out of support to a sector, and which might redeploy to another sector.

In Albania, the coordination process is being carried out through the fast track initiative on division of labour includes a division of labour between donors, outlines the responsibilities of lead donors within the Albanian Government led coordination structure in sectors most relevant to EU integration and outlines agreements on common goals and scope of work (roles and responsibilities). Following the EU Code of Conduct is also an approach, the Republic of North Macedonia intends to take in implementing sector approaches in the sectors that have been identified as being appropriate for a sector approach.

The EU Toolkit for the implementation of complementarity and division of labour in development policy is a useful resource document that brings together current experience on the division of labour on the ground.

**Particip, External Evaluation of the Instrument for Pre-accession Assistance (IPA II) (2014 – mid 2017), 2017:** The common presence and cooperation of the EFIs in the candidate beneficiaries and potential candidates (mainly IPA II, EIDHR and IcSP, which are the really active EFIs in the WBT) is not something new; recent such cooperation are those for addressing the damages created by the floods in Serbia and Bosnia and Herzegovina in 2014 and the problems created to Serbia and to the Republic of North Macedonia from the migration crisis in 2015 and 2016. For many years, i.e. since the start of their co-existence in the region, their managing EU Services (DG ELARG, DG DEVCO, FPI, EUDs) have promoted/ implemented many measures to coordinate their relevant interventions and achieve synergies. On the contrary, the CSOs/LA programme of DCI, which was active in the candidate beneficiaries and potential candidates in the period of IPA I, addressing specific needs of the CSOs and Local Authorities, is not eligible anymore during the IPA II period. This is certainly a big loss for the CSOs and particularly for LAs, which do not have many opportunities to have their actions implemented under IPA II.

In practice, the complementarity and synergies of the actions of the various EFIs are coordinated from the outset at various levels: in coordinating committees called by the geographical instrument (IPA II) competent services, in the framework of the work of the corresponding thematic CoTEs of DG NEAR, in the EUDs, and during inter-service consultations (Quality Support Group, comitology).

Synergies between IPA II actions and those of the other EFIs exist especially when thematic instruments' actions (which are usually smaller in budget and implementation duration than the IPA ones) are coordinated with the IPA actions. Contradictions and overlapping are in general avoided and complementarities are promoted where this is possible, aiming at maximising the overall result/ impact.

**2014 – 2020 IPA II Indicative Strategy Papers; IPA II guides for the implementation of the planning/ programming:**

Significant participation of other donors is visible in the programming actions in all candidate beneficiaries and potential candidates aiming at achieving synergies of their actions with IPA II and other donors' actions;

The IPA II programming is implemented through the close collaboration of EUD with the competent Beneficiary Authorities (NIPAC, PMO, key line ministries), on the basis of the existing multi-annual development programme (with sectoral analysis) of the beneficiary. In the identification of the IPA II actions and Programmes the EU MS and other donors who are active in the beneficiary are invited to participate. Within the same process the actions/ programmes which could be (co-)financed by the EU MSs and the other donors are identified, taking also into consideration the objectives and priorities of the EU MSs and other donors. This is a dynamic process which can take place under the implementation of consecutive steps. Usually the EU MS and donors who have important funds to invest in the beneficiary are most interested and participate. The coordination of the overall process is with the Beneficiary Authorities (i.e. the one which has been assigned by high level decision of the Government the responsibility to do it) supported by the EUD.

**IPA II Monitoring Committee Meeting minutes, the Republic of North Macedonia, March 2017:** Concerning transport there are two main comments... It is acknowledged that the pipeline of projects has been prepared but they still maintain their position as it stands now that this does not reflect the sector approach narrative, which calls everybody to look at the sector in a holistic manner. It is not only about the infrastructure, but also about the reforms that are needed to ensure sustainability for the infrastructure. For the time being, the procurement of the pipeline projects is still very much focused only on infrastructure.

The main issues regarding environment are related to sustainability. The EU puts considerable funds into upgrading the infrastructure such as wastewater treatment plants, sewerage and so on. Under IPA I a holistic approach is taken, with infrastructure and legal framework being taken into consideration. It is important that these reforms are implemented because this will ensure that the infrastructure can be managed and appropriately taken care of. The reforms include a review of the water tariffs but there is also the need to strengthen the capacity of the water utilities, both in terms of staffing numbers and their capacity.

Social sector: There are two conditions, which must be fulfilled to ensure effective implementation of this programme. The first is that the strategic framework should be in place by the time they are ready to mobilise and sign contracts. The second point is on the capacities. The beneficiary institutions should demonstrate sufficient capacity and provide adequate resources to allow the implementation of the activities and the absorption of the envisaged IPA assistance. The beneficiary must show continuity and enforce the improvement of the social integration policies and guarantee sustainability of what has been achieved under IPA I.

**Conclusions of the IPA joint monitoring committee, December 2015, Kosovo:** On sector planning documents and methodology for selection of interventions under IPA, the European Commission reiterated the need to maintain the sector approach to EU assistance, which aims at ensuring government and beneficiary ownership over public sector policy, increasing the coherence between policy, spending and results. Only sectors that are considered to be mature will be supported and only actions which are clear, focused and targeted will be financed. They shall contain multiple activities with clear and harmonised objectives as well as indicators for the measurement of their achievement.



The Commission also expressed concern on the development of the Sector Planning Document (SPD) for Competitiveness for IPA 2016. However, it was concluded that the initiative of MEI to review the intervention logic of the SPD was very welcome. MEI noted that SPD Competitiveness was the most challenging for many reasons, starting from the fact that in the Indicative Strategy Paper, the division of the sector is different from the content of SPD Competitiveness. Other challenges that lead to redesigning SPD Competitiveness are the maturity of beneficiary strategic documents and maturity of the sector; time constraints and other structural constraints.

MEI requested support in identification of indicators in Sector Planning Documents (particularly for budget support) as well as for those which will be used for mid-term review of the Kosovo Strategy Paper in 2017.

#### **Albania, Annual Programme 2016**

"...In the sector of agriculture and rural development, the IPA 2016 programme comprises one action on support for food safety and veterinary and phytosanitary standards and another one on fisheries. These actions are identified to contribute to the achievement of the results mentioned in the Indicative Strategy Paper for Albania: the improved application of food safety standards in the entire agro-food chain and the management and protection of fishery resources improved in line with the EU Common Fishery Policy. In food safety, veterinary and phytosanitary standards, the capacity of the administration, and the awareness and capacity of consumers and consumer organisations will be raised, and the legal-institutional framework improved, resulting in safer food for all. As concerns fisheries, the action envisaged will raise the awareness of key stakeholders and curb illegal fishing, contributing to a more sustainable exploitation of fishery resources, while the economic performance of the marine fishing fleet will also be improved..."

#### **Serbia, Flood Recovery and Prevention – 2014**

"...The objective of this Action is to assist Serbia in the recovery effort in the aftermath of the flood that hit the region during May and consequently in September of 2014 to improve prevention and emergency response system. More concretely, the Action is directed towards re-establishing of regular functioning of public services, through rehabilitation of the damaged regional and local transport network, restoration of the power supply and distribution facilities, but also towards reconstruction and improvement of flood prevention systems and emergency response systems including procurement of mobile electricity distribution equipment. Support required under this IPA 2014 Action is based on the needs assessment, which was conducted by national authorities substantially backed-up by the internationally funded expert teams.

...The proposed Action takes duly into consideration the assistance which is already being implemented under IPA 2012 program which was promptly processed during summer 2014. The 30 million EUR worth reallocation of IPA 2012 is by far the most substantial international support currently running in the field and is already providing first tangible results. In consent with the EU, it was designed in a manner to pilot some delivery models, which are being built upon in the proposal for IPA 2014. To resume, the urgent support package from IPA 2012 concentrates on the following critical areas: Public buildings and facilities (municipal buildings, schools, kindergartens, health centres, urgent road section etc.):

- Reconstruction of 30 public buildings and objects;
- Reconstruction of 300 private households and construction of 70 houses which are heavily damaged by the floods mainly in the municipalities Obrenovac and Krupanj;
- Construction of the 11km of the road Krst – Korenita – Krupanj;
- Procurement of biocides for mosquito control;
- Improvement of conditions in the temporary shelters;
- Technical assistance support for the national authorities, especially the Office for Reconstruction and Flood Relief.

UNOPS implements all activities related to this component of IPA 2012 AD to the value of 14 million EUR. It is worth mentioning that for the aspect of public buildings, the IPA portion complemented by 4 million EUR of assistance of the Kingdom of Norway covers all the estimated recovery needs..."

I.6.2.2	Extent to which there are stand-alone actions undertaken to prepare and/or strengthen SA	
I.6.2.2	Summary	Different types of actions (TA, Training, SRCs, Twinning, etc.) supports the development of sector strategies. There are also some stand-alone actions that may complement SA or are just run in parallel. Indicatively, the number of the latter is low and further declining.



I.6.2.2	Evidence from interviews and e-survey	<p><b>Field visits:</b></p> <p>Albania: In most cases of preparation of multiannual support through SRCs, this is ensured through capacity development actions (either through facilities, or contracted TA or using specialised entities, like EURALIUS, SIGMA, etc).</p> <p>Bosnia and Herzegovina: See I.6.2.1 above.</p> <p>Kosovo: See I.6.2.1 above.</p> <p>The Republic of North Macedonia: See I.6.2.1 above.</p> <p>Montenegro: See I.6.2.1 above.</p> <p>Serbia: This is a general case. Most intensive SA programmes (either through SBS or not) have been preceded by TA and other support actions to pave the way for more advanced sector cooperation (e.g. PA 2014).</p> <p>Turkey: Apart from the MAPs, all the actions are stand-alone. In Judiciary, they are framed in a context where SA is in place and aim at its consolidation. This statement does not consider the conditions that have brought to the interruption of the implementation process of most planned sectoral actions.</p>
I.6.2.2	Evidence from documents	<p><b>IPA II Monitoring Committee Meeting minutes, the Republic of North Macedonia, March 2017:</b> Assistance is needed for better strategic planning and programming, performance assessment framework and supporting the training initiatives. The TA project that is in a process of selection should deliver specific assistance to the sector working groups and to NIPAC office as well. Hopefully, the project will be deployed soon so that everyone can benefit from the expected results. For a large project that should be implemented over 3 years, it will be of huge importance during the inception phase to ensure a proper work plan for implementation and common understanding of what can be done under this project framework.</p> <p><b>Support to Kosovo's policy and strategic planning – Final Report draft 2016:</b> the Beneficiary Development Strategy (NDS) is the first such strategy prepared in Kosovo. It is called "the PLAN" (Pune for Work; Ligje for Law; Afarizm for Business; and Ndertim for Infrastructure). It is hoped that this new instrument could provide with a clearer sense of priorities and direction for planning various sector level strategies, Medium term Expenditure Framework (MTEF) and annual budget as well as annual work plans of line ministries.</p> <p>One of the most important documents for Kosovo, the first ever Beneficiary Development Strategy a roadmap for development of Kosovo's economy. The Beneficiary Development Strategy has been a long-awaited document by many Kosovo institutions, first and foremost, but also Kosovo's civil society and Kosovo's development partners.</p> <p>In terms of specific assistance to adoption of the NDS, the project supported the Strategic Planning Office (SPO) of the Office of the Prime Minister (OPM) to lead on the whole process with development of the overall NDS concept.</p> <p>Undertook research and prepared the growth constraints analysis and supported consultations leading to selection of preliminary NDS priorities; assisted the SPO with elaborating, publishing and consulting on 12 NDS priority related studies leading to final selection of the NDS "priorities of priorities" and measures within them support was provided to initial operationalisation of the document into a work plan that is fully compatible with the government Annual Work Plan.</p> <p>... the Economic Reform Program (ERP) for 2016-18 has been adopted... the project supported elaboration of the structural reform agenda within the ERP. The European Commission (EC) has provided Kosovo with its assessments of Kosovo's both ERPs.</p> <p>...additional activities ...focused on providing support to the Ministry of European Integration on planning and programming of participation in the Western Balkans Investment Framework and IPA II... the project directly contributed to preparation, consultations, approval and initial operationalisation of Kosovo's Single Project Pipeline and to establishment of related decision-making structures and procedures.... support was also provided to development and implementation of the Integrated Planning System (IPS) in Kosovo...</p> <p>The project directly supported Kosovo's participation in the Western Balkans Investment Framework Kosovo by assisting with establishing institutional decision-making and coordination mechanism and processes...</p> <p>The project also supported completion of two annual IPA II planning and programming rounds: IPA II 2015, IPA II 2016, assistance to planning and programming for the sector of public administration reform included preparation of the first EU Sector Budget Support for Kosovo.</p> <p>Besides providing support to annual IPA II programming, the project also supported MEI in establishing a more strategic and sector wide approach to IPA II programming as such. The project directly contributed to preparation, consultations and approval of the "Strategy for Improving Policy Planning and Coordination 2015-2018".</p> <p>Support was also provided to improving capacities to annual work planning and reporting through the Government's Annual Work Plan (GAWP).</p> <p>The main achievement of the project in capacity development is related to significant strengthening of the Strategic Planning Office of the Office of the Prime Minister.</p>

**Evaluation of the EU-funded Support to education, employment and social policy (IPA I), Kosovo, 2016:** The evaluation aimed at examining to which extent the support provided to the sectors of education, employment and social policy has sustainably contributed in improving the quality and efficiency of the provision of education and training services in a life-long learning and employability perspective.

Specific recommendations are also made regarding the programming of IPA 2016-2020 in the sectors falling under the scope of the evaluation.

The main beneficiaries of the IPA support in the sectors of education, employment and social policy were public institutions including educational institutions and civil society organisations with a rather limited participation of businesses and social partners.

The projects contributed to the respective objectives of the strategic and programming documents. The main objectives of contributing to quality in education, to increased employability and improved social services were met. However, the actual contribution of the interventions cannot be measured due to lack of target setting and accurate data on the projects' achievements.

IPA interventions have a clear added value to Kosovo's socio-economic development and European integration perspective. The main improvements needed refer to policy coordination issues, strategic focusing and higher involvement and ownership on behalf of the government stakeholders.

The strategic coherence of the actions' objectives in relation to the IPA areas of assistance is high for all sectors. The interventions implemented under IPA 2007-2013 were to a significant degree relevant to IPA areas of support aiming at investing in human capital, enhancing access to employment and sustainable labour market inclusion, and reinforcing social inclusion.

Internal coherence of the interventions is appropriate, with projects planned in logical sequence and building on the achievement of previous projects in a progressive way, particularly in the sectors of education and social policy.

The IPA external coherence, which was examined in relation with other IPA interventions, is appropriately addressed through clearly identified links with interventions in the fields of public administration reform, support to public finance, decentralisation, agriculture and rural development and support to the civil society.

Nonetheless, the evaluation observed lack of sufficient consultation and coordination with other donors, which must be substantially strengthened both with regard to the planning of the interventions (in order to avoid overlaps) and to the policy settings.

The level of fulfilment of the IPA objectives at the level of the projects is appropriate. However, we observe the same paradox identified by previous IPA evaluations that although single projects are well designed and reach their goals and objectives translating the project level outputs into results and impacts at sector level is not entirely satisfactory.

Low sector effects are mainly due to a relatively limited reach of target groups.

It is also confirmed by this evaluation that the limited level of commitment and ownership on behalf of government stakeholders is an important factor (if not the most important) affecting IPA achievements.

The implementation of IPA assistance contributes to a great extent to strengthening cooperation between the central and local level. Structural reforms introduced through targeted projects, particularly in the areas of education and social policy, have started showing their effects.

Finally, a large part of IPA interventions is dedicated for strengthening the still limited involvement and ownership of stakeholders in the implementation of IPA. Although improvements are made, there is still little ownership for the projects in the central government administration, with limited participation of the Ministries' staff in the management of the projects, while the structure of the organograms of the Ministries itself, does not allow for effective participation in all aspects of IPA support. Moreover, the involvement of the social partners in IPA is still extremely limited.

Specific recommendations for IPA 2014-2020 interventions in the sector of education:

- Maintain support to basic/pre-university education, as the need is considerable. (The draft IPA 2014-2020 does not include support to basic/pre-university, the scope is changed to higher education and research.)
- Programmatic planning in education should be designed as sequenced projects over the whole duration of the IPA programming period.
- Set more realistic time frames and targets.
- Specific recommendations for IPA 2014-2020 interventions in the sectors of employment and social policy.
- Enhance scope of the calls for proposals, increased focussing on specific target groups and type of activities, and where appropriate introducing a territorial dimension. Provide for a greater participation of employers.

- Consider the option to design grant schemes allowing to smaller entities to apply for grants, i.e. grant schemes with relatively small size of grants and a larger number of selected beneficiaries. This will allow multiplication of the benefits to a wider part of the population through a large number of small-medium size projects. Regarding the application of this recommendation, it is important to consider the capacity to manage several projects within a context of centralised management, or include the management of large-scale grant schemes under service contracts designed to that extent or as additional tasks within contracts providing for institutional and capacity building support.
- Promote partnerships between employers and education institutions in the framework of ALMM and related grants, for the implementation of activities providing for internships/ practice training in the participating enterprises and for incentives offered to businesses to ensure the trainees/apprentices training allowance and social insurance schemes.

#### Summary of the main recommendations

1. Strengthen institution building and capacity of key ministries and affiliated organisations
2. Ensure continuous support to quality in education at all levels
3. Widen the scope of support to TVET
4. Introduction of sustainable labour market and employment strategy
5. Adoption of diversified Active Labour Market Measures
6. Involvement of social partners throughout planning and implementation IPA interventions
7. Strengthen the participation of civil society in the implementation of IPA
8. Adoption of appropriate monitoring mechanisms for IPA
9. Consideration of additional funding modalities such as sector budget support
10. Increased donors' cooperation

**Strategy Paper for Kosovo (draft version September 2013), 2014-2020**, p7, 8: Kosovo has started developing multi-annual strategies in most sectors, but many are of limited scope or duration and not matched by a budget. In a number of sectors, comprehensive, realistic and costed sector strategies have been developed by the respective ministries, often assisted by donor partners... Future IPA support will be provided to develop sector strategies in sectors where these are missing or in need of improvement.

As mentioned before, sector planning is in an early stage. One aim of IPA II will therefore be to support Kosovo's institutions in developing comprehensive sector strategies. The main challenge for Kosovo, however, is not the drafting of legislation, strategies or action plans, but their implementation. This is a challenge across many sectors, mainly due to limited capacity, expertise and experience in the responsible institutions.

#### **Bosnia and Herzegovina Annual Programme 2016**

"...The Actions proposed under this programme in the sector of Democracy and Governance will contribute to the ISP objective of public administration reform, through the further development of an efficient, professional and transparent civil service, the strengthening of public employment controls and the reduction of the wage bill, thus empowering the public sector to significantly contribute to the European integration process and deliver services to citizens. Another proposed Action will enhance the capacity of the Public Procurement Agency and contracting authorities at all levels of government to implement, monitor and control public procurement procedures in line with EU standards. Furthermore, one Action will strengthen the role of Parliaments (at state, entity, Brčko District and cantonal level) in the context of EU integration, and enhance their capacity to support and supervise accession negotiations and adopt legislation required for alignment with the *acquis*. Finally, one Action will ensure participation of Bosnia and Herzegovina in EU Programmes by co-financing the cost of entry-tickets and participation fees in areas such as research and innovation, culture and audio-visual activities, education, customs and fiscal policies.

The proposed Action in the sector of Rule of Law and Fundamental Rights will contribute to justice, accountability and the rule of law through the identification of persons still missing after the war in Bosnia and Herzegovina and the capacity building of local institutions in this field.

The proposed Actions in the sector Competitiveness and Innovation: Local Development will contribute to the country's capacity to generate growth and employment. One Action will support the development of the private sector with a focus on export-oriented, agro-rural and tourism sectors and the enhancing of operational environment of Micro Small and Medium Enterprises (MSMEs). The proposed Action in flood protection and flood risk management will support the development of an integrated flood risk management in line with the EU Floods Directive and the Water Framework Directive, thus contributing to the further implementation of the Action Plan for flood protection and river management in Bosnia and Herzegovina 2014-2017.

The proposed Actions in the sector Education, Employment and Social Policies will strengthen the capacity of the labour market institutions and help improve the education system in line with the labour market needs. Overview of past and on-going EU, other donors' and/or IPA II beneficiary's actions in the relevant sectors.

The EU has supported public procurement since 2004 with a project facilitating the legal drafting, establishment of central procurement institutions and the process of initial certification of trainers. A regional EU-funded project for training the trainers completed in 2012 aimed at capacitating new trainers in this area and designing training materials.

#### **Serbia Annual Programme 2016**

“...In view of moving further towards a sector approach, the actions under this programme have been selected based on their relevance and their contribution to national sector strategies as well their link to accession negotiations. In addition, actions have been assessed based on key principles of maturity, absorption capacity, adequate sequencing with previously programmed IPA and other donors' assistance. Recommendations from sector evaluations of the IPA component I programmes were also taken into account.

This process led to the selection of the following three sectors for financing under the present programme: Rule of Law and Fundamental Rights (Justice and Home Affairs), Competitiveness and Innovation, and Education. The present programme also includes support for general capacity building to support accession negotiations, support for the preparation and implementation of investments and participation to EU programmes....

Action 7 Support to competitiveness and innovation Direct management EUR 3,700,000.00

Description of the Action, objective, expected results and key performance indicators: The overall objective of action 7 under the Competitiveness and Innovation sector is to contribute to increasing the competitiveness and innovation of companies in Serbia.

The specific objectives of the action are:

- To strengthen local business advisory services for SMEs.
- To enhance the operating environment for high-tech and innovative companies in Serbia.

Main expected results are:

- Access to high value-added business advice for SMEs is improved.
- The Science and Technology Park's (STP) Belgrade provides better services, though the improvement of its capacities.
- Key Performance Indicators:
- Number of new stakeholders targeted by the advisory services.
- Number of new products developed by companies operating under the STP Belgrade.
- Assumptions and conditions

The main assumptions for the implementation of this action are: SMEs are interested to use the funds for investing in new products and services; Government is committed to providing budget resources for the Science and Technology Park.

I.6.2.3	Extent to which there are cases of actual or potential conflicts between stand-alone actions and SA	
I.6.2.3	Summary	There has been limited feedback on actual cases of conflicts between stand-alone actions and SA. Even the existence of some stand-alone actions does not automatically lead to conflict.
I.6.2.3	Evidence from interviews and e-survey	<p><b>Field visits:</b></p> <p>Albania: No cases were highlighted by the key stakeholders.</p> <p>Bosnia and Herzegovina: See I.6.2.1 above.</p> <p>Kosovo: See I.6.2.1 above.</p> <p>The Republic of North Macedonia: See I.6.2.1 above.</p> <p>Montenegro: See I.6.2.1 above.</p> <p>Serbia: No specific cases identified.</p> <p>Turkey: The weakness of SA does not allow to respond to this indicator.</p> <p><b>Interviews conducted before the field phase:</b></p> <p><b>Albania:</b> There are several stand-alone actions on vulnerable groups, with a focus on social inclusion (Roma, Egyptians). It is not sure that the sector Approach has contributed to any improvement on engagement of Government and civil society.</p> <p><b>Serbia:</b> There are still a few actions which escape, such as support to beneficiary Census (stand-alone actions).</p>