

## FOLLOW-UP ACTION PLAN OF THE EVALUATION OF SECTOR APPROACH UNDER IPA II

RECOMMENDATIONS, FINAL REPORT	RESPONSES EU SERVICES: (I) ACCEPTED OR NOT, (II) ACTIONS TO BE UNDERTAKEN	FOLLOW UP (by who ; by when)
<b>GENERAL RECOMMENDATIONS: STRENGTHEN POLITICAL DIMENSION AND CAPACITIES</b>		
<p><b>RECOMMENDATION 1</b></p> <p style="color: #0070c0;">Sector reforms should be used better and integrated further in the assessment of the progress under the accession negotiations</p> <div style="border: 1px dashed #ccc; padding: 5px; margin: 5px 0;"> <p><i>The 2018 <u>Western Balkans Strategy (WBS)</u> reflected the need to put key reforms at the centre of the accession negotiations, as already emphasised by the “new approach” to the rule of law negotiation chapters introduced in 2011 and then strengthened by the ‘fundamentals first’ principle in 2014. The strategy confirms a particular emphasis on key reforms in Rule of Law and Fundamental Rights, Democracy and Governance and Competitiveness, including Education, Employment, and Access to market and Entrepreneurial Development. It recognises that the conditions for accession are linked to deep changes in such areas and sets out six specific flagship initiatives to support the sector reform process. Putting key reforms at the centre enhances the enlargement process, involving both the countries where the negotiations are open (Serbia and Montenegro) and other beneficiaries where the dialogue is carried out through the SAA committees.</i></p> <p><i>Accession negotiations have a broader scope than IPA Sector Approach, but a <u>better integration of progress in the implementation of sector strategies into the assessment of the achievements in terms of chapters’ standards should be pursued.</u></i> The “new approach” to the rule of law chapters in the negotiation process, including the use of ‘interim benchmarks’, tackling the chapters early in the accession process, opening these chapters on the basis of action plans to enable the establishment of convincing track records, and the strengthened importance of these chapters for the overall pace of negotiations already represents progress and a further opportunity to put the key sector reforms at the centre.</p> <p><i>Closer interaction between the EU <u>policy and technical cooperation functions</u> at local and HQ level is also necessary. Cooperation data and reports should be drafted to better inform the negotiation and SAA process. In turn, documents relevant to the accession negotiation and SAA should take due note of these cooperation data and reports, notably monitoring data, wherever relevant. Similarly, programming should benefit from policy inputs as regards priorities and conditions for assistance.</i></p> </div> <p><u>Main implementation responsibility:</u> European Council, DG NEAR (Directorates A and D and</p>	<p><b>i) Accepted</b></p> <p>In line with Commission’s new approach both on enlargement policy framework and pre-accession assistance.</p> <p><b>ii) Actions to be undertaken</b></p> <p>As reflected in the <i>Proposal for a Regulation of the European Parliament and of the Council establishing the Instrument for Pre-accession Assistance (IPA III) COM/2018/465 final</i> and in the <i>Commission communication COM(2020) 57 final ‘Enhancing the accession process - A credible EU perspective for the Western Balkans New methodology’</i>:</p> <ul style="list-style-type: none"> <li>• Pre-accession assistance funds are intended to be increasingly linked to the Enlargement Policy framework: recommendations of the enlargement progress reports, economic Reform Programmes (ERPs), conclusions of the Stabilisation and Association process, etc.</li> <li>• An increased emphasis on fundamentals and on related reforms is also part of the new approach. This will be done via the set-up of roadmaps, for example on Public Administration reform (PAR) and the functioning of democratic institutions.</li> </ul> <p>Furthermore, actions to be (or continued to be) undertaken are:</p>	<p><b>By Who:</b></p> <p>NEAR Senior Management NEAR Directorate A: A1, A4, A5 NEAR Directorate D NEAR CoTES EUDs (political and cooperation sections) Commission Line DGs</p> <p><b>By When:</b></p> <p>Beyond 2020 for Pre-accession assistance design (under new Multiannual Financial Framework (MFF)). Beyond 2020 for the implementation of the New methodology. CoTEs PAR throughout 2020 and beyond.</p>

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<p>relevant CoTEs), EU negotiators in Accession and SAA, line DGs involved in negotiations, EUDs political and operational components.</p> <p><u>Specific guidance:</u> the recommendation should be incorporated during the process of implementation of the new Western Balkans Strategy and its implications for accession priorities. It should be stressed in multilateral and bilateral meetings with beneficiaries. A new impetus should be given at the level of the EUDs for stronger collaboration between the staff in charge of the accession negotiations and of IPA II. The collaboration should aim at highlighting the crucial steps of the reform process in the negotiations and focusing on the most important accession bottlenecks in both programming and implementation of the assistance.</p> <p><u>Possible modalities and timing:</u> urgent recommendation to accompany the appropriation of the new WB strategy by the relevant stakeholders.</p>	<ul style="list-style-type: none"> <li>• Support to national institutions in the preparation of the strategic response for IPA III</li> <li>• Continuous support to EUDs and geo units during the annual Risk Management Framework exercise</li> <li>• Assessments of SBS disbursements request (public policy, PFM and budget transparency)</li> </ul>	
<p><b>RECOMMENDATION 2</b></p> <p><b>Beneficiaries at the highest level should ensure open political support to sector reforms in the areas of Democracy and Governance, Rule of Law and Fundamental Rights and Economic Governance, to create adequate guidance and incentives for SA uptake.</b></p> <p><i>EU negotiators, representatives and staff, in all their contacts with the beneficiaries, should highlight the importance of the beneficiaries giving the <u>highest priority in public agendas and a high level of visibility</u> to the key reforms related to the accession process. Such high visibility would promote political debate in the parliaments (even if indirectly), motivate public administration, promote public understanding and possible support through adequate awareness campaigns and ensure the highest and transparent control of the results chain.</i></p> <p><i>Institutional support should be ensured, to protect the institutions in charge of leading the reforms from instability, to motivate staff to take ownership of and drive through reforms and to provide the related financial means for action.</i></p> <p><u>Main implementation responsibility:</u> EU political representatives, EU and EC staff - especially DG NEAR (Directorates A, D and R), MEIs and NIPACs involved in the programming process and establishment of the FAs, in their contacts with the beneficiary high-level staff and representatives.</p> <p><u>Specific guidance:</u> In all high-level political and technical dialogue, encourage open political support to sector reforms as part of a good governance framework, which is a cross-sector</p>	<p><b>i) Accepted</b></p> <p>In line with Commission's new approach both on enlargement policy framework and pre-accession assistance.</p> <p>To be also highlighted that part of the recommendation was and is already part of the current Commission's approach.</p> <p>In the absence of a clear political willingness by a beneficiary, to implement reforms in these key areas, the Commission will only be able to carry out policy dialogue and apply conditionality for the programming of IPA funds.</p> <p><b>ii) Actions to be undertaken</b></p> <p>Refer to Actions proposed under Recommendation 1.</p> <p>Furthermore, it is to be acknowledged that fundamentals are already kept in enlargement candidates and potential candidates agenda in the framework of the Committees, such the PAR Special Groups for example.</p> <p>The New Methodology also foresees a reinforced</p>	<p><b>By Who:</b></p> <p>NEAR Senior Management NEAR Directorate A: A1, A5 NEAR Directorate D NEAR CoTES EUDs (political and cooperation sections)</p> <p><b>By When:</b></p> <p>Beyond 2020 for Pre-accession assistance design (under new Multiannual Financial Framework (MFF)). Beyond 2020 for the implementation of the New methodology.</p>

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<p><i>dimension of any sector reform.</i></p> <p><i>Possible modalities and timing: the recommendation could accompany, as the previous one, the process of implementation of the new Western Balkans strategy, with specific regional guidance. In addition, a specific fiche on government accountability initiatives (towards Parliament and public opinion), and not just the usual visibility campaigns run by the projects, could be included in the FAs.</i></p>	<p>political dialogue, also with EU Member States (EU MSs).</p> <p>Furthermore, actions to be (or continued to be) undertaken are:</p> <ul style="list-style-type: none"> <li>• Contribution to the annual PAR Special Group/PFM Policy dialogue in the Western Balkans</li> <li>• Continued support to economic governance in the Enlargement region, reinforced by the annual Economic Reform Programme (ERP) exercise, which is similar to the European Semester process for the Member States. The ERP provides a ground for a regular dialogue with the partner countries on the key structural reforms fostering inclusive economic growth and job creation, strengthening competitiveness and social protection. The ERP process leads to the annual Economic and Financial Dialogue between the EU with the Western Balkans and Turkey, where specific policy guidance is adopted.</li> </ul>	
<p><b>RECOMMENDATION 3</b></p> <p><b>Assistance should strengthen institutional capacity development wherever political commitment and institutional stability are ensured as well as improve tools and programmes to upgrade capacities and systems of the beneficiary administrations and reward their competencies.</b></p> <p><i>Political commitment and some institutional stability being a pre-condition, <u>capacity development</u> of the institutions involved and support for appropriation of EU policy models, approaches and good practices should become the main service provided by IPA. Institutional capacity support should work closely with the support being provided by PAR to enhance the implementation of horizontal legislation and the extension of new governance standards to the various sectors. This would enable administrative bodies to better collaborate with people and would ensure them incentives, in terms of institutional strengthening, staff expertise, and recognition of reform-minded and effective individuals. Capacity development should not</i></p>	<p><b>i) Accepted</b></p> <p>In line with Commission's new approach both on enlargement policy framework and pre-accession assistance.</p> <p>To be also highlighted that part of the recommendation was and is already part of the current Commission's approach.</p> <p><b>ii) Actions to be undertaken</b></p> <p>A stronger emphasis is put on strengthening institutional capacities development in the draft IPA III programming</p>	<p><b>By Who:</b></p> <p>NEAR Senior Management NEAR Directorate A: A4, A5 NEAR Directorate C: C3 NEAR Directorate D NEAR CoTES EUDs (political and cooperation sections) Commission Line DGs</p>

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<p><i>replace institutional and personal responsibilities as often happens with traditional TA, but should empower institutions and staff, by supporting the strengthening and/or establishment of new systems and skills. It should become a key concern in IPA programming and be closely monitored, through specific monitoring provisions (e.g. existing methods for capacity assessments), during implementation.</i></p> <p><i>Different mechanisms and tools should be strengthened, expanded, better used and coordinated such as:</i></p> <ul style="list-style-type: none"> <li>• <i>Strengthening the <u>existing facilities</u> and special programmes, such as SIGMA, TAIEX, Twinning, EURALIUS, PAMECA, etc. In particular TAIEX is suggested to be strengthened and extended by the WB's Strategy;</i></li> <li>• <i>Extending the participation in <u>EU programmes</u>, as suggested by the WB's Strategy. Such participation is very important, although it cannot easily adapt to the demand;</i></li> <li>• <i>Ensuring coherence of and horizontal consistency of the sectoral approaches and institutional arrangements supported by TA, through the mainstreaming of the rules and mechanisms established by the ongoing public administration reforms;</i></li> <li>• <i>Expanding <u>specialised TA available upfront</u>, by setting up new facilities and/or sector framework contracts. These could be established in the different contexts through delegated arrangements with the EU MS, and/or on the model of some of the existing facilities/ special programmes mentioned above, and/or in the more traditional way of regional framework contracts in two or three key policy areas, thus reinforcing the role of CoTEs. Spot TA, contracted for specific programmes, should be limited as far as possible;</i></li> <li>• <i>The <u>line DGs</u> of the Commission should be more overtly involved in the candidate countries, especially as the accession perspective is relaunched in the medium term. The beneficiaries have negatively perceived the reduced direct involvement of DG REGIO and EMPL under IPA II. Supported by adequate resources, some line DGs could participate in setting up specialised sector support teams and/or to ensure the widest participation of IPA beneficiaries in the EU programmes.</i></li> </ul> <p><i>The target should be to provide <u>upfront</u> qualified and diversified services for <u>capacity development</u>, to avoid undergoing complex and often contentious procedures for drafting TOR, tendering and contracting TA, with the related rigidities and inefficiencies.</i></p>	<p>framework, which is under preparation. Such document is the key strategic document for IPA III programming.</p> <p>Strengthening of institutional capacities takes place in IPA III both through the implementation of dedicated actions, which are under direct budget implementation, and through the use of Indirect Management by Beneficiary Countries (IMBC).</p> <p>For IMBC the final objective under IPA III is to move to the implementation of multi-annual operational programmes without ex-ante controls.</p> <p>Furthermore, actions to be (or continued to be) undertaken are:</p> <ul style="list-style-type: none"> <li>• Implement PAR CoTE work plan (PAR mainstreaming element):</li> <li>• Development of a screening tool to assess administrative capacity in the (sector) beneficiary institutions with SIGMA support (linked to IPA III programming and design of future TA/twinning support) (Q3)</li> <li>• Promotion /dissemination of PAR mainstreaming and the new screening tool in EU Delegations and possibly with beneficiaries with SIGMA support; coordination of its potential use in the framework of the regional ENP East EU4Environment programme; preparation of a policy note for senior management on rolling out of the approach (Q2-Q4)</li> <li>• PAR mainstreaming (administrative capacity) comments/amendments in the IPA III programming framework and IPA III strategic response template</li> </ul>	<p><b>By When:</b></p> <p>Beyond 2020 for Pre-accession assistance design (under new Multiannual Financial Framework (MFF)).</p> <p>Beyond 2020 for the implementation of the New methodology.</p>

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<p><u>Main implementation responsibility:</u> DG NEAR (Directorates A, D, R, and relevant CoTEs) and EUDs and, later on, line DGs.</p> <p><u>Specific guidance:</u> the implementation of this recommendation is a complex exercise, as it requires some rationalisation and planning for the medium term. The enlargement process may last for decades, as the next possible deadlines are established for 2025. This implies the need to create a solid and multifaceted structure for technical support, to ensure competencies, availability and flexibility, although with competitive mechanisms. The existing regional instruments – SIGMA and TAIEX – should be strengthened to ensure that their capacity and coverage respond to future demands. The SIGMA model (a specialised highly qualified sector institution supported by EU and other partners, e.g. MS) could be extended to other sectors (RoL, Competitiveness, Environment) to create a system of solid specialised regional facilities for peer-to-peer capacity development, including exchanges between beneficiaries. Connections with MS expertise should be encouraged, while maintaining adequate levels of diversification in the technical offer. The present CoTEs may be incorporated in the system of facilities or may become DG NEAR (and line DGs') tools to interact with them. EUDs should be able to draw on the support of specialised staff from such facilities. The issue should be addressed with a comprehensive approach to set up a plan for the creation of peer-to-peer capacity development tools, which should be continuously available and designed to respond to the diversified and long-term demands of EU candidate countries. This may result in a rationalisation of the existing tools, with possible gains in efficiency.</p> <p><u>Possible modalities and timing:</u> the recommendation could start being implemented relatively soon, considering the time necessary for planning and implementation, in view of the establishment of IPA III: as a first step, a framework of the available tools for capacity development and a plan of action to fill the gaps should be established.</p>	<ul style="list-style-type: none"> <li>• In dialogue with beneficiaries, TAIEX is preparing training maps that respond to the long term needs, including those addressed by budget support. In addition, TAIEX can be deployed strategically, based on the request of the Commission or EU Delegations, in support of the preparation/implementation/monitoring of most important political priorities. This included the Western Balkans strategy. All TAIEX events can take place either physically or virtually</li> <li>• Continue information and training activities about the Twinning tool vis-à-vis the key stakeholders - EU Delegations, Commission's Geo Units, Member States, CoTE PAR, line DGs- in view of further strengthening the use of peer-to-peer administrative cooperation to foster public sector administration reform and institutional capacity building</li> <li>• Further use ERP exercises to contribute to developing the institutional capacities of the enlargement candidates and potential candidates to prioritise, design and implement structural reforms, improving an inter-institutional coordination and enhancing public consultation process.</li> </ul>	
<b>INVOLVING POTENTIAL FUTURE EU CITIZENS</b>		
<p><b>RECOMMENDATION 4</b></p> <p><b>A twofold approach is necessary toward CSOs: (1) supporting beneficiary administrations to set strategies and rules to enhance substantive CSO participation; and (2) supporting CSOs to strengthen their capacities, advocacy and networking.</b></p> <p><i>This recommendation corresponds to the <u>guidelines</u> of the EU support to civil society in</i></p>	<p><b>i) Accepted; Partially accepted for Turkey</b></p> <p>In line with Commission's new approach both on enlargement policy framework and pre-accession assistance.</p> <p>To be also highlighted that part of the recommendation</p>	<p><b>By Who:</b></p> <p>NEAR Directorate A: A5 NEAR Directorate D NEAR CoTES</p>



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<p><i>enlargement countries 2014-2020, which on the one hand focuses on building an environment conducive to substantive participation by CSOs and on the other supporting their capacity development.</i></p> <p><i>Given the evidence gathered which shows that CSO participation – apart from the IPA programming process – is often merely nominal with little if any practical input, we propose that IPA should support the beneficiaries to design and implement a <u>strategy</u> to ensure that CSOs are truly independent and to enhance their substantive participation in the policy process. Such participation should become mandatory for the public administration, be properly regulated (which is not yet the case) and be systematically enforced. It should no longer be entrusted to the uncertain institutional dimension of the SWGs (apart from their function in IPA programming), among others. Beyond the statutory and fiscal provisions for CSOs, the strategy should encompass their regular inclusion in policy consultations at sector level, but also their access to calls for proposals for service delivery, based on competence and transparency.</i></p> <p><i>It is also necessary that IPA provides <u>direct support</u> (or facilitates access to various support sources) to CSOs to strengthen their capacities, advocacy, networking, and ensure – when the environment becomes hostile – their survival. Through the Civil Society Facility (CSF), EIDHR and various self-managed tools, different opportunities should be offered on a competitive basis, such as: training, participation in international fora, small funds on thematic campaigns, etc.</i></p> <p><i><u>Main implementation responsibility:</u> DG NEAR (Directorates A and D, and the CoTE Civil Society).</i></p> <p><i><u>Specific guidance:</u> detailed practical guidance and specific empowerment should be put in place for the implementation of the existing guidelines, to assist EUDs and NIPACs to address the two priorities highlighted in the recommendation. The EUDs and MEIs could start reviewing their programmes according to this recommendation. The support to the beneficiary strategies should lead to strengthening the existing legislation where necessary as well as better regulate the participation of the CSOs in the policy processes and enhance the implementation. Especially where a sector benefits from comprehensive IPA support (as in the case of e.g. SBS operations), CSO consultation should be a condition, not only in programming, as it is. CSOs participation in implementation should become a key issue in policy dialogue in all sectors.</i></p> <p><i><u>Possible modalities and timing:</u> a regional seminar could help assess the ongoing sector experience and the existing conditions for the implementation of this recommendation. The recommendation could be implemented by the structures in place, though conditionality may be required for upcoming TA to ensure that CSOs are properly included.</i></p>	<p>was and is already part of the current Commission’s approach. It should also be noted that there are clear guidelines from the European Parliament and Member States calling on the Commission to support independent civil society institutions.</p> <p><b>ii) Actions to be undertaken</b></p> <p>Furthermore, actions to be (or continued to be) undertaken are:</p> <ul style="list-style-type: none"> <li>• Further increase awareness on the relevance of the better regulation agenda and the importance of public participation in decision-making through the PAR Special Group</li> <li>• Strengthening public consultation structures in the beneficiary countries with SIGMA support</li> <li>• Support the revision process of the Guidelines of the EU support to civil society (also in light of the new WB strategy), including by adjusting the Guidelines to better reflect internal requirements for programming and implementation of IPA assistance.</li> <li>• Continuous provision of advice on civil society to delegations and HQ unit's related to national and regional programming, in particular on the formulation of the regional Civil Society Facility, by leading the implementation of an innovative approach to civil society support.</li> </ul>	<p>EUDs (political and cooperation sections)</p> <p><b>By When:</b></p> <p>Throughout 2020 and beyond</p>

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<p><b>RECOMMENDATION 5</b></p> <p>Communication to and raising the awareness of the wider public on the main reform themes should become a priority of IPA programmes, and – whenever possible – beneficiary institutions should be in the front line to inform and mobilise public opinion.</p> <p><i>A better understanding of the pre-accession reform process by the wider public should <u>become a key priority</u> in all beneficiary contexts. The modalities and means should adapt to the level of freedom of the media and the specific sensitivities, but the communication programmes should be diversified, able to address different groups of population and be attractive. On the one hand, they should use the existing general media, while on the other they should mobilise specialised CSOs to address specific institutional environments, such as education, rural development (agriculture and diversification of rural employment, the environment, natural resource management etc.), civil servants (especially within the institutions involved in reform implementation), the liberal professions, etcetera. The content should <u>focus on critical awareness</u> and not on superficial consensus (EU, not as myth, but as an opportunity), using story telling from beneficiary experience and EU MS, open public debates, Q&amp;A spaces, etc. This would require strengthening the existing expertise in the EUDs and at the HQ. Some initial examples of success are in the former Yugoslav Republic of Macedonia and in Montenegro.</i></p> <p><i>Since the information / mobilisation of public opinion should become a political priority of beneficiaries in the pre-accession process, it should be addressed in the related negotiations (R1&amp;2). The <u>beneficiaries should be involved</u> in and lead such awareness programmes. This means that annually an awareness package could be programmed, including action by beneficiaries, action by the EUDs and joint campaigns.</i></p> <p><i><u>Main implementation responsibility:</u> DG NEAR (Directorates A and D), EUDs, NIPAC and SLIs.</i></p> <p><i><u>Specific guidance:</u> DG NEAR should support the beneficiaries in establishing priorities and guidelines to highlight citizens' awareness as a priority of the reform process. This should help to raise public awareness of both the political and policy dialogue with the EU relating to sectoral programmes and the wider accession negotiations. The EUDs could help beneficiaries to test awareness campaigns in selected fields. Of course, much depends upon the attitude of the beneficiary (see Rec. 2 above) and the level of freedom of expression. Specific campaigns, following the example of the former Yugoslav Republic of Macedonia or diversified actions as in Montenegro, could be put in place, with a view to attracting public interest and debate on the issues related to the reform processes supported by EU.</i></p>	<p><b>i) Accepted</b></p> <p>In line with Commission's new approach both on enlargement policy framework and pre-accession assistance.</p> <p>To be also highlighted that part of the recommendation was and is already part of the current Commission's approach.</p> <p><b>ii) Actions to be undertaken</b></p> <p>Refer to Actions proposed under Recommendation 2.</p> <p>Furthermore, actions to be (or continued to be) undertaken are:</p> <ul style="list-style-type: none"> <li>• Continue supporting national authorities in strengthening the capacity of IPA Visibility Officers in the beneficiary institutions</li> <li>• Continue supporting beneficiary institutions in identifying priority reform sectors to communicate on, and help develop a list of relevant target groups and key messages for each sector</li> <li>• Continue strengthening the cooperation between project managers in cooperation section with IPA Visibility Officers in the EU Delegations</li> <li>• Continue supporting beneficiary institutions in drawing from the results of successful IPA projects through peer to peer exchanges and sharing of the lessons learned</li> <li>• Continue increasing the use of EU Info Centres / Europe Houses managed by EU Delegations</li> </ul>	<p><b>By Who:</b></p> <p>NEAR Senior Management</p> <p>NEAR Directorate A: A1, A2, A5</p> <p>NEAR Directorate D</p> <p>NEAR CoTES</p> <p>EUDs (political and cooperation sections)</p> <p>Commission Line DGs</p> <p><b>By When:</b></p> <p>Beyond 2020 for Pre-accession assistance design (under new Multiannual Financial Framework (MFF)).</p> <p>Beyond 2020 for the implementation of the New methodology.</p>

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<p><i>Possible modalities and timing: the recommendation should be implemented as soon as possible, in collaboration with media experts at local level, starting with well-focused topics and where possible minimum cost, for example using “talk shows” on the radio, television debates between national experts etc.</i></p>	<p>to bring the EU closer to the public</p> <ul style="list-style-type: none"> <li>• Continue assisting the beneficiary institutions in setting up or making use of the existing tools and resources for communication at the local level, such as human resources in municipalities or local EU information offices</li> <li>• Continue supporting the beneficiary institutions in setting up communication campaigns on priority sectors in both, traditional and online media and implement them jointly as relevant. Campaigns should be on a bigger scale and incorporate multimedia elements. Storytelling and relatable human stories should be the key campaign element</li> <li>• Together with the beneficiary institutions, continue engaging in and promote a dialogue and public debates with target groups to foster an effective two-way communication.</li> </ul>	
<b>IMPROVING SECTOR LEVEL SUPPORT</b>		
<p><b>RECOMMENDATION 6</b></p> <p><b>The identification of sectors and areas of intervention should take into account the beneficiary’s experience and preferences, while establishing stronger connections with the Chapters of the acquis.</b></p> <p><i>A distinction should be made between sectors that – despite the involvement of multiple institutional bodies - refers to consolidated leading institutions (e.g. clearly identified and politically strong Ministries, as in the cases of Judiciary, Home Affairs, PFM, Transport, etc.) and policy areas where different peer institutions are brought together (maybe temporarily) to conceive and implement comprehensive integrated strategies and action plans, with the purpose of making deep institutional and policy changes (e.g. Education Employment and Social Inclusion - EESI - or PAR if not led by a single ministry). The distinction should focus not so much on the nature of the programmes, but the complexity of the institutional framework. In complex areas</i></p>	<p><b>i) Accepted</b></p> <p>In line with Commission’s new approach both on enlargement policy framework and pre-accession assistance.</p> <p>To be also highlighted that part of the recommendation was and is already part of the current Commission’s approach.</p> <p><b>ii) Actions to be undertaken</b></p> <p>The draft IPA III programming framework, which is under preparation, puts a strong emphasis on tailoring the</p>	<p><b>By Who:</b></p> <p>NEAR Senior Management</p> <p>NEAR Directorate A: A1, A4, A5</p> <p>NEAR Directorate D</p> <p>NEAR CoTES</p> <p>EUDs (political and cooperation sections)</p> <p><b>By When:</b></p>



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<p><i>with divided multi-institutional responsibilities, sector reform must take into account the existing responsibilities and focus on inter-institutional coordination and complementarities, avoiding the imposition of hierarchies. A flexible approach of this kind has proved necessary in Albania and Montenegro, where the PM office has taken the lead in public administration reform that stretches across several governmental institutions.</i></p> <p><i>Flexibility is also needed when addressing complex sectors/areas having <u>both crosscutting and thematic dimensions</u>, such as Human Rights, Gender Equality, CSOs, PAR and others.</i></p> <p><i>The <u>necessary expertise</u> must be put in place. For instance, focal points at EUDs for gender should be created or strengthened; CoTEs should be reinforced through external contributions (R3) and should be enabled to discuss and apply solutions adapted to the particular context, including a stronger link with EUDs.</i></p> <p><i>The identified sectors and the related support strategies should always spell out and underline <u>implications for the pre-accession negotiations</u>, since IPA is a wider pre-accession programme and not only for development. It should be specified which are the accession Chapters and the related accession benchmarks that a sector strategy and the related IPA support will help to meet; such benchmarks should be better used to design support strategies and indicators, with closer collaboration of the EUDs' political and cooperation sections.</i></p> <p><i><u>Main implementation responsibility</u>: DG NEAR Chapter desks, EUDs, CoTEs, NIPACs.</i></p> <p><i><u>Specific guidance</u>: when addressing a sector to identify the needs for assistance, the first question should be which institutions are sufficiently strong and motivated that would support the reform process in a complex area (e.g. PAR, EESI). The programme may be appropriately tailored according to the institution(s) identified. For example, one could initially set an Employment and Social Inclusion programme, and then combine it with an Education programme. An all-encompassing EESI programme is not immediately obligatory. Such flexibility could avoid the problem of weak institutions which were unable to lead the process (e.g. EESI in Albania), or institutional conflicts which led to its paralysis (e.g. EESI in Serbia).</i></p> <p><i>Another key issue is that, when defining an assistance programme, it should be spelled out in detail which accession chapters are addressed by the supported reform to avoid any duplication, ensure that the key incentive to the reform (the accession perspective) is clear and facilitate the exchange between IPA and the negotiation process.</i></p> <p><i>Finally, key horizontal governance standards, as developed by the PAR process, and related capacity development measures should be applied when addressing reforms in the various</i></p>	<p>financial assistance and the choice of thematic priorities to the specific needs and capacities of IPA III beneficiaries.</p> <p>In addition, one of the key criteria for programming under IPA III is the relevance of the action with the enlargement policy documents, including recommendations related to specific chapters of the <i>acquis</i>.</p> <p>Furthermore, actions to be (or continued to be) undertaken are:</p> <ul style="list-style-type: none"> <li>• Continuous support to the institutions in charge of strategic planning in the Western Balkans through SIGMA</li> <li>• Further raise awareness on the importance of strategic planning through the PAR Special Groups and bilateral missions</li> <li>• Further promote the SIGMA Toolkit on Strategy Preparation, Monitoring and Evaluation among national institutions and EUDs.</li> </ul>	<p>Beyond 2020 for Pre-accession assistance design (under new Multiannual Financial Framework (MFF)).</p> <p>Beyond 2020 for the implementation of the New methodology.</p>

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<p><i>sectors in the different beneficiaries.</i></p> <p><i>Possible modalities and timing: this recommendation should inspire the programming dialogue, to better identify sectors and limit institutional demotivation, fragile institutional settings and etcetera. The link with the accession chapters may be strongly facilitated if (see Rec. 1) the political sections of the EUDs are actively involved in the programming, as stressed by the NEAR guidelines on Linking Planning, Programming, Monitoring and Evaluation – 2016.</i></p>		
<p><b>RECOMMENDATION 7</b></p> <p><b>SPDs and SWGs, and the criteria for SA should be adapted and managed with flexibility</b></p> <p><i>Adapting the Sector Planning Documents to different contexts should be accepted, as they are rather informal tools under beneficiary responsibility: their templates are not prescriptive, and they are not mandatory after SA maturity. In most cases, they were used at the beginning of IPA II to provide a coherent sector framework for identifying IPA assistance priorities. Once the leading institutions control the strategic process and comply with the SA requirements, SPDs are no longer needed. The gradual disappearance of the SPDs as a temporary tool should be accepted as SLIs take on the SA and are able to enter into dialogue and negotiate the priorities for sector assistance with IPA. This is the case for most sectors and sub-sectors that benefit from a SRC, a SOP or intensive multiannual assistance such as Justice. However, certain flexibility should be kept ensuring the beneficiary institutions (namely MEIs and SLIs) find a common understanding.</i></p> <p><i>Both the SPDs and the promoted strategies should assess the need for reform and highlight the related priorities, in view of two intertwined objectives: (i) improving growth, social inclusion, democracy and peace for the beneficiaries and (ii) facilitating the acquisition of the EU standards and the EU accession process. The accession objective should never be blurred, as it is at the basis of the assistance, and it is essential to motivate the beneficiaries.</i></p> <p><i>SWGs should be consolidated as a positive tool for the programming phase but they respond to too many needs and tend to become a redundant tool during the implementation. Therefore, stakeholders' consultation must be addressed with increased attention and <u>during implementation</u>, SWGs should be replaced by a diversified set of tools for each reform programme, inter-inter-institutional consultations and meaningful consultations with CSOs should be mandatory. The latter should be regulated by law (as already happens in certain cases), but in the meantime the institutions benefitting from EU support should make themselves available in the most effective and transparent way, e.g. periodical ad hoc meetings,</i></p>	<p><b>i) Accepted</b></p> <p>In line with Commission's new approach both on enlargement policy framework and pre-accession assistance.</p> <p><b>ii) Actions to be undertaken</b></p> <p>Refer to Actions proposed under Recommendation 1.</p> <p>Furthermore, under IPA III, while there will be some continuity with IPA II in the implementation of sector approach, there will also be more flexibility about how concretely the IPA III beneficiary is applying sector approach. For instance:</p> <ul style="list-style-type: none"> <li>• SPDs: <ul style="list-style-type: none"> <li>○ are integrated and further expanded in the strategic response under IPA III.</li> <li>○ are no more a formal obligation under IPA III</li> </ul> </li> <li>• The use of sector working groups is tailored to the specific situation of the IPA III beneficiary.</li> </ul> <p>Furthermore, actions to be (or continued to be) undertaken are:</p> <ul style="list-style-type: none"> <li>• Further promote the SIGMA Toolkit on Strategy Preparation, Monitoring and Evaluation among</li> </ul>	<p><b>By Who:</b></p> <p>NEAR Senior Management NEAR Directorate A: A1, A4, A5 NEAR Directorate D NEAR CoTES EUDs (political and cooperation sections) Commission Line DGs</p> <p><b>By When:</b></p> <p>Beyond 2020 for Pre-accession assistance design (under new Multiannual Financial Framework (MFF)). Beyond 2020 for the implementation of the New methodology.</p>

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<p><i>inviting CSOs to regular M&amp;E meetings and etcetera.</i></p> <p><i><u>Donor coordination</u> is a different issue, most countries require it to be regulated and it can assume different forms, depending on the contexts and actors (regular institutionalised consultations led by the beneficiary, donor coordination groups, donor joint sector projects, special groups on specific issues, etc.). Trying to institutionalise such consultation and coordination under a standard model does not work. Given the high importance of donor coordination for SA, optimal solutions adapted to beneficiary context and to specific sectors involved should be identified.</i></p> <p><i><u>M&amp;E systems and other results-based management tools</u> should be put in place by all SLIs engaged in sector reform, according to coherent horizontal public administration models and procedures regulated by law. When an IPA comprehensive sector and/or thematic support programme is established, such systems and tools become mandatory in practice, i.e. part of the FA. Although IPA support works for full appropriation of such systems and tools by the beneficiary SLIs and helps them toward their mainstreaming into the national sector strategies, a certain duality of approaches may coexist in the national sectors for years, due to the enormous complexity of the changes required. Here a flexible approach should be adopted:</i></p> <ul style="list-style-type: none"> <li><i>• It can be accepted that, during a certain period of time, the new systems and tools coexist with previous practices (two-track), provided that their adoption is not just formal and they are owned and gradually mainstreamed by the leading and the main executing institutions (easily verified through specific capacity development assessments).</i></li> <li><i>• It can also be accepted temporarily that M&amp;E systems and tools often function only in relation to IPA-supported programmes and report to IPA-related Sector Monitoring Committees, provided there is evidence of building SLIs' capacities for results-based management.</i></li> </ul> <p><i><u>Main implementation responsibility:</u> SLIs, EUDs, CoTEs and NIPACs</i></p> <p><i><u>Specific guidance:</u> this recommendation addresses the flexibility necessary to effectively deal with the different tools of SA management. Instead of referring to standard tools and definitions (SPDs, SWGs, owned and non-owned M&amp;E systems), it is better to remember that behind such tools/definitions there are key functions. SPDs are documents for planning support to sector policies that may be continued and updated if necessary but should not hamper the leading institutions in their sector leadership and development of fully-fledged national sector strategies, enshrined in their mandates. SWGs are a consultation tool, but what is important is</i></p>	<p style="text-align: center;">national institutions and EUDs.</p>	

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<p><i>that (i) inter-institutional consultation and (ii) CSO consultation take place. If the SWG are redundant, it could be re-formatted or another mechanism should be identified. Donor coordination may be done in many ways; it is not necessary to have a standard 'tool'. M&amp;E systems are very important, and it may be accepted that initially they are conceived and set up for the IPA programme (when this is comprehensive as in the case of a SRC), provided that the functions of data collection such as processing, reporting and assessing are fully established and consolidated within the institutions involved, with the aim to widen their scope to the whole institution.</i></p> <p><i>Possible modalities and timing: this may be implemented soon and gradually. It is mainly linked to a technical attitude, to shift from the rigidity of the previous guidelines to an approach that prioritises the new functions and capacities to be created or strengthened in the beneficiaries, as stressed in the new DG NEAR Guidance Note on Addressing Capacity Development in planning/programming, monitoring and evaluation.</i></p>		
<b>ENHANCED EFFICIENCY AND IMPROVED AID MODALITIES</b>		
<p><b>RECOMMENDATION 8</b></p> <p><b>Sector reform contracts (SRCs) have shown to produce promising outputs since the preparation phase. The modality should be improved through the introduction of more flexibility (e.g. on general assessments and indicators) and stronger accompanying measures, particularly for mobilisation of specialised TA.</b></p> <p><i>It is advisable to target the establishment of a SRC and <u>launch its preparation</u>, when it corresponds to the context and the institutions involved have fulfilled clear initial steps to comply with SA criteria and are willing to go forward. The SRC preparation may be formalised as a type of programme and extended to one or two years, since targeting a SRC has shown to be a strong incentive for the administration to mobilise and participate in sector assessments, strategic dialogue around PAFs and related indicators, improved reporting and budgeting.</i></p> <p><i>Identifying the <u>indicators</u> of a SRC is a crucial step. Indicators must be coherent with the beneficiary strategy (either included in it or reflecting additional compatible and shared priorities) and proportioned to the baseline. They must identify significant changes and steps forward, the achievement of which is a consequence of institutional change (underlining significant political decisions, changes in institutional behaviour, changes in institutional structures implying new equilibria of power, etc.).</i></p>	<p><b>i) Partially accepted</b></p> <p>The issue of the degree of flexibility in general assessments and indicators is framed by the Budget Support Guidelines (2017) and the contractual requirements set in the financing agreements. This framework prevents a scenario with multiple interpretations of achievement of indicators and conditions at the time of disbursements.</p> <p>It is acceptable that accompanying measures should be designed in complementarity to the SRPC and already reflected in the initial stages of the BS preparation. It has to be noted that the launch of the service procurement tenders for the recruitment of complementary assistance only relies within the responsibility of the EU Delegations.</p> <p>Normally a formal preparatory step to a BS contract is envisioned in the current programming framework (identification and formulation, and can imply external</p>	<p><b>By Who:</b></p> <p>NEAR Senior Management NEAR Directorate A: A4, A5 NEAR Directorate D NEAR CoTES EUDs (political and cooperation sections)</p> <p><b>By When:</b></p> <p>Beyond 2020 for Pre-accession assistance design (under new Multiannual Financial Framework (MFF)). Beyond 2020 for the implementation of the New</p>

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<p><i>The implementation of SRCs must be supported by some form of regulation keeping them <u>independent of destabilising political intervention</u>, including possible institutional volatility and key staff mobility (R2). More attention should be put on the sector dialogue, including considering institutional stability as a feature of the sector strategic framework to be assessed under the general conditions of the SA and monitored in the implementation.</i></p> <p><i>SRCs need to be supported by strong <u>accompanying measures aimed at capacity development</u> at the institutions involved. This is essential and it increases the incentives of the stakeholders to actively participate. Capacity development will be needed especially in order to build deeply internalised results-based management systems, to respond to the new legal frameworks that were being established through PAR in the different beneficiary contexts, particularly to improve PAFs (indicators and baseline) and strengthen assessments, reporting, linkages between M&amp;E and decision-making processes, etc.</i></p> <p><i>It should be remembered that BS includes funds, dialogue and capacity development and cannot be run in the absence of one of these three components.</i></p> <p><b><u>Main implementation responsibility:</u></b> DG NEAR (BS service), CoTEs, EUDs</p> <p><b><u>Specific guidance:</u></b> in several sectors, the perspective of setting a multiannual BS is an incentive per-se for the beneficiary institution. The preparation for BS has been shown to be a very important phase since that is when the strategies are effectively completed and key tools like PAFs and M&amp;E systems are put in place. This recommendation emphasises the role of the preparatory phase, even if it lasts for two years only before launching BS and even when, as in some cases, it seems that the conditions for BS have not been attained. The key condition for launching the preparation of BS is the institutional and political commitment, including the solidity of the institution involved (protection from staff and structural volatility). The fundamental role of the capacity development measures to accompany BS must never be overlooked, as they are its third component (in addition to funds and dialogue).</p> <p><b><u>Possible modalities and timing:</u></b> this recommendation should especially be kept in mind during the programming phase, to negotiate with the beneficiary and design appropriate BS preparation and execution programmes. The political and institutional assessment should be more important than the technical assessments in deciding whether to start BS preparation. One option for getting complementary technical assistance mobilised quickly – in the absence of available facilities, which would be optimal (R3) – is to use the SIEA Framework contracts for example. This way, it should be feasible to prepare TORs for the complementary TA during the SRC process, launch the tender with a suspension clause, select the contractor and sign the</p>	<p>expertise for the sector; the relevant stakeholders are regularly consulted throughout this phase). SIEA framework is mobilised most often to this purpose.</p> <p>The choice of indicators must be consistent with the beneficiary's strategy and priorities. However, the Budget Support Guidelines recommend a mix of different type of indicators depending on the robustness of the sector. Having other types of indicators than outcomes or long-term outputs is allowed and even encouraged by the guidelines in place.</p> <p>There are cases when SRCs are not only supported by regulatory framework but aim to bring one about and shape the regulatory framework in place. Ideally, the implementation of the SRC should be independent from destabilising political intervention, with the exception that sometimes SRC are used to obtain the (political) commitment for reforms as they provide an additional leverage and enhance accountability of the political intervention. In those cases where the SRC is supporting a political process (PAR, Justice, Anti-corruption), it may not be possible to dissociate the SRC from the effects of political interventions.</p> <p><b>ii) Actions to be undertaken</b></p> <p>Assessments look at the political commitment and institutional set-up in determining the level of credibility in the implementation of a policy. Technical assessments when available, accompany these two elements.</p>	<p>methodology.</p>

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<i>contract immediately upon signature of the SRC.</i>		
<p><b>RECOMMENDATION 9</b></p> <p><b>Sector Operational Programmes (SOPs) should be relaunched with simplified implementation procedures, combination with other modalities (Blending, Development Banks and specialised funds), strengthening the EU learning component (TA linked to Commission’s DGs)</b></p> <p><i>SOPs should be reviewed and relaunched in most beneficiary contexts. They are important medium-term tools for the beneficiary to acquire and test EU consolidated sector policies and approaches. They have the capacity to provide direct benefits to target groups of population (entrepreneurs in agriculture and other sectors, workers and the unemployed), and/or improve the environment and the economic infrastructure. For this reason, SOPs allow large groups of the population, which normally are outside the main information circuits, to experiment and recognise the benefits of EU supported policies.</i></p> <p><i>Serious efforts should be made to <u>simplify programme design and mechanisms</u> for implementation. The SOPs should ensure solid policy frameworks and institutional responsibilities, to allow and coordinate the participation of different development agents (banks, TA partners and others) for implementation. The administrative burden of the management institutions should be much reduced (e.g. merging the procedures for the Entrustment Budget Implementing Tasks – EBIT - for different projects, simplifying the accreditations and other procedures), without undermining their political leadership and responsibility.</i></p> <p><i>Finally, a way to ensure stronger direct <u>involvement of the Commission’s DGs REGIO and EMPL</u> as readily accessible policy advisors and institutional mentors for identifying such programmes and for backstopping during their implementation should be foreseen wherever this is deemed relevant and compatible with the available resources. This can include sectoral TA groups permanently connected with/guided by the DGs as suggested (R3), or lighter forms of direct participation during programming and monitoring.</i></p> <p><i><u>Main implementation responsibility:</u> DG NEAR (A3, A5, D1, D3, R5), EUDs</i></p> <p><i><u>Specific guidance:</u> in the preparation of IPA III, this typology of intervention should be reviewed, keeping three priorities in mind: (i) simplified processes for the accreditation of beneficiary agencies, (ii) a strengthened investment component through blending and (iii) a strengthened learning process, through a stronger direct involvement of the Commission’s DG REGIO and</i></p>	<p><b>i) Accepted</b></p> <p>In line with Commission’s new approach both on enlargement policy framework and pre-accession assistance.</p> <p><b>ii) Actions to be undertaken</b></p> <p>One of IPA III objectives is to move to the implementation of sector operational programmes with ex-post control, once administrative capacities in beneficiary countries have sufficiently increased. Because it will take several years to meet this condition, it is anticipated that sector operational programmes will be used in the second half of IPA III. Therefore this recommendation, albeit remains relevant, will not be implemented before 2024.</p> <p>In the meantime work will continue to adapt SOPs procedures to the new rules applicable for ESI funds under the new MFF.</p> <p>IMBC orientations under IPA III are currently under revision. One of the key concerns is to strengthen the administrative and institutional capacities to manage multi-annual operational programmes. The final objective is to move from ex-ante to ex-post controls in order to prepare the IPA beneficiaries to manage cohesion funds when the moment comes.</p>	<p><b>By Who:</b></p> <p>NEAR Senior Management</p> <p>NEAR Directorate A: A3, A4, A5</p> <p>NEAR Directorate D (Geographical units responsible for countries dealing with SOPs)</p> <p>EUDs (cooperation and finance and contract sections)</p> <p><b>By When:</b></p> <p>Beyond 2024 for Pre-accession assistance design (under new Multiannual Financial Framework (MFF)).</p> <p>Beyond 2020 for the implementation of the New methodology.</p>



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<p><i>EMPL. Point (i) is outside of the competencies of the evaluation team; although stakeholders have expressed several reasonable ideas to speed up the processes such as unifying the procedures for EBIT, allowing the recognition of the structures for more than just one project, etcetera. Point (ii) adequately addressed in Rec. 10. The third point is rather complex, as it would require specific resources that the line DGs may not have today. The problem could be addressed in the framework of the implementation of the Rec. 3 on reinforcing capacity development. Specific TA networks and/or facilities in employment, competitiveness and etcetera could be created with the participation, or under the guidance, of the relevant line DGs to avoid an additional burden on their budget.</i></p> <p><i>Possible modalities and timing: a task force may be established under the coordination of DG NEAR, including the relevant line DGs, to identify simpler modalities for implementing the SOPs and specialised tools for transferring EU expertise to the accession beneficiaries in the areas related to EU cohesion and competitiveness policies. If the work starts soon, it will be ready for IPA III.</i></p>		
<p><b>RECOMMENDATION 10</b></p> <p><b>New aid modalities should be tested to increase the incentives (especially investments) and better reward performance.</b></p> <p><i>Investment components should be increased, including public investment in infrastructure and private investment mainly in SMEs. This should be obtained mainly by attracting external resources. Future renovated SOPs may be conducive for this. Investment however must be also promoted outside of SOPs, in combination with support to sector policies: for instance, promoting digitalisation of the Judiciary and e-governance in PAR, and/or facilitating green investment for addressing environment policy reforms.</i></p> <p><i>IPA programmes should ensure, as much as possible, a mix of institutional support and investment facilitation, by <u>blending</u> different modalities, combining SOPs, SRCs and various annual sector actions with investment components supported through specialised institutions and tools, such as WBIF, EIF, EBRD, EIB and other international agencies. Specific capacities in investments and blending should be established at regional level, or – when appropriate – at the EUDs.</i></p> <p><i>Conditional grants, apparently compatible with the present regulations although not used so far, might be an innovative modality to increase incentives for policy and institutional reforms where the conditions for SRCs and/or SOPs are absent, or in combination with them. When</i></p>	<p><b>i) Accepted</b></p> <p>In line with Commission’s new approach both on enlargement policy framework and pre-accession assistance.</p> <p>To be also highlighted that part of the recommendation was and is already part of the current Commission’s approach.</p> <p><b>ii) Actions to be undertaken</b></p> <p>Under IPA III significant resources will be available through EFSD+, notably to support large investment by providing financial guarantees. These financial instruments will complement the support already provided to investments through the Western Balkans Investment Fund (WBIF) in the form of blending.</p> <p>Concerning performance reward, under IPA III there will be no more fixed country allocations but only indicative</p>	<p><b>By Who:</b></p> <p>NEAR Senior Management</p> <p>NEAR Directorate A: A3, A4, A5</p> <p>NEAR Directorate D (D5 in cooperation with geographical units)</p> <p>NEAR CoTES</p> <p>EUDs (political and cooperation sections)</p> <p>Commission Line DGs</p> <p><b>By When:</b></p> <p>Beyond 2020 for Pre-accession assistance design (under new Multiannual</p>

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<p><i>quantitative targets under the influence of the beneficiary institution may be easily established – both in terms of the available infrastructure (e.g. number of people served by wastewater treatment in Environment) and in terms of institutional achievements (e.g. backlog of cases, average times for case completion in the Judiciary) – this aid modality could be put in place. Disbursement-linked indicators could enable the results to be rewarded, providing that adequate capacity building will be put in place for successful implementation.</i></p> <p><i><u>Main implementation responsibility:</u> DG NEAR, EU related IFIs, EUDs, NIPACs</i></p> <p><i><u>Specific guidance:</u> increased investment would be a key improvement in IPA implementation. This should mainly happen through blending investment with the main support modalities, namely SRCs and SOPs. A specific responsibility for blending should be established at EUD and/or regional level, because it requires specific competencies and networks. Another innovation could include testing of conditional grants. Trials could start with existing sector support programmes (SOPs, or other comprehensive support), to ensure an adequate policy framework.</i></p> <p><i><u>Possible modalities and timing:</u> all such modality improvements should be fine-tuned in view of IPA III. A working group in DG NEAR could be established to study the conditions for their implementation.</i></p>	<p>allocations per window. This will stimulate IPA III beneficiaries to propose, within each window, actions which are relevant to the enlargement policy and sufficiently mature to allow a rapid implementation after the adoption of the corresponding Commission Financing Decision.</p> <p>Furthermore, actions to be (or continued to be) undertaken are:</p> <p>Investment components:</p> <ul style="list-style-type: none"> <li>• Pre-accession assistance funds for public investment in infrastructure and private investment should be significantly increased under the next MFF.</li> <li>• For efficiency reasons, when the nature and size of investments so warrants, investment support should be implemented at regional level under the Western Balkans Investment Framework</li> <li>• Moreover, under the planned NDICI and IPA III Regulations, such investments shall rely increasingly on new aid modalities, in particular budgetary guarantees, to attract significant additional external resources.</li> <li>• To ensure policy coherence, specific investment windows covering one or several sectors (e.g. green transition/energy efficiency) will be established in consultation of EU MS, relevant IFIs and beneficiary institutions within the WBIF.</li> </ul> <p>Conditional grants:</p> <ul style="list-style-type: none"> <li>• Conditional Grants are already used to incentives private sector investments linked to the European integration process. As part of a blending operation with an IFI loan, SMEs upgrading their processes or production to be compliant with the EU acquis are</li> </ul>	<p>Financial Framework (MFF)).</p>

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	awarded with an EU grant partially covering their investment.	
<p><b>RECOMMENDATION 11</b></p> <p><b>Protecting the achievements in Turkey.</b></p> <p><i>Independently from the decisions on the EU-Turkey relationship and the amount or type of future EU assistance, the process of pre-accession in Turkey has catalysed a deep reform sequence. This modernisation of the institutions and society cannot be demolished overnight. Even so, there is still room to respond to the demands of CSOs, HR activists, reform minded sectors of the public administration, researchers and students to cultivate their relationships with the EU, participate in the European networks and European programmes. Specific programmes are already in place to provide direct support to CSOs in the present difficult context; for other groups, access to EU programmes is also in place. This part of the IPA programme should continue and be intensified.</i></p> <p><i>On the other hand, wide segments of the Turkish policy makers and administrators have experimented with and appreciated European agriculture and rural development and structural policies. If coherent with the new EU policies and financial decisions, this activity should also be continued because it can contribute to keeping the most remote areas linked to a certain process of exchange and modernisation. The continuation of the SOPs is threatened by the inefficiencies of indirect management, more so than in other contexts. If they are to continue, specific innovations should be introduced, such as blending and conditional grants, as explained in Rec. 9 and 10.</i></p> <p><i>The general idea and the wish is that maintaining and cultivating contacts with the groups of the Turkish society that are able to appreciate the value of the EU relationship, would help the country to accelerate a return to democracy and inclusive growth.</i></p> <p><b>Main implementation responsibility:</b> DG NEAR (Directorate A). EUD in Turkey</p> <p><b>Specific guidance:</b> the interim review should be integrated according to two priorities, which should be taken into account in the ongoing and/or the next programming exercise: (i) protecting CSOs and advanced groups, through direct support and participation in as many EU programmes as possible; and (ii) reviewing the existing SOPs, through the introduction of (a) direct management components (e.g. conditional grants), and/or (b) components to boost investment, e.g. by delegating cooperation to IFIs, and/or (c) multiplication of capacity</p>	<p><b>i) Accepted</b></p> <p>In line with the Indicative Strategy Paper for Turkey 2014-2020, and following Council and European Parliament calls to direct IPA funds to key priority areas, the Commission has focused the programming of the last three years of IPA II on support to CSOs, Human Rights activists and people to people contacts. The rural development programme IPARD (II) – able to reach out to rural communities and providing a concrete example of EU support - has equally kept a considerable share of funding, despite the overall cuts to the IPA II budget.</p> <p>The EU/COM already recentralised IPA funding on civil society and ring-fenced the civil society support from any cuts. In fact, the level of civil society support increased as a response to the backsliding and reached certain capacity thresholds. Nevertheless, IPA support for civil society under centralised/EUD management may be challenged by the partner country.</p> <p>With regard to the proposed revision of SOPs and introduction of new management modes, the recommendations are relevant, but will have to be applied for IPA III only. Currently the programming rate of all TK SOPs under IPA II is between 80 and 100%, which means the implementation modalities have already been selected and applied. We need also to remind that the Commission strongly promoted direct management under the 2019-2020 programming exercise, where several proposals to be implemented under centralised management in blending modality with IFIs were included under some of the relevant sectors, e.g. CISOP and Transport. However, also due to the budget cuts, several of these projects proposals had to</p>	<p><b>By Who:</b></p> <p>NEAR Senior Management NEAR Directorate A: A3, A4, A5 NEAR CoTES EUDs (political and cooperation sections) Commission Line DGs</p> <p><b>By When:</b></p> <p>Mid or second half of 2021 to review the overall approach taken during the first two years programming of IPA III.</p>

## FOLLOW-UP ACTION PLAN OF THE EVALUATION OF SECTOR APPROACH UNDER IPA II

RECOMMENDATIONS, FINAL REPORT	RESPONSES EU SERVICES: (I) ACCEPTED OR NOT, (II) ACTIONS TO BE UNDERTAKEN	FOLLOW UP (by who ; by when)
<p><i>development opportunities, e.g. through study trips, twinning, etc.</i></p> <hr/> <p><i>Possible modalities and timing: ongoing programming. A special group could be created by EUD and MEUA to review the programming decisions and formulate recommendations for the new programming.</i></p>	<p>be cancelled (although some of them could probably be included under IPA III).</p> <p><b>ii) Actions to be undertaken</b></p> <p>The importance of continuous dialogue and involvement of EU-inspired segments of civil society and administration is well understood and constituted the basis for the programming under IPA II 2018-2020.</p> <p>For IPA III, conditionality will be the centrepiece of programming. In particular, while Turkey should follow a balanced quality approach of Actions across all Windows, Actions proposals aimed at progressing on reforms for Windows 1 and 2 should meet the expectations set in the enlargement strategy: if not, the Commission could decide to reduce overall financing. Support to institutions guaranteeing democracy, rule of law and respect for fundamental rights should be closely scrutinised and be based primarily on the country's track record for achieving concrete and positive outcomes.</p> <p>Supporting actions linked to climate change, risk disaster reduction, inclusive societies, good governance, cultural and gender equality and women empowerment will be envisaged in line with to Commission and DG NEAR priorities.</p>	