



# **External Evaluation of the Instrument for Pre-accession Assistance (IPA II) (2014 – mid 2017)**

**Final Report**  
**Volume 1: Main report**  
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Neighbourhood  
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Negotiations





*Lead company*

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## **External Evaluation of the Instrument for Pre-accession Assistance (IPA II)**

**This evaluation was commissioned by the Thematic expertise,  
Monitoring and Evaluation Unit of the DG NEAR (European  
Commission)**

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# External Evaluation of the Instrument for Pre-accession Assistance (IPA II) Final Report

The report consists of:

Volume I: Main report

Volume II: Annexes

## **VOLUME I: MAIN REPORT**

**Executive summary (EN)**

**Résumé (FR)**

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## List of acronyms and abbreviations

AAP	Annual Action Programme
AD	Action Document
BS	Budget Support
CARDS	Community Assistance for Reconstruction, Development, and Stabilisation
CBC	Cross-Border Cooperation
CEB	Council of Europe Development Bank
CIR	Common Implementation Regulation
CoTE	Centre of Thematic Expertise
CSO	Civil Society Organisations
CSP	Country Strategy Paper
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
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
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
GGF	Green for Growth Fund
HQ	Headquarters
HRD	Human Resources Development
IB	Institution Building

IcSP	Instrument contributing to Stability and Peace
IFI	International Financial Institution
IL	Intervention Logic
IMBC	Indirect Management with the Beneficiary Country
INSC	Instrument for Nuclear Safety Cooperation
IOM	International Organisation for Migration
IPA	Instrument for Pre-Accession Assistance
IPARD	Rural Development component of the Instrument for Pre-accession Assistance
ISP	Indicative Strategy Paper
ISPA	Instrument for Structural Policy for Pre-Accession
IT	Information Technology
JC	Judgement Criterion
KPI	Key Performance Indicator
LA	Local Authority
LGBT	Lesbian, Gay, Bisexual, Transgender
MAAP	Multi-annual Action Plan
MADAD Fund	EU Regional Trust Fund in Response to the Syrian Crisis
MAP	Multi-annual Programme with split commitments
MBP	Multi-Beneficiary Programme
MCP	Multi-Country Programme
MCSP	Multi-country Strategy Paper
MFF	Multi-annual Financing Framework
MIS	Management Information System
MS	Member State
MTR	Mid-term Review
NAO	National Authorising Officer
NIPAC	National IPA Coordinator
OPC	Open Public Consultation
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
SAPARD	Special Accession Programme for Agriculture and Rural Development

SIGMA	Support for Improvement in Governance and Management
SLI	Sector Lead Institution
SMC	Sector Monitoring Committee
SMSC	Sector Monitoring Sub-Committee
SOP	Sector Operational Programme
SPD	Sector Planning Document
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
WBIF	Western Balkans Investment Framework
WBT	Western Balkans and Turkey



## Executive summary

### *Objectives and context of the evaluation*

The evaluation of the Instrument for Pre-accession Assistance (IPA II), together with the other independent evaluations of each External Financing Instrument (EFI), that of the Common Implementing Regulation (CIR) and the Coherence Report, will be one of the sources of information to feed into the Mid-Term Review Report (MTR) of the EFIs. The MTR is required by the Common Implementing Regulation (CIR) Article 17, by the end of December 2017.

The evaluation assesses whether the Instrument for Pre-accession Assistance (IPAll) is fit for purpose to deliver EU resources towards EU's external policy, both at start of the planning period (2014) and currently, and will consider the place IPA II – its complementarities and synergies – within the wider set of external financing instruments. The main aim of the evaluation is to provide a comprehensive answer to the question whether IPA II is delivering against its main objective of preparing candidate countries and potential candidates for EU membership and thus if it is fit for purpose.

### *Methodology and challenges*

The evaluation is evidence-based using a non-experimental mixed methods approach combining quantitative and, more importantly, qualitative data and is guided by Evaluation Questions (EQ) covering EU evaluation criteria (relevance; effectiveness, impact and sustainability; efficiency; added value; coherence, consistency, complementarity and synergies; leverage). The baseline for the evaluation is the end of 2013 and also the provisions of IPA I unless otherwise indicated.

The main analytical tools consisted of a rigorous assessment of documentation, analysis of statistics and quantitative data and a consultation of stakeholders (via interviews, group discussions, and the online-survey focusing on EU Delegations).

The main challenges of the evaluation were time and resources, which resulted in risks related to access to data, documentation and availability of key respondents. These risks presented significant challenges to the evaluation team when conducting the desk review and field missions during the validation phase. Countering these risks demanded considerable efforts from the evaluators, but ultimately they did not compromise the foundations of the evaluation findings.

### *Main responses to evaluation questions*

#### *EQ 1 on relevance:*

The overall objectives, design and budget of IPA II respond to EU priorities and beneficiary needs, aiming at preparing candidate countries and potential candidates for EU membership. Strategic relevance of EU pre-accession support has been considerably improved. IPA II puts strong emphasis on structural reforms as the basis for the accession process. The programming of IPA II also reflects the reality of the current stage of the overall accession perspective, considering the individual beneficiary's progress in fulfilling the accession criteria. Often IPA II builds directly on the achievements made by the forerunner programme. As concerns the approach to sector planning, the quality of individual documents leaves some room for improvement. The sector approach appears to be better understood in some sectors, whereas in others it is still evolving.

#### *EQ 2 on effectiveness, impact, sustainability:*

IPA II is in principle fit for purpose for delivering effective and sustainable results, despite still being at an early stage of implementation. Prospects for IPA II effectiveness and impact are predicated on the existence of several key elements. One of these is a clear concentration of funds in priority areas that are consistent with programme objectives and aligned with the Enlargement Strategy. The evaluation has found that both of these are in place. A strong concentration of IPA II funds is evident on the specific objectives of political reforms and economic, social and territorial development. This constitutes around three quarters of all IPA allocations. A close alignment between EU Enlargement Strategy and IPA II support (both national and multi-beneficiary/ multi-country programmes), particularly in the area of institution building is also evident. Here a substantial portion of the IPA II funds is devoted to

institution building in the sectors of Democracy and Governance and Rule of Law/Fundamental Rights. These are at the core of the ‘Fundamentals First’ principle that underpins IPA II programme rationale. DG NEAR’s capacity to mainstream horizontal themes into IPA II programmes is still uneven. Furthermore, the use of multi-annual programmes with split commitments (MAP) has been deployed only sparingly and sector monitoring remains underdeveloped.

#### EQ 3 on efficiency:

Indicators suggest progress in the EC’s administrative efficiency and sound financial management when comparing 2014 with 2015, suggesting also good ability to cope with the current regulatory burden. Operational efficiency is currently still low and behind progress made during the period comparable for IPA I, most notably in national programmes. Due to chronic performance problems in some IPA II beneficiaries (for instance in Turkey over 600 million € of IPA I and II funding is classified as backlog), there remains uncertainty about the future of IMBC (indirect management with the beneficiary country) systems and structures. Efficiency in terms of increased coherence between strategies, instruments and procedures is more positive. The use of sector budget support is building up and efficiency gains have still to materialise. A major potential driver for increased efficiency can be seen in the monitoring processes for the measurement of IPA II performance which are being put in place both at EC HQ and beneficiaries. They are not yet fully functioning, as IPA II has hardly entered real action implementation. The assessment of operational performance shall build on indicators linked to outputs and immediate outcomes. Weaknesses are still evident in the quality of outcome indicators.

#### EQ 4 on added value:

The EU’s political influence and leverage allows engaging national authorities/ other donors with greater authority and legal certainty than individual EU MS. Among other important aspects of added value, the EU actively promotes territorial cooperation through IPA. Division of labour as promoted shows mixed achievements for the IPA II beneficiaries. With the departure of most international and bilateral donors and the dominating role of EU funding, division of labour is increasingly seen as less of an issue for IPA II. IPA II’s added value among the EFI package is clear-cut. Vis a vis other EFIs, IPA II is unique in addressing the objective of preparing candidate countries and potential candidates for EU membership.

#### EQ 5 on coherence, consistency, complementarity and synergies:

Besides IPA II, two other EFIs, the European Instrument for Democracy and Human Rights (EIDHR) and the Instrument contributing to Stability and Peace (IcSP) are also active in the Western Balkans and Turkey. IPA II procedures foresee the coordination and the stimulation of synergies with these two EFIs. Due to the recent introduction of novelties in the IPA II planning/ programming processes (e.g. sector approach) and the absence of joint programming for the actions of these two EFIs with IPA II, such stimulation of synergies is not yet guaranteed. 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. Re-activation of the DCI CSO/LA programme in the Western Balkans and Turkey would provide again funding directly to Local Authorities (LAs) as well as financing to CSOs and LAs outside the control of the central State; coordination with IPA Civil Society Facility (CSF) would be required. Coordination of IPA II with the other donors and International Financial Institutions active in the IPA beneficiaries is also not without problems. Evidence indicates continuous efforts from all three key partners (EU, other donors, beneficiaries) to coordinate activities and to programme and implement actions in a way which further strengthens complementarity and synergies. In the main, EFIs’ coordination and donors’ coordination are adequate in most of the IPA II beneficiaries. In beneficiaries where the coordinating capacity of the National Authority nominated for donor coordination is limited (e.g. Kosovo<sup>(\*)</sup><sup>1</sup>) there is still some risk of overlaps and gaps.

<sup>1</sup> (\*) This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence.

### EQ 6 on leverage:

IPA is used pro-actively for supporting negotiations with the governments of the beneficiaries for taking the necessary measures leading to reforms. This includes rewards, but also de-commitment of funds, together with a number of other measures. Evidence suggests a positive assessment as concerns the usefulness of IPA II for increasing the political and policy engagement by the respective beneficiary. IPA II has also managed to create considerable financial leverage. As the biggest donor in the beneficiaries, IPA funds offer a reliable financial basis, where other donors and IFIs can provide additional funds for the financing of the decided programmes and actions. IPA II provides not only the major financing source of the development programmes of the beneficiaries but is also the major factor in the overall leverage of funds for the implementation of the biggest possible part of the development framework of the recipients.

### Key conclusions

- IPA II is becoming fit to deliver the instrument's objectives – to prepare candidate countries and potential candidates for EU accession. The sector approach is facilitating the IPA II instrument to attain its objective of preparing candidate countries and potential candidates for EU membership. Where IPA II sectors and national sectors coincide and have clear homogeneity, coherence is evident and promises improved performance. Overall, the sector approach is still in a transitional phase.
- The current arrangements allow for the use of multiannual programmes with split commitments (MAP) however, the use of MAP is limited to the continuation of certain programmes started under IPA I Component III, IV and V<sup>2</sup>. In most cases the traditional annual programming approach prevails.
- Indirect effects are noted in the approach now being taken by DG NEAR, EUD/Os and IPA beneficiary staff towards programming IPA II assistance. Budget support has been a catalyst for institutional changes in those countries (e.g. Serbia, Montenegro, Albania) where it is being delivered. It has also enhanced policy dialogue. Direct effects are not yet observable at programme level. Added value in terms of size of engagement, political weight and advocacy is clear for most beneficiaries. The ability to programme using the sector logic is influenced by capacities in programming and the (non-) existence of national sector policies to which to link.
- Uncertainty prevails over the sector approach planning – beneficiaries have struggled to produce documents of good quality, their value is not clearly understood and the approach taken for ensuring ownership has varied from recipient to recipient.
- The introduction of the CoTEs in DG NEAR is a valuable innovation to ensure the integration of horizontal themes into the programme as well as to improve relevance and effectiveness of IPA II. Integration of horizontal themes into programming in-country is hampered by the time available in the programming cycle for consultations with external stakeholders and also their capacities to constructively engage in the process.
- Overall, the intended efficiency gains have still to materialise. Evidence from IPA I shows that the introduction of the indirect management mode with the beneficiary country (IMBC) is a mixed blessing. It offers improved ownership of the programme among beneficiaries but overall efficiency invariably suffers in most cases compared to direct management.
- Although guidance on how to conduct sector level monitoring is now in place, it remains incomplete, with significant uncertainty in IPA beneficiaries on how to transform this concept into practice. Only in those recipients where IPA I Components III, IV and V have been running is there experience of sector monitoring, of which much is positive. Lessons from these could and should be learned.
- Indicators of the Performance Framework can be considered adequate. Weaknesses

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<sup>2</sup> IPA I Components: I) Assistance for transition and institution building; II) Cross border cooperation; III) Regional development; IV) Human resources; V) Rural development.



in the quality of indicators in country programmes and ADs remain. This is also due to the lack of capacity of the country/ sector systems to produce, collect and analyse data appropriate for this level.

- The novelties of IPA II (sector approach, sector budget support programmes, new performance framework, etc.) contribute to the coherence and complementarity of the IPA II actions in each beneficiary, between the bilateral and the multi-country and CBC IPA II actions, and between the IPA II and IPA I actions. In parallel, these novelties provide the frame for synergies among at least the bilateral actions and for increased leverage.
- Complementarity of IPA II with the actions of other EFIs active in the candidate countries 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.
- Components III, IV and V of IPA I have successfully laid the foundation for the delivery of the sector-like approach in Turkey. These IPA I programmes have allowed the implementation of elements such as sectoral monitoring and multi-annual programmes 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.
- Regarding Turkey, inefficiencies in many parts of the IMBC have generated chronic delays that have accumulated in the system. This is already affecting the IPA II programmes' relevance and influences their effectiveness. In the absence of other implementation modalities there is little prospect of this improving.
- The evaluation identified several critical factors in influencing effectiveness and impact for IPA II in Turkey. These include sub-optimal efficiency of the IMBC, the relatively limited scale of IPA II funds comparative to national budgets in several sectors, and the need for a stable consensus between the EC and Turkish institutions which would underpin policy dialogue. The current accession perspective for Turkey feeds into widespread uncertainty over the value of IPA II in the country.

### **Key recommendations**

- Under sectoral requirements, there is an increasing need for a longer-term perspective in implementations. Explore the potential for wider deployment of such approach. If this assessment proves positive, commence preparations for its increased use after 2020, in line with the next programming period.
- Clarify the sector approach planning with all relevant parties. Improve the overall quality of (work) documents used for sector approach planning.
- DG NEAR should have adequate capacity to mainstream horizontal issues. This should *inter alia* involve optimising the capacities of the CoTEs in line with IPA II programming needs.
- A strategic vision for those countries under IMBC needs to be created as a basis for strengthening the capacities of the institutions involved in its delivery. These capacities should then be brought to the level needed to implement IMBC effectively. This should also include a proportionate use of technical assistance to support these institutions. Cost effectiveness of IMBC needs to be fully assessed.
- Weaknesses in monitoring systems and indicators at sector level need to be addressed on a systematic basis. Coordination of IPA with EIDHR and IcSP planning/ programming activities should be improved at both EC HQ and EUD levels. The DCI programme for CSOs and Local Authorities should be re-established in the IPA II beneficiaries and coordinated with the IPA Civil Society Facility (CSF).
- Based on a thorough analysis, IPA II funds in Turkey should be channelled into those sectors with a proven track record of delivering results under IPA I and where the planned results for IPA II are most likely to be achieved given current constraints.



## Résumé

### *Objectifs et contexte de l'évaluation*

L'évaluation de l'instrument d'aide de préadhésion (IAP II), ainsi que les autres évaluations indépendantes de chaque instrument de financement extérieur, celle du règlement commun de mise en œuvre et le rapport sur la cohérence, constitueront l'une des sources d'information qui contribueront au rapport d'examen à mi-parcours des instruments de financement extérieur. L'évaluation à mi-parcours est exigée d'ici la fin décembre 2017, conformément à l'article 17 du règlement commun de mise en œuvre.

L'évaluation détermine si l'instrument d'aide de préadhésion (IAP II) est adapté à la mise en œuvre des ressources de l'UE destinées à la politique extérieure de l'UE, tant au début de la période de planification (2014) qu'actuellement, et examinera la place qu'occupe l'IAP II – ses complémentarités et synergies – dans le cadre plus large des instruments de financement extérieur. L'objectif principal de l'évaluation est d'apporter une réponse complète à la question de savoir si l'IAP réalise son principal objectif de préparer les pays candidats et les pays candidats potentiels à l'adhésion à l'UE et si, par conséquent, il est adapté aux objectifs poursuivis.

### *Méthodologie et défis*

L'évaluation se fonde sur des données probantes en utilisant une approche non expérimentale de méthodes mixtes combinant des données quantitatives et, surtout, qualitatives ; l'évaluation s'inspire de questions d'évaluation (QE) recouvrant plusieurs critères d'évaluation (pertinence, efficacité, impact et durabilité, efficacité, valeur ajoutée, cohérence, homogénéité, complémentarité et synergies, effet de levier). La situation de référence pour l'évaluation est la fin de 2013 ainsi que les dispositions de l'IAP I, sauf indication contraire.

Les principaux outils d'analyse consistaient en une évaluation rigoureuse de la documentation, une analyse des statistiques et des données quantitatives et une consultation des parties prenantes (via des entretiens, des discussions de groupe et l'enquête en ligne axée sur les délégations de l'UE).

Les principaux défis de l'évaluation ont été le temps et les ressources, ce qui a entraîné des risques liés à l'accès aux données, à la documentation et à la disponibilité des principaux répondants. Ces risques ont représenté des défis importants pour l'équipe d'évaluation lors de la réalisation de l'examen documentaire et des missions sur le terrain au cours de la phase de validation. Les évaluateurs ont déployé des efforts considérables pour faire face à ces risques, qui en définitive n'ont pas compromis les fondements des conclusions de l'évaluation.

### *Principales réponses aux questions d'évaluation*

#### *QE 1 sur la pertinence :*

Les objectifs généraux, la conception et le budget de l'IAP II répondent aux priorités de l'UE et aux besoins des bénéficiaires, en vue de préparer les pays candidats et les pays candidats potentiels à l'adhésion à l'UE. La pertinence stratégique du soutien à la préadhésion à l'UE a été considérablement améliorée. L'IAP II met l'accent sur les réformes structurelles comme base du processus d'adhésion. La programmation de l'IAP II reflète également la réalité de la situation actuelle de la perspective globale de l'adhésion, en tenant compte des progrès accomplis par les différents bénéficiaires pour répondre aux critères d'adhésion. Souvent, l'IAP II se fonde directement sur les réalisations de son prédécesseur. En ce qui concerne l'approche de la planification sectorielle, la qualité des différents documents individuels peut être quelque peu améliorée. L'approche sectorielle semble être mieux comprise dans certains secteurs, tandis que dans d'autres, elle évolue encore.

#### *QE 2 sur l'efficacité, l'impact, la durabilité :*

L'IAP II est en principe adapté pour déboucher sur des résultats efficaces et durables, même s'il en est encore à un stade précoce de la mise en œuvre. Les perspectives de l'IAP II en matière d'efficacité et d'impact reposent sur l'existence de plusieurs éléments clés. L'un d'entre eux est une concentration claire des fonds dans des domaines prioritaires qui sont conformes aux objectifs du programme et alignés sur la stratégie pour l'élargissement. L'évaluation a révélé que ces deux éléments sont en place. Une forte concentration des

fonds de l'IAP II est manifeste sur les objectifs spécifiques des réformes politiques et du développement économique, social et territorial. Cette concentration représente environ les trois quarts de l'ensemble des dotations IAP. La correspondance étroite entre la stratégie pour l'élargissement de l'UE et l'aide accordée au titre de l'IAP II (programmes nationaux et programmes multi-bénéficiaires/plurinationalaux), en particulier dans le domaine du renforcement des institutions, est également manifeste. Une partie importante des fonds de l'IAP II est consacrée au renforcement des institutions dans les secteurs de la démocratie et de la gouvernance et de l'État de droit/droits fondamentaux. Ceux-ci sont au cœur du principe « priorité aux fondamentaux », sur lequel se fonde le programme IAP II. La capacité de la DG NEAR d'intégrer les thèmes horizontaux dans les programmes IAP II est encore inégale. En outre, l'utilisation de programmes pluriannuels recourant à des engagements consécutifs (MAP) n'a été déployée que de façon restreinte, et le suivi sectoriel reste sous-développé.

#### QE 3 sur l'efficience :

Les indicateurs laissent entrevoir des progrès dans l'efficacité administrative et la bonne gestion financière de la CE entre 2014 et 2015, ce qui semble également indiquer une capacité satisfaisante de faire face à la charge réglementaire actuelle. L'efficience opérationnelle est encore faible actuellement et en-deçà des progrès accomplis au cours de la période comparable pour l'IAP I, notamment dans les programmes nationaux. En raison de problèmes chroniques de performance chez certains bénéficiaires de l'IAP II (par exemple en Turquie, plus de 600 millions d'euros des fonds de l'IAP I et II sont classés comme arriérés), des incertitudes continuent à peser sur l'avenir des systèmes et structures de gestion indirecte avec le pays bénéficiaire. L'efficience en termes de cohérence accrue entre les stratégies, les instruments et les procédures affiche de meilleurs résultats. L'utilisation de l'appui budgétaire sectoriel se renforce, et les gains d'efficience doivent encore se concrétiser. Les processus de suivi pour mesurer la performance de l'IAP II, qui sont mis en place à la CE et dans les pays bénéficiaires, représentent un facteur potentiel important d'efficience accrue. Ces processus ne fonctionnent pas encore pleinement, car l'IAP II vient à peine d'entrer véritablement en action. L'évaluation de la performance opérationnelle doit s'appuyer sur des indicateurs liés aux réalisations et aux résultats immédiats. Les faiblesses sont encore manifestes dans la qualité des indicateurs de résultat.

#### QE 4 sur la valeur ajoutée :

L'influence politique et le poids de l'UE lui permettent de susciter la participation des autorités nationales/autres donateurs avec davantage d'autorité et de sécurité juridique que ses différents États membres. La promotion active de la coopération territoriale via l'IAP constitue un autre aspect important de la valeur ajoutée. La division du travail, qui est encouragée, affiche des résultats mitigés pour les bénéficiaires de l'IAP II. Avec le retrait de la plupart des donateurs internationaux et bilatéraux et le rôle prépondérant du financement de l'UE, la division du travail est de plus en plus considérée comme revêtant une moindre importance pour l'IAP II. La valeur ajoutée de l'IAP II dans l'ensemble des instruments de financement extérieur est claire. Par rapport aux autres instruments de financement extérieur, l'IAP II est unique au regard de l'objectif de préparer les pays candidats et les pays candidats potentiels à l'adhésion à l'UE.

#### QE 5 sur la cohérence, l'homogénéité, la complémentarité et les synergies :

Outre l'IAP II, deux autres instruments de financement extérieur, l'instrument européen pour la démocratie et les droits de l'homme (IEDDH) et l'instrument contribuant à la stabilité et à la paix sont également actifs dans les Balkans occidentaux et en Turquie. Les procédures de l'IAP II prévoient la coordination et la stimulation des synergies avec ces deux instruments de financement extérieur. En raison de l'introduction récente de nouveautés dans les processus de planification/programmation (par ex. l'approche sectorielle) de l'IAP II et de l'absence de programmation conjointe pour les actions de ces deux instruments de financement extérieur avec l'IAP II, cette stimulation des synergies n'est pas encore garantie. La complémentarité et les synergies des actions de ces instruments thématiques avec les actions de l'IAP II pourraient encore bénéficier d'une plus grande coordination/coopération tant dans la planification que dans la programmation des instruments. La réactivation du programme thématique organisations de la société civile et autorités locales (OSC-AL) de

l'instrument de financement de la coopération au développement (ICD) dans les Balkans occidentaux et en Turquie permettrait à nouveau de financer directement les autorités locales (AL) et de financer les OSC et les AL en dehors du contrôle de l'Etat central ; la coordination avec le mécanisme en faveur de la société civile de l'IAP serait nécessaire. La coordination de l'IAP II avec les autres donateurs et les institutions financières internationales présentes dans les pays bénéficiaires de l'IAP n'est pas non plus sans problèmes. Tout indique que des efforts sont déployés par les trois principaux partenaires (UE, autres donateurs, bénéficiaires) pour coordonner les activités et pour programmer et mettre en œuvre les actions de façon à renforcer la complémentarité et les synergies. Dans l'ensemble, la coordination des instruments de financement extérieur et la coordination des donateurs sont adéquates dans la plupart des pays bénéficiaires de l'IAP II. Dans les pays bénéficiaires où la capacité de coordination de l'autorité nationale désignée pour la coordination des donateurs est limitée (par ex. le Kosovo (\*)<sup>3</sup>), il existe encore des risques de double emploi et de lacunes.

#### QE 6 sur l'effet de levier :

L'IAP est utilisé de manière proactive pour soutenir les négociations avec les gouvernements des pays bénéficiaires afin qu'ils prennent les mesures nécessaires en vue de mener les réformes. Cela comprend des avantages, mais aussi un dégagement de fonds, ainsi qu'un certain nombre d'autres mesures. Il semble que l'évaluation soit positive en ce qui concerne l'utilité de l'IAP II pour accroître la participation politique des différents pays bénéficiaires. L'IAP II a également réussi à créer un effet de levier financier considérable. En tant que premier donateur dans les pays bénéficiaires, les fonds de l'IAP constituent une base financière fiable, tandis que d'autres donateurs et les IFI peuvent fournir des fonds supplémentaires pour financer les programmes et actions décidés. L'IAP II représente non seulement la principale source de financement des programmes de développement des pays bénéficiaires, mais aussi le facteur décisif de la mobilisation globale des fonds pour la mise en œuvre de la partie la plus large possible du cadre de développement des bénéficiaires.

#### Principales conclusions

- L'IAP II commence à être en mesure de réaliser les objectifs de l'instrument – préparer les pays candidats et les pays candidats potentiels à l'adhésion à l'UE. L'approche sectorielle contribue à ce que l'instrument IAP II réalise son objectif de préparation des pays candidats et des pays candidats potentiels à l'adhésion à l'UE. Lorsque les secteurs de l'IAP II et les secteurs nationaux coïncident et sont clairement homogènes, la cohérence est manifeste et promet une meilleure performance. Dans l'ensemble, l'approche sectorielle est toujours en phase de transition.
- Les dispositions actuelles permettent l'utilisation de MAP ; toutefois, l'utilisation des MAP se limite à la poursuite de certains programmes lancés dans le cadre des volets III, IV et V de l'IAP<sup>4</sup>. Dans la plupart des cas, l'approche traditionnelle de la programmation annuelle s'impose.
- Des effets indirects sont observés dans l'approche adoptée actuellement par la DG NEAR, les DUEs, les structures d'exploitation et le personnel des pays bénéficiaires de l'IAP pour la programmation de l'aide au titre de l'IAP II. L'appui budgétaire a été un catalyseur des changements institutionnels dans les pays où il est mis en œuvre (par ex. la Serbie, le Monténégro, l'Albanie). Il a également renforcé le dialogue politique. Les effets directs ne sont pas encore observables à l'échelle du programme. La valeur ajoutée du point de vue de l'ampleur de l'engagement, du poids politique et de la sensibilisation est manifeste pour la plupart des bénéficiaires. La capacité de programmation en utilisant la logique sectorielle est influencée par les

<sup>3</sup> (\*) Cette désignation est sans préjudice des positions sur le statut et est conforme à la résolution 1244/1999 du Conseil de sécurité des Nations unies ainsi qu'à l'avis de la Cour internationale de justice sur la déclaration d'indépendance du Kosovo.

<sup>4</sup> Volets de l'IAP I : I) Aide à la transition et renforcement des institutions ; II) Coopération transfrontalière ; III) Développement régional ; IV) Ressources humaines ; V) Développement rural.

capacités de programmation et l'existence ou non de politiques sectorielles nationales auxquelles se rattacher.

- L'incertitude pèse sur la planification de l'approche sectorielle – les bénéficiaires ont déployé des efforts considérables pour établir des documents de qualité satisfaisante ; leur valeur n'est pas bien comprise, et l'approche adoptée pour assurer l'appropriation varie d'un bénéficiaire à l'autre.
- L'introduction des centres d'expertise thématique à la DG NEAR représente une innovation précieuse pour assurer l'intégration des thèmes horizontaux dans le programme ainsi que pour améliorer la pertinence et l'efficacité de l'IAP II. L'intégration des thèmes horizontaux dans la programmation à l'échelle du pays est entravée par le temps consacré dans le cycle de programmation aux consultations avec les parties prenantes externes et par leurs capacités de participer de manière constructive au processus.
- Dans l'ensemble, les gains d'efficacité prévus doivent encore se concrétiser. Les données de l'IAP I montrent que l'introduction du mode de gestion indirecte avec le pays bénéficiaire est un bienfait tout relatif. Ce mode de gestion permet une meilleure appropriation du programme par les bénéficiaires, mais l'efficacité globale s'en ressent dans la plupart des cas par rapport à la gestion directe.
- Bien que des lignes directrices sur la façon d'assurer le suivi au plan sectoriel aient été mises en place, elles demeurent incomplètes, et l'incertitude reste grande dans les pays bénéficiaires de l'IAP quant aux moyens de traduire ce concept dans la pratique. Seuls les pays bénéficiaires où les volets III, IV et V de l'IAP I ont été opérationnels affichent une expérience du suivi sectoriel, dans une large mesure positive. Des enseignements pourraient et devraient en être tirés.
- Les indicateurs du cadre de performance peuvent être considérés comme adéquats. Des faiblesses subsistent dans la qualité des indicateurs dans les programmes nationaux et les documents d'action. Cela s'explique également par le manque de capacité des systèmes nationaux/sectoriels d'élaborer, de collecter et d'analyser des données appropriées à ce niveau.
- Les nouveautés de l'IAP II (approche sectorielle, programmes d'aide budgétaire sectorielle, nouveau cadre de performance, etc.) contribuent à la cohérence et à la complémentarité des actions au titre de l'IAP II dans chaque pays bénéficiaire, entre les actions bilatérales, plurinationales et de coopération transfrontalière au titre de l'IAP II, et entre les actions de l'IAP II et de l'IAP I. Parallèlement, ces nouveautés fournissent le cadre pour des synergies, au moins entre les actions bilatérales, et pour un effet de levier accru.
- La complémentarité de l'IAP II avec les actions d'autres instruments de financement extérieur actifs dans les pays candidats et les pays candidats potentiels (l'IEDDH et l'instrument contribuant à la stabilité et à la paix) est satisfaisante mais pas garantie. Les synergies entre l'IAP II et chacun de ces instruments de financement extérieur sont encouragées lorsque l'instrument contribuant à la stabilité et à la paix/l'IEDDH cherchent à coordonner leurs actions (généralement de budget limité et de courte durée) avec les actions de l'IAP (budget plus important, longue durée). Le manque d'accès au programme OSC-AL de l'ICD dans la période actuelle (2014-2020) représente une perte importante pour les collectivités locales des pays bénéficiaires de l'IAP II.
- Les volets III, IV et V de l'IAP I ont constitué avec succès le fondement de la mise en œuvre de l'approche sectorielle en Turquie. Ces programmes de l'IAP I ont permis la mise en œuvre d'éléments, tels que le suivi sectoriel et les programmes pluriannuels, qui sont importants pour la mise en œuvre avec succès de l'IAP II. Il y a là des enseignements à tirer pour d'autres institutions sectorielles de premier plan en Turquie et d'autres bénéficiaires de l'IAP.
- En ce qui concerne la Turquie, les inefficacités dans de nombreux éléments de la gestion indirecte avec le pays bénéficiaire ont entraîné des retards chroniques qui se sont accumulés dans le système. Cette situation se répercute déjà sur la pertinence

des programmes de l'IAP II et influence leur efficacité. En l'absence d'autres modalités de mise en œuvre, il est peu probable que cela s'améliore.

- L'évaluation a recensé plusieurs facteurs décisifs qui influencent l'efficacité et l'impact de l'IAP II en Turquie. Ces facteurs comprennent notamment une efficacité non optimale de la gestion indirecte avec le pays bénéficiaire, l'ampleur relativement limitée des fonds de l'IAP II par rapport aux budgets nationaux dans plusieurs secteurs, et la nécessité d'un consensus stable entre la CE et les institutions turques sur lequel se fonderait le dialogue politique. Les perspectives actuelles d'adhésion de la Turquie se traduisent par une incertitude généralisée quant à l'utilité de l'IAP II dans le pays.

### **Principales recommandations**

- Dans le cadre des exigences sectorielles, il est de plus en plus nécessaire d'adopter une perspective à plus long terme dans la mise en œuvre. Étudier le potentiel d'un déploiement plus large de cette approche. Si cette évaluation s'avère positive, commencer les préparatifs pour son utilisation accrue après 2020, conformément à la prochaine période de programmation.
- Clarifier la planification de l'approche sectorielle avec toutes les parties concernées. Améliorer la qualité globale des documents (de travail) utilisés pour la planification de l'approche sectorielle.
- La DG NEAR devrait disposer de capacités suffisantes pour intégrer les questions horizontales. Cela devrait notamment comprendre l'optimisation des capacités des centres d'expertise thématique en fonction des besoins de programmation de l'IAP II.
- Il est nécessaire d'adopter une vision stratégique pour les pays où est utilisée la gestion indirecte avec le pays bénéficiaire, comme base du renforcement des capacités des institutions associées à sa mise en œuvre. Ces capacités devraient ensuite être portées au niveau nécessaire pour mettre en œuvre efficacement la gestion indirecte avec le pays bénéficiaire. Ceci devrait également comprendre une utilisation proportionnée de l'assistance technique pour soutenir ces institutions. Il est nécessaire de procéder à une évaluation complète du rapport coût-efficacité de la gestion indirecte avec le pays bénéficiaire.
- Les faiblesses dans les systèmes et indicateurs de suivi au plan sectoriel doivent être examinées de manière systématique. La coordination de l'IAP avec les activités de planification/programmation de l'IEDDH et de l'instrument contribuant à la stabilité et à la paix devrait être renforcée tant à l'échelle de la CE que des DUE. Le programme de l'ICD pour les OSC et les autorités locales devrait être rétabli dans les pays bénéficiaires de l'IAP II et coordonné avec le mécanisme en faveur de la société civile de l'IAP.
- Sur la base d'une analyse approfondie, les fonds de l'IAP II en Turquie devraient être orientés vers les secteurs qui se sont révélés favorable à produire des résultats dans la période d'IAP I et dans lesquels les résultats escomptés de l'IAP II sont le plus susceptibles d'être atteints compte tenu des contraintes actuelles.





## 1 Introduction

The evaluation of the Instrument for Pre-accession Assistance (IPA II), together with the other independent evaluations of each External Financing Instrument (EFI), that of the Common Implementing Regulation (CIR) and the Coherence Report, will be one of the sources of information to feed into the Mid-Term Review (MTR) of the EFIs. The MTR is required by the Common Implementing Regulation (CIR), Article 17, by the end of December 2017.

The evaluation assesses whether the Instrument for Pre-accession Assistance (IPA II) is fit for purpose to deliver on its objective which is to prepare the candidate countries and potential candidates for EU membership, both at start of the planning period (2014) and currently, and will consider the place IPA II – its complementarities and synergies – within the wider set of external financing instruments. The baseline for the evaluation is the end of 2013 and the provisions of IPA I unless otherwise indicated.

The **objective of the IPA II evaluation** is: 1) to provide the relevant external relations services of the European Union and the wider public with an independent assessment of the IPA II instrument, including complementarities/ synergies between IPA II and the other EFIs; and 2) to inform the future programming and implementation of the current EFIs, as well as the next generation of the EFIs.

The **evaluand is the IPA II instrument** (see Box 1).

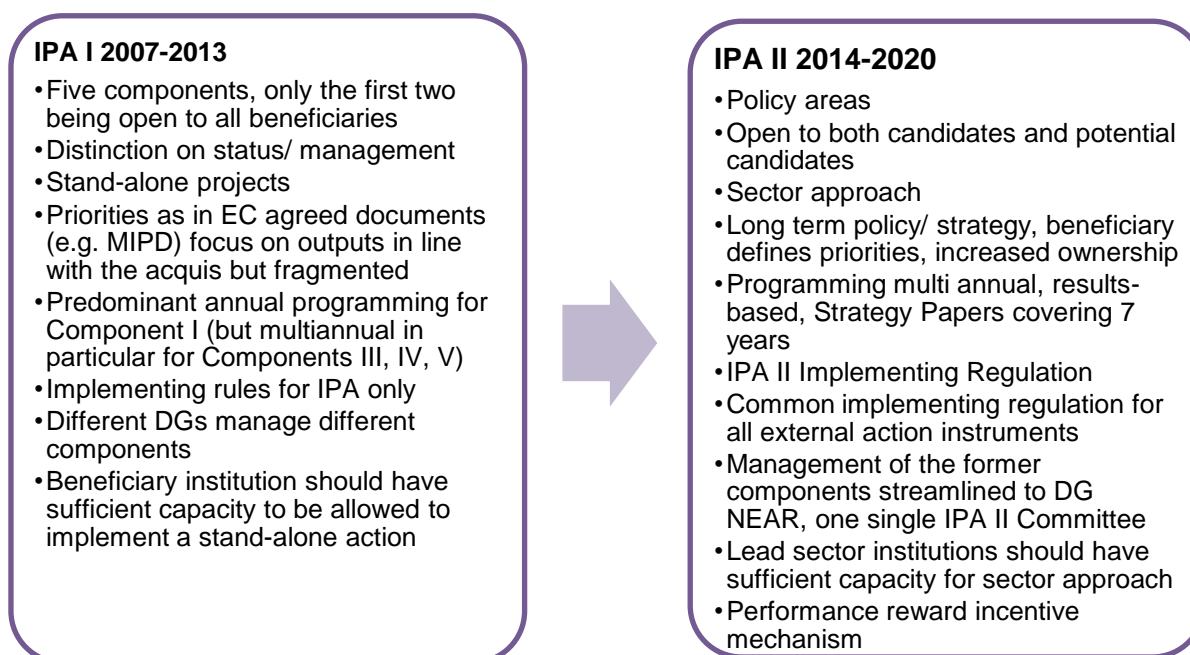
### Box 1            The evaluand

*Compared to other EFIs, IPA II (together with its precursor programmes) represents a distinct instrument both in terms of its purpose and focus and its long term objective – to contribute towards the creation of a united Europe. As a result, its focus is wholly on accession of EU candidate countries and potential candidates and the steps needed for them to move towards this goal. IPA II is directly linked to overall priorities the partners must address in the preparation process to EU accession. Ultimately, EU pre-accession assistance has a finite time duration i.e. till the beneficiary either joins the EU or decides to terminate its accession process. By contrast, other EFIs have fundamentally different objectives typical for development cooperation or strategic cooperation with partner countries. In summary, IPA II stands alone among the EFIs and its very specific character and purpose. IPA II has a budget of 11.7 billion € for the period 2014-2020.*

As of 1 January 2007, EU pre-accession support underwent significant policy reform. Several EU programmes and financial instruments (PHARE, PHARE CBC, ISPA, SAPARD, CARDS and the financial instrument for Turkey) were replaced, to enhance the efficiency and coherence of aid, with one single instrument and legal framework – the Instrument for Pre-Accession Assistance (IPA). **IPA I** offered assistance to beneficiaries engaged in the EU accession process for the period 2007-2013.

The **IPA II** regulation was adopted in March 2014, replacing the 2006 Council Regulation covering the period 2007-2013. IPA II, like other Regulations under the MFF 2014-2020, follows the CIR adopted in March 2014, which simplifies and harmonises rules and procedures for all EFIs with retro-active effect as from 1 January 2014. IPA II sets a new framework for providing pre-accession assistance for the period 2014-2020. It targets reforms within the framework of pre-defined sectors which cover areas linked to the Enlargement Strategy (democracy and governance, rule of law, growth and competitiveness). The main features of IPA II (based on the IPA II Regulation but also comprising key aspects not formally required by the Regulation) compared to IPA I are outlined below.

Figure 1 Main features of IPA II compared to IPA I



The below table shows the **IPA II national indicative sector allocations** planned for **2014-2020** (2014-2017 for Bosnia and Herzegovina).

Table 1 IPA II national indicative sector allocations based on ISPs (2014-2020)

IN MILLION EUROS	ALBANIA	BOSNIA & HERZ.	KOSOVO*	FYR of MACEDONIA	MONTENEGRO	SERBIA	TURKEY
1. Democracy & governance	223.5	31	111.3	123	46.9	278	956.5
2. Rule of law & fundamental rights	97	33	123	83	52.3	265	624.9
3. Environment & climate action	68	/	/	113	37.5	160	644.6
4. Transport	56	/	/	113	32.1	175	442.8
5. Energy	/	/	100	/	/	125	93.5
6. Competitiveness & innovation	44	63.8	133	73	21.2	105	345
7. Education, employment & social policies	69	38	94.2	53	28.1	190	435
8. Agriculture & rural development	92	/	79.7	106	52.4	210	912
9. Regional & territorial cooperation	MULTI-COUNTRY	MULTI-COUNTRY	MULTI-COUNTRY	MULTI-COUNTRY	MULTI-COUNTRY	MULTI-COUNTRY	MULTI-COUNTRY
<b>TOTAL</b>	<b>649.4</b>	<b>165.8</b>	<b>645.5</b>	<b>664</b>	<b>270.5</b>	<b>1508</b>	<b>4453.9</b>

2014-2017 ONLY

Source: DG NEAR, Programming overview

This evaluation is being implemented between June 2016 and June 2017, with an Open Public Consultation (OPC) taking place between February and April 2017.

This evaluation report comprises two volumes. Volume 1 begins by outlining the approach and methodology of the evaluation as well as challenges and limitations. Secondly, the Intervention Logic (IL) is presented. This is followed by the findings of the evaluation which are the answers to the Evaluation Questions (EQs) – including analysis of the information collected under each Judgment Criterion (JC). Finally, this report contains conclusions and recommendations. The main text is backed by Volume 2, offering a series of Annexes, including a more detailed analysis of certain aspects or providing background information.



## 2 Methodology

### 2.1 Key methodological elements

The evaluation of IPA II is evidence-based. The EU evaluation criteria (relevance, effectiveness, efficiency, added value of the EU, coherence, consistency, complementarity and synergies, as well as leverage) have been applied as an underlying basis. The evaluation questions (EQs) from the Terms of Reference have given rise to a number of JCs and associated indicators. The evaluation is indicator-based.

For all EQs, data collection included a mixture of **desk review** of documents, **semi-structured interviews** in Brussels by phone or face-to-face, as well as **field visits to all seven IPA II beneficiaries**. All information is **triangulated** to the greatest extent possible. This includes validation of data through cross-verification from more than two sources. Moreover, it includes, to the extent possible, supplementary data collection methods – from statistics, interviews, observation – to generate and test the findings.

An **Intervention Logic** (IL) that has been reconstructed plays a key role in explaining how and why IPA II programming is expected to bring about the desired results and impacts. It provides the basis for demonstrating to what extent, and in what ways, the programming is intended to make a difference in achieving the intended instrument level objectives.

### 2.2 The intervention logic

During the inception phase, the evaluation team elaborated the **intervention logic of IPA II** on the basis (i) of the provisions of the IPA II Regulation (“faithful” IL) and (ii) of the recent (since 2014) developments in the context and the implementation of the Instrument (“reconstructed” IL); in addition a “faithful” IL for IPA I (2007-2013) has also been elaborated. The IL defines the *impact, outcomes, outputs, activities* and *inputs* contributing to or resulting from the implementation of IPA II (through its actions). These correspond to the different sequential levels necessary to bring about the desired results as defined by the IPA II Regulation. The analysis of the IL is complemented with the identification of the assumptions (the necessary and positive conditions) required for the realisation of the causal relationships on which the IPA II IL is built. The analysis for the determination of the approach to be followed in the present evaluation and of the specific judgement criteria (JC) and indicators to be used under each evaluation question (EQ) was logically based on the reconstructed intervention logic of IPA II.

During the desk and validation phases that followed, rich information was collected and processed about all aspects of the Instrument, its implementation context, the approach, methods, means/ tools used for the organisation of its implementation, the progress achieved so far, etc. Considering all of the above, the reconstructed intervention logic of the IPA II was re-examined twice at the end of each of these phases, aiming at updating it or modifying it to better present the causal links and explicit/ implicit assumptions underlying the logic of the Instrument today.

In general, it was found that the reconstructed IL remains very relevant; the additional information collected during the desk and validation phases has not presented any different policies/ approaches/ priorities than those considered when the reconstructed IL was prepared (inception phase); the logic and the links between the IL levels remain as they were; therefore only minor corrections and a small number of additions were deemed necessary to improve its clarity mainly concerning the inputs, outputs and assumptions (those related to the links of the activities with the outputs). The resulting **new “refined” IL** is presented in Figure 2 below.

As can be seen, IPA II has the overall intention of contributing to the sustainable development of the beneficiaries (**impact**) by promoting European values, policies and standards including where appropriate the *Acquis Communautaire* with a view to membership; this particular political aim makes the IPA II instrument rather specific compared to the other EFIs. In addition, the Instrument focuses on pre-accession reforms, including for example Rule of Law, in the beneficiaries.

The achievement of this overall objective (impact) will be based on the achievement of a number of **outcomes** at both country and “regional” (multi-country level) such as: political reforms, strong civil institutions and functioning public administration, economic, social and territorial development at national level and “regional” integration and cooperation and social acceptance.

The existing situation analysis, as found in most of the ISPs, has determined the focus of the IPA interventions and the types of **outputs** to be produced by IPA II actions: Policy reforms, approximation of laws, strengthened national capacity to implement the *acquis* and infrastructures are the main types of outputs to be produced. In addition, socio-political developments in the wider area of IPA II have required the implementation of actions not originally foreseen, such as actions for the management of the refugees’ crisis. Practically, at the implementation phase, the *outputs* at Instrument (IPA II) level will be the sum of the outputs of all the actions which are implemented with the financing of IPA II.

**Activities** can contribute to one or several outputs at the same time. Also, the interaction between activities and outputs can be dynamic during implementation. At instrument level, the activities comprise the programming, implementation, monitoring and reporting activities of all stakeholders involved; at the same time the activities at instrument level are the sum of the activities implemented under each of all actions financed by IPA II.

The **inputs** required for the implementation of the activities, the production of outputs and the contribution to outcomes and impacts comprise the IPA II budget, the involved human resources (of all stakeholders), the organisation schemes and tools (e.g. the MIS) used, political inputs (EU’s and beneficiaries’ political dialogue, and bilateral/ multilateral commitments), technical inputs (mainly EU’s know-how, instruments and resources) and (implementation) time (2014-2020). At the implementation phase, the inputs at instrument level comprise all inputs used for the implementation of all the actions financed by IPA II. The total available funds of IPA II coupled by other donors’ and national funds are expected to suffice for the achievement of the anticipated results, due to the (participative) way the IPA II actions are elaborated, its gradual programming (through Annual Action Programmes) and the gradual de-concentration of the implementation responsibility to entrusted local stakeholders.

The **assumptions/ preconditions** are presented at each level of the IL they mainly refer to. They are necessary for going from one level to the immediate higher one (e.g. an outcome can be achieved when corresponding outputs have been produced and at the same time a set of assumptions/ preconditions are existing). The assumptions of the lower level are just logical assumptions elaborated by the evaluators on the basis of the content of the level they refer to; the assumptions of the higher levels of the IL (i.e.: outputs => outcomes and outcomes => impacts) come directly or indirectly from the IPA II Regulation. This Regulation does not explicitly present preconditions/ assumptions for the implementation and achievement of the results of IPA II, however it provides them indirectly<sup>5</sup>. As a policy document it is initially considered that it (even indirectly) provides an adequate framework of assumptions for the implementation of the IPA II. It should also be kept in mind that IPA II is addressing needs of candidate countries and potential candidates that want to become members of the EU and they need to improve their status (social, financial/ economic, state capacity, legal, etc.), which will allow them to properly function in the competitive environment of the EU and follow the same values of the EU like the other member states; therefore the IPA II Regulation does not need to introduce “technical” preconditions/ assumptions which would create a proper environment for IPA implementation. In addition, the already existing practices of different management modes and of the accreditation/ entrustment<sup>6</sup> of the competent national authorities provide already a “safe” framework for

<sup>5</sup> For example, in Article 4, para 2 it says that “... Assistance shall be differentiated in scope and intensity according to needs, commitment to reforms and progress in implementing those reforms...” This can be interpreted in the assumptions that the beneficiaries have the political will and are committed and take measures to implement the needed reforms.

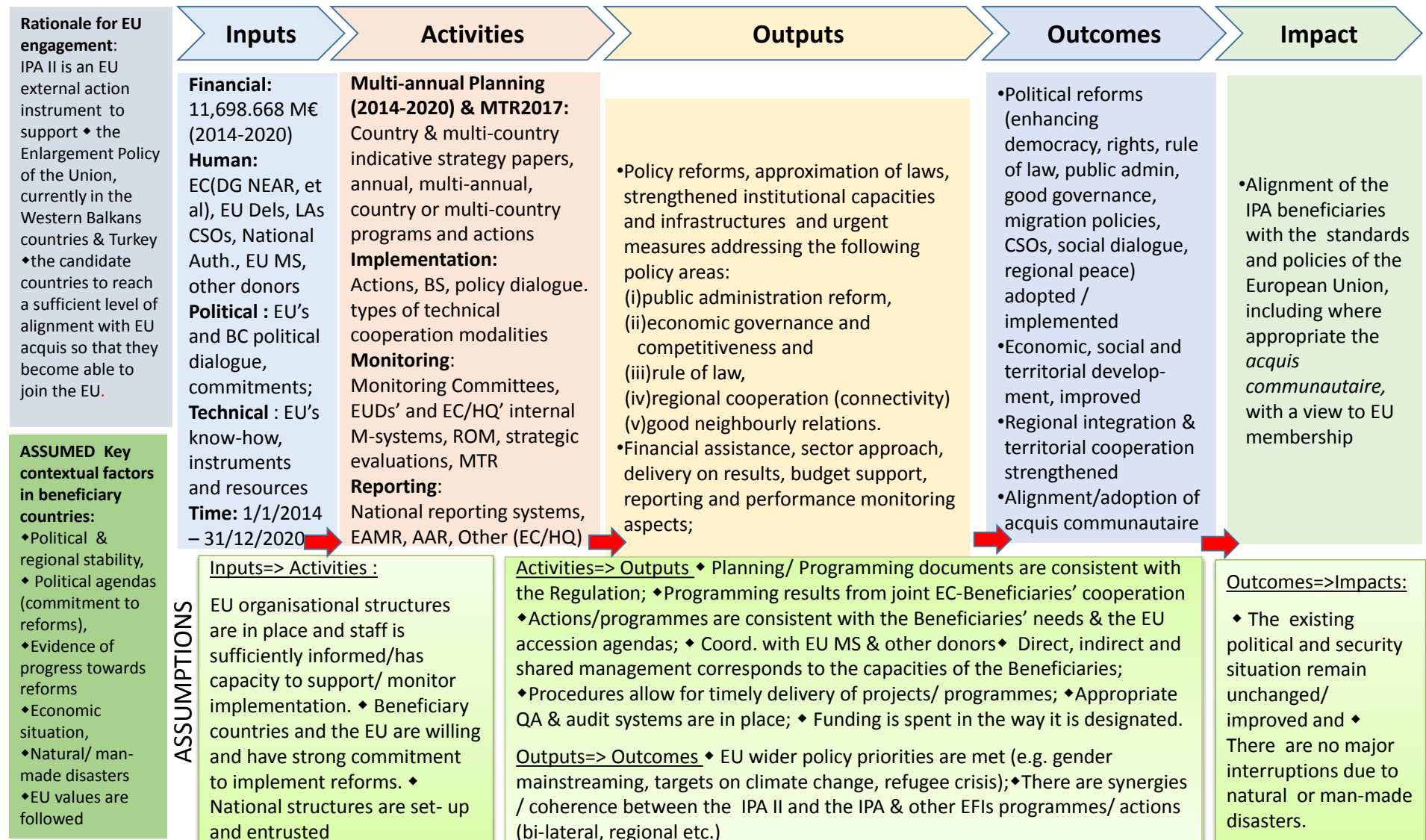
<sup>6</sup> “Entrustment” (in the period of IPA I the corresponding term used was “accreditation”) is the processes of: (i) development by the IPA II beneficiary of its capacity (including implementation, control, auditing and publication

good management of the IPA II implementation. Finally it should be kept in mind that IPA is one of the EU external policy instruments (the “EFI package”) which as a whole are used for the implementation of the EU external policy all over the world and that the implementation of all these Instruments are guided by a Common Implementation Regulation (CIR) providing common management practices for all these Instruments.

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systems and tools) to manage EU funded Actions (under the indirect management mode) by respecting the principles of sound financial management, transparency and non-discrimination and ensuring the visibility of IPA II assistance; and (ii) auditing and approval of the existence of this capacity, by the National Authorising Officer (NAO) and the EU.

Figure 2 Refined intervention logic of IPA II



## 2.3 Challenges

The main challenges of the evaluation were time and resources, which resulted in risks related to access to data, documentation and availability of key respondents. These risks presented significant challenges to the evaluation team when conducting the desk review and field missions during the validation phase. The evaluation team counterbalanced the risks by being highly flexible especially when gathering information. Countering the risks demanded considerable efforts from the team but ultimately they did not compromise the foundations of the evaluation findings. The quality of the collected evidence (documentation, interviews, data and survey results) for this evaluation can be overall assessed as good, demonstrating a satisfactory degree of confidence regarding the various findings of this evaluation.

## 3 Responses to the evaluation questions

This section presents **answers to the evaluation questions** (EQs) – including analysis of the information collected under each Judgment Criterion (JC). The data collected and analysed under each indicator is provided in Annex 1 of the evaluation report. The key aim of the evaluation report is to answer the ultimate question – is the instrument fit for purpose, namely to prepare candidate countries and potential candidates for EU membership.

The findings presented below are based on the analysis of available documentation and interviews carried out in Brussels with DG NEAR, other DGs and EEAS representatives, as well other actors such as the European Court of Auditors, the European Investment Bank, the European Parliament, EU Member State (EU MS) representatives in the IPA II Committee et al. These findings have been complemented and validated through interviews with IPA II stakeholders in all the seven beneficiaries (National Authorities, EU MS Agencies/ Embassies, International Financial Institutions – IFIs and International Donors, Civil Society Organisations – CSOs, et.al), interviews at EU Delegations (EUDs) and collection of additional documents and information.

### 3.1 EQ 1 on relevance

**To what extent do the overall objectives (IPA II Regulation, Article 1 and 2) and the design of the IPA II respond to:**

- **(i) EU priorities and beneficiary needs identified at the time the instrument was adopted (2014)?**
- **(ii) current EU priorities and beneficiary needs, given the evolving challenges and priorities in the international context (2017)?**

**Summary:** The overall objectives, design and size of the budget of IPA II respond to EU priorities and beneficiary needs, in line with the primary aim of preparing candidate countries and potential candidates for EU membership. Strategic relevance of EU pre-accession support has been considerably improved, also in terms of being a specific policy enabling instrument. IPA II puts strong emphasis on structural reforms as the basis for the accession process. The programming of IPA II also reflects the reality of the current stage of the overall accession perspective, considering the individual beneficiaries' progress in fulfilling the accession criteria. Often IPA II builds directly on the achievements made by the forerunner programme. The sector approach appears to be understood by stakeholders in some sectors, in others this is still evolving. Here, programming along sectoral lines is still in transition.

**Findings:** Overall, and among other EFIs, IPA II is seen as one of the important EU actions for supporting the 2030 Agenda and the Sustainable Development Goals. IPA II is also in line with the principles of the EU Global Strategy which sets out the EU's core interests and principles for engaging in the wider world.

According to the IPA II Regulation, pre-accession assistance has to be provided in line with the Enlargement Policy framework. The planning of the IPA II assistance is summarised in the individual Strategy Papers. All the reviewed papers fit into the broader context of the basic Enlargement Policy documents, such as the European Partnerships and Accession



Partnerships which present the EC's overall enlargement policy, as well as the Annual Enlargement Packages. The objectives of IPA II are directly reflecting the overall EU Enlargement Strategy. Links are properly set in all Indicative Strategy Papers.

The overall objectives and the design of IPA II are in line with the EU priorities and beneficiary needs. With the introduction of IPA II in 2014, the strategic relevance of EU pre-accession support has been considerably improved. The 2015 Enlargement Strategy is focusing on those areas in which all IPA beneficiaries face severe challenges. Consequently, IPA II puts strong emphasis on structural reforms as the basis for the accession process.

The programming of IPA II also reflects the reality of the current stage of the overall accession perspective, taking into account the individual beneficiary's progress in fulfilling the accession criteria. IPA II recognises the differences among countries and regions, and specific priorities that individual recipients define but under the single policy framework of IPA II. Logically, current priorities of e.g. Montenegro and of Turkey in the same sector are quite different. IPA II manages to recognise this and adjust to it in line with the given stronger strategic orientation.

Strengthening the rule of law, including the fight against corruption and organised crime, good governance and public administration reform, as well as economic governance and competitiveness are identified by the IPA II Regulation as key challenges in most of the beneficiaries, and have been identified as the three fundamental priorities of the Enlargement Strategy by the Commission. The requirement to deal with such "fundamentals first" has been reflected in the current generation of programming documents. Needs and policies of beneficiaries, as identified in (draft) national development plans and/ or sectoral strategies are also fully recognised by IPA II as the basis for programming.

Clear links between the actual stage of EU accession and the IPA II strategy papers are evident for each of the beneficiaries. Country-specific differences are clearly spelled out in the related strategy papers. Taking into account their significant sector relevance, the quality of documents for sector approach planning leaves some room for improvement. Based on the documents seen by the evaluators, the move from the project-based programming approach towards true sector programming is still very much in transition. The sector approach appears to be understood in some sectors (for instance transport, agriculture and rural development), whereas in others it is still evolving.

In key sectors where continuity from IPA I to IPA II has been ensured, the previous planned actions also potentially benefit from the high strategic orientation of IPA II. Often IPA II continues directly on the achievements made by the forerunner programme (as demonstrated by IPA II actions (in particular, building and strengthening of beneficiary institutions) that build directly on results of Component I under IPA I<sup>7</sup>). IPARD, and to a slightly lesser extent IPA cross border cooperation, demonstrate a strong degree of continuity in terms of overall intervention approach. Thus, there is good potential for complementing and increasing the sustainability and impact of IPA I interventions. The management of the former IPA Components III (regional development) and IV (human resources development) has been taken over by DG NEAR from DG Employment and DG Regional Policy for the current programming period (2014-2020), ensuring also continuity in these policy areas. Also, there is some effort to continue with the achievements made under IPA I, e.g. by promoting the same or similar sector policy objectives or to continue with local beneficiary institutions that developed their capacities already under IPA I.

The overall objectives and the design of IPA II have been able to respond to the given evolving challenges and priorities in the international context. Flexibility in the case of emerging actions (reaction to floods, refugees) can be noted, reassuring that the instrument also has the potential to promptly react to evolving challenges and new priorities in the international context. The key to flexibility has been the introduction of special measures (in line with CIR provisions), which can be adopted in the event of unforeseen and duly justified

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<sup>7</sup> IPA I Components: I) Assistance for transition and institution building; II) Cross border cooperation; III) Regional development; IV) Human resources; V) Rural development.

cases. This can be considered as adequate in cases where a rapid reaction on an unforeseen crisis situation is highly wanted.

### **3.1.1 JC11: Strategic congruence/divergence of IPA II objectives and design against the EU enlargement strategy**

The IPA II Regulation stipulates that IPA II financial assistance should be provided in line with the enlargement policy framework, taking into account the overall Enlargement Strategy and the annual enlargement package of the EC, as well as of the relevant Council conclusions and resolutions of the European Parliament. Planning of IPA II assistance is spelled out in the individual Strategy Papers, representing the EU's strategy for the use of IPA II funds in each beneficiary (I-111).

All the reviewed Strategy Papers fit into the broader context of the basic Enlargement Policy documents, such as the European Partnerships and Accession Partnerships, the annual Enlargement packages which present the EU's overall enlargement policy, as well as the Annual Reports. Links are properly set in all Indicative Strategy Papers (ISPs). The country and multi-country ISPs are fully in line with the aims of the Enlargement Strategy, the need to address "fundamentals first" and to focus directly on the governance and the rule of law; and competitiveness and growth pillars; and public administration reform. Agriculture and rural development programmes under IPA and IPARD, available for IPA II beneficiaries, promote, among others, social inclusion, poverty reduction and economic development in rural areas and directly contribute to increased competitiveness of the assisted beneficiaries, in line with the aims of the Enlargement Strategy, demonstrating also that the instrument is principally fit for purpose (I-111).

### **3.1.2 JC12: IPA II focus of programming reflects the recent shift of the enlargement strategy towards the three fundamental pillars (i.e. rule of law, economic governance and competitiveness and public administration reform), in terms of priorities and modalities of intervention and planning of reforms**

Strengthening the rule of law, including the fight against corruption and organised crime, and good governance, including public administration reform and competitiveness (including agriculture and rural development) are identified by the IPA II Regulation as key challenges in most of the beneficiaries. The IPA II approach is clearly focusing on the fundamentals – the rule of law, economic governance and competitiveness and public administration reform – as requested by the 2015 Enlargement Strategy (I-121 and I-122).

The way these challenges are being addressed by the instrument is coherent with the stage and extent of the reform in each specific beneficiary/ sector (I-123). Where basic strategies are missing, those are to be addressed first. The absence of comprehensive sector strategies remains a particular challenge when preparing IPA II assistance in Bosnia and Herzegovina (including the planning of sector budget support). Despite some recent improvements, such as the development of a country-wide sector strategy for transport, adherence to the sector principles is still limiting the full deployment of IPA II (interviews with stakeholders). Where the EU accession process is advanced, subsequent stages of relevant reforms are planned. As a novelty in pre-accession assistance, IPA II introduces sector budget support as a further option for implementing pre-accession support. In line with the provisions of the Enlargement Strategy, the use of budget support should allow more leverage for those policy reforms (in particular addressing "fundamentals") that have been delayed or neglected by many IPA II beneficiaries in the past (I-124). First evidence suggests that budget support indeed is triggering more inclusive dialogue structures, creating also space for more informed policy dialogue between the stakeholders.

### **3.1.3 JC13: IPA II responds to the beneficiary needs and progress towards accession of the beneficiary countries**

All country-specific IPA II strategy papers demonstrate a clear relation to the actual stage of accession (I-132). Country-specific differences in terms of political, economic and social aspects, etc. are clearly spelled out. Policies and measures are in line with the national strategies, particularly their more recent updates. The identified disparities are addressed in

the strategy papers, either by revising/ developing these strategies or by freezing IPA assistance in the related area until satisfactory compatibility has been reached (I-131). Sector approach planning aims at assessing the degree of readiness in relation to the sector approach and at planning and sequencing of IPA II Actions. The quality of the used documents is still variable but also their current status as “unofficial” working documents leads to different interpretation in respect to their actual value, varying from recipient to recipient (I-132).

Beneficiary needs and priorities are identified in National Development Plans and sector strategies. The national strategies are in line with the IPA II strategy and with programming documents (I-132).

The introduction of sectoral operational programmes (SOPs) under IPA I components III, IV and V in Turkey, the former Yugoslav Republic of Macedonia and later Montenegro created a basis for the sector approach in these countries. Where the managing authorities and Operating Structures under IPA I have acquired sufficient experience of programming, implementing and monitoring IPA support at a sector level using multi-annual funding, these skills are being deployed for IPA II (I-133).

Some flexibility for emerging actions (reaction to floods, migration) can be noted. For instance, in 2014, a major intervention was contracted supporting the registration capacity of the Directorate General for Migration Management as well as its service delivery capacity to Syrians under temporary protection in Turkey. The Special Measure for the 2014 flood relief in Bosnia and Herzegovina created an emergency response, highly appreciated by the affected population. As a side benefit, this Measure also allowed the reduction of some of the financial backlog from IPA I and to tap at the same time 2014 IPA II funds, pooling them into coherent action (interviews with stakeholders). The EU Regional Trust Fund in Response to the Syrian Crisis (MADAD Fund) can be regarded as an example of flexibility and of capacity to mobilise significant funding from different sources, including also IPA II means.

IPA beneficiaries are becoming increasingly aware that EU assistance cannot be expected for measures which are not in line with the agreed strategies and priorities. IPA II puts more emphasis on an inclusive programming process, compared to its forerunner, demonstrated in particular by a stronger involvement of the civil society in the IPA II programming processes at country level (I-131).

### 3.2 EQ 2 on effectiveness, impact, sustainability

**To what extent does IPA deliver results as compared to the instrument's objectives, and specific EU priorities?**

**Summary:** IPA II support is in principle fit for purpose for delivering effective and sustainable results. This is due to several factors – firstly it is well aligned with the Enlargement Strategy and the bulk of funds are concentrated in the IPA II priority areas. This represents a sound basis for IPA II actions to contribute to wider programme objectives. Secondly, IPA II has also promoted significant stakeholder engagement in programming and in most IPA beneficiaries is underpinned by sound policy dialogue, both of which should strengthen ownership of results. Furthermore, IPA II has already generated several important indirect effects linked to the introduction of the sector approach to programming and budget support. Direct effects at programme or country level are not yet apparent due to the stage of implementation of most IPA II assistance. Several challenges also remain to be addressed. For instance, DG NEAR's capacity to mainstream horizontal themes into IPA II programmes is still uneven. Furthermore, the use of multi-annual programmes with split commitments (MAP) has been deployed only sparingly and sector monitoring remains underdeveloped.

**Findings:** Prospects for IPA II effectiveness and impact are predicated on the existence of several key elements. One of these is a clear concentration of funds in priority areas that are consistent with programme objectives and aligned with the Enlargement Strategy. The evaluation has found that both of these are in place. A strong concentration of IPA II funds is evident on the specific objectives of political reforms and economic, social and territorial development. This constitutes around three quarters of all IPA II allocations. A close alignment between EU Enlargement Strategy and IPA II support (both national and multi-



beneficiary programmes), particularly in the area of institution building is also evident. Here a substantial portion of the IPA II funds is devoted to institution building in the sectors of Democracy and Governance and Rule of Law/Fundamental Rights. These are at the core of the 'Fundamentals First' principle that underpins IPA II programme rationale.

Another key element is the existence of mechanisms to support programming and delivery of assistance. The sector approach discussed in EQ1 has generally facilitated this improved thematic coherence. Secondly, the introduction of budget support offers considerable potential for a more efficient and effective delivery of IPA II assistance and its transformation of results. In addition, these two innovations have generated some important indirect effects.

The sector approach demands a new way of thinking among those institutions responsible for its programming and delivery. Although it is still in a transition stage as regards its full implementation, documentary evidence confirms that this approach has indeed moved IPA II towards a greater focus on sector level change by concentrating funding on key sector reform priorities. Feedback from stakeholders has been uniform in that the sector approach has changed the mentality of many programmers in DG NEAR, EU Delegations, NIPACs and Sector Lead Institutions (SLIs) away from the project-based, input-output philosophy that often prevailed under IPA I. It has also contributed to a better analytical appreciation of the importance of linking IPA II support to national sector policy as well as making the factors that underpin the success or failure of IPA II support more explicit. Evidence from the field also shows that these changes have yet to penetrate down to all IPA II beneficiaries, and also that they are not present to the same extent in all candidate countries and potential candidates. Nevertheless this represents an important indirect effect of IPA II. Budget support explicitly addresses key elements of political reforms and demands a complex set of preconditions to be met. Thus its introduction has inter alia demanded greater policy dialogue not only between the EC and IPA beneficiaries, but also among IPA beneficiary institutions involved in its delivery. The meeting of the eligibility preconditions requires significant administrative and/ or legislative changes and also the existence of a credible PFM reform programme. All of these effects are observable in those IPA countries that are now introducing budget support. Both these new elements are reported to have been a catalyst for shifts in the philosophy of using IPA within both DG NEAR and the IPA II beneficiaries, especially in the Western Balkans i.e. a greater results-orientation in programmes, closer strategic alignment between national and IPA strategies. These can be considered a major indirect effect of the instrument.

As yet there are very few direct effects stemming from IPA II support at programme level. This is due to the fact that much of the assistance under IPA 2014 has yet to complete implementation and the bulk of IPA 2015 assistance is still being contracted. Some individual actions are reportedly nearing completion but in terms of systemic change, nothing can be reported. Likewise, the impact of IPA II at this stage is not evident and any assessment of impact prospects would be unduly speculative. A key condition for impact is the existence of strong policy dialogue between the EU and IPA II beneficiaries, particularly linked to political reforms. This is evident in most IPA II beneficiaries although not all.

The Centres of Thematic Expertise (CoTE) and other thematic cells (dealing with gender and Roma) created within DG NEAR offer considerable potential for more effective mainstreaming of key horizontal themes in IPA programming. However, the extent to which they can be proactive in this role is conditioned by their capacities, which are not always optimal.

National authorities with IPA I support have been expected to increase their capacities for the effective programming of IPA II – this implies greater ownership as it requires resources and political support to implement. One indicator of this is the quality of the programming documents. Here, significant variances among beneficiaries are clear, from good to poor. The high level of stakeholder involvement in the programming of the IPA II should, in principle, also engender greater stakeholder ownership and thus impact and sustainability. The extent to which this will happen in practice remains to be seen once the first annual programmes come to an end and their results become evident. Instead of bringing clarity to the sector programming and acting as a useful tool for tracking sector performance, the current approach for sector planning documents has generated considerable confusion

among IPA II stakeholders. There is now a risk that they will be gradually abandoned as programmers devote their resources towards the AAPs. Also, the possibility to deploy more widely multi-annual programmes with split commitment (MAP) has not, as yet, been fully explored (see also Relevance section 3.1.3). Furthermore, the evaluation gained an insight into two Sector Operational Programmes (SOPs) in Turkey. In the case of IPARD, the size of the administration that backs up the delivery of the programme is evidently a crucial factor in its effectiveness. For the EESP SOP, the quality of the programming documents and monitoring arrangements has been offset by difficulties in using DIS due to staff capacity.

Finally, although it has experienced changes of institutional responsibility within the EC and its administrative structure has been streamlined in the beneficiaries, CBC under IPA II will remain largely unchanged in its focus and basic functioning (from the perspective of the final beneficiaries). CBC is recognised as being a complex instrument that beneficiaries need time to become accustomed to. Given this, continuity makes sense and augurs well for its future effectiveness, i.e. it should continue to be used by an increasing number of experienced beneficiaries that constitute a 'programme/project pipeline'.

### **3.2.1 JC21.1: IPA actions contribute towards actual political reforms**

Currently there are very few significant direct effects stemming from IPA II in terms of political reforms (I-211.3), although it has leveraged indirect effects thanks to the process of its introduction (see section 3.6). What is clear is that IPA II funds are closely focused on the two main programme sectors dealing with them (Democracy and Governance, Rule of Law and Fundamental Rights) receiving between a third and half of total indicative allocations in the CSPs (I-211.1). The Multi-Country Programme (MCP) also channels a proportion of its funding allocation towards areas linked to political reforms (I-212.3). Furthermore, budget support explicitly addresses key elements of political reforms – its eligibility criteria require administrative or legislative adjustments in the beneficiary, including the existence of a credible PFM reform programme. These are important indirect effects. Budget support has started or is soon due to start in Albania, Kosovo<sup>8</sup>, Serbia and Montenegro and there IPA support links directly to the reform efforts of these governments. Where commitment or capacities for reform are less evident (Bosnia and Herzegovina, the former Yugoslav Republic of Macedonia), or there is a lack of interest in this introduction (Turkey) budget support is unlikely to appear in the near future (I-211.2).

This trend is also demonstrated in the IPA II beneficiaries' commitment to improved governance, democracy and the respect of human rights. Documents such as the ISPs indicate that all IPA beneficiaries are formally committed to these issues via adoption of human rights conventions and national strategies/ legislation enshrining these principles in law. On the other hand, there remains a gap in terms of their implementation. Serious problems are noted in governance and democracy in the former Yugoslav Republic of Macedonia and especially Turkey, where many fundamental rights have been under pressure for some time from the Government (I-211.4).

### **3.2.2 JC21.2: IPA actions contribute towards actual economic, social and territorial development**

In the areas of economic, social and territorial development, IPA II demonstrates good alignment in programming priorities and funding allocations both within national programmes and also through the MCP. This represents a solid basis for the planned effects to be achieved. In specific terms, all CSPs devote a substantial portion of the IPA II budget to economic, social and territorial development actions (including IPARD), varying from 45% in the former Yugoslav Republic of Macedonia to 26% in Albania. This indicates strong programming alignment with a central pillar of IPA II assistance. The CSPs and (multi-) Annual Action Programmes (AAPs) also indicate that all beneficiaries have actions that aim to reach the economic, social and territorial development requirements of IPA II. Variances

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<sup>8</sup> (\*) This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence.

are observable in terms of their level of preparedness but in general, all IPA beneficiaries aspire to improving their economic and social performance using IPA II. IPA II support has also been allocated for the development of Economic Reform Programmes in all the beneficiaries. These are considered one of the main tools for promoting improved economic governance in the IPA II beneficiaries (I-212.2). There is evidence that IPA beneficiaries have undertaken measures to improve environmental management, although this is attributable only to IPA I (and only partly). Under IPA II (primarily Sector 3) financial allocations via MAAPs are in two countries (Turkey, the former Yugoslav Republic of Macedonia) and via AAPs in Serbia, Montenegro and Albania. Bosnia and Herzegovina and Kosovo have no dedicated allocations to this area although planned investments in the energy sector for the latter should have an indirect environmental benefit. Evidence suggests that in IPA II beneficiaries, more ambitious and better coordinated environment and climate policies still need to be established and implemented (I-212.6). The actions planned under IPA II should, if properly implemented, contribute to this.

There are numerous MCP actions including interventions supporting economic, social and territorial development. This support targets areas that cannot be addressed by national IPA programmes, which represents an adjustment in the programme focus from IPA I. Both the 2014 and 2015 AAPs for the MCP have been contracted. Due to implementation modalities used, however, according to DG NEAR staff, few actions have reached a stage of delivery where effects could be observed (I-212.5). Due to the early stage of implementation of IPA II actions, there are few effects at country or programme level in these areas.

### **3.2.3 JC21.3: IPA actions contribute towards strengthening of beneficiary capacities at all levels to fulfil the obligations stemming from EU membership**

There is a mixed picture regarding cooperation on the preparation, implementation and monitoring of IPA II both internally and with the EUDs. These capacities are key pre-requisites for ensuring that IPA II beneficiaries will be able to fulfil their obligations stemming from EU membership upon accession. Collaboration appears to be most developed in Montenegro, Albania and Serbia. Kosovo still lacks capacity but cooperation is moving forward. Bosnia and Herzegovina remains well behind due to its largely dysfunctional institutional setup and lack of political consensus (the recently established EU Coordination Mechanism may help improve this state of affairs). The former Yugoslav Republic of Macedonia remains hamstrung by weak capacity and the institutional paralysis caused by the long-standing political crisis. Turkey cooperates well in some areas but in other key ones, collaboration is less smooth (I-213.1).

Conferral of management with the beneficiary country (IMBC) is understood as being an indication of a beneficiary's capacity to effectively manage IPA II funds as well as also supporting IPA beneficiaries in their preparations for the implementation and management of cohesion funds upon accession. Progress towards its introduction in IPA beneficiaries varies from recipient to recipient. The former Yugoslav Republic of Macedonia received the Decentralised Implementation System (DIS) in 2009 under IPA I but its accession negotiations have never started. Under IPA II direct management is being reintroduced only in some sectors due to serious efficiency problems. Turkey has the bulk of IPA I & II funding under IMBC but this also experiences serious efficiency problems. Montenegro has advanced well in accession but is only now working with IMBC. Serbia and Albania are in similar positions. In both Kosovo and Bosnia and Herzegovina, IMBC is not on the table yet (I-213.2). All NIPAC offices in all IPA II beneficiaries have weaknesses with respect to their new role under IPA II and their systems. An important feature in all beneficiaries is the setting up and functioning of the Monitoring Committees but further important elements linked to data access, collection and analysis are largely absent. Recent guidance issued by DG NEAR on programme and sectoral monitoring has gone some way to clarifying these arrangements, but there remains scope for further development (I-213.3).

### **3.2.4 JC21.4: IPA actions contribute towards strengthening regional integration and territorial cooperation (IPA II regulation Article 1 and 2)**

The assessment of IPA II's contribution to these effects is based on the conditions put in place to ensure their achievement, as there are no sectoral or programme level effects to report at present. The overall picture from the programming perspective is broadly positive. IPA II is financing via the MCP regional structures and networks to the value of 134.5 million € (I-214.1). There are various multi-country agreements and initiatives although there is no clear picture of the extent to which these enhance collaboration across the Western Balkans Region due to their various stages of implementation and very diverse focus (I-214.2). Of these, the WBIF was identified as a particularly valuable measure (I-214.3).

### **3.2.5 JC21.5: IPA actions contribute towards institution building at national and regional levels**

The evaluation found that there is close alignment between the EU Enlargement Strategy and those IB actions programmed under IPA II (I-215.1). Thus, assuming efficient implementation, planned effects in terms of improved institutional performance have a good chance of appearing over time (although currently they are not yet evident at programme level). Despite the fact that IPA II does not explicitly aim to create new institutions as such, it has nevertheless required the development of new structures in order to properly programme and implement it. These are now in place in all IPA beneficiaries as appropriate (I-215.3). In those countries where IPA I components III, IV and V were implemented, these institutional structures remain in place and are being adapted to manage IPA II funding. Evidence suggests that until now, the Regional School of Public Administration (ReSPA) has not fully maximised its potential to support institution building in the IPA II beneficiaries (I-215.4). TAIEX assistance has been mobilised both on multi-country and bilateral levels through IPA II (I-214.4) and will continue to function largely as under IPA I, which is positive.

### **3.2.6 JC21.6: IPA actions contribute towards improving cooperation and good neighbourly relations among CBC partners**

All IPA beneficiaries are participating in CBC programmes funded under IPA I & II. CBC IPA II programmes with EU member states remain coordinated by DG REGIO, whilst the remainder fall under DG NEAR (I-216.2). The most recently available data show that of funds allocated since 2014, some 24% has been contracted and only 9% paid (I-216.1). Thus as elsewhere, effects at country or programme level are not yet evident. Feedback from stakeholders and programme documentation indicate that CBC will largely continue in the same way as under IPA I. There have been some adjustments to implementing structures (e.g. Montenegro, Serbia) and to programmes with EU MS, but the basis of CBC under IPA II will be as before. This is considered to be positive, given that stakeholders placed heavy emphasis on the need for continuity to allow the complex structures and procedures to work as best possible.

### **3.2.7 JC22: IPA II mainstreams EU policy priorities (e.g. gender, climate change) and other issues highlighted for mainstreaming in the instrument Regulation (IPA II Regulation, preamble), CIR.**

The IPA II regulation places strong emphasis on ensuring that IPA funds are effectively used to target so-called horizontal issues. These include gender, climate change, environment, minorities, people with disabilities, LGBT groups, although this list is not definitive. This has posed a challenge in programming about how best to mainstream these themes into IPA II actions. Within DG NEAR the creation of CoTEs and the establishment of advisers/ focal points on Roma and gender issues offer substantial potential to ensure that mainstreaming can be done as part of the IPA II programming process. They also provide specialist insight into key areas which IPA II programmers in country desks and Delegations often lack, so they offer the chance to further strengthen the relevance and effectiveness of IPA II-funded actions.

The extent to which they can play a more proactive role in programming IPA II is largely conditioned by their capacities, which vary. Some, such as the public administration reform



(PAR) CoTE, are well resourced and able to very actively participate in the preparation of budget support actions, promote the PAR principles as a basis for IPA II programming, etc. However, not all CoTEs and similar ‘units’ linked to Roma and gender are as well resourced. Small staff numbers and relatively limited knowledge of IPA II mean in several cases they are reduced to providing comments to the Action Document (AD) fairly late in the programming cycle. Whilst this has some value, it provides only limited possibilities for the CoTEs and other units to influence the final shape of the AD. Their earlier engagement in the programming process, as well as regular engagement with programmers in the IPA beneficiaries to increase their awareness of horizontal issues, would increase their overall effectiveness but this is again conditioned by their staff and financial resources. Other measures to further promote mainstreaming are reportedly to be introduced in the near future to ensure gender issues are adequately integrated into their design. These should, if used properly, improve the quality of design of actions and strengthen their effectiveness. However, this also implies additional workload in programming (I-222).

Finally, with DG REGIO and DG EMPL no longer substantively engaged in the IPA II environment, there will be a need to put in place specialist knowledge within DG NEAR to deal with the often complex actions developed under IPA II sectors previously covered by these DGs. Without this, these actions will place a significant additional strain on the capacities of the EUD and DG NEAR HQ staff dealing with them (I-241).

### **3.2.8 JC23: IPA II promotes aid effectiveness through coordinating assistance, partnership and ownership (IPA II Regulation, Preamble and Article 5)**

National authorities have, with EU support, increased their capacities for the effective programming of IPA II. Budget support, where introduced, has been programmed via a rigorous process and captured in sector reform contracts. These represent a more focussed and robust foundation for the delivery of IPA assistance that is aligned both with national budgets and any other donor inputs into the sector in question (I-234). Examples of participation and building ownership by national authorities and other stakeholders include self-assessment by the national authorities using the sector approach assessment criteria, donor coordination meetings, involvement of CSOs at the national and local level (the level and extent of their engagement evidently varies from recipient to recipient) and in different stages of the process, and sector working groups composed of different stakeholders (I-233).

In recent years, the EC as well as other donors and the national authorities have spent considerable efforts in the development of management and control structures for coordinating donors. These consist of forums at either sector or national level that are in principle led by the national authorities, usually in collaboration with the EC. IPA does not generally fund these structures but many were established with some support from earlier pre-accession funds. Based on the information provided in the Third Interim Evaluation of IPA Assistance, the extent to which these forums are effective and indeed function varies substantially between beneficiaries and over time. This is also the case for their alignment with other structures (including national sector coordination mechanisms) where these exist (see also JC41, JC54). The evaluation identified several shortcomings, such as duplications and the existence of informal parallel mechanisms of communication between donors and sector stakeholders, although evidence from the field phase suggested that in general such problems were not common (I-232).

As noted elsewhere, the deployment of IMBC reflects both existing implementation mechanisms (Turkey) and also a differentiated approach to each IPA beneficiary depending on its readiness to efficiently and effectively manage IPA II under indirect management (see JC21.3) (I-231).

### **3.2.9 JC24: IPA II programming and implementation processes are conducive to effective actions (IPA II Regulation, Article 6-15)**

Implementation constraints inherited from IPA I can be found in the majority of IPA II beneficiaries and are related mainly to a lack of administrative capacities and procedures within the beneficiary institutions charged with programming, contracting and implementation (I-241). As regards programming capacity, as noted previously, the sector based approach

has positively influenced the overall engagement of stakeholders allowing them to express concrete actions to be considered under IPA II. Nevertheless, the extent to which this has been translated into more effective and sustainable sector-based actions is largely dependent on the capacity of institutions dealing with programming of IPA II (as well as the support they receive from CoTEs, plus the very important assistance from with SIGMA for PAR and PFM reforms). These indigenous capacities vary notably from recipient to recipient and sector to sector. Evidence suggests that institutions with experience from programming IPA I components III, IV & V or which have a long-established track record of IPA programming have the necessary and better capacities to achieve this (I-244).

Multi-annual programmes with split commitment (MAP) offers the flexibility in programming to respond to IPA beneficiary needs, sequence actions over a longer time period and to plan IPA II usage more strategically. It also offers efficiency benefits by reducing transaction costs. Despite this, the evidence is that it has been deployed sparingly – indeed MAPs exist only in Turkey and the former Yugoslav Republic of Macedonia and in those sectors that were previously covered by component III, IV and V of IPA I. Otherwise, annual programming of actions remains the norm. Reasons for this reticence to use MAP in other sectors among IPA beneficiaries are not uniform, but seem to be rooted in established practice (annual programming perceived as the ‘devil one knows’) as well as concern over large amounts of funds being potentially subject to last minute contracting and the risks linked to this (e.g. high workload, possible loss of funding allocations). Evidence from the IPA I MAPs suggests that the benefits can outweigh the risks (HRD Operational Programme and IPARD I in Turkey are good examples) and if managed carefully, can deliver benefits over the usual annual approach (I-243).

In those countries with DIS under IPA I (former Yugoslav Republic of Macedonia, Montenegro and Turkey), significant delays in contracting assistance has hampered efficiency and reduced its effectiveness (and in the case of former Yugoslav Republic of Macedonia, it has been one of the factors in re-introducing direct management mode). IPARD in Turkey has been least affected by this, thanks largely to the very significant staff complement (some 1900) available for its implementation. These delays remain in these countries’ IMBC system and are now negatively affecting IPA II implementation. For those countries now introducing IMBC, these challenges will need to be effectively met. Fortunately, unlike DIS countries, they have not inherited a significant contracting backlog from IPA I so this should not (at least initially) seriously hamper the effectiveness of planned assistance (I-241).

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 country 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 national 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).

### **3.2.10 JC25: The performance reward system introduced by IPA II allows improving the achievement of IPA II objectives**

One of the new provisions of the pre-accession assistance regulatory framework for 2014-2020 (IPA II) relates to the introduction of a performance reward. It aims to provide a financial incentive for the IPA II beneficiaries by rewarding particular progress made towards meeting the membership criteria and/ or particularly good results achieved in efficient implementation of pre-accession assistance. The performance element is not pre-allocated. The allocation will be set at the level of the instrument overall and its level will need to strike the right balance between "being enough" to represent a real incentive, and "not being too much" so as not to affect predictability and sound programming. An annual amount of up to 10% of the total annual IPA II allocation will be potentially available. The performance reward will be considered for the first time in 2017, and again in 2020 (I-251).

The basis for the methodology of the performance reward will be the 'IPA II Performance Framework' that has been set up by DG NEAR and which provides the general context for monitoring and reporting in the context of IPA II. The system as such represents a novelty although it remains to be seen how it will work in practice and how effective it will be in incentivising effective use of IPA II. IPA beneficiary feedback suggested uncertainty over the transparency of the methodology to be used and the objectivity of the assessment, particularly for 2017, given the limited amount of actual performance results from IPA II that will be measurable by then (I-252).

### 3.2.11 JC26: IPA II has the flexibility to respond to changing needs (e.g. changed policy priorities, changed contexts)

According to the IPA II regulation, EU assistance can be targeted and adjusted to the specific circumstances of the beneficiaries, taking into account further efforts needed to meet the membership criteria as well as the capacities of beneficiaries. In addition, the overall flexibility of the instrument to respond to changing needs is very much emphasised, especially in terms of the ability of IPA II to respond flexibly to crises, emergencies or evolving needs (e.g. through reallocations). This has proved to be possible in practice. Three examples have been the response to flood disasters in the Western Balkans in 2014, the smaller scale support to addressing the migration crisis in the Western Balkans and most significantly, the ongoing Syrian refugee crisis in Turkey. In these cases, IPA II funding was quickly reallocated to the affected states as part of a wider humanitarian effort. However, it is important to note that the way in which funds were programmed and implemented eschewed standard IPA II procedures so cannot be considered as generally applicable for wider use of IPA II support. It does however illustrate the flexibility that is built into the instrument for addressing such circumstances. For non-humanitarian purposes, IPA II is less flexible. Programming documents can be revised, although this is backed up by a relatively complex approval process. If IPA II funds are subject to IMBC, assistance is unlikely to be delivered with any great speed (evidence from countries using IMBC suggests it could take up to 7 years from an action being programmed to it delivering any results). Thus, the notion of flexibility is conditioned by other factors which in many cases reduce its effective deployment (I-262/263).

## 3.3 EQ 3 on efficiency

### To what extent is IPA delivering efficiently?

**Summary:** Indicators suggest progress in the EC's administrative efficiency and sound financial management when comparing 2014 with 2015, suggesting also good ability to cope with the current regulatory burden. Operational efficiency is currently still low and behind progress made during the period comparable for IPA I, most notably in national programmes. Due to chronic performance problems in some IPA II beneficiaries, there remains uncertainty about the future of IMBC systems and structures. Efficiency in terms of increased coherence between strategies, approaches and procedures is more positive. The use of sector budget support is building up, the expected efficiency gains in terms of improved sector expenditure and public financial management systems have still to materialise.

**Findings:** In view of some significant changes to how pre-accession support is being programmed and delivered under IPA II, particularly obvious when comparing the Component I of IPA I with the revised provisions under IPA II, the actual extent of administrative and financial efficiency is difficult to assess at this point in time. Principal cost-effectiveness of IPA II is confirmed by an administrative cost ratio in a range of 3-5% for commitments for the EC. Where continuity from IPA I to IPA II has been fully ensured, mostly obvious in IPARD, also the current efficiency gains are more evident. The available indicators suggest progress in the EC's administrative efficiency when comparing 2014 with 2015. As confirmed by interviews there is widespread agreement that operational efficiency in terms of IPA II commitment and payments is currently still low and somehow behind the progress made during the period comparable for IPA I. A direct comparison can be hardly made for most beneficiaries due to the changes from direct to indirect management over time. Overall, IPA II budget execution has a durable basis and sound financial management

has improved between 2014 and 2015 for most of the beneficiaries, based on a review of Key Performance Indicators (KPI). The IPA II EUDs have performed well and without major differences between the EUDs. The EUDs not meeting a particular KPI are mostly close to the given benchmark. The relevant KPI for financial management for DG NEAR is the residual error rate, common to IPA and ENI expenditures. The benchmark stated in the DG NEAR management plan 2016 is 2%. The actual performance in 2015 has been 1.62% in direct mode and 0.91% in indirect mode.

Operational efficiency is also related to the applied management modes and here a direct comparison with the reference period under IPA I is questionable, since direct management was the prevailing intervention modality in those days with the exception of Turkey and the former Yugoslav Republic of Macedonia. Compared to the IPA I period, the number of beneficiaries operating at least partially under the indirect management with the beneficiary country (IMBC) mode has increased to five in the meanwhile. For many policy areas, inefficiencies in the IMBC have generated chronic delays that have accumulated in the system (in particular in the former Yugoslav Republic of Macedonia and Turkey). This is already adversely affecting IPA II programmes. For instance, the delays that are common in IMBC have accumulated in Turkey to a point where over 600 million € of IPA I and II funding is classified as backlog (most significantly evident in the area of Rule of Law).

IPA II allows, in principle, more flexibility in applying different management modes as already demonstrated for instance in the 2014 AAPs. This flexibility is likely to be increasingly applied in the future. For some IPA II countries already operating under IMBC this could also mean a significant departure from the indirect mode, at least for certain sectors or intervention areas due to inherent efficiency problems in most areas where the IMBC is applied. The logic of the sector approach (focus on generating change in priority sectors) is thus compromised by the systemic weakness of the IMBC (focus on the least painful way to implement assistance). There is currently no reliable data available to assess cost-effectiveness of the indirect management mode applied by the IPA II beneficiaries. The principal implication is that for the indirect management mode to function more effectively in the beneficiaries, significantly greater resources are required, which in turn might have also implications for the mode's overall cost-effectiveness (interviews).

As regards the accreditation and compliance of management and control systems under indirect management, the "conferral of management powers" (IPA 2007-2013) now corresponds to the "entrustment of budget implementation tasks" (2014-2020). However, it takes some time for those beneficiaries just entering into the indirect management mode to put in place an effective management and control system. As IPA money can only flow after management powers have actually been conferred, this also contributes to an initially lower absorption rate of financial support.

As concerns efficiency in terms of coherence between strategies, approaches and procedures the picture is more positive. With the introduction of the sector-based approach a major shift in thinking for all stakeholders has been initiated and so it has taken time to get up to speed. Improvements in the programming documents and a better appreciation of what the sector approach looks like in practice are materialising. In addition, increased attention has been given to screening relevance and maturity of proposals, with those not meeting the necessary requirements being deferred to next programming years.

Key stakeholders, notably EC HQ, EUDs and NIPACs understand the process of sector-based programming sufficiently well in the meanwhile. There are certain beneficiaries (such as line ministries) that still have difficulties to cope with the new approach, adversely influencing the efficiency of the programming process. As implementation is just about to start, it remains to be seen if coverage and understanding of roles will be facilitated in a similar way during the realisation and monitoring of the planned actions.

The programming of sector budget support has been a novelty in IPA II, requiring in-depth investigations and long-lasting considerations at planning stage. All these significant changes in the way how pre-accession support shall be programmed and implemented had so far some negative effects on speedy programming and contracting. Substantial progress in implementation is currently expected for mid-2017.



The use of sector budget support has been actively promoted by the EC and is expanding across the Western Balkans. In line with the desired strategic orientation of IPA II, the use of budget support is supposed to increase further in the years to come, which would positively impact on cost-efficiency. Expectations that budget support provides a cost-effective instrument for implementing sector reforms under IPA II have still to be proven in the field. There is still little evidence of the use of larger contracts, which potentially would also improve efficiency of the instrument.

Where budget support is being gradually established, there are first indications that the quality of policy dialogue is likely to increase compared to the time before the introduction of this instrument (e.g. in Serbia and Albania). Intensified policy dialogue is mostly evident within the various national administrations involved in the preparation of the support – as effective cooperation and communication is a requirement already during the planning phase – but also between the EC and the national stakeholders.

A major potential driver for increased efficiency can be seen in the monitoring processes for the measurement of IPA II performance which are being put in place both at EC HQ and beneficiaries. They are not yet fully functioning, as IPA II has hardly entered real action implementation. The setting up of IPA II Sector Monitoring Committees in the beneficiaries involves national stakeholders to a varying extent, in line with the dominant implementation modalities in the particular beneficiary. The indicators of the results framework can be considered as RACER<sup>9</sup> at corporate and strategic level. The assessment of ‘operational’ performance (Level 2 results as stated in the IPA II Performance Framework) shall build on indicators linked to outputs and immediate outcomes. Those Annual Action Programmes and Action Documents seen by the evaluators demonstrate significant variations in quality. Output level indicators pose less of a challenge for definition and as a result these tend to be usable. Much greater weaknesses are evident in the quality of outcome indicators, which often lack elements such as baselines, milestones and targets.

Annual progress reports are being prepared for each of the IPA II beneficiaries in order to verify actual achievements towards accession. The way how these reports can be sufficiently linked to the intended performance framework is being explored by DG NEAR. In addition, a toolbox of further monitoring and evaluation instruments is available in order to assess performance and results at various levels.

Budget support has prompted the preparation of sector reform progress reports by the government, demonstrating increasing capacity in the area of M&E, creating space for more informed policy dialogue between stakeholders and constituting a tool for improving accountability and transparency.

### **3.3.1 JC31: IPA II management is administratively cost effective**

The ratio of spent Commission’s administrative costs to all IPA II costs spent indicates that IPA II is positioned in the middle compared with other EFIs. As concerns the ratio of spent administrative costs to the overall engaged IPA II budget, a comparison of the first two years shows that the ratio has been diminishing (3.6% in 2014 vs. 2.3% in 2015), suggesting also certain progress in administrative efficiency (I-311 and I-312).

However, there is widespread agreement among stakeholders that overall efficiency in terms of actual commitment and disbursement of IPA II funds is currently still low and behind the progress made during the implementation period comparable for IPA I (interviews). This can be attributed to all the time needed to establish the new structures and systems required by IPA II, but also to a prevailing backlog of IPA I funds still to be contracted, particularly in Turkey and the former Yugoslav Republic of Macedonia (I-331).

The re-engineering of DG NEAR and the launch of IPA II resulted in numerous changes, notably assuming new responsibilities for the regional development and human resource development sectors (previous IPA Components III and IV) by DG NEAR, a shift of the responsibilities from the EC HQ to the EUDs which are assuming new tasks, increasing in

<sup>9</sup> RACER stands for relevance, acceptability, clarity, easiness, robustness.

some EUDs the proportion of funds managed under direct management and/ or budget support. The extent to which this additional workload can be counter-balanced with the expected reduction of the number of individual contracts to manage still needs to be seen. In line with the IPA II work arrangements, the EUDs are now more closely involved in taking key decisions on programming and implementation, compared to IPA I. In some EUDs, a workload analysis has been carried out to assess if there are sufficient human resources to timely implement IPA II programmes. Guidance and training on issues such as budget support or performance measurement are currently being undertaken both at EC HQ and in the IPA II beneficiaries (I-323).

### **3.3.2 JC32: Budget execution is efficient**

Progress in budget execution is also related to the applied management modes. Compared to the IPA I period, the number of countries operating at least partially under the indirect management mode has increased to five (Albania, the former Yugoslav Republic of Macedonia, Montenegro, Serbia and Turkey). In 2015 in Turkey, 80% of the funds were indirectly managed, while 10% in Albania. Serbia serves as an example of a country in which the indirect mode is being gradually and conditionally introduced. Overall, an analysis of KPIs is evidencing that budget execution is in line with sound financial management (I-323).

IPA II allows, in principle, more flexibility in applying different management modes. At the moment, however, budget execution is protracted, particularly in respect to national IPA II programmes, which can be mostly attributed to the fundamental changes that were brought in by the sector-based approach but also to the backlog of funds under IPA I that still need to be contracted in many of the IPA II beneficiaries (particularly Turkey and the former Yugoslav Republic of Macedonia).

There is currently no reliable data available to assess cost-effectiveness of the indirect management mode applied by the beneficiary. Anecdotal evidence is that this varies from beneficiary to beneficiary. Serbia has started to conduct a cost-benefit assessment on its current EU funds management structures and capacities, also with a view to improve staff retention policies (I-333). The principal implication is that for the indirect management mode to function more effectively in the beneficiaries, significantly greater resources than now are required, which in turn might have also implications for the mode's overall cost-effectiveness (interviews).

### **3.3.3 JC33: The introduction of sector approach and new aid modalities bring about efficiency in delivery**

Until 2016, the introduction of the sector-based approach has decreased efficiency since it has taken time to get up to speed with the revised approach for programming pre-accession assistance. Where full continuity has been ensured between IPA I and IPA II, such as in IPARD, also efficient delivery has been stimulated. Improvements in the programming documents and a better appreciation of what the sector approach looks like in practice are only now materialising. In addition, increased attention has been given to screening the relevance and maturity of proposals, with those not meeting the necessary requirements being deferred to next programming years. In this context, the programming of budget support as one of the types of financing significant sector reforms has required in-depth investigations and long-lasting considerations at the planning stage. All this has been time-consuming and demanding, requiring considerable resources in EC HQ, EUDs, but also beneficiary institutions. However, the expected efficiency gains still need to materialise and can lead to better effectiveness also (I-334).

EC HQ, EUDs and NIPACs understand the process of sector-based programming sufficiently well by now but in particular the various beneficiaries often face difficulties to comply with the requirements of sector programming. In many beneficiaries, the role and functioning of sector working groups, together with the preparation of a sector coordination mechanism, remain challenging. The EUDs/ NIPACs organise consultations and information meetings with CSOs and the donor community, regarding the preparation of IPA II Programming (in particular through the establishment of Sector Working Groups). As implementation of IPA II national

actions is just about to start, it remains to be seen if coverage and understanding of roles will be facilitated in a similar way during the realisation of the planned actions (I-332).

Budget support has been actively promoted by the EC and its use for supporting sectoral reforms is currently building up, based on defined eligibility criteria. Based on DEVCO experience, implementation through country systems, e.g. budget support programmes, could improve cost-efficiency. According to the IPA II strategic orientation, budget support will possibly increase further in the years to come, which would positively impact on efficient sector expenditure. However, it is too early to assess in detail the extent of cost-effectiveness of IPA II sectoral budget support measures (I-333 and I-334).

For many policy areas, inefficiencies in the implementation system (IMBC) have generated chronic delays that have accumulated in the system. This is already affecting the way how IPA II actions are programmed and implemented. The inefficiencies in the system are increasingly forcing programmers to not think in terms of planned results but in terms of what can be implemented under the given arrangements. The logic of the sector approach (focus on generating change in priority sectors) is thus compromised by the systemic weakness of the IMBC (focus on the least painful way to implement assistance) but also by the prevailing annual programming exercises (I-333).

Perceptions of the beneficiary stakeholders whether all new systems, structures and procedures in the medium term will also increase the “value for money” of IPA II still have to be explored in the forthcoming years.

### **3.3.4 JC34: IPA II monitoring and evaluation system continuously and rigorously measures performances**

Sectoral monitoring systems are being established in all IPA II beneficiaries. The existing IPA monitoring structures are being revised in all beneficiaries in order to better serve the new orientation of IPA II (I-342). Provided the envisaged system for rigorous measurement of performance materialises in all IPA II beneficiaries as planned, the intended focus on results will also positively influence the overall efficiency of IPA II in the longer run.

Sectoral Monitoring Committees (SMCs) are to be formally set up only in the case of former IMBC or IPA II Indirect management. However, field missions to the IPA II beneficiaries 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 (for instance, there are no SMCs set up for Albania and Bosnia and Herzegovina, as centralised management is still the preferred modality). In many cases uncertainty prevails around the proper composition of this forum. Whether the existing Sector Monitoring Sub-Committees (SMSC) under IPA I can be used for this purpose, or whether others, such as Sector Working Groups should be integrated into the SMC model still needs to be explored. Moreover, roles and responsibilities of institutions engaged in the collection, submission, analysis and presentation of monitoring data still need to be defined in detail. The same is true for the resources and tools needed to do these tasks and for sector monitoring strategies that capture all these elements in one document.

Monitoring processes for the measurement of IPA II performance are gradually being put in place (I-341). They are not yet functioning as IPA II has not entered real action implementation (with IPARD Monitoring Committees as a major exception). Performance implies implementation, so the appropriateness of the performance measurement can be only judged once IPA II has entered into substantial implementation. The elements being set up at the moment contribute to a sound performance measurement in a coherent way: review of overall progress in achieving results at the strategic, sector and action levels based on indicators, in addition to monitoring of financial execution, and implementation monitoring envisaged to be conducted by (Joint) Monitoring Committees.

A basic system and hierarchy of strategic and action level indicators is principally existing, allowing to start feeding the monitoring and performance evaluation system (I-343, I-344 and I-345). Regular reporting is expected to be ensured through the MIS.

The assessment of ‘operational’ performance (Level 2 results as stated in the IPA II Performance Framework) shall build on indicators linked to outputs and immediate

outcomes. Those Annual Action Programmes and Action Documents seen by the evaluators demonstrate significant variations in quality. Output level indicators pose less of a challenge for definition and as a consequence these tend to be usable. Much greater weaknesses are evident in the quality of outcome indicators, which often lack elements such as baselines, milestones and targets. Moreover, the link between the action and its subsector (and their related indicators) is not always easy to follow. Monitoring the contribution of actions to accumulated results at (sub)sector level in a country might appear as a challenging task for the respective SMC (I-344).

Besides that, the Result-oriented Monitoring (ROM) and other monitoring and evaluation systems are in place (I-341). At country level, the EUDs prepare the annual External Assistance Management Report (EAMR). (Self)evaluations at project and sector level contribute to some extent to the review of results of EU actions, both at project and strategic level. In addition, the performance reports of the European Court of Auditors reflect external views on the performance of EU assistance.

Overall, the country progress reports provide an annual overview over the beneficiaries' path towards accession. IPA II monitoring of performance shall also be closely linked to the findings and recommendations of the country progress reports. This could help to strengthen the realistic anticipation of performance for both, IPA II and the candidate countries and potential candidates.

### 3.4 EQ 4 on added value

#### To what extent do the IPA II actions add value compared to interventions by Member States or other key donors?

**Summary:** The EU's political influence and leverage allows engaging national authorities/ other donors with greater authority and legal certainty than individual EU MS. Among other important aspects of added value, the EU actively promotes territorial cooperation through IPA. Division of labour as promoted shows mixed achievements for the IPA II beneficiaries. IPA II's added value among the EFI package is clear-cut. Vis-à-vis other EFIs, IPA II is unique in addressing the objective of preparing candidate countries and potential candidates for EU membership.

**Findings:** IPA II added-value refers to subsidiarity, as reflected in the IPA II regulation (with reference made to the principle of subsidiarity as set out in Article 5 TEU).

The EU is by far the biggest donor in the IPA II beneficiaries. Overall, EU support is consistently aligned with actions by other donors, including EU MS and non-EU donors, usually with the EU representing the most significant provider of grant funding.

For EU MS representatives and stakeholders at country level, the EU's unique supranational nature is the key for added value. Its political influence and leverage allows engagement with national authorities or other donors with greater authority and legal certainty than individual EU MS. However, in beneficiaries with whom accession negotiations have not yet started, the added value of the political and policy dialogue between the EU and the beneficiaries is less evident, particularly in the area of rule of law.

Since its creation 20 years ago, TAIEX has established itself as a key policy tool in helping candidate countries and potential candidates meet EU accession requirements as well as a driver for deep and comprehensive reforms in neighbouring countries. 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 countries 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.

IPA II is participating in other donors' actions to a limited extent, which reflects the current landscape of donor engagement in the Western Balkans and Turkey. IPA II national funds are used for some multi-donor funds, both for longer-term programmes and for emergency response actions. The dominant multi donor fund in IPA II is the Western Balkans Investment Framework (WBIF). Taking into account the complexity of the WBIF operational and managerial requirements, particularly the high number and variety of stakeholders and donors (EU, EU MS, International Financing Institutions) that require coordination and agreement, the WBIF represents a relevant and highly important response to the development needs of the Western Balkans region. In terms of added value, it is clear that the majority of WBIF projects would be difficult, or impossible, to finance solely from EU MS government funds. Also, EU MS contribute to the funding of WBIF activities, by pooling their funds with those of EU and IFIs. This gives bilateral funds more leverage compared to what could have been achieved through the only limited bilateral EU MS possibilities.

It is also unique to the EU to actively promote territorial cooperation such as through IPA regional and cross-border programmes. The added value is obvious: Reconciliation and confidence building in the Western Balkans, overcoming of geographical and mental barriers and developing of good neighbourly relations – all these remain key aspects in the process of EU enlargement, addressed solely by EU programmes and not by international or bilateral donors.

As concerns some IPA II beneficiaries, increasing the incentives for coordination and for division of labour with EU MS and other donors, is still needed. The division of labour as promoted in the aid effectiveness agenda and the 2007 Code of Conduct shows mixed achievements despite the fact that it has been strongly supported by the EU in the IPA II beneficiaries. With the departure of most international and bilateral donors and the dominating role of EU grant funding, division of labour is increasingly seen as less of an issue for IPA II.

The EU Regional Trust Fund in Response to the Syrian Crisis (MADAD Fund) is a good example of the EU's capacity to mobilise large amounts of funding from different sources in response to an emerging crisis. The individual budgets, including also IPA II means, put in the joint Trust Fund are significant and allow policy dialogue at a higher level than EU MS bilateral interventions. The MADAD Fund provides also an illustration for effective joint programming undertaken by the EU and other donors, including EU MS.

Already initiated improvements in communication and visibility directly address the need to ensure better the information on achieved policy developments and results of IPA II. An essential point in the revised approach is to assign a pivotal role to the NIPACs for coordination of national stakeholders within the IPA II overall Monitoring and Performance Framework, and to enlarge the overall array of communication and visibility strategy partners.

#### **3.4.1 JC41: IPA II has offered added value, in terms of size of engagement, particular expertise, and/or particular weight in advocacy, when operating in the same field as EU Member States and other donors**

Overall, the EU is by far the biggest donor in the IPA II beneficiaries. For MS representatives and key stakeholders at country level, the EU's unique supranational nature is the key for added value. Providing acknowledged credibility to policy dialogues is another added value of the EU engagement: Its political influence and leverage, together with its financial capacity allows engagement with national authorities or other donors with greater authority and legal certainty than individual EU MS can do. The EU as the biggest donor is leading also the political and policy dialogues in most IPA II beneficiaries and most sectors. Where an accession process is ongoing, this is clearly led by the Commission. Active accession

negotiations can be considered as the strongest instrument of EU policy dialogue and significantly leverage the political and policy development in a particular candidate country or potential candidate (I-412, I-414).

A part of IPA II funding is used for both the twinning and TAIEX initiatives, in which EU MS are actively cooperating, providing administrative and legislative expertise that often can only be found in EU MS. The twinning process aims at establishing sustainable links between the MS and the beneficiary institutions. Whilst these links are not, in general, maintained beyond the life of the project, the use of institutions and individuals directly involved in implementing the policy that is being transferred is a significant added value that, generally, other donors cannot provide (I-413).

Funding of regular regional and cross-border initiatives is a unique feature of EU support and presents significant added-value in itself. IPA II has driven much of the development of the sector approach in beneficiaries but other donors and agencies have made valuable contributions that helped to establish the process (I-413).

The added value of IPA II or investment funds, as demonstrated by the WBIF, is the use of grant aid for infrastructure or investment projects to mobilise additional EU MS donor funds or concessionary loan funds from IFIs.

The size and scope of the EU's information and communications activities (further strengthened under IPA II) provide for another element of added value. Under IPA II, the EU deems the communication activities of the highest importance for obtaining public and political support for reforms geared towards meeting the conditions for EU membership and enhancing the credibility of the enlargement process in the beneficiaries. The EU's information and communication activities in particular aim at providing objective information on the enlargement process, raising public awareness of the EU, encouraging broad public debate about the EU integration process, and emphasising the EU's status as the beneficiaries' main economic partner. It is also evident that the beneficiary governments need to communicate better to their public what the EU accession and membership means. In this context, IPA II emphasises a pivotal role of the NIPACs.

### **3.4.2 JC42: IPA II programming respects EU Division of Labour (focus on the Member States rather than other donors)**

Some beneficiaries increasingly make use of comparative advantages as suggested by the Code of Conduct<sup>10</sup>, particularly at sector level, and try to harmonise procedures. For some beneficiaries, a more active engagement of national authorities would be helpful to improve the actual extent of division of labour. Overall, however, it is noted for all IPA II beneficiaries that the EU has become by far the most significant donor. Therefore, such as in the case of Montenegro, the division of labour is sometimes considered of minor importance (I-422).

The IPA II programming process is regularly coordinated with other donors and EU MS. During the consultation process on indicative strategy papers, donors, as important stakeholders, have given input in their fields of interest and expertise, which helped better coordinate strategic priorities in the beneficiaries. This input has further been taken into account when programming IPA assistance and also through the established sector working groups, which have proven to be important, as many EU MS also provide targeted assistance in specific sectors.

IPA II is participating in other donor's actions but to a limited effect. IPA II national funds are used for multi-donor funds, both for longer-term programmes and for emergency response actions (I-424).

So far, there has been no occurrence of significant conflicts or overlapping between IPA II and EU MS actions (I-424).

Sharing of information and policy analysis (and to some extent joint programming) is obvious in those cases where EU and International Organisations/ IFIs are commonly engaged in one

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<sup>10</sup> As per the Principles of the "EU Code of Conduct on Division of Labour in Development Policy" COM(2007) 72 final, 28-2-2007.



action, for instance through indirect management modes. One example of a jointly prepared and implemented initiative can be seen in the IPA II action “Regional support to protection-sensitive migration management in the Western Balkans and Turkey”, involving EU, FRONTEX and IOM into one coherent action. Other processes of collective programming, jointly involving EU and EU MS, have not been found. This is due to limitations given by different donor programming orientations, procedures, timelines and size of funding for bilateral assistance (interviews).

Previously predominantly donor-led coordination groups now increasingly follow NIPACs’ lead for the programming of assistance (such as in Serbia), however in most IPA II beneficiaries the coordination role of the EUDs is still indispensable (I-423).

### 3.5 EQ 5 on coherence, consistency, complementarity and synergies

**To what extent does IPA II facilitate coherence, consistency, complementarity and synergies both internally between its own set of objectives and actions and vis-à-vis other EFIs?**

**Summary:** Besides IPA II, the European Instrument for Democracy and Human Rights (EIDHR) and the Instrument contributing to Stability and Peace (IcSP) are also active in the Western Balkans and Turkey. IPA II procedures foresee the coordination and the stimulation of synergies with these EU financing instruments. Following the recent introduction of novelties in the IPA II processes (including the sector approach, the sector budget support programmes, the new performance framework, etc.) and the absence of joint programming for the actions of these two EU thematic Instruments with IPA II, such stimulation of synergies is not yet guaranteed. 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. At the same time, the coordination of IPA II with the other donors, the EU lending Institutions (EIB, EBRD, CEB) and the International Financial Institutions (IFIs) which are present in the Western Balkans and Turkey and are implementing actions in the same policy areas with the EU financing Instruments is also not without problems. Evidence indicates continuous efforts from all three key partners (EU, other donors, beneficiaries) to coordinate activities and to programme and implement actions in a way which further strengthens complementarity and synergies under a sectoral approach. In the main, EFIs’ coordination – implemented internally by the EU (NEAR/QC and EUDs) and vis-a-vis the two EFIs– and other donors’ and lenders’ coordination – implemented by a central National Authority with the support of the EUD – are adequate in most of the IPA II beneficiaries. In beneficiaries where the National Authority nominated for donor coordination is weak (e.g. Kosovo) there is still considerable risk of overlaps and gaps, affecting also the coordination of the EFIs.

**Findings:** This EQ refers to IPA II and the other EFIs which are active in the IPA beneficiaries (EIDHR and IcSP), but also to the other donors and lending institutions that complement the actions of IPA II & EFIs.

Being the main EU financing instrument in the candidate countries and potential candidates, IPA II finances actions that are most important for the achievement of specific results in certain policy areas and sectors that are needed by the beneficiaries for the uptake of the acquis, but also to promote their financial, social and administrative development. However, the overall available funds of the Instrument are small in comparison to the real requirements. Therefore, it is imperative that other financing instruments (EIDHR, IcSP), the EU lending organisations (EIB, EBRD), other donors and IFIs which are active in the beneficiaries provide additional funds. This must be done in a coordinated and coherent way in order to serve common objectives and lead to real results.

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 countries 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 former Yugoslav Republic of 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 multi-annual 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.

On the other hand, the EIB is a key financing partner of the IPA II, providing its various banking products (mainly loans and guarantees) either alone or in the framework of wider financing Facilities together with other Financial Institutions and Funds, as is the case of the Western Balkan Investment Framework (WBIF). The EBRD and the Council of Europe Development Bank (CEB), although less active than the EIB, also play a similar role.

In addition to the national and multi-country programmes and actions, which constitute the biggest part of its portfolio, IPA II is participating in the financing of cross-border cooperation (CBC) programmes (with EU MS, with neighbouring countries and between IPA beneficiaries) and transnational cooperation programmes dealing with areas of interest for the IPA beneficiaries (cross-border cooperation, macro-regional strategies). Its contribution complements the financing of the ERDF as well as other EU and International Organisations and IFI funds. The overall portfolio of IPA II for territorial cooperation programmes amounts to 395.2 million € (~3.3% of the overall IPA II budget).

Other active donors in the beneficiaries include a number of EU MS, International Organisations and IFIs. All these donors were invited to cooperate closely at both the strategic planning phase (in DG NEAR) and the programming phase (in the EUDs) of IPA II, thus ensuring also better coherence and consistency. The above-mentioned cooperation has resulted in the active participation of IPA II in special financing facilities and funds (WBIF, EDIF, GGF, RHP, MADAD Fund) as well as in the common financing and implementation of certain stand-alone projects under a sectoral programming. The IPA II funds allocated to these special financing facilities and Funds (not including the stand-alone projects) is foreseen (in the Multi-Country ISP 2014-2020) to be ~15% of the overall IPA II financial envelope.

Evidence indicates continuous efforts from all three partners (EU, other donors, beneficiaries) to coordinate activities and to programme and implement actions in a way which further strengthens complementarity and synergies of all actions implemented in each beneficiary not only among the EFIs but among all active non-national financiers. Donor coordination (including EFIs, IFIs and other International Organisations) in most of the IPA II beneficiaries is adequate. It is implemented by a high-level National Authority, supported by the EUD on the basis of the National Development Strategy and its in-built sectoral priorities. There are still a few beneficiaries where the National Authority designated for donor coordination is weak (in relation to other national bodies and line ministries, mostly evident in Kosovo). As a consequence, there is also a considerable risk of overlaps and gaps.

When implementing the new planning/ programming procedures of IPA II, already a big part of the policy dialogue with the beneficiary is taking place, but before that also internally with

all interested/ involved EU Services (EEAS, DEVCO, line EU DGs, other EU institutions). This dialogue is contributing also to the coherence, consistency, complementarity and synergies both internally in IPA II between its own set of objectives and actions and vis-à-vis other EFIs. As seen in the IPA II strategic orientation and programming provisions, interaction between policy dialogue and implementation of pre-accession assistance is likely to increase in the future.

In addition, the IPA II Management Committee is contributing to aid effectiveness between IPA II and EU MS donors at the strategic level. However, many times it focuses on comitology, technical issues and the rather mechanistic approval of the IPA II annual programmes.

### **3.5.1 JC51: The different IPA II actions are coherent/ complementing with one another (including coherence between bilateral and multi-country 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-country 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 have enhanced roles (I-511 and I-512).

The above novelties have provided considerably bigger competency and responsibility to the National Authorities: On the basis of a multi-annual development strategy and framework of actions with sectoral objectives and priorities, which are prepared by the beneficiary's competent Authorities with the assistance of the EUD, all actions implemented in the candidate country or potential candidate with the financial support of all donors (including the EU and the EU MS) are coordinated and aligned with the purely national actions. This is done through a mechanism and dialogue platform managed by a high level National Authority (the Prime Minister's Office or the Ministry for EU integration, or other) where the leading line ministries are also participating.

In the current period in most of the beneficiaries this system was set up after the agreement of the 2014-2020 IPA II Indicative Strategy Paper. Thus the provisions of the CSP have been incorporated in the National development framework and its sectoral priorities. However, for the identification of the content and other features of the actions and most importantly of the sector budget support programmes, close dialogue between the EU and the competent National Authorities is necessary.

The monitoring of the implementation of all the actions/ programmes of all donors and of the achievement of their expected results (overall and by sector) as well as the decisions on potentially required modifications is under the responsibility of the National Authorities. For the IPA II actions/ programmes, these authorities include also the (IPA II and sectoral) Monitoring Committees. The EU is supporting all these Authorities to properly implement their mandate, while at the same time monitoring the implementation of IPA actions/ programmes with its own monitoring and performance measurement systems.

The whole set-up is well conceived, positively received by all involved stakeholders and (concerning the EU interventions) is considered to provide the needed coherence and complementarity among the IPA II and IPA I actions/ programmes and among the three categories of actions (bilateral, multi-country and CBC).

The coordination with the CBC programmes has also been positively influenced by the taking over of the relevant responsibility by DG NEAR (replacing DG REGIO). However, the degree of coherence/ complementarity of these actions/ programmes cannot be assessed well today, due to the still limited implementation of mainly the bilateral actions. Although coherence and complementarity of the actions to be implemented either as stand-alone bilateral or in the frame of a CBC programme is important to be pursued in their programming phase, real coherence and complementarity is achieved only at the time of the

identification of the specific projects to be tendered, In case of the CBC projects this can be better achieved under the common management with the other IPA projects.

The role of the relevant Monitoring Committees is important for the coordination of the implementation of the actions/ programmes (I-513 and I-514). The actual role they will play in the implementation of IPA II and the effects of their coordinating actions have still to be seen (especially in relation to the implementation of the sector budget support programmes).

### **3.5.2 JC52: IPA II actions stimulate synergies with other EU external action financing instruments**

Being the main financing instrument in the candidate countries and potential candidates, IPA II finances actions that are most important for the achievement of specific results in each beneficiary's policy areas and sectors that are needed for the uptake of the EU acquis but also for the promotion of the financial, social and administrative development of the beneficiaries. However, the available funds are small in relation to the real needs of the candidate countries and potential candidates. Therefore, it is imperative that other active financing instruments provide funds in a coordinated way, so that they are devoted to the implementation of actions that serve common objectives with IPA II and leading to real results; a big number of coordination/ communication platforms provide the basis for the coordination of the actions (I-521). Other EU financing instruments (mainly EIDHR and IcSP) and institutions (mainly the EIB and the EBRD) have been active for many years in the candidate countries and potential candidates, providing grants (EIDHR and IcSP) and loans (EIB and EBRD) for the implementation of specific actions which contribute to: (i) the long-term objective of EU accession; (ii) the financial/ social/ administrative/ territorial development of the Western Balkans and Turkey; and (iii) addressing urgent emergency needs like the floods of 2014 in Serbia and Bosnia and Herzegovina and the problems created by the recent migration crisis of 2015 and 2016 in the former Yugoslav Republic of Macedonia and Serbia. IPA II – addressing practically all thematic areas in the beneficiaries-, implements actions also in the policy areas of EIDHR and IcSP, but is dealing with long-term goals and subjects. In practice, the three instruments do not compete, even though in theory IPA II could implement with its own funds the programmes of the thematic Instruments, but most probably with less success due to the lack of specific knowledge and experience in these policy areas. On the other hand, both thematic Instruments are programming their actions based on detailed country analyses, which can provide the basis for improved complementarity and synergies with IPA II. The planning of these two EFIs is not yet fully exploited by the competent IPA EU services, for reasons relating mainly to different timelines between IPA II planning/ programming activities and the programming of the two thematic Instruments (I-522).

The other eligible EFIs (PI and INSC) are not active in the period 2014-2020 in the IPA II beneficiaries. (INSC has two projects from the IPA I period which are being gradually completed). The CSO/LA programme of the Development Cooperation Instrument (DCI) was eligible during IPA I, but is not anymore during IPA II. This is certainly a loss, particularly for Local Authorities, which in general do not have that many opportunities to implement their actions through EU funding.

IPA II procedures for the planning, programming and implementation of own programmes and actions foresee their coordination and the stimulation of synergies with the actions of all other EU financing instruments, donors and lending institutions through a number of organizational and procedural measures; one of them is the transfer to the EUDs of the responsibility to identify all bilateral actions and programmes in cooperation with the NIPAC/ responsible National Authority (I-524). The introduction of programming, implementation and monitoring novelties in the relevant IPA II processes and the not yet achieved standardisation of their practical implementation, create difficulties in the stimulation of the above synergies (I-522, I-523).



### **3.5.3 JC53: IPA II complements with other EU instruments outside of development and other external policies, notably the EU territorial cooperation programmes and the macro-regional strategies**

IPA II has a specific scope, aiming at achieving specific changes in the beneficiaries to help their way towards EU accession. In this frame, the Instrument aims, among others, at enhancing the beneficiaries' stakeholders' knowledge and capacity for implementation according to the principles, standards and processes of the EU MS. Under this framework, the candidate countries and potential candidates have to gradually uptake and follow/ implement EU policies, and finally participate in relevant programmes and actions. But even during their accession period the beneficiaries should be aware of, uptake/ be integrated with the EU sectoral policies on sectors that can mutually affect them and the EU; such policies refer to the environment, networks (energy, transport, telecoms) but also to human rights, migration, agriculture, fighting organised crime, etc. (I-531).

At a policy development level, the IPA II planning/ programming procedures foresee the coordination with the sectoral policies of the line EC DGs (especially their external dimension), through the participation of these DGs in many competent bodies (QSGs). The adoption of these thematic policies of the EC by the IPA beneficiaries is facilitated through the implementation of relevant IPA II actions, but also further promoted by the approval of big interventions contributing to the development of EU-Western Balkans and Turkey networks (I-535), for the mutual benefit of the IPA II beneficiaries and the EU (I-531). Examples are the energy (electricity/ gas) and transport (TEN-T) networks (I.532). However, the funds used for the implementation of these policies in the EU are not – in general – providing for important (if at all) funds to be used for actions in the IPA beneficiaries. Thus, IPA II plays the major financing role, for attracting additional lending support from IFIs. A special case is the financing of the agriculture and rural development sector which is managed by DG AGRI, exactly as the corresponding “Component” of IPA I (IPARD) was managed (I-538).

The territorial cooperation policy, introduced with the Treaty of Lisbon as part of the EU Cohesion Policy, promotes three types of geographical cooperation among the EU MS and EU neighbouring countries: CBC (at internal or internal/ external borders of the EU), transnational cooperation (targeting larger geographical areas and supporting jointly agreed priorities via a coordinated strategic response, e.g. the Mediterranean Area or the North West Europe or the Adriatic and Ionian programmes) and inter-regional cooperation (I-534).

All relevant programmes and actions are (co)financed by the European Regional Development Fund, managed by DG REGIO (I-531, I-533).

IPA II is also used to support macro-regional strategies – an integrated framework endorsed by the European Council to address common challenges faced by a defined geographical area. This framework enables Member States and third countries located in the same macro-region to benefit from strengthened cooperation contributing to achievement of economic, social and territorial cohesion. Beneficiaries are represented and active in the EU Strategy for the Adriatic and Ionian Region and the EU Strategy for the Danube Region. No new funding is related to the implementation of the macro-regional strategies.

IPA II is participating in the financing of cross-border (EU/IPA and IPA/IPA) and transnational cooperation programmes dealing with areas of interest for the IPA beneficiaries. Its contribution complements the ERDF financing and the financing of other EU and International Organisations and IFIs' funds. The overall portfolio of IPA II for territorial cooperation programmes amounts to 395.2 million € (~3.3% of the overall IPA II budget) (I-536).

The participation of IPA II in the territorial cooperation programmes provides the means for IPA beneficiaries to participate in these programmes and promote their specific interests in the addressed areas and regions.

### **3.5.4 JC54: IPA II complements with interventions of other donors**

The “other donors” in the Western Balkans and Turkey comprise the EU MS, International Organisations and IFIs. All these donors have been invited to cooperate closely at both the planning phase (in DG NEAR) and the programming phase of the national actions/

programmes (under the processes of the new sector coordination mechanism and dialogue platform, presented under JC51). In these processes the invited other donors identify the actions/ programmes they want to finance, by considering also their own goals and available funds. The outcome is aimed to be the best “allocation” of needed actions/ programmes to all donors, in a way that all actions/ programmes complement each-other and allow for the best possible achievement of the expected results at sector and country level. This includes full complementarity between IPA II and the other donors’ interventions.

The cooperation/ coordination of all donors has also resulted in the stronger interest of the IPA beneficiaries in big special financing vehicles (facilities, funds), namely WBIF, EDIF, GGF, RHP, MADAD Fund, etc., as well as in the common financing and implementation of stand-alone projects agreed on an ad hoc basis (I-541). This multi-donor co-financing improves aid effectiveness and furthers the synergies/ complementarity of the donors’ interventions with IPA II.

In addition, indirect management of IPA II funds assigned to other donors/ International Agencies (where it is implemented) contributes to improved efficiency, especially in the cases of understaffed EUDs, although there have been cases of lack of EU visibility in actions implemented by other donors.

The other donors also implement actions through bilateral/ multi-lateral agreements of theirs with the governments of the beneficiaries, just as IPA implements actions through its own sole financing. The coordination of all these actions (at sectoral and overall country level) is an important issue. In some beneficiaries, where risks of overlaps exist, the role of the NIPAC in donor coordination should be reinforced, (e.g. in Kosovo) (I-542).

Evidence gathered points to continuous efforts from all interested sides to better coordinate their activities and programmes and to implement actions which are complementary and synergetic (I-543). In the case of the regional (multi-beneficiary) programmes and actions, the level of donor coordination is defined by their type: donors’ coordination and synergies/ complementarity of ad-hoc multi-beneficiary actions/ programmes with other depend on the same factors as those for the bilateral actions; on the contrary the complementarity and synergies of multi-beneficiary actions/ programmes which are defined and implemented within the framework of regional permanent structures like the WBIF, the trust funds, etc., is secured by the way these structures are functioning: donors coordination is built-in.

The part of the IPA II budget which has so far been engaged in commonly financed actions is substantial: At programming level, the IPA II contribution only to the “permanent” facilities and funds (WBIF etc.) amounts to ~15% of the overall financial portfolio of the Instrument (I-544).

### **3.5.5 JC55: Policy dialogue on financial cooperation under IPA II acts in a synergetic way**

DG NEAR, assisted by EUDs, has the overall responsibility for both the policy dialogue and the determination of programmes and actions leading to results and the achievement of the objectives of the IPA II. These EU authorities are implementing all discussions and negotiations at EC/ HQ level and country level, with the national authorities and other donors active in the candidate country or potential candidate, on all subjects related to the targeted policies and the programming and implementation of country and multi-country actions (I-551).

The new planning/ programming procedures of IPA II include a big part on the policy dialogue. The procedures of planning/ programming are well documented, with a part of these procedures also engaging the EU MS and other donors. Based on the underlying strategic and programming provisions, interaction between policy dialogue and IPA II implementation is likely to increase in the future. Once the expected synergies have materialised, they will contribute to maximising the positive results for both the EU and the beneficiaries (I-552).

Policy dialogue is taking place during the whole life cycle of the budget support programmes. This dialogue is examining all aspects of the sector/ sub-sectors to be included in the budget support (at all levels of the intervention logic), but also the aspects of the implementation of



the budget support content, mainly the expected outputs and results and the timeline for achievement (expressed through a number of indicators). Furthermore, the dialogue goes into the capacity of the implementing authorities and the required technical assistance to be provided through the programme. The structuring, negotiation and agreement of budget support is the field for intense policy and technical dialogue between the EU and the relevant National Authorities; other donors and especially EU MS which are active in the BS sector are also consulted, regardless if finally they will agree or not to participate in the budget support programme). During the implementation of these programmes there is also close cooperation of the competent National Authorities with the EUD for both the monitoring and examination/ approval of needed modifications. The whole cycle of a sector budget support programme (from its conception to its completion) requires dialogue and close cooperation of the EU with the competent National Authorities.

The content of the sector budget support programmes which have been approved or are under examination so far can certainly be considered as contributing to the accession requirements, in parallel to the restructuring and development of the given specific sectors. In general, the National Authorities in the Western Balkans are satisfied with budget support, because they have full control/ responsibility on its implementation. In Turkey, there is no prospect of budget support being introduced due to lack of agreement on its nature and the conditions linked to its introduction

The IPA II Management Committee by its mandate can have a leading role in ensuring that aid complementarity between IPA II and EU MS is maximised at a strategic level. However, feedback from interviews indicated that it instead tends to be focused on comitology, technical issues and on the rather mechanistic approval of the IPA II annual programmes.

### 3.6 EQ 6 on leverage

**To what extent has IPA leveraged further funds and/or political or policy engagement?**

**Summary:** The IPA II instrument is used proactively for supporting negotiations with the governments of the beneficiaries for taking the necessary measures leading to reforms. This includes rewards, but also decommissioning of funds, together with a number of other measures. Evidence suggests a positive assessment as concerns the usefulness of IPA II for increasing the political and policy engagement by the respective beneficiary. IPA II has also managed to create considerable financial leverage. As the biggest source of funding in the beneficiaries, IPA offers a reliable financial basis, where other donors and IFIs (according to their own eligibilities) often provide additional funds for the financing of decided programmes and actions. IPA II provides not only the major financing source of the development programmes of the beneficiaries but is also the major factor in the overall leverage of funds for the implementation of the biggest possible part of the development framework of the beneficiaries.

**Findings:** The IPA instrument, by its scope, design and content, aims at promoting the reforms which are necessary for candidate countries to meet accession criteria and candidate and potential candidates and to align their administrative, economic and social structures and processes to the EU acquis and to develop the real capacity (administrative and judicial structures) in order to be able to function well in the demanding and competitive environment of the EU as a member state.

IPA is used pro-actively for supporting negotiations with the governments of the beneficiaries for taking the necessary measures leading to reforms. This includes rewards, but also decommissioning of funds, together with a number of other measures. Evidence suggests a positive assessment as concerns the usefulness of IPA II for increasing the political and policy engagement by the respective beneficiary. The level of reward depends on the progress the beneficiaries have made, in fighting the resistances of existing interests in the candidate countries and potential candidates, on the evidence of political will and strength of the government to introduce structural reforms and other factors.

The policy discussion platforms which have been created for the coordination of the policies of DG NEAR, the EU MS and other donors are aligned under the new country/ sector

coordination mechanism and dialogue platform (presented under JC51) and have contributed to the coordination and promotion of common policies and to the creation of greater policy leverage also within the beneficiaries.

The IPA II instrument has also managed to create considerable financial leverage. As the biggest donor in the beneficiaries, IPA funds offer a reliable financial basis, on which other donors' and IFIs' funds can be and are attracted. In other words, IPA II consists not only of the major financing source of the development programmes of the beneficiaries but is also the major factor in the overall leverage of funds for the implementation of the biggest possible part of the development framework of the beneficiaries. Financial leverage is mainly and better ensured by special financing vehicles which pool all these different financing sources. Such vehicles are the WBIF, EDIF, GGF, but also trust funds.

The amounts already mobilised by other donors to co-finance IPA II projects are considerable. Detailed data on the overall financial leverage was not possible to be collected in the framework of this evaluation. However, the leverage is assumed to be big. The following two examples provide some relevant magnitude: (1) it has been estimated by the competent EU Authorities that in IPARD I, 1.00 € from the EU has attracted at least 1.60 € from other sources; this most probably will be continued under IPARD II; (2) to date the WBIF has allocated 1.3 billion € to the Western Balkans, out of which 473 million € represent technical assistance and investment grants aimed to leverage 13.5 billion € investments. The major part of these grants (more than two thirds) are IPA (I&II) funds (the other sourcing from EBRD, EIB, CEB and 19 EU MS). The leverage of the provided grants is (foreseen to be) very significant. EU MS have been very active and participate in many of these facilities and funds with bilateral means.

### **3.6.1 JC61: IPA II has been used by the EU for increasing political & policy engagement of the beneficiary countries towards reforms; Ditto for IPA I**

Since reforms are usually difficult to implement, IPA is used as a means of negotiation and support vis-a-vis the government for taking the necessary measures leading to reforms. There are several ways to do so: either based on a reward system, or on negative measures such as decommitment of funds. Many of these ways entail material gain/ loss (money/ infrastructure/ service provided/ etc.), others entail reputational reward and/ or political gain (I-611). The EU has taken many measures and has used many innovations for increasing political and policy engagement of the IPA beneficiaries, such as the sector budget support programmes, the performance reward system, the "Financial cushion"<sup>11</sup> (10%), the upgrading of the role of the National Authorities, but also financial adjustments (I-611). In addition, the EU has used the new sector approach to make intended results more specific and performance more measurable. The concentration of all sectoral policy discussions and programmes' negotiations within DG NEAR and the creation of the CoTEs are further important elements (I-612).

The majority of evidence gathered tends to be rather positive regarding the usefulness of IPA II as a means for increasing political and policy engagement by the government/ state (I-612 and I-613), especially when compared with IPA I.

### **3.6.2 JC62: IPA II has contributed to effective political coordination with MS and other donors for greater leverage; Ditto for IPA I**

The policy discussion platforms which have been created under IPA II and which are used for the coordination of the policies supported by DG NEAR, the EU MS and other donors in the IPA beneficiaries have contributed to increased policy leverage (I-622) in comparison to IPA I. Especially at country level, the meetings of the NIPACs/EUDs with the representatives of the EU MS (Embassies/ Agencies) and other donors are not confined to only programming aspects of relevant actions but are promoting the development of ideas/ solutions and common positions on many political and policy issues to be used in the relevant negotiations with and support of the Government/ National Authorities. The increased frequency and level

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<sup>11</sup> "Financial cushion": An amount (10%) of the overall financial envelope of each beneficiary reserved (not engaged) to be used for immediate actions for emergency situations.

of engagement in the relevant meeting confirms the interest of the participating parties, which is also underpinned by evidence from interviews at HQs. However, in most of the IPA beneficiaries this increased coordination has not yet provided the expected effects due to the weaknesses of the National Bodies/ Authorities assigned with this coordinating work. Although there are many combined efforts of the EUDs, the donors and EU MS, the expected political and policy leverage looks difficult to be achieved, although it is gradually improving (I-621).

### 3.6.3 JC63: IPA II has leveraged (can leverage) additional resources – from national or/and international resources (public and private); Ditto for IPA I

Financial leverage is created in the Western Balkans and Turkey<sup>12</sup> with the help of IPA resources, since IPA II is the biggest external source of funding for all beneficiaries. IPA II has been able to leverage financial resources under special financing vehicles (facilities) which prepare candidate projects and promote their financing to interested financiers; such vehicles are the WBIF, EDIF, GGF as well as EU Trust Funds (like the MADAD Fund for Syria) (I-631).

To date, the amounts mobilised to finance IPA II co-funded projects are considerable and are expected to further increase, since there are many projects/ programmes “in the pipeline” (e.g. under the single project list of the WBIF). Detailed data on the external investments and the contribution of the IPA II beneficiaries (from their national budgets) was not possible to be collected in the framework of this Evaluation (I-632 and I-633). EU MS have been very active and participate in many of these facilities and funds sometimes with substantial amounts (I-634).

## 4 Conclusions

This section presents the main conclusions of the evaluation based on the findings and overall synthesis detailed above. As summarised in the table below, the conclusions cover the main results of the analysis related to:

- Relevance of IPA II and appropriateness of its approach;
- Effectiveness and value added;
- Efficiency and Implementation issues;
- Coherence, complementarities, synergies and leverage;
- Issues specific for Turkey.

Table 2 Overview of the main conclusions

Cluster	Conclusions
1. Relevance of IPA II and appropriateness of its approach	<b>C1.</b> IPA II is becoming fit to deliver the instrument’s objectives – to prepare candidate countries and potential candidates for EU accession. The sector approach is facilitating the IPA II instrument to attain its objective of preparing candidate countries and potential candidates for EU membership. The sector approach has clearly improved the strategic focus of IPA II over its predecessor. Where IPA II sectors and national sectors coincide and have clear homogeneity, coherence is evident and promises improved performance. In more heterogeneous sectors this coherence is currently less obvious, with programming documents still lacking a true sectoral focus. Several aspects of the sector approach have been introduced under IPA I (components III, IV and V). Continuity in these areas under IPA II is assured and builds on its successes such as multi-annual

<sup>12</sup> The leverage effect in Turkey is very small since IPA support is proportionally small when compared to the size of national investments in the same sectors. IPA contributes to leverage for the development of the relevant sectors where there is an overlap with Turkey’s priorities.

<i>Cluster</i>	<i>Conclusions</i>
	<p>programming. Overall, the sector approach is still in a transitional phase. Time will be needed for it to be fully understood and operationalised by the key stakeholders.</p> <p><b>C2.</b> The current arrangements allow for the 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.</p>
<b>2. Effectiveness and value added</b>	<p><b>C3.</b> Indirect effects are noted in the approach now being taken by DG NEAR, EUD/Os and IPA beneficiary staff towards programming IPA II assistance. In those areas not exposed to a sector-type approach under IPA I, after a slow gestation period, there is an appreciable change in the mentality away from input/ project approach to a more strategic, results-oriented approach. Budget support has been a catalyst for institutional changes in those countries (e.g. Serbia, Montenegro, Albania) where it is being delivered. It also has enhanced political and policy dialogue between both the EC and beneficiaries, as well as within the beneficiary institutions involved in budget support. Direct effects are not yet observable at programme level. Added value in terms of size of engagement, political weight and advocacy is clear for most beneficiaries.</p> <p>The ability to programme using the sector logic is influenced by capacities in programming and the (non-) existence of national sector policies to link to. Capacity is also a critical factor in implementing IPA II efficiently and effectively.</p> <p><b>C4.</b> Uncertainty prevails among IPA beneficiaries (and even EUD/Os) over the sector approach planning – beneficiaries have struggled to produce sector documents of good quality, also in the absence of sufficient guidance from the EC; their value is not clearly understood and the approach taken to their adoption has varied from recipient to recipient. With the main focus now on programming Action Documents (ADs), there is a need for a clear, shared understanding between the EC and IPA II beneficiary institutions over the sector approach planning and the individual documents' status and use going forward.</p> <p><b>C5.</b> The introduction of the CoTEs, in principle, is a valuable innovation to ensure the integration of horizontal themes into the programme as well as to improve relevance and effectiveness of IPA II. Their performance is dependent on their capacities, which vary among CoTEs. Where this is strong (and they are supported by strategic partnerships such as SIGMA) their added value is clear. Integration of horizontal themes into programming in-country is hampered by the time available in the programming cycle for consultations with external stakeholders (e.g. CSOs) and also their capacities to constructively engage in the process.</p> <p><b>C6.</b> Overall, the intended efficiency gains have still to materialise. Evidence from IPA I shows that the introduction of the indirect management mode with the beneficiary country (IMBC) is a mixed blessing. It offers improved ownership of the programme among beneficiaries but overall efficiency in most cases suffers compared to direct management. This is principally linked to the capacity of the</p>

Cluster	Conclusions
	partner institutions involved in its delivery. This is a reality that needs to be recognised for IPA II and managed strategically.
<b>3. Efficiency &amp; Implementation issues</b>	<p><b>C7.</b> Sectoral monitoring committees are required under the IBMC. Although guidance on how to conduct sector level monitoring is now in place, it remains incomplete, with significant uncertainty in IPA beneficiaries on how to transform this concept into practice. This uncertainty needs to be addressed promptly. Only in those recipients where IPA I components III, IV and V have been running is there experience of sector monitoring, much of which is positive. Lessons from these could and should be learned.</p> <p><b>C8.</b> Indicators of the Performance Framework can be considered adequate. Weaknesses in the quality of indicators in country programmes and ADs remain. This is also due to the lack of capacity of the country/ sector systems to produce, collect and analyse data appropriate for this level as well as late arrival of EC guidance.</p>
<b>4. Coherence, complementarity, synergies and leverage</b>	<p><b>C9.</b> The novelties of IPA II (sector approach, sector budget support programmes, new performance framework, etc.) contribute to the coherence and complementarity of the IPA II actions in each beneficiary, between the bilateral and the multi-country and CBC IPA II actions, and between the IPA II and IPA I actions. In parallel, these novelties provide the frame (sector approach, budget support) for synergies among at least the bilateral actions and for increased policy and financial leverage.</p> <p><b>C10.</b> Complementarity of IPA II with the actions of other EFIs active in the candidate countries and potential candidates (mainly EIDHR and IcSP) is good but not secured. This results mainly from the thematic character and the programming approach of these Instruments in relation to the geographic character and the programming approach of IPA II. 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><b>C11.</b> Donor coordination is largely satisfactory in most of the IPA II beneficiaries. Where this is not the case, poor (sectoral and overall) coordination can affect the success of IPA II implementation. In the current IPA II period the EU is promoting the coordination of donors to be fulfilled by a National Authority (NIPAC office, other high level body) with the support of the EUD/O, as needed. However, in some beneficiaries, where risks of overlaps exist, the role of the NIPAC in donor coordination should be reinforced (e.g. in Kosovo).</p>
<b>5. Issues specific for Turkey</b>	<p><b>C12.</b> 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 national 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</p>



<i>Cluster</i>	<i>Conclusions</i>
	<p>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.</p> <p><b>C13.</b> Inefficiencies in the IMBC are evident for many IPA II policy areas and have generated chronic delays that have accumulated in the system. This is already affecting the IPA II programmes' relevance and influences their effectiveness. In the absence of other implementation modalities there is little prospect of this improving.</p> <p><b>C14.</b> Critical factors in influencing effectiveness and impact for IPA II in Turkey are:</p> <ul style="list-style-type: none"> <li>• The sub-optimal efficiency of the IMBC in many policy areas that is unlikely to significantly improve under current conditions.</li> <li>• The relatively limited scale of IPA II funds comparative to national budgets. In most (but not all) sectors, IPA allocations are small compared to national funding so effectiveness and impact is unlikely to be large unless targeted in areas where results are realistically achievable. This situation hampers development of impact indicators, as well.</li> <li>• The existence of a stable consensus between the EC and Turkish institutions which underpins policy dialogue. This is not currently evident across the board. Where this is weak, the effectiveness, impact and sustainability of IPA results is likely to be compromised. Conversely, where it is good, potential for delivering planned benefits is much better.</li> <li>• The current accession perspective for Turkey feeds into widespread uncertainty over the value of IPA II in the country.</li> </ul>

## 4.1 Cluster 1: Relevance of IPA II and its approach

### 4.1.1 Conclusion 1

IPA II is becoming fit to deliver the instrument's objectives – to prepare candidate countries and potential candidates for EU accession. The sector approach is facilitating the IPA II instrument to attain its objective of preparing candidate countries and potential candidates for EU membership. The sector approach has clearly improved the strategic focus of IPA II over its predecessor. Where IPA II sectors and national sectors coincide and have clear homogeneity, coherence is evident and promises improved performance. In more heterogeneous sectors this coherence is currently less obvious, with programming documents still lacking a true sectoral focus. Elements of the sector approach have been de-facto established under IPA I (components III, IV and V). Continuity in these areas under IPA II is assured and builds on its successes such as multi-annual programming. Overall, the sector approach is still in a transitional phase. Time will be needed for it to be fully understood and operationalised by the key stakeholders.

*This conclusion is based mainly on EQ 1.*

IPA II is becoming fit to deliver the instrument's objectives – to prepare candidate countries and potential candidates for EU accession. The sector approach to programming has improved the strategic focus of IPA II over its predecessor. The overall objectives and the design of IPA II are in line with the EU priorities and beneficiary needs in order to prepare



them for EU membership. With the introduction of IPA II in 2014, the strategic relevance of EU pre-accession support has been considerably improved. Where IPA II sectors and national sectors coincide and have clear homogeneity, coherence is evident and promises improved performance.

In more heterogeneous sectors this coherence is currently less obvious, with programming documents still lacking a true sectoral focus. This is particularly evident in relation to those sectors such as Democracy and Governance and Fundamental Rights and the Rule of Law, which contain several large 'sub-sectors' such as Home Affairs. The complexity of such sectors, containing a wide range of institutions and potential actions poses a challenge to programmers when maintaining sectoral coherence, particularly where those programmers are not experienced in this approach. Those sector planning documents and 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.

The introduction of sectoral operational programmes (SOPs) under IPA I components III, IV and V in Turkey, the former Yugoslav Republic of Macedonia and later Montenegro created a basis for the sector approach in these countries. 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.

#### 4.1.2 Conclusion 2

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.

*This conclusion is based mainly on EQ 2.*

IPA II offers a tool box of programming instruments. Multi-annual programme approaches (such as SOPs) have been successful in the past for certain IPA I components (III, IV and V). Also, the current programming guidelines give space for applying MAP, however, their use is limited to the continuation of certain programmes started under IPA I Component III, IV and V. Experience from the first programming rounds under the sector-based approach shows that annual programme cycles are not conducive enough for timely transposing sector planning into effective actions. The current focus on annual programmes has increased work in volume and much is done in a hasty manner against tight deadlines. Also, as programming exercises are conducted annually, this places additional demands on staff and financial resources which, however, is not always reflected in the quality of programming documents.

## 4.2 Cluster 2: Effectiveness and Value Added

### 4.2.1 Conclusion 3

Indirect effects are noted in the approach now being taken by DG NEAR, EUD/Os and IPA beneficiary staff towards programming IPA II assistance. In those areas not exposed to a sector-type approach under IPA I, after a slow gestation period, there is an appreciable change in the mentality away from input/ project approach to a more strategic, results-oriented approach in those institutions not exposed to a sector-type approach under IPA I. Budget support has been a catalyst for institutional changes in those countries where it is being delivered. It also has enhanced policy dialogue between both the EC and beneficiaries, as well as within the beneficiary institutions involved in budget support. Direct effects are not yet observable at programme level. Added value in terms of size of engagement, political weight and advocacy is clear for most beneficiaries, supporting also the instrument's fitness for purpose.

*This conclusion is based mainly on EQ 2 and EQ 4.*

There is substantial anecdotal evidence to suggest that IPA II has positively influenced the thinking of programmers in the IPA beneficiaries (both within beneficiary institutions and also the EUD/Os), as the sector approach pushes them to consider national sector policy objectives as the starting point of their programming of IPA II in order to prepare them for EU membership. This more conceptual approach to programming, prioritising sector level change over discrete projects is already observable in EUDs and some Sector Lead Institutions (SLI) but will take time to work its way through to all the institutions involved in the programming process.

The eligibility criteria linked to BS have pushed the IPA beneficiaries to introduce changes in important areas such as public financial management. The intensive engagement between the EC and IPA beneficiaries on the introduction of this complex mechanism has enhanced the quality of policy dialogue between the Commission and their IPA counterparts. Also, budget support has been a catalyst for improved policy dialogue within IPA beneficiary institutions dealing with its preparation and delivery (e.g. between Ministry of Finance/Treasury and SLIs responsible for the Sector Reform Contracts).

Due to the slow contracting process in IPA beneficiaries, only a limited amount of IPA II actions are under implementation. These have yet to generate any observable direct effects at programme level. Contracting of the multi-beneficiary programmes has moved forward more quickly. These programmes are centrally managed, so their contracting is quicker but also more resource intensive at HQ level.

The EU's political influence and leverage allows to engaging national authorities/ other donors with greater authority and legal certainty than individual EU MS. Among other important aspects of added value, the EU actively promotes territorial cooperation through IPA.

#### **4.2.2 Conclusion 4**

Uncertainty prevails among IPA beneficiaries (and even EUD/Os) over the sector approach planning – beneficiaries have in many cases struggled to produce sector planning documents of good quality, their value is not clearly understood and the approach taken to their adoption has varied from recipient to recipient. With the main focus now on programming ADs, there is a need for clarity over the sector approach planning status and use going forward.

*This conclusion is based mainly on EQ 2.*

Documents used for sector approach planning should capture the main issues within the IPA II sector and outline how IPA II funds will be used to address those issues considered a priority. In principle, they should link to national sector strategies. Significant efforts have been devoted to their development but their quality remains mixed. As these Sector Planning Documents are not considered official documents, there is increasing uncertainty among programmers over the extent to which further resources should be devoted to their drafting, especially as the programming focus has now moved squarely onto the development of ADs – without which IPA II Annual Action Programmes (AAPs) cannot be approved. Thus, IPA II AAPs have been developed before the sector approach planning documents are complete and the sector level change to which IPA II contributes is not always clear (ADs generally lack the analytical foundation contained in the SPD). In some beneficiaries, there are no national sector strategies that the SPD can easily link to, in others there is a plethora of them that the SPDs struggle to clearly capture.

Feedback from IPA recipients paints a mixed picture over the sector approach planning and the individual documents' purpose and its use. In some beneficiaries, it has been drafted for a sector after much effort by all parties but has been rendered partly obsolete by subsequent changes within the sector – rather than update it, the beneficiaries have been informed by the EUD that they should exclusively focus on the ADs. In other beneficiaries (the former Yugoslav Republic of Macedonia) recipients were informed that approval of

IPA II funding would be conditional on the submission of a good quality planning approach. In Turkey, sector approach planning is only in the early stages of drafting whilst substantial IPA funding support is already under tendering. Whilst most (but not all) documents contain indicators, it seems unlikely that these indicators will be used to track sector level performance as the IPA II MIS currently under development by DG NEAR will use indicators from ADs only.

### 4.2.3 Conclusion 5

In principle, the introduction of the CoTEs is a valuable innovation to ensure the integration of horizontal themes into the programme as well as to improve relevance and effectiveness of IPA II. Their performance is dependent on their capacities, which varies among CoTEs. Where this is strong (and they are supported by strategic partnerships such as SIGMA) their added value is clear. Integration of horizontal themes into programming in-country is also hampered inter alia by the time available in the programming cycle for consultations with external stakeholders (e.g. CSOs) and their capacities to constructively engage in the process.

*This conclusion is based mainly on EQ 2.*

The IPA II regulation places strong emphasis on ensuring that IPA funds are effectively used to target so-called horizontal issues. These include gender, climate change, environment, minorities, people with disabilities, LGBTI groups, although this list is not exhaustive. The creation of CoTEs and other specialist ‘cells’ of thematic expertise offers substantial potential to ensure that mainstreaming can be done as part of the annual programming process. They also provide specialist insight into key areas which IPA II programmers in country desks and Delegations often lack, so they offer the chance to further strengthen the relevance and effectiveness of IPA II-funded actions. Those CoTEs with strong capacity have already demonstrated their added value. However, not all CoTEs and similar ‘cells’ linked to Roma and gender are resourced to the same extent. Given the obvious benefits this model offers, bringing their capacities to a comparable level across all these sections of DG NEAR is clearly desirable. Also, their earlier engagement in the programming process would give them much greater opportunities to integrate their expert insights into action documents.<sup>13</sup> This is again predicated on their capacities as well as a willingness of EUDs to draw on their expertise early in the programming process. Finally, these bodies could raise awareness in IPA beneficiaries of how thematic issues can be considered in the programming process via direct contact with EUDs and NIPACs/SLIs. This appears to happen on an ad-hoc basis but is not systematically done and again is constrained by available resources. Addressing all the above-mentioned issues would help bring the final design of programme documents in line with the requirements of the IPA II regulation.

## 4.3 Cluster 3: Efficiency and Implementation Issues

### 4.3.1 Conclusion 6

Overall, the intended efficiency gains have still to materialise. Evidence from IPA I shows that the introduction of the Decentralised Implementation System (DIS) (already under IPA I)/ IMBC is a mixed blessing. It offers improved ownership of the programme among beneficiaries but overall efficiency in most cases invariably suffers compared to the direct management mode. This is principally linked to the capacity of the institutions involved in its delivery. This is a reality that needs to be recognised for IPA II and managed strategically.

<sup>13</sup> The recent decision to change the quality review mechanism in DG NEAR should ensure that CoTEs are consulted at a much earlier stage than currently is the case.

*This conclusion is based mainly on EQ 3.*

Budget support is still in its infancy in the region, and there is little evidence of use of larger contracts. No notable improvements in efficiency over IPA I can be seen yet. Initial efficiency problems may have been expected but could have been considered earlier in the preparation of the instrument. Inefficiencies in the system are increasingly forcing programmers to not think in terms of planned results but in terms of what can be implemented under the given arrangements. The logic of the sector approach (focus on generating change in priority sectors) is thus compromised by the systemic weakness of the IMBC (focus on the least painful way to implement assistance).

In those IPA II countries where IMBC has been introduced under IPA I (Turkey, the former Yugoslav Republic of Macedonia and recently Serbia) it helped in general to foster greater ownership of assistance and to improve governance. However, its efficiency was generally sub-optimal in many of the IPA policy areas, with contracting of IPA actions much slower than would have been under centralised implementation (direct management). This could be expected as the DIS under IPA I have generally experienced delays in implementation throughout all countries where it has been used. Only in those institutions where substantial staff resources have been made available has IPA funding been contracted more swiftly. For those IPA countries preparing to use IMBC for the first time, this reality will need to be dealt with both in terms of programming (with a longer-term perspective for delivery of results needed in the design phase) and also in implementation itself (resourcing the IMBC system to the level needed). The implication is that for IMBC to function more effectively, significantly greater resources than available now will be needed, which in turn will have an implication for overall cost-effectiveness.

#### **4.3.2 Conclusion 7**

Although guidance on how to conduct sector level monitoring is now in place, it remains incomplete, with significant uncertainty in IPA beneficiaries on how to transform this concept into practice. This uncertainty needs to be addressed promptly. Only in those recipients where IPA I components III, IV and V have been running is there experience of sector monitoring, much of which is positive. Lessons from these could and should be learned.

*This conclusion is based mainly on EQ 3.*

The sector approach implies not only programming at a sectoral level, but also the sectoral monitoring of IPA II actions. Under IMBC, this is based around Sector Monitoring Committees. 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 SMSCs 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 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 the purpose of sector level monitoring; and sector monitoring strategies that capture all these elements in one document. These issues need to be addressed urgently to ensure that IPA II results (as expected by DG NEAR's Performance Framework) can be clearly monitored, sector performance can be demonstrated and the accountability of IPA II strengthened.



### 4.3.3 Conclusion 8

Indicators at corporate and strategic level can be considered adequate. Weaknesses in the quality of indicators in annual programmes, sector approach planning documents and ADs remain, particularly at outcome level. This is also due to the lack of capacity of the country/sector systems to produce, collect and analyse data appropriate for this level.

*This conclusion is based mainly on EQ 3.*

Analysis of ISPs shows that impact level and context indicators used to assess performance at country programme level are of adequate quality. For assessing 'operational' performance (Level 2 results as stated in the IPA II Performance Framework), indicators linked to outputs and immediate outcomes are to be used. Those AAPs and ADs seen by the evaluators also demonstrate significant variations in quality. Output level indicators pose less of a challenge for definition and as a result these tend to be usable. Much greater weaknesses are evident in the quality of outcome indicators, which often lack elements such as baselines, milestones and targets and, as such, generally fail to meet the basic quality criteria required in the AD templates. Tracking sector level change using such indicators is likely to prove highly problematic and further weakens the robustness of the sector monitoring framework mentioned in the previous conclusion. Without ongoing and systematic support for programmers involved in IPA II, these shortcomings are unlikely to disappear.

## 4.4 Cluster 4: Coherence, Complementarities, Synergies and Leverage

### 4.4.1 Conclusion 9

The novelties of IPA II 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. In parallel, some of these novelties (sector approach, budget support) provide the frame for synergies among at least the 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 conclusion is based mainly on EQ 5.*

All the novelties introduced under IPA II (mainly the sector approach in programming with a limited number of sectors, the sector budget support programmes, the performance measurement system, the strategic planning and programming processes and responsibilities, the creation of the CoTEs, the concentration of the overall responsibility under DG NEAR, etc.) lead to more policy dialogue among the national authorities, the EU, the EU MS and the other donors, improvement of the capacity of the involved stakeholders, more careful elaboration of the programmes/ actions and finally to more coherence, complementarity and synergies; in this way they facilitate delivery of results against the IPA objective to prepare beneficiaries for membership. In addition, they provide a more comprehensive and enabling context which can trigger financial leverage. The sector budget support programmes which have been elaborated and agreed in most beneficiaries as well as the actions of the Annual Programmes and the communications for the elaboration of CBC programmes have provided evidence on all the above possibilities. Programmes and actions of IPA II can thus be more coordinated and synergetic to each other compared to the actions of IPA I.

### 4.4.2 Conclusion 10

Complementarity of IPA II with the actions of other EFIs active in the candidate countries and potential candidates (mainly EIDHR and IcSP) is good but not guaranteed. This results mainly from the thematic character and the programming approach of these Instruments in relation to the geographic character and the programming approach of IPA II. 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). However, 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. 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.

*This conclusion is based mainly on EQ 5.*

The only EFIs that are active in the IPA II geographical area are EIDHR and IcSP. All other eligible EFIs (PI and INSC) are not active (INSC has two projects from the IPA I period which are being gradually completed). In the current period (2014-2020), Local Authorities in the IPA II beneficiaries cannot benefit anymore from the DCI CSO/LA Programme. This appears as a big loss of funding opportunities for Local Authorities which anyway have only moderate access to EU funding. EIDHR and IcSP as thematic Instruments are focusing on a number of specific policy areas and their actions very often address important problems suddenly appearing on the international scene. IPA II (acting under almost all thematic areas in the beneficiaries) implements actions in the policy areas of these thematic Instruments but is dealing with long term goals and subjects. In practice, the three instruments do not compete, even though in theory IPA II could implement with its own funds the programmes of the thematic Instruments. On the other hand, both thematic Instruments are programming their actions based on detailed country analyses, while their (annual and multi-annual) programmes addressing specific themes in specific beneficiaries can provide the basis for improved complementarity and synergies with IPA II actions. The different timelines between IPA II planning activities and the multi-annual programming of the two thematic Instruments make their coordination difficult. However, the fact that usually the management of the grants provided to civil society entities by both EIDHR and IcSP (through their annual programmes) are managed by the EUDs, facilitates the coordination with the detailed action programming of IPA II which is implemented by the EUDs.

#### 4.4.3 Conclusion 11

Donor coordination is largely satisfactory in most of the IPA II beneficiaries. Where this is not the case, poor (sectoral and overall) coordination can affect the success of IPA II implementation. In the current IPA II period, the EU is promoting the coordination of donors to be fulfilled by a National Authority (NIPAC office or other high level body) with the support of the EUD, as needed. However, in some beneficiaries the role of the NIPAC in donor coordination could be reinforced (e.g. in Kosovo).

*This conclusion is based mainly on EQ 6.*

The value of proper donor coordination in a country is obvious. The decision to have a National Authority that ensures all donor coordination is logical and can bring good effects but requires proper organisation, skills and political power from the National Coordinator. In most of the IPA beneficiaries this has been achieved, at least to the level of providing orientation to donors and guiding their activities. The orientation of the IPA II period is to have a National Authority doing this coordination based on the beneficiaries' Multi-annual development strategy and its sectoral guiding axes.

In cases where the Coordinator (National Authority) is weak and other ministries or the donors are not coordinated, donors tend to implement actions which sometimes are not serving the most important needs, are not complementary to one another and, consequently, are not contributing to aid effectiveness. An example of effective donor coordination can be found in Serbia.



## 4.5 Cluster 5: Issues Specific to Turkey

Turkey is a wholly different IPA country compared to those in the Western Balkans, in terms of its size, geographical location, history, culture, economic development and institutional characteristics. To better reflect these facts, some separate conclusions and recommendations are offered for Turkey.

### 4.5.1 Conclusion 12

Components III, IV and V of IPA I have successfully laid the foundation for the delivery of the sector approach in Turkey. IPARD I has demonstrated good effects both in terms of desired results and in creating a strategic alignment between national 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 MAP 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.

*This conclusion is based mainly on EQ 2.*

The evaluation gained an insight into two SOPs (IPARD, EESP SOP). In both cases the lessons to be learned from the experiences from Turkey's use of SOPs (both positive and negative) are many and include: the use of a MAP approach to address sector needs; the definition and use of sector indicators, both output as well as outcome; conducting sector monitoring in practice (and the constraints on this happening); managing large grant schemes under IMBC; the resources and capacity needed to make IMBC work in practice.

However, Turkey's experiences would be particularly valuable for those countries setting up IPARD II without any prior experience of working with DG AGRI in the accession context. Overall, the failure to maximise the benefits offered from such know-how exchange represents a missed opportunity.

### 4.5.2 Conclusion 13

Inefficiencies in the IMBC that has been running since 2002 have generated chronic delays that have accumulated in the system in many policy areas (especially under IPA I component I and IV). This is already affecting the IPA II programmes' relevance and will influence their effectiveness. In the absence of other implementation modalities for Turkey (including Sector Budget Support) there is little prospect of this improving.

*This conclusion is based mainly on EQ 3.*

The delays that are common in IMBC have accumulated in Turkey to a point where over 600 million € of IPA I and II funding is classified as backlog (most significantly evident in the area of Rule of Law). As more funds are programmed, so the pressure on the IMBC will mount. Alternatives to IMBC are not obvious for Turkey. BS is not considered acceptable while more use of direct management modality would be very demanding to introduce, both administratively and financially. The implications of this state of affairs are clear – increased risk of de-commitment of funds, postponement of contracting of programming years and actions' relevance reduced when they finally enter implementation. The only example of IMBC in Turkey where efficiency and effectiveness has proved satisfactory comes from IPARD I but with some 1900 staff available to support its delivery, this is unsurprising, taking into account the large number of small projects in rural areas. The Operating Structure for the EESP SOP has 119 staff to manage the programme. Here inefficiencies exist, particularly for grant schemes. All these factors are likely to impact on IPA II support for the foreseeable future.

### 4.5.3 Conclusion 14

Critical factors in achieving effectiveness and impact for IPA II in Turkey are:

- The sub-optimal efficiency of much of the IMBC that is unlikely to significantly improve under current conditions.
- The relatively limited scale of IPA II funds comparative to national budgets. In most (but not all) sectors, IPA allocations are small compared to national funding so effectiveness and impact is unlikely to be large unless targeted in areas where results are realistically achievable.
- The existence of a stable consensus between the EU and Turkish institutions which underpins policy dialogue. This is not currently evident across the board. Where this is weak, the effectiveness, impact and sustainability of IPA results are likely to be compromised. Conversely, where it is good, potential for delivering planned benefits is much better.
- Turkey continues to be a strategic partner of the EU. The current accession perspective for Turkey however feeds into widespread uncertainty over the value of IPA II in the country.

All these factors need to be seriously considered to ensure that IPA II is fully fit for purpose in respect to Turkey.

*This conclusion is based mainly on EQ 2.*

The evaluators observed that IPA II in Turkey is being negatively influenced by the factors mentioned above. Conversely, examples of good performance were found where the converse conditions existed e.g. the effective use of DIS by the IPARD I Agency in contracting funds thanks to its strong administrative capacity; the existence of a convergence of IPA and national policy goals, which in turn results in constructive policy dialogue and the effectiveness and impact prospects of IPA support much greater (e.g. rural development, social policy, customs). Also, absorption capacity in several sectors is proven to be good. In the aftermath of the failed July 15<sup>th</sup> coup and introduction of a state of emergency, many stakeholders observed that a continued focus of funding on issues linked to political reforms at this stage would be unwise until the situation returned to normality. Also, given that already over 480 million € of assistance to sectors linked to political reform is in backlog, putting further funds into these areas would only exacerbate serious efficiency problems and increase absorption risks. The conclusion to be drawn from all this is that for IPA II to deliver sustainable results in Turkey, funding priorities may need to be re-assessed and IPA II assistance directed into those areas which have the greatest potential to achieve these sustainable results.

## 5 Recommendations

The purpose of the recommendations is to improve the capacity of the Instrument to better attain its objective of assisting the candidate countries and potential candidates to prepare for EU membership. As summarised in the table below, 9 key recommendations have been formulated at the areas of the five clusters:

Table 3 Overview of the main recommendations

Cluster	Recommendations
<b>1. Relevance of IPA II and appropriateness of its approach</b>	<b>R1.</b> Under sectoral requirements, there is an increasing need for a longer-term perspective in implementation. In certain sectors, actions programmed could be increasingly implemented over several years, irrespective of whether they are financed under annual or multi-annual programmes. Explore the potential for wider deployment of such approach. If this assessment proves positive, commence preparations for its increased use after 2020, in line with the next programming period.

<p><b>2. Effectiveness and value added</b></p>	<p><b>R2.</b> DG NEAR should clarify the sector planning approach with all relevant parties. The overall quality of (work) documents used for sector approach planning should be improved.</p> <p><b>R3.</b> DG NEAR should have adequate capacity to mainstream horizontal issues. This should, <i>inter alia</i>, involve optimising the capacities of the CoTEs in line with IPA II programming needs. CoTEs and those staff providing thematic expertise linked to issues such as Roma and gender should then work with programmers as early in the programme development phase as possible.</p>
<p><b>3. Efficiency &amp; Implementation issues</b></p>	<p><b>R4.</b> A strategic vision for those countries under IMBC needs to be created as a basis for strengthening the capacities of the institutions involved in its delivery. These capacities should then be brought to the level needed to implement IMBC effectively. This should also include a proportionate use of technical assistance to support these institutions. Cost effectiveness of IMBC needs to be fully assessed. It is especially crucial for those countries introducing IMBC.</p> <p><b>R5.</b> Weaknesses in monitoring systems and indicators at sector level need to be addressed on a systematic basis. This should be led by DG NEAR with NIPAC and Delegations, and in cooperation with Sector Lead Institutions.</p>
<p><b>4. Coherence, complementarities, synergies and leverage</b></p>	<p><b>R6.</b> Coordination of IPA with EIDHR and IcSP planning/ programming activities should be improved at both EC HQ and EUD levels. The DCI programme for CSOs and Local Authorities should be re-established in the IPA II beneficiaries; it would provide direct funds to LAs and further support to CSOs, in coordination with the IPA Civil Society Facility (CSF).</p> <p><b>R7.</b> In IPA II beneficiaries where the National Authority having the mandate to coordinate the donors is weak and the effects of the (sectoral and overall) coordination are poor, the EUD should take the initiative to cooperate with this Authority for the elaboration and implementation of specific actions improving its capacity and performance.</p>
<p><b>5. Issues specific for Turkey</b></p>	<p><b>R8.</b> Based on a thorough prior analysis, IPA II funds should be channelled towards those sectors with a proven track record of delivering results under IPA I and where the planned results for IPA II are most likely to be achieved given current constraints.</p> <p><b>R9.</b> Lessons learned from IPA I components III, IV and V should be made use of. This would be inside Turkey between the Operating Structures and the SLIs. This should be extended to IPA countries that are just now starting their programmes in these areas. Where appropriate, this exercise could also be conducted in the former Yugoslav Republic of Macedonia, as it has also experience of these IPA I components.</p>

## 5.1 Cluster 1: Relevance of IPA II and appropriateness of its approach

### 5.1.1 Recommendation 1

**Under sectoral requirements, there is an increasing need for a longer-term perspective in implementation. In certain sectors, actions programmed could be increasingly implemented over several years, irrespective of whether they are financed under annual or multi-annual programmes. Explore the potential for wider deployment of such approach. If this assessment proves positive, commence preparations for its increased use after 2020, in line with the next programming period.**

*This recommendation is mainly linked to conclusion 2.*

*Main implementation responsibility: DG NEAR in collaboration with line DGs, EUD/Os, NIPACs*

*The implementation of this recommendation would involve the following:*

- Assessment of pre-conditions for a longer-term perspective in implementation taking into account beneficiary-specific conditions. This assessment would include level of adherence to sector approach and programming and implementation capacities of all the key stakeholders involved in IPA II.
- Consider practical progress in delivery of MAP (e.g. piloting) and reflect on lessons learned from those sectors which have a track record of delivery. Good experience has been made with multi-annual programmes for Rural Development (managed by DG AGRI) and Sector Operational Programmes (along the lines of the previous IPA I Components III and IV) now managed by DG NEAR. Develop an action plan for roll-out where assessments indicate this would be feasible.

*Timeline for implementation: Mid of 2018.*

## 5.2 Cluster 2: Effectiveness and value added

### 5.2.1 Recommendation 2

**DG NEAR should clarify the sector planning approach with all relevant parties. The overall quality of the (work) documents used for sector approach planning should be improved.**

*This recommendation is mainly linked to conclusion 4.*

*Main implementation responsibility: DG NEAR/NIPACs/Lead Sector Institutions*

*The implementation of this recommendation would involve the following:*

- DG NEAR to convene a meeting of all EUDs and NIPACs at HQ to clarify the purpose of the sector planning approach (work documents and annexes) and its deployment as part of IPA II programming.
- DG NEAR to codify the outputs of this meeting into a set of concise guidelines that will be circulated to all relevant parties. EUDs and NIPACs to disseminate findings and guidelines.
- All existing work documents used for sector approach planning should be reviewed for their quality. This should be based on an assessment of their fitness-for-purpose, using external TA where necessary.

*Timeline for implementation: Immediately. No later than mid 2018 for completion.*

## 5.2.2 Recommendation 3

**Adequate capacity to mainstream horizontal issues should be put in place in DG NEAR. This should, *inter alia*, involve optimising the capacities of the Centres of Thematic Expertise and other thematic cells in line with IPA II programming needs. CoTEs and those staff providing thematic expertise linked to issues such as Roma and gender should then work with programmers as early in the programme development phase as possible.**

*This recommendation is mainly linked to conclusion 5.*

*Main implementation responsibility: DG NEAR*

The implementation of this recommendation would involve the following:

- Based on the Workload assessment exercise and the review of the terms of reference of CoTEs which took place in the second half of 2016, identify all the horizontal thematic areas that need to be mainstreamed into the IPA II programming based on the IPA II regulation.
- Identify the capacities of the individual CoTEs and other units/ staff in DG NEAR dealing with horizontal issues and employ/ re-deploy staff resources accordingly
- Develop guidelines on how these horizontal themes should be integrated early in the programming of IPA II, the role of the CoTEs and relevant units in this process, as well as the roles of the EUD/Os and NIPAC/SLIs. This should complement the changes made to the quality review process that have been recently adopted by DG NEAR.

*Timeline for implementation: For immediate action. To be completed by mid of 2018.*

## 5.3 Cluster 3: Efficiency & Implementation issues

### 5.3.1 Recommendation 4

**A strategic vision for those countries under IMBC needs to be created as a basis for strengthening the capacities of the institutions involved in its delivery. These capacities should then be brought to the level needed to implement IMBC effectively. Cost effectiveness of IMBC needs to be fully assessed.**

*This recommendation is mainly linked to conclusion 6.*

*Main implementation responsibility: DG NEAR/NAO/NIPAC*

The implementation of this recommendation would involve the following:

- Review the state of play in terms of performance and capacity of the IMBC in IPA II beneficiaries.
- Take a strategic decision on the deployment of the different management modes until end of IPA II period.
- Where weaknesses are apparent and the future use of IMBC is envisaged, capacity support should be programmed and provided continuously.
- Conduct a comprehensive cost-benefit analysis of the IMBC in each country where it is applied and take appropriate actions (*inter alia*, more realistic budget allocations to IMBC; alternative implementation modalities).
- In those countries where IMBC has not yet been established, this cost-benefit analysis should be conducted prior to any decision being made on the system's introduction.

*Timeline for implementation: For immediate action. Completion by mid of 2018.*



### 5.3.2 Recommendation 5

**Weaknesses in monitoring systems and indicators at sector level need to be addressed on a systematic basis.**

*This recommendation is linked to conclusion 7.*

*Main implementation responsibility: DG NEAR in collaboration with EU Delegations/Office, NIPACs*

The implementation of this recommendation would involve the following:

- Draft comprehensive guidance on the establishment of sector monitoring systems and circulate this to all relevant parties. These should build on existing guidance available from DG NEAR and in-country where this exists.
- DG NEAR to continuously support the NIPACs, EUDs and SLIs in reviewing and improving the sector performance indicators to ensure they are fit for purpose.

*Timeline for implementation: For immediate action and thereafter on a continuous basis.*

## 5.4 Cluster 4: Coherence, complementarities, synergies and leverage

### 5.4.1 Recommendation 6

**Coordination of IPA with EIDHR and IcSP planning/ programming activities should be improved at both, EC HQ and EUD levels.**

**The DCI CSO/LA programme should be re-established in the IPA II beneficiaries and coordinated with IPA Civil Society Facility (CSF) for CSOs.**

*This recommendation is linked to conclusion 10.*

*Main implementation responsibility: DG NEAR/DEVCO HQ, EUD in collaboration with NIPAC and the competent line ministries*

The implementation of the first part of this recommendation would involve the following:

- At HQ level: Development of closer communication/ cooperation of the involved DG NEAR Units and CoTEs with the responsible DEVCO and FPI Services which are managing the EIDHR and IcSP.
- At beneficiary level: EUD staff responsible for the programming of Human Rights/ Democracy and Stability/ Peace IPA II actions/ programmes should closely cooperate with the hub officers of the EIDHR and IcSP in the beneficiary, thus ensuring improved coordination, complementarity and synergies of all potentially concerned actions.

The implementation of the second part of this recommendation would involve the following:

- DG NEAR should assess the conditions and terms for a re-establishment of the DCI CSO/LA programme in the Western Balkans and Turkey.
- DG DEVCO should assess whether the DCI budget for the current period could still finance some CSO/LA programmes in the Western Balkans and Turkey.
- DG NEAR and DG DEVCO should commonly decide on the re-establishment of the programme in the Western Balkans and Turkey and how it would be coordinated with IPA.

*Timeline for implementation: For immediate action.*

## 5.4.2 Recommendation 7

**In IPA II beneficiaries where the National Authority assigned to donor coordination is weak and effective coordination poor, specific actions should be prepared and implemented for improving the Authority's capacity and performance.**

*This recommendation is linked to conclusion 11.*

*Main implementation responsibility: EUD and National Authority for Donor Coordination*

The implementation of this recommendation would involve the following:

- Analysis of the reasons for the Coordinator's weaknesses (lack of technical means – e.g. IT systems, inadequate organisation, lack of experienced/ trained staff, lack of political power, communication/ cooperation weakness, etc.).
- Development and implementation of an action plan addressing the causes of the weaknesses.
- Periodic review of the effectiveness of the coordination function and definition of further actions as needed.

*Timeline for implementation: For immediate action and thereafter on a continuous basis.*

## 5.5 Cluster 5: Issues specific for Turkey

### 5.5.1 Recommendation 8

**Based on a thorough prior analysis, IPA II funds should be channelled towards those sectors with a proven track record of delivering results under IPA I and where the planned results for IPA II are most likely to be achieved given current constraints.**

*This recommendation is linked to conclusion 14.*

*Main implementation responsibility: DG NEAR and EUD in collaboration with NIPAC and line DGs where appropriate*

The implementation of this recommendation would involve the following:

- IPA funds should be primarily targeted to those sectors which demonstrate progress in sector compliance and strong absorption.
- For other sectors where efficiency problems are hampering delivery of assistance, programming of IPA II funds should be postponed until the current backlog of IPA I and II assistance is cleared.

*Timeline for implementation: For immediate action and thereafter on a continuous basis.*

### 5.5.2 Recommendation 9

**The experience and lessons learned from IPA I components III, IV and V should be utilised. Within Turkey this would be between the Operating Structures and the SLIs. This should be extended to IPA countries that are just now starting their programmes in these areas. Where appropriate, this exercise could also be conducted in the former Yugoslav Republic of Macedonia, as it has also experience of these IPA I components.**

*This recommendation is linked to conclusion 12.*

*Main implementation responsibility: DG NEAR/EU Delegation, NIPAC with Sector Lead Institutions (SLIs)*

The implementation of this recommendation would involve the following:

- DG NEAR in collaboration with DG AGRI, DG EMPL and DG REGIO to facilitate

the exchange of experiences from Turkey to other IPA countries preparing/ implementing Rural Development, Education, Employment and Social Policy MAPs.

- IPARD agencies to consider use of TAIEX instrument to support further exchanges to strengthen the capacities of these new IPARD agencies in areas of programming, implementation and monitoring of IPARD II assistance.
- Within Turkey, NIPAC and EUD to collaborate with the Managing Authorities from IPA I components IV and V to put in place a mechanism to enable transfer of experience that will strengthen SLIs' capacities to programme and monitor at sectoral level.

*Timeline for implementation:* For immediate action and thereafter on a continuous basis.