

<b>Evaluation of WBIF</b>	
<b>Evaluation Mandate</b>	
Directorate General/Unit	DG ELARG, Unit A.3
Type of evaluation	Retrospective evaluation External (to be contracted)
Planned start date	November 2014
Planned completion date	November 2015 (indicative)
Budget/budget line:	IPA/2013/23681
Indicative budget	200 000 EUR
Type of procedure	Framework procedure

<b>1. Why do we need this evaluation?</b>
<b>1.1 Justification</b>
<p>The European Union is strongly committed to fulfilling the Aid Effectiveness goals agreed in the Paris Declaration (2005) and the Accra Agenda for Action (2008) as well as the European Code of Conduct on Division of Labour in Development Policy (2007). The European Commission, with the participation of a number of EU member states and European development financiers, has launched new financing instruments for operations outside the EU aimed at translating these commitments into real action. Called loan and grant blending facilities (LGBFs), these instruments link EU budget grants – sometimes topped up with member state grants – with loans by European international and bilateral financial institutions.</p> <p>Since 2007 several Investment Facilities have been launched, either with a sector (Infrastructure Trust Fund) or with a geographic focus. The Western Balkans Investment Framework (WBIF) was founded in 2009 by the EC, European Investment Bank (EIB), European Bank for Reconstruction and Development (EBRD) the Council of Europe Development Bank (CEB) and bilateral donors. The KfW and the World Bank joined later. The WBIF supports socio-economic development and EU accession across the Western Balkans through the provision of finance and technical assistance for strategic investments, particularly in infrastructure, energy efficiency and private sector development. It is a joint initiative of the EU, International Financial institutions, bilateral donors and the governments of the Western Balkans.</p> <p>The WBIF manages a large grant programme to support the investment projects carried out by the WBIF member banks. The Joint Grant Facility pools resources from the EC IPA, the IFIs, and grant contributions from bilateral donors.</p> <p>The WBIF can provide the right responses to the various challenges in the WBs and the adoption of a sector oriented approach for the pre-accession assistance<sup>1</sup>. In relation to regional cooperation in infrastructure investment, the Western Balkans Investment Framework (WBIF) is seen to be a good example of effective regional cooperation in practice. The WBIF has coordinated a large programme of much needed infrastructure investment in the Western Balkans.</p>

<sup>1</sup> Following the Regulation (EU) No 231/2014 of the European Parliament and of the Council of 11 March 2014, the Instrument for Pre-accession Assistance for the period from 2014 to 2020 ('IPA II') shall support the IPA II beneficiaries in adopting and implementing the political, institutional, legal, administrative, social and economic reforms in order to comply with the Union's values and to progressively align to the Union's rules, standards, policies and practices, with a view to Union membership. Through such support, IPA II shall contribute to their stability, security and prosperity.

The key lessons are:

- Need for a single sector projects pipeline (transport, energy, environment, social);
- Investments should fit in sector strategies and policies at country level (ownership);
- Enhanced cooperation of all stakeholders (beneficiaries, IFIs, bilateral donors and the EC);
- 36% of projects funded from National IPA and 43% of projects funded from IPA Multi-country have a regional dimension.

This should change with the arrival of IPA II. Its Regulation has been adopted and came into force on 16 March 2014, applicable retroactively from 1st January 2014. The aim under IPA II will be to establish a single pipeline of projects.

A new methodology and key principles are proposed:

- Projects should fit in sector development plans (Strategic approach);
- Set-up of National Investment Committees NICs where appropriate (Transparency, Ownership/political commitment and Prioritisation);
- An efficient project preparation. As regards the WBIF this covers mainly regional but also national projects with FI support;
- Focus of IPA Multi-country on projects with regional dimension (Clear distinction between local, national and regional projects);
- Grant co-financing of projects' Implementation;
- Full respect of WBIF governance structures for revision of WBIF structures and funding documents;
- Key role of NIPACs;
- Stronger involvement of EU Delegations.

## **1.2 Purpose of the evaluation**

The overall objective of this evaluation is to enhance EU value added and cost-effectiveness in delivering investment and TA grants while addressing beneficiary needs. The purpose of this evaluation is to assess the performances of the WBIF since 2009. The assignment will be carried out taking on board findings from past and ongoing detailed reviews and needs assessment as well as complementary findings from a sample of sectors, namely Transport and Energy, for a selected number of countries.

It will also make recommendations about future strategic directions. The movement to a sector-based approach in IPA II will require a much more strategic vision in programming, the need for much closer collaboration amongst ministries and a further reinforcement of coordination with donors and IFIs, particularly for the Western Balkans. The WBIF represents a good example of such a mechanism, where the EU (IPA) represents a stakeholder, with a strong coordination function (WBIF secretariat), among various IFIs.

With an harmonised approach across the sample countries and a proposed final list of sample projects, the evaluation can explore further the evolution of WBIF and try to assess its capacity:

- To increase predictability and transparency in the calendar for project submission, screening and assessment including information about the availability of funds;
- To ensure coordination services in each beneficiary country;
- To speed up mobilisation of Joint Fund grants in the continuation of the work of the Task Force;
- To implement and supervise the project pipeline, in particular in order to manage stakeholder

conflicts and institutional weaknesses;

- To support the PPPs.

On the basis of measurable indicators, the evaluation will provide relevant recommendations to improve the design, programming and implementation of WBIF co-ordination mechanisms, with the view to improving its relevance, effectiveness, efficiency, impact, sustainability.

## **2. What might it include?**

### **2.1 Scope (indicative)**

The evaluation is foreseen as a strategic, policy-oriented evaluation and to this extent it should be launched at the DG Enlargement HQ level, and it will require support of the WBIF Steering Committee – the IFIs and bilateral donors. Furthermore, support is needed from EUDs, the final beneficiaries and main interlocutors at national level.

For the sake of providing a thorough assessment of the performance of WBIF to enlargement countries, the evaluation should cover Croatia<sup>2</sup>/IPA beneficiaries. The evaluation shall:

- Assess the policy coherence and complementarity between the WBIF's activities with IPA and IPA 2 programmes;
- Assess the wider impact of the WBIF operations on the availability of finance within IPA beneficiaries and compare the effectiveness, in terms of impact and additionality, of the grants available under WBIF;
- Conduct a SWOT analysis on WBIF capacity of coordination and implementation of both national and regional projects (for project implementation, at this moment, only regional projects can be supported by WBIF);

Based on relevant findings, conclusions and lessons learned above, it will provide relevant operational and concrete recommendations:

- To identify more systematically investment needs and priorities and to establish – through a National Investment Committee or a similar national coordination mechanism – single sector project pipelines;
- To make WBIF more responsive to the various challenges in the WBs and the implementation of sector approaches in the framework of IPA II;
- To identify the most suitable progress indicators and implementation methodologies according to the future design and implementation of working methodology for WBIF support to investment projects.

### **2.2 Objectives (indicative)**

The global objective of this contract is to provide the European Commission with relevant findings and conclusions showing the overall relevance of WBIF, its contribution to the achievement of objectives set out, as well as recommendations to enhance the WBIF's efficiency and effectiveness.

<sup>2</sup> As a new EU Member State, Croatia will be subject of the evaluation for the past and the ongoing projects already in their implementation phase.

<b>3. How we will do it?</b>	
<b>3.1 Tentative timing</b>	
Consultation with the stakeholders, Steering Group set up and elaboration of the draft ToR	July– October 2014
Validation of the ToR	October 2014
Signature of the external contract	November 2014
Kick-off meeting	December 2014
Organisation of a briefing (end of desk and field phase meeting, if relevant), dedicated to present the preliminary results and to consult on the findings with the stakeholders	July 2015
Delivery of final evaluation outputs. Debriefing of results; Dissemination at HOFOS/NIPACs meeting.	September/October 2015
Debriefing	November 2015
<b>3.2 Stakeholders and Steering group – Who should be involved?</b>	
<p>The beneficiary of the evaluation is the European Commission, DG ELARG.</p> <p>The stakeholders for this evaluation use:</p> <p><i>National stakeholders include (non-exhaustive list):</i></p> <ul style="list-style-type: none"> <li>• The Assembly of Donors of the WBIF;</li> <li>• IFIs and Bilateral donors;</li> <li>• National IPA Coordinators (NIPAC);</li> <li>• Relevant Ministries.</li> </ul> <p><i>COM stakeholders include (non-exhaustive list):</i></p> <ul style="list-style-type: none"> <li>• DG ELARG Directorate A and D, namely Units A.1, A.4 and D.3;</li> <li>• DG ECFIN.</li> </ul> <p><b>Quality control of the evaluation</b></p> <p>The launching and the implementation of the evaluation will be supported by an advisory Reference Group that will ensure the quality of the evaluation and will have responsibilities, as follows:</p> <ul style="list-style-type: none"> <li>• Guiding the planning and implementation of the evaluation to comply with the quality standards and pre-determined criteria (it will be consulted on the evaluation mandate, draft terms of reference and all draft report);</li> <li>• Assisting the evaluation manager (DG ELARG Unit A.3) in implementation of activities;</li> <li>• Providing an assessment of the quality of the work of the consultant; including endorsement of</li> </ul>	

the inception report, interim report and the final report;

- Ensure proper follow-up action plan after completion of the evaluation.

The Reference Group will include representatives from DIR A and D of DG Enlargement and other EC's services, DGs (DG ECFIN), if necessary other relevant stakeholders.