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For Western Balkans and Turkey

Mapping of Sector Strategies

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SYNOPSIS

Project Title:	Study “Mapping of sector Strategies” in Western Balkans and Turkey
Type of evaluation	Project evaluation
Contract number:	2013/318972
Country:	Western Balkans (Albania, Bosnia and Herzegovina, Serbia, Montenegro, Kosovo ¹ , and the former Yugoslav Republic of Macedonia) and Turkey
Global Objective:	The primary objective of this study is to provide findings on the capacities and the needs of the beneficiary countries in the application of a sector approach and recommendations to assist the DG Enlargement of the European Commission (DG ELARG) and beneficiary countries in improving programming and performance of IPA II assistance
Specific Objectives:	<ol style="list-style-type: none"> 1. To provide findings on the capacities and the needs of the beneficiary countries in the application of a sector approach while analysing and assessing the state of play and potentials of the sector strategic planning in sectors that are considered priority or might become priority by judging on the quality of the national sector strategies, the existing institutional settings and the mechanisms for strategic planning in these sectors (assessment and gap analysis) 2. To provide relevant operational recommendations for actions, measures to fill the gaps identified in order to enhance the sector strategic planning capacities of the beneficiary countries with the aim to improve the programming and performance of the IPA II financial assistance and better implementation of a sector approach in perspective, also based on the past and on-going programming experience.
Project Duration	220 days
Project commencement date	22 July 2013
Project completion date	28 February 2014

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

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ABSTRACT

The Mapping of sector strategies in Western Balkan countries (the former Yugoslav Republic of Macedonia, Montenegro, Bosnia and Herzegovina, Kosovo², Serbia, Albania) and Turkey is a study and an evaluation on the sectors' readiness (maturity) for a Sector Approach. Based on qualitative and quantitative data, sectors that are considered priority or might become priority for the EU support in the programming period 2014-2020 have been analysed. This report provides findings and recommendations on the national sector strategies, the existing institutional structures and the mechanisms for strategic planning in priority sectors in the beneficiary countries in the application of a sector approach and recommendations to assist the DG Enlargement of the European Commission in improving programming and performance of IPA II financial assistance.

Le projet "Mappage des stratégies sectorielles dans les pays des Balkans occidentaux (Ancienne République Yougoslave de Macédoine, Bosnie-Herzégovine, Kosovo, Serbie, Albanie) et Turquie est une étude et une évaluation sur la préparation (la maturité) des secteurs pour l'approche sectorielle. Effectuée sur la base de données quantitative et qualitative, les secteurs considérés comme étant prioritaires pour le soutien de l'UE dans la période de programmation 2014-2020 ont été analysés. Ce rapport apporte des conclusions et des recommandations sur les stratégies sectorielles nationales, les structures institutionnelles existantes ainsi que les mécanismes pour la planification stratégique dans les secteurs prioritaires dans les pays bénéficiaires pour la mise en œuvre de l'approche sectorielle. Il apporte aussi des recommandations pour assister la DG Elargissement de la Commission de l'Union européenne pour améliorer la programmation et les performances de l'assistance financière IPA II.

EXECUTIVE SUMMARY

This report is based on an approved methodological approach presented during the Inception phase. Methods and Techniques used are explained in greater detail in specific sections of this draft report as well as findings, conclusions and recommendations

(i) purpose of the assignment

The purpose of this assignment is to analyse the capacities and preparedness of the Western Balkan countries (the Former Yugoslav Republic of Macedonia, Montenegro, Bosnia and Herzegovina, Kosovo³, Serbia, Albania) and Turkey in the application of a sector approach under the IPA, by analysing and assessing the state of the sector strategic planning, the existing institutional structures and the mechanisms for strategic planning (assessment and gap analysis). The purpose is also to provide operational recommendations to fill the gaps identified in the sector strategic planning capacities of the Western Balkans countries and Turkey, with the aim to improve the programming and performance of the IPA II financial assistance and better implementation of a sector approach in perspective, also based on the past and on-going programming experience.

(ii) methodology / procedure / approach

The methodological approach was based on a qualitative and quantitative analysis using a range of tools and methods. During field missions, the team members used questionnaires and assessment grids to develop mainly qualitative data. Collection of quantitative data has been obtained through desk research analysis and interviews. The obtained scores are also related to the questions from the

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questionnaires and then the average has been calculated and linked with the given score to the sub-criteria or criteria. A scoring system has been developed for each criteria / sub-criteria with a link with the overall assessment score. The quantitative and qualitative analysis and received questionnaires allowed collection of sufficient information to carry out assessment of sector's maturity.

Concerning the scoring system and rates, for each country, Tables with guidance criteria destined to the team (structured with indicators) and a scoring system incorporating qualitative and quantitative analysis have been used. These tables are presented in Annex 3. They have been used during the Phase IV (Synthesis phase) for guiding the overall assessment analysis. The tables include the following criteria: **Criteria 1: National sector strategies and budget appropriation; Criteria 2: Institutional setting, leadership, capacity and performance framework; Criteria 3: Sector and donor coordination** and related sub-criteria. For each sub-criteria a scoring system has been established and linked to the overall assessment. The scores are based on indicators and questionnaires. Rates have been given for each of the sectors/subsectors identified. An overall score has been able to identify the weaknesses and strengths of the different sectors assessed.

The calculation of the overall level of maturity of the sectors has been done with calculation of all sub-criteria scores and total of main criteria scores. For better understanding of the results it should be taken into account that the maximum number of points is 56 (4 points for each of the 14 sub-criteria). The sectors can be classified in three different categories: "Ready for sector approach with some improvements" (with the range 42-56), "In progress towards sector approach" (with the range 28-42) and "not yet in progress towards Sector Approach and Not ready at all" (with range from 0 to 28).

(iii) results /conclusions/findings⁴

The table below presents the summary of the results of the overall assessment of sectors for Western Balkans countries and Turkey according to the adopted methodology and the respective criteria/sub-criteria. All detailed scores per country and sectors and per criteria and sub-criteria are presented in Annexes 3. All detailed results, conclusions, findings and recommendations per country and per sectors are presented in Annexes 2.

Table 0.1. - Summary of the Overall assessment of sectors for Western Balkans countries and Turkey

Country/sectors	Overall Assessment per country (Total scores Criteria 1+Criteria2+Criteria3)	Sector Maturity
the former Yugoslav Republic of Macedonia		
Agriculture	45.58	Ready for sector approach with some improvements
Employment	43.58	Ready for sector approach with some improvements
Competitiveness	41.61	In progress towards Sector Approach
Public Administration Reform and EU integration	41.13	In progress towards Sector Approach
Transport	40.33	In progress towards Sector Approach
Home affairs	39	In progress towards Sector Approach
Environment	37.15	In progress towards Sector Approach
Justice	34.92	In progress towards Sector Approach
Montenegro		
Environment	45.83	Ready for sector approach with some improvements
Human Resource Development	42.83	Ready for sector approach with some

⁴ Detailed results, conclusions and findings are presented in section 3 of this draft report and in Annexes 2

		improvements
Agriculture and Rural Development	42.42	Ready for sector approach with some improvements
Transport	42.08	Ready for sector approach with some improvements
Private Sector Development Competitiveness	40.17	In progress towards Sector Approach
Justice Sector	37.83	In progress towards Sector Approach
Public Administration Reform Sector	34.08	In progress towards Sector Approach
Energy Sector	31.75	In progress towards Sector Approach
Security Sector	26.67	Sector not yet in progress towards Sector Approach
Bosnia and Herzegovina		
Public Administration Reform Sector	46.92	Ready for sector approach with some improvements
Justice Sector	45.17	Ready for sector approach with some improvements
Transport	27.17	Sector not yet in progress towards Sector Approach
Home Affairs	15.67	Not ready at all
Social Sector Development	13	Not ready at all
Environment	10.75	Not ready at all
Private Sector Development Competitiveness	5.5	Not ready at all
Kosovo		
Agriculture and Rural Development	42.69	Ready for sector approach with some improvements
Energy Sector	38.95	In progress towards Sector Approach
Home Affairs Sector	31.56	In progress towards Sector Approach
Environment Sector	29.5	In progress towards Sector Approach
Justice Sector	21.5	Sector not yet in progress towards Sector Approach
TURKEY		
Transport Sector	45.21	Ready for sector approach with some improvements
Employment, HRD, Education, Social Policies	43.9	Ready for sector approach with some improvements
Agriculture and Rural Development	42.97	Ready for sector approach with some improvements
Environment Sector	42.44	Ready for sector approach with some improvements
Justice Sector	39.42	In progress towards Sector Approach
Security and Home Affairs Sector	38.26	In progress towards Sector Approach
Civil Society and Fundamental Rights	37.33	In progress towards Sector Approach
Energy Sector	35.17	In progress towards Sector Approach
ALBANIA		
HRD	43.96	Ready for sector approach with some improvements
Transport Sector	42.33	Ready for sector approach with some improvements
Private Sector Development Competitiveness	42.5	Ready for sector approach with some improvements
Environment	35.25	In progress towards Sector Approach
Public Administration Reform	29.75	In progress towards Sector Approach
Justice Sector Reform	29.33	In progress towards Sector Approach

Note: For detailed scoring per criteria and sub-criteria see Annexes 3

From the results in the table above some trends can be noted in all countries. The sector “Agriculture and Rural Development” is “Ready for sector approach with some improvements” in most countries. The “Energy sector” is “In progress towards sector approach” in most countries. Most of the other sectors have different ranges from country to country which shows the heterogeneity of results (mainly because of different institutional, economic and legal contexts). This is also due to “natural” differences between countries (e.g. size, demography, natural resources, level of economic development, etc) and differences in institutional and political readiness for implementation of reforms.

In the former Yugoslav Republic of Macedonia, the highest ranked sector from all 8 sectors which were analysed is “Agriculture and rural development” and the last ranked is the sector “Justice”. Only two sectors “Agriculture and rural development” and “Employment” are “Ready for sector approach with some improvements”, and two sectors (“Competitiveness” and “Public Administration Reform”) are almost being ready. The other sectors are “In progress towards sector approach”. Overall the three weakest criteria are: Donor coordination, Actual implementation and Budget appropriation. One of the main capacity gaps is related to the sector-based multi-annual financial planning linked to the weak inter-ministerial and coordination and it is relevant for all three sub-criteria. The other weak sub-criteria taken as an average for all sectors are: Monitoring framework and indicators; Consistency with the relevant regional development strategies and Timeframe (Criteria 1) and the Institutional capacity (Criteria 2). Very few of the sectors have existing main strategy covering the whole period 2014-2020. New main strategies in some of the sectors were either elaborated during 2013 or are still under preparation or will be prepared during 2014. In general, priorities in the respective sectors are well covered with sub-sector strategies. There is no relevant National development Plan. All strategies show strong consistency with the NPAA, CSP and IPA II Policy Areas. Monitoring and evaluation is weak in all sectors. Indicators are usually not SMART and fully fledged monitoring mechanisms do not exist. In almost all sectors, except Agriculture and rural development, there are financing gaps, especially for investments (e.g. transport, environment, etc.). Sector strategies usually do not contain financial figures. There are more Action Plans where the activities are either not budgeted or not budgeted properly. Financial monitoring of the implementation of the Action Plan is in general not done. Quality of planning and sequencing is a weak point, while criteria for prioritisation of projects do not exist. In most of the sectors the lead institution is formally appointed. In most of the ministries/ leading institutions Unit for strategic planning exist but they are not leading the process of elaboration of the main sector strategy/ key sub-sector strategies. The leading role in the preparation is either with a particular “thematic” sector in the ministry or National Committee (mainly in JHA sector). They are usually also responsible for the monitoring of the implementation. Sectors involved in sector programming need bigger number of skilled/ trained personnel and further human resources and institutional capacity building as well as technical equipment. Programme Based Approach Working Groups which were established in 2009 for donor coordination are put on hold, but they could/should be easily used for the sector approach. In 2013, the Government has also established seven Sector Wide Approach Working Groups to support the process of preparation of IPA II 2014 - 2020.

In Montenegro, it can be noted that four analysed sectors in Montenegro have obtained high scores which shows their readiness for sector approach with some improvements. Most of the other sectors are “In progress towards sector approach”. It is clear that the best ranked sector from all sectors which were analysed is the “Environment sector” with **45,83** and the three other sectors also well ranked are “Transport”, “Human Resource Development” and “Agriculture and Rural Development”. The lowest ranking is in the Security Home Affairs sector.

In Bosnia and Herzegovina, from the results of the scoring it can be seen that there are two outstanding sectors in BiH: “Justice” and “Public Administration Reform” which are scored as ready for the Sector Approach with **45,17** for the Justice sector and **47,92** for the PAR sector. Both sectors have active country-wide strategies with action plans under implementation. The implementation is monitored via monitoring tools and there are regular reporting activities. Both sectors are also actively managing sector coordination activities as well as donor coordination. Nevertheless, the strategies for both sectors are about to expire and there is a need to develop new action plans. At the moment there

is no existing country-wide sector strategy covering the whole period 2014 – 2020. The other sectors, according to the scoring are at the early stages of progress towards the Sector Approach. There is an emerging potential for sector approach in the sector environment and social inclusion. There is a potential for sector approach in transport, provided that political blockage of strategy development will be overcome. Home Affairs sector is covered by a number of sub-sector strategies and there are no plans to develop a country-wide sector strategy. Sectors like private sector development or education are at very early stages to be ready for sector wide approach. The current political situation (e.g. lack of agreement on coordination) might jeopardise further work on updating the strategic documents even in the most mature sectors. The main issues identified which influence not only the prospects on a shift to sector approach but the prospects of adopting any country-wide strategy include (1) lack of agreement on interpretation of state level coordination role on strategic planning (2) a lack of definition on country-wide strategy in relation to the BiH administrative system (3) low institutional capacities on strategic planning at state level and opposition from the entities on further strengthening the state level institutions (4) dependence on the heavy donors' assistance on preparing strategic documents.

In Kosovo, it can be noted that one out five sectors assessed respectively the “Agriculture and Rural Development” sector has obtained the highest score of **42,69** which qualifies the sector “Ready for sector approach with some improvements”. Three other sectors, respectively; Energy, Security and Environment sectors have obtained lower scores that classify them “In progress towards the Sector Approach”. This necessitates structured improvements in establishment and/or strengthening strategic planning and monitoring structures, improving capacities in strategic planning and monitoring, developing real budget estimations and strengthen the link between strategic planning and central budget. The Justice sector has obtained the lowest score which shows that this sector is not yet in progress towards a Sector Approach. Significant improvements are required to formalize the sector lead in strategic planning and take leadership in drafting of a new Justice Reform Strategy to provide a coherent and long term framework policy direction for the Justice sector in Kosovo possibly by 2020, develop and building respective structures, capacities and skills, develop effective monitoring and reporting system and enhance transparency to public on strategy implementation.

In Turkey, the “Transport” sector has obtained the highest score with **45,21** which shows its readiness for sector approach with some improvements. Three other sectors have also obtained high scores and are also the most mature: “Employment, HRD, Education, Social Policies”, Environment Sector” and “Agriculture and Rural Development”. In this sector strategic planning mechanisms can be considered to meet good quality standards. The sectors, “Justice, Security and Home Affairs, Civil Society and Fundamental Rights, and Energy” are according to the scoring at the stage of progress towards the Sector Approach. In most sectors, sector strategies depend on institutional strategic plans of the ministries responsible for the sector. In comparison with other countries, there is no sector with a very low score. In some sectors, (e.g; “Civil society and Fundamental Rights”) there is no overall strategy for the sector and it is highly advisable that a comprehensive strategy covering the whole sector be developed. In most sectors the reinforcement of the coordination and communication mechanisms is needed.

In Albania, three out six sectors have obtained required scores to qualify “Ready for Sector based approach with some improvements”: "Human Resource Development" sector with **43,96** scores, PSD Competitiveness with **42,5** and Transport sector with **42,3** scores. Nevertheless, some improvements still needed related to enhancement of strategic planning process related better functionality of working groups and coordination mechanisms to assure effective participation and contribution of stakeholders as well as ensuring high level of CSOs and social partners participation in policy making; Improving performance of monitoring systems and further enhancement of capacities in strategic planning and programming. Three other sectors: Environment, Public Administration Sector and Justice Sector have obtained scores that qualify them as “In progress towards sector based approach”. Structural improvements are required for quality of strategies and action plans through well organised strategic planning process involving stakeholders, establishment and strengthening

strategic planning structures taking coordinating role within and inter institutions, strengthening capacities in whole strategic planning and implementation process in structured and systemised way.

Common gaps

In most of the assessed countries, sector strategies do not cover the period until 2020. Most of the strategies will be updated during the period 2014-2020. In addition, the action plans for the implementation of sector strategies are weak in term of sequencing of actions for implementation. The actions plans are weak in term of indicators. Most of indicators are output indicators and not result and impact indicators or are not indicators at all. There is a lack of monitoring mechanisms and procedures to monitor the implementation of the strategies. Most of sector strategies assessed have not financial figures. When they are presented, in most of cases the quality of cost estimation is not good. In addition, sources of financing are not clearly defined. There is no clear link between the financing of sector strategies and central budget.

In most of the analysed countries, there are no sufficient trainings on strategy design and on monitoring of strategy implementation. In most of countries, donor coordination has been established but it is pushed by donors. In addition, bilateral donors are leaving Western Balkans countries. There is a lack of consistency between sector strategies and regional strategies. Local needs are not fully addressed in sector strategies. Concerning the consistency between sector strategies and regional strategies (in the sense of multi-countries) the responsibilities are not clearly defined. There is a lack of well formulated goals and objectives in sector strategies. In some countries, staff capacities in the strategic planning unit have been improved with donor's assistance but there are still a lot of needs in term of capacity building. There is coordination at several levels and this makes the coordination more difficult. The coordination roles are not clearly defined.

Common strengths

Most of the analysed main strategies and sub-sector strategies have generally addressed the EU accession priorities. The overall quality of most of the main sector strategies have been rated as good. In most of analysed countries, the lead institutions have been recognised but there is still not enough information about their responsibilities. The stakeholder involvement has been organized in most of countries with and active participation of CSOs. In most of countries, Sector Working Groups have been established but some countries have more experience in SWG meetings.

General conclusions

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

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

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

All assessed countries have good Public Administration Reform Strategies which are horizontal documents that form a basis for specific sub-strategies. In this sector the reforms within the PFM are crucial for the sector approach and more specifically the link between the central State budget and the Strategies for their implementation.

In the Transport sector there are national strategies but in some cases Action Plans for their implementation are missing.

In the Justice sector, in most of countries (the former Yugoslav Republic of Macedonia, Montenegro, Turkey, Albania) the quality of the Strategies in the sector are not sufficient and a number of strategies do not have Action Plans and their improvement is needed.

In the Home Affairs sector, a comprehensive overall strategy in the area of Home Affairs does not exist at the moment or should be updated (Turkey, Kosovo). In this sector, there are many fragmented

sub-sector strategies and there is a need to prepare new strategies for the whole Home affairs sector that will cover the whole period 2014 – 2020.

The Environment sector received different scores from country to country. In some countries, Strategies are obsolete or not developed enough (Montenegro, the former Yugoslav Republic of Macedonia, Bosnia and Herzegovina). Efforts are still necessary to develop and strengthen the monitoring system for the implementation of the strategies. It is also necessary to enhance environmental legislation alignment with the acquis.

In the Energy sector the three countries reviewed have been assessed as being “In progress towards Sector Approach”. There is a clear institutional leadership but institutional capacities of the lead institutions in charge for strategic planning should be improved.

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

(iv) **Recommendations**⁵

In **the former Yugoslav Republic of Macedonia**, in most analysed sectors the quality of the strategy (and the respective action plan), consistency with relevant regional strategies and monitoring framework and indicators (criteria 1) should be improved. The budget appropriation is also an issue. Actions plans of strategies should be well budgeted and financial resources for the implementation of strategies planned. The institutional capacity (criteria 2) should be improved as well as the donor coordination (criteria 3). Sector strategies should also detail the relevant priorities/measures to be addressed in the short, medium and long term and when designing sector strategies the programming has to be realistic and matching the available resources (takes into consideration the financial capacities of the state). New National Development Plan should be prepared. Sector strategies should have clear action plan (AP) that has all necessary elements. When designing the AP, more attention should be put to the quality of the planning and sequencing of activities. Monitoring should be conducted continuously during the implementation of the strategy. Responsible bodies require better understanding of the concept related to output, result and impact indicators as the necessary tools for providing adequate monitoring and implementation mechanisms. Financial resources for the implementation of the sector strategies, and in particular the resources from the central budget should be increased. When the sector strategy is implemented by several ministries/ institutions, sector financing should be secured also from those ministries/ institutions. The sectors/units in charge of strategic planning and programming should develop to be in a position to oversee the “big picture” in a particular sector. Formally appointed working groups for preparation of the NPAA and future negotiations for particular chapters could serve as a good platform to establish reporting and monitoring procedures for the whole the sector, provided that political decision makers participate. The established seven Programme Based Approach Working Groups, the existing central donor assistance database and the other different coordination mechanisms should be utilised in order to improve the donor coordination.

In **Montenegro** in some sectors (e.g. HA) it is necessary to consolidate a central strategic department/directorate inside the line ministry as a key unit in charge of the overall coordination with its relevant competent partner institutional bodies in terms of programming, identification and analysis of sector needs, definition of key strategic priorities for the short, medium and long term. The monitoring systems should be developed in order to be able to set up an analysis targeting a much more result-oriented approach towards the sector. The improvement in the quality of the APs is needed for implementation of the strategies not sufficiently detailed in terms of expected results and related output/result/impact indicators. Reinforcing the reporting and monitoring systems based on an

⁵ Detailed recommendations are presented in section 4 of this draft report and in Annexes 2

updated framework AP for implementation of the PAR strategy as a necessary tool in view of a sector approach. Monitoring mechanisms should include output/result and impact indicators helping to target the analysis towards a much more result-oriented approach. In order to be in line with the timeframe up to 2020 in some sectors (e.g. Transport) it is necessary to update the existing main strategic framework strategy for the transport sector extending the time to cover at least the period up to 2020. The institutional and capacity building should also be improved in some sectors (e.g. PSD) for the training of the future appointed staff within the sector in terms of strategic planning, programming and coordination for sector approach.

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

In **Kosovo** it is necessary to strengthen the central strategic planning structures within the line ministry to assure overall coordination with its relevant competent partner institutional bodies in terms of coordination of strategic planning process, assuring stakeholders' participation. The monitoring systems need to improve significantly in methodology, logistics and human resources capacity. The institutional and capacity building in strategic planning should be improved overall sectors through systemized TNA and training programs in cooperation with KIPA. In the "Energy sector", improvements in terms of quality of strategic systems are needed. Concerning "the Environment sector" progress is needed in terms of strengthening the quality of the strategic planning systems. In most of sectors that better coordination mechanisms are needed to be put in place. The low score in the Justice Sector addresses major improvements for formalizing the sector leadership, increasing the quality of strategic planning, building the necessary capacities and establishing the necessary mechanisms for a better coordination both within the related sector institutions and donors and IFIs. Significant improvements are recommended to budget appropriation through developing real budget estimations and strengthen the link between strategic planning and central budget.

In **Turkey**, in some sectors (e.g. Justice) improvement is needed for the capacity building on strategic planning and sector based programming to staff in charge of implementing and monitoring all strategies. In addition, monitoring mechanisms should include well-defined output/result and impact indicators in order to be able to make management decisions which are result oriented. Sector strategies separate from institutional strategic plans of ministries have to be prepared. In most sectors, such as environment – action plans should be prepared and related to subsectors. These action plans should include financial allocations that should be established at the level of measures/operations and designing in a SMART way all relevant output, result and impact indicators as necessary tools for providing adequate monitoring implementation mechanisms.

In **Albania**, further improvements are recommended for the quality of strategies closely linked to an effective strategic planning process involving stakeholders and groups of interest. The strategic planning structures especially for crosscutting sectors such as Environment, Public Administration should be established within the lead Institution to assure overall coordination with partner institutions. The monitoring systems need to further improve especially related to adoption of the output/result based methodology. The institutional capacities need to further improve through systemized training needs assessment and training programs delivered by TIPA. Significant improvements are required to PA and Justice sector related the process of drafting of the new strategy through a wide consultative process including stakeholder institutions as well as associations and CSOs. Setting up adequate budget allocations for the sectors (e.g. Justice) is needed in order to guarantee a coherent implementation of the foreseen actions.

Overall horizontal recommendations⁶

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

⁶ Overall horizontal recommendations EC focused are presented in section 4.7.

LIST OF ABBREVIATIONS

ACAA	Albanian Civil Aviation Authority
ACS	Anti Corruption Strategy
ADA,	Austrian Development Agency
AIDA	Albanian Investment Development Agency
ANTP	Albania National Transportation Programme
AP	Action Plan
APC	Action Plan for Improvement of the Competitiveness
ARD	Agriculture and Rural Development
ARDP	Agriculture and Rural Development Programme
BDIS	Business Development and Investment Strategy
BITS	Business Innovation and Technology Strategy
CDPMEA	Cabinet of the Deputy Prime Minister for Economic Affairs
CEFTA	Central European Free Trade Association
CoM	Council of Ministers
CSO	Civil Society Organisations
CSP	Country Strategy Paper
DAC	Development Assistance Committee
DEAICT	Department of European Agenda and Information Communication Technologies
DEIPC	Department of European Integration and Policy Coordination
DG	Directorate General
DIS	Decentralized Implementation System
DoPA	Department of Public Administration
DSDC	Department for Strategy and Donor Coordination
EAP	Energy Action Plan
EC	European Commission
ECS	Environment Crosscutting Strategy
EHCIP	Environmental Heavy - Cost Investment Planning
EIA	Environment Impact Assessment
ESC	Economic - Social Council
ESS	Education and Skills Strategy
EU	European Union
EUD	EU Delegation
FAO	Food and Agriculture Organisation
FDI	Foreign Direct Investment
FS	Fiscal Strategy
GCI	Global Competitiveness Index
GDP	Gross Domestic Product
GIZ	German Agency for International Cooperation
HA	Home Affairs
HLAD	High Level Accession Dialogue
HR	Human Resources
HRD	Human Resources Development
IMWG	Inter Ministerial Working Group

IPA	Instrument for Pre-Accession
IPARD	IPA Rural Development
IPS	Integrated Planning System
JHA	Justice and Home Affairs
JICA	Japan International Cooperation Agency
JSRS	Justice Sector Reform Strategy
KEEA	Kosovo Energy Efficiency Agency
KFW	Kreditanstalt für Wiederaufbau
KIPA	Kosovo Institute of Public Administration
M+E	Monitoring and Evaluation
M+R	Monitoring and Reporting
MAFWE	Ministry of Agriculture, Forestry and Water Economy
MARD	Ministry of Agriculture and Rural Development
MDD	Montenegrin Development Directions
MED	Ministry of Economic Development
MEI	Ministry of European Integration
MESP	Ministry of Environment and Spatial Planning
METE	Ministry of Economy Trade and Energy
MFAEI	Ministry of Foreign Affairs and European Integrations
MIA	Ministry of Internal Affairs
MIDT	Ministry for Information Society and Telecommunications
MIPA	Ministry of Innovation and Public Administration
MIPD	Multi-annual Indicative Planning Document
MISA	Ministry for Information Society and Administration
MLSW	Ministry of Labour and Social Welfare
MoARD	Ministry of Agriculture and Rural Development
MoARDWA	Ministry of Agriculture Rural Development and Water Administration
MoC	Ministry of Culture
MoCA	Ministry of Civil Affairs
MoE	Ministry of Economy
MoE	Ministry of Environment
MoEPP	Ministry of Environment and Physical Planning
MoES	Ministry of Education and Science
MoF	Ministry of Finance
MoHR	Ministry of Human Resources
MoI	Ministry of Interior
MoJ	Ministry of Justice
MoLSAEO	Ministry of Labour Social Affairs and Equal Opportunities
MoLSP	Ministry of Labour and Social Policy
MoTC	Ministry of Transport and Communication
MoTE	Ministry of Trade and Entrepreneurship
MoTPW	Ministry of Transport Public Works and Telecommunication
MSDT	Ministry of Sustainable Development and Tourism
MSWY	Ministry of Social Wellbeing and Youth
MTBP	Mid-Term Budgetary Plan

MTBP	Medium Term Budget Program
MTC	Ministry of Transport and Communication
MTI	Ministry of Transport and Infrastructure
MTI	Ministry of Trade and Industry
MTMA	Ministry of Transport and Maritime Affairs
NAPE	National Action Plan for Employment
NARDS	National Agriculture and Rural Development Strategy
NCEC	National Council for Entrepreneurship and Competitiveness
NCO	National Coordination Office
NDP	National Development Plan
NEAP	National Environmental Action Plan
NES	National Employment Strategy
NIPAC	National IPA Coordinator
NPAA	National Plan for Adoption of the Acquis
NPISAA	National Plan for Implementation of Stabilisation Association Agreement
NSDI	National Strategy for Development and Integration
NTS	National Transport Strategy
NWMS	National Waste Management Strategy
OP	Operational Programme
OP RD	Operational Programme for Regional Development
OS	Operating Structure
OSCE	Organization for Security and Co-operation in Europe
OSP	Office of Strategic Planning
OVI	Objectively Verifiable Indicators
PAM	Performance Assessment Matrix
PARCO	Public Administration Reform Coordination Office
PARS	Public Administration Reform Strategy
PBA	Programme Based Approach
PEFA	Public Expenditure and Financial Accountability
PFM	Public Finance Management
PIFC	Public Internal Financial Control
PMO	Program Management Office
PPP	Public Private Partnership
PSD	Private Sector Development
RD	Regional Development
RES	Renewable Energy Sources
ROM	Result Oriented Monitoring
SAA	Stabilisation and Association Agreement
SBIWG	Strategy Budget Integration Working Group
SDC	Swiss Development Cooperation
SEE	South-East Europe
SIDA	Swedish International Development Agency
SIP	Strategy for Industrial Policy
SISPC	Social Inclusion and Social Protection Strategy
SMART	Specific, Measurable, Achievable, Relevant and Time Bound

SME	Small and Medium Size Enterprises
SP	Strategic Plan
SPO	Senior Programming Officer
SSP	Sector Support Programs
SWG	Sector Working Groups
TA	Technical Assistance
TAIB	Transition Assistance and Institutional Building
TAIEX	Technical Assistance and Information Exchange Instrument
TIPA	Training Institute of Public Administration
TNA	Training Need Analysis
ToR	Terms of Reference
TSS	Transport Sector Strategy
UNDP	United Nations Development Programme
UNICEF	United Nations International Children's Emergency Fund
VET	Vocational Education and Training
WB	Western Balkans
WB	World Bank
WEF	World Economic Forum
WG	Working Group
WLA	Workload Assessments
WTO	World Trade Organisation

DEFINITION OF TERMS

Sector - A ‘**Sector**’ can be defined as a clearly delimited area of public policy addressing a set of fairly homogeneous challenges, by using dedicated resources (staff and budget) under the authority of a competent member of the government.

Sector Approach (SA) - A ‘**Sector Approach**’ is defined as a process which aims to broaden government and national ownership over public sector policy and decisions on resource allocation within the Sector, thereby increasing the coherence between sector policy, government spending and the achievement of results.

Sector Approach characteristics include:

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

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

Sector Assessment criteria - The analysis of the Sector through the ‘**Sector Approach assessment criteria**’ determine the level of preparedness of the Sector, ranging from a Sector where all the 7 assessment criteria are met to a sector where only the key criteria are met (or in process of being met).

Five key criteria need to be assessed:

1. Well-defined national sector policies/ strategies;
2. Institutional setting, leadership and capacity for implementation of the sector strategy; Ideally there should be a lead Ministry
3. Sector and donor coordination;
4. Mid-term budgetary perspectives for sector policy implementation based on sector budget analysis and realistic sector allocations in Mid-Term Expenditure Frameworks (MTEFs);
5. Monitoring of sector policy implementation and in particular the development of Performance Assessment Frameworks (PAFs).

Two additional criteria related to the overall context influencing the sector programmes should also be considered, particularly (although not only) in cases where Budget Support will be the chosen financing method. These are: 6-Public finance management system (efficiency, effectiveness, transparency) in place or under implementation; 7-Existing and projected macro-economic framework in which sector policies will be implemented

Sector Strategy - The sector strategy, often presented in the form of a strategic plan or similar document, describes how the government intends to implement the sector policy over a medium-term perspective (usually 3-5 years). It may set intermediate targets and objectives if (as is usually the case) some policy objectives are not achievable over a short period – or set priorities among policy objectives, if resource constraints prevent pursuing all of them simultaneously. A sector strategy will outline how the sector strategy will be implemented; presenting detailed timetables and planned measures by which the sector objectives will be achieved. The sector strategy provides a high-level “blueprint” or action plan for implementing the sector policy. It should be directly reflected in annual

sector budgets.

Indicator A variable that provides quantitative or qualitative information on a phenomenon. It normally includes a value and a measurement unit.

Medium Term Framework: a macroeconomic, fiscal, budgetary, or expenditure framework typically covering a period of three to five years. The use of the word "framework" implies that it is not detailed, and certainly not as detailed as the information you would find in a budget.

Medium Term Expenditure Framework: the expenditure framework of a country covering the expenditure items. Normally expenditure items would be presented by the major headings used in the budget format.

Sector Support Programme (SSP)

A Sector Support Programme (SSP) supports the implementation of a National Sector Programme. It is the EC aid instrument for supporting a National Sector Programme, either in its entirety or a part of it. A SSP is a set of inter-related measures and operations (activities) which address the same midterm sector priorities and objective(s). A SSP is implemented through IPA funds (+ national co-financing).

Sector Support IPA assistance provided to a given sector (from those selected from the CSP)

Project Non divisible operation, delimited in terms of schedule, budget and management responsibility.

Objective The planned benefits for direct beneficiaries (specific objective /purpose) and indirect beneficiaries (overall /global objective).

Outputs The tangible products of spending resources on financing operations.

Results The cumulative consequences of outputs delivered by programme/project operations.

Impacts The changes resulting from the achievement of objectives than can reasonably be attributed to a programme/measure/operation.

Objectively Verifiable Indicator (OVI) Measurable indicator to base the verification of achievements

Operating Structure A body or a group of bodies within the administration of the beneficiary country which are responsible for programming, implementation and monitoring the programme(s) concerned.

Sector budget and its medium term perspective; the annual sector budget should increasingly reflect sector priorities and strategies. The sector approach works towards policy based budgeting, embracing all resources for the sector, with realistic medium term sector expenditure plans, which, ideally, will form part of a coherent national approach to medium-term expenditure planning.

1. INTRODUCTION

DG Enlargement has awarded a Framework Contract to the HTSPE Consortium to carry out a Study on “Mapping of sector strategies” in Western Balkans and Turkey. The assignment was undertaken during the period 22 July 2013 to 28 February 2014 and involved both desk and field research phases. A draft final report was distributed to beneficiaries in late 2013 and a debriefing of the final report held in Brussels in February 2014

1.1.OBJECTIVES AND SCOPE OF THE EVALUATION

The **Overall Objective** of this assignment is:

- The **primary objective** of this study is to provide findings on the capacities and the needs of the beneficiary countries in the application of a sector approach and recommendations to assist the DG Enlargement of the European Commission (DG ELARG) and beneficiary countries in improving programming and performance of IPA II assistance.

The **Specific Objective** of the assignment is:

1. To provide findings on the capacities and the needs of the beneficiary countries in the application of a sector approach, while analysing and assessing the state of play and potentials of the sector strategic planning in sectors that are considered priority or might become priority by judging on the quality of the national sector strategies, the existing institutional settings and the mechanisms for strategic planning in these sectors (assessment and gap analysis)
2. To provide relevant operational recommendations for actions, measures to fill the gaps identified in order to enhance the sector strategic planning capacities of the beneficiary countries with the aim to improve the programming and performance of the IPA II financial assistance and better implementation of a sector approach in perspective, also based on the past and on-going programming experience

Scope of the evaluation

The kick-off meeting organised in Brussels on the 25th July 2013 decided that the scope of the study should be focused on addressing three key points:

1. Mapping national sector strategies in IPA beneficiary countries Turkey, Albania, Bosnia and Herzegovina, Serbia, Montenegro, Kosovo, and the former Yugoslav Republic of Macedonia.
2. Assessing the modalities and the quality of national strategies, the institutional structures and the coordination mechanisms in sectors that are considered priority or might become priority for the EU support in the programming period 2014-2020.
3. Providing relevant operational recommendations for actions, measures to fill the gaps identified in order to enhance the sector strategic planning capacities of the beneficiary countries with the aim to improve the programming and performance of the IPA II and better implementation of a sector approach in perspective

The kick-off meeting also indicated that the preliminary indicative list of sectors of interest that was elaborated during the preparation phase has been updated. It was mentioned also that when defining sector strategies that will be examined, special attention should be given to the fact that some countries have comprehensive sector strategies, but not all of them need to be analysed. In addition, there were specific expectations for each country. On that basis, the final list of preselected priority sectors was defined based on the preliminary field analysis and the bilateral meetings conducted with the DG Enlargement respective country task managers.

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

1.2. CONTEXT AND BACKGROUND

Each of the beneficiary countries has up to 100 strategies of various types although these suffer from a number of quality issues, including being out of date, lacking appropriate action plans and a lack relevant mechanisms and systems to monitor implementation. The assessment of strategies was undertaken by the first round of interim evaluations undertaken in 2010 and during sector evaluations in some countries in more recent years.

Within the new Programming context one of the crucial issues identified is the need to analyse the sectors' maturity and readiness for the introduction of a Sectoral Approach. By the end of 2012, the DG Enlargement proposed a **guidance document for sector approach in pre accession assistance** which will be the methodological pillar of this assessment study. It should also be noted that within the new IPA-II Programming period (2014-2020), new implementation manuals are still under preparation and the results of this study are expected to feed into the design of the IPA II.

The benefits of sector approaches were already discussed in 2008 in Brussels, and 2009 in Tirana, between the EC, donors and the Western Balkans countries, plus Turkey. The first guidance manual and best practice conclusions for sector approaches came out of the workshop organized the 22-24 March 2010 in Sarajevo in 2010. In that sense the **“How to” Note defines the sector approach and its benefits**⁷, introduces the steps for implementing it and presents some lessons learned. As mentioned in the ToR, the proposal for IPA regulations requires reinforcing the financing of commonly agreed sector strategies: contributing to national development policies, and being consistent with EC accession policies and improving ownership by the beneficiary countries.

In addition, the Country Strategy Papers (CSPs), which are the key planning documents for IPA II programming, are currently being developed. Initial drafts of CSPs have already been prepared and shared for EC internal consultation during the period of implementation of this project. In this regard, the present assignment might be useful to complement and/or validate findings and conclusions in the CSPs. This study is also foreseen to contribute to the process of preparing the Sector Programmes (Annual and Multi-Annual).

The sector approach implicitly requires strengthened capacity to develop sector strategies, inter- and intra-ministerial cooperation, and the strategic development at a national and a sector level. Some IPA beneficiaries have managed to develop comprehensive sector strategies, but not all. The diversity of the countries defined for this study is also a crucial issue for the implementation of the sector approach and preparation of IPA II (2014-2020). Firstly, there are differences in size and secondly the specific institutional architecture, such as that of Bosnia and Herzegovina, requires individual approaches. In this particular case, no strategies exist at national level in most of the sectors. Thirdly, national elections might also have a strong impact on the implementation of formerly approved strategies, as priorities might be changed when new governments come into place.

2. METHODOLOGICAL APPROACH

2.1. APPROACH, METHODOLOGY AND TECHNIQUES USED

The methodological approach has been adjusted and ‘fine-tuned’ during the inception phase for the final list of preselected priority sectors to be assessed based through a ‘top-down’ and ‘bottom-up’ approach. General documents relevant for this study (Guidelines for the Sector approach in IPA II, templates of CSP, SP, etc.) have also been consulted. A preliminary analysis and pre-selection of sectors of interest based on sector approach criteria has been conducted. This was based on several

⁷ Challenges and lessons learned from the Sarajevo Workshop 22-24 March 2010

predefined criteria (recommended as well in the guidelines of for sector approach) in order to preselect a list of priority sectors per country. In this sense, a coherence between the criteria/categories used in the study and the criteria adopted by the EC for assessing the SA approach have been followed.

Each country has been assessed against the following criteria for each strategy:

Government priority or might become priority (Particular in case of political changes (elections). Checking with National Development Plan or similar Strategic documents (if they exist));

Relevance for EU accession (The sector should be wide enough and in line with the EU accession policies);

High value interventions (Significant contribution to accession through existence of programming through the sector. Checking if the sector has not been financed only through individual project approach (project contribution). Checking if the sector approach in programming has been successfully introduced in the past years);

Clear institutional framework (Checking if the existence of a Lead Institution in the sector. Leading appointment of the Ministry as Leading mandate body for related implementation or monitoring mechanisms);

Link with a national budget (Checking the existence of budget allocations in general National budget for the sector. Checking Memorandum of Understanding for co-financing and relevant past experience).

Based on a first assessment, a preliminary analysis for each country has been done adopting the top down approach.

The table below summarizes the preselected priority sectors

Table 2.1. Preselected list of country sectors to be assessed in a view of a Sector Approach

Sectors/Country	Turkey	Albania	Bosnia& Herzegovina	Serbia	Montenegro	Kosovo	the former Yugoslav Republic of Macedonia
Public Administration Reform		X	X	X	X		X
Justice and Home Affairs	X	X	X	X	X	X	X
Civil Society, Human Rights and Minorities	X		x				X
Transport	X	X	X		X		X
Energy	X			X		X	
Environment	X	X	X	X	X	X	X
Private sector development			X		X		
Competitiveness And Innovation					X		X
Education, science, research and Human Resource Development	X		X				

Labour Market and Employment	X				X		X
Social policy and social development	X	X	x		X		X
Agriculture and rural development	X	X			X	X	X
Regional policy and territorial cooperation							

NB: The table above (including the titles of the sectors) is given in the ToR. It should be mentioned that the sectors are not the same in all IPA beneficiaries and in some cases the sectors are integrated in one sector (e.g. Private sector development and competitiveness or HRD, Social policy and social development, education, etc.). The table presented above is based on the preliminary analysis carried out, as well as the bilateral meetings with DG Enlargement country officers.

The specificity of each country has been taken into consideration. For example, specificities of Bosnia and Herzegovina – analysis of the situation on strategies at the entity level and analysis of their coherence in terms of alignment with country-wide strategies has been done. Based on the results of the bilateral meetings the table of priority sector presented above has been revised. A detailed analysis of the priority sectors and sector strategies has been conducted with the evaluation questions, the judgement criteria and related indicators. The assessment questions followed the identified criteria for judging the maturity for adopting a sector approach. The interviews have been conducted first with representatives of EU Delegations in the Western Balkans countries and after with representatives of national authorities (the NIPAC Offices, line ministries and relevant institutions). The evaluation questions are aligned with the criteria defined for the strategy assessment grid.

DEFINITION OF CRITERIA AND CATEGORIES

Criteria for assessing the Sector Approach

This study/evaluation has been prepared taking into consideration criteria adopted by the EC for assessing the SA approach mentioned in Definition of terms. In this study/evaluation the first three criteria above have been analysed. In this report they are presented as:

Criteria 1: National sector strategies and budget appropriation

Criteria 2: Institutional setting, leadership, capacity and performance framework

Criteria 3: Sector and donor coordination

Maturity of sector for a sector approach (SA): A sector is considered “Mature” when it is ready for the sector approach. This depends on several factors related to the above mentioned criteria: overall relevance, ownership/stakeholder involvement, political commitment/endorsement, clear indication of objectives, and consistency with EU accession strategies, consistency with relevant regional strategies, time frame monitoring framework/indicators, budget appropriation, lead institution, capacity assessment, actual implementation, sector coordination mechanisms and donor coordination.

Categories of sector maturity for a sector approach

Three categories of sector maturity are presented

Category 1: Ready for sector approach with some improvements – This category follows the definitions adopted by the EC for assessing the sectoral approach “Full-fledged sector approach”. It should be noted that there is no sector that meets the conditions for a category “Full-fledged sector approach”. However, sectors classified under Category 1 in this report are substantially advanced and

can achieve the status of “Full-fledged SA” with limited actions. Sectors under Category 1 (with scores from 42 to 56) are presented in green (rated positively) in this report.

Category 2: In progress towards sector approach – This category corresponds to the definition of the term “Intermediate sector approach” adopted by the EC, where a sector is partially ready (where the essential criteria are either in process of being met) for the sector approach or not even ready for it but in process. It should be mentioned that Category 1 can be also considered as intermediate but, it is more advanced. Sectors under Category 2 (with scores from 28 to 42) are presented in yellow (intermediate) in this report.

Category 3: Sector not yet in progress towards Sector Approach and not ready at all – This Category correspond to the definition of the situation “No sector approach”, adopted by the EC for assessing the sectoral approach. This situation correspond in the report to Sector not yet in progress towards Sector Approach and not ready at all. Sectors under Category 3 (with scores from 0 to 28) are presented in red in this report.

Note: for mature sectors with some improvements the timeline for full adoption of sector approach is 1-2 years for sectors in progress – 2-3 years and for not ready more than 3 years

The evaluation questions

All evaluation questions are covered with the three criteria (see Annex 5). The EQ have been defined based on the ToR and criteria/sub-criteria required for the sector approach assessment. The initial evaluation questions have been compared with those defined in the guidelines for sector approach for pre-accession countries and have then been clustered by the 3 main assessment criteria.

Methods and Techniques used

A Method based on qualitative and quantitative analysis

The methodological approach followed is based on a qualitative and quantitative analysis. Different tools and methods combining these two types of analysis have been used

Meetings and interviews have been prepared both in terms of methodology (for conducting interviews, for sending questionnaires and for collecting data), in terms of content (by the preparation of the questionnaire) as well as in terms of a structured approach (through a selection of persons for interviews, organization of meetings, sending questionnaires). After the field missions, preliminary observations, findings and recommendations have been prepared and presented to DG Enlargement. These documents have been prepared at a very early stage, immediately following the field missions and before the receipt of the responses to the questionnaires, and thus did not contain the complete analysis. During the synthesis phase the **qualitative and quantitative analysis** was developed which allowed an assessment of the sectors to be made based on a scoring system and an overall level of maturity of the sectors.

Quantitative analysis

Collection of quantitative data has been obtained through desk research analysis and interviews. For the quantitative analysis, the obtained scores are also related to the questions from the questionnaires and then the average has been calculated and linked with the given score to the sub-criteria or criteria. A scoring system has been developed for each criteria or sub-criteria with a link with the overall assessment score (presented in Annex 2)

Qualitative analysis

Concerning the qualitative analysis, the scores are also obtained through desk research analysis and interviews. Our team adopted the same approach during the interviews in all countries (systematic use

of the questionnaire, collection of answers during the interviews, structured and semi structured discussion approach, similar duration of meetings). Different types of interviews have been organized including: individual interviews, meetings/interviews in sector groups and focus groups. With the scores from the questionnaires and desk research analysis, the average has been calculated and linked with the given score to the sub-criteria or criteria. The quantitative and qualitative analysis and received questionnaires allowed collection of sufficient information to carry out assessment of sector's maturity. Key strategies have been analysed (see Annex1). In total, approximately 120 meetings have been organised and more than 300 persons have been interviewed. Questionnaires have been sent to selected stakeholders. Finally, the report was consulted with stakeholders in two rounds (EC services, EUDs and national authorities).

Scoring system and rates

For each country, tables with guidance criteria for the team (structured with indicators) and a scoring system incorporating qualitative and quantitative analysis have been used. These tables are presented in Annex 3. They have been used during the Phase IV (Synthesis phase) for guiding the overall assessment analysis. The tables include the above mentioned criteria and related sub-criteria (criterion 1 has nine sub-criteria; criterion 2 has three sub-criteria; criterion 3 has two sub-criteria). For each sub-criteria, a scoring system has been established with indicators and linked to the overall assessment. The scores are based on indicators and questionnaires. Rates have been given for each of the sectors/subsectors identified. An overall score has been able to identify the weaknesses and strengths of the different sectors assessed.

The overall level of maturity of sectors has also been calculated with the following approach:

Tables 2.2. Method of calculation per criteria

A- Calculation per criteria

Criteria 1: National sector strategies and budget appropriation	
From 0 to 9	Not ready at all
From 9 to 18	Sector not yet in progress towards Sector Approach
From 18 to 27	In progress towards Sector Approach
From 27 to 36	Ready for sector approach with some improvements

Note: For the sectors not reaching the minimum score of 9 they are not qualified for Sector Approach even if reaching very good scores in the other criteria.

Criteria 2: Institutional setting, leadership, capacity and performance framework	
From 0 to 3	Not ready at all
From 3 to 6	Sector not yet in progress towards Sector Approach
From 6 to 9	In progress towards sector approach
From 9 to 12	Ready for sector approach with some improvements

Note: For the sectors not reaching the minimum score of 3 they are not qualified for Sector Approach even if reaching very good scores in the other criteria.

Criteria 3: Sector and donor coordination	
From 0 to 2	Not ready at all
From 2 to 4	Sector not yet in progress towards Sector Approach
From 4 to 6	In progress towards sector approach
From 6 to 8	Ready for sector approach with some improvements

Note: For the sectors not reaching the minimum score of 3 they are not qualified for Sector Approach even if reaching very good scores in the other criteria.

B- Overall level of maturity of the sectors

The whole assessment of the maturity (degree of maturity) of the sectors follows the same approach:

Table 2.3. Calculation of the Overall level of maturity of the sectors

Overall level of maturity of the sectors	
From 0 to 14	Not ready at all
From 14 to 28	Sector not yet in progress towards Sector Approach
From 28 to 42	In progress towards Sector Approach
From 42 to 56	Ready for sector approach with some improvements

Conclusions, findings and recommendations

First Preliminary conclusions, findings and recommendations were prepared after the field mission and discussed with the Reference group in Brussels. They have been also presented and discussed in a second round to a wider audience EC services, EUDs and national authorities). The conclusions and findings are presented in section 3 of this report. The recommendations are presented in section 4 of this report. They include timeline (short term: one year, medium term: three years and long term: more than three years). Findings and Recommendations are also presented in ANNEX 2.

LIMITATION OF THE METHODOLOGY

The focus in the study is the assessment of the national strategic planning systems. This information in several cases was not fully available, thus the information was provided instead on IPA systems and structures set up in different countries. This limitation is mainly valid for the assessment of the institutional framework and coordination aspects that have been specifically set up for IPA (criteria 2 and 3). In the case of Bosnia and Herzegovina the following methodological remarks has to be done: The scoring system was designed and approved in the inception report for a single national administration system. It could be applied to the complex administration system of BiH in a limited way. A special set of recommendations for BiH was requested (1) on potential of developing country-

wide strategies and (2) follow up work on mapping to be continued by the twinning project. These special recommendations are developed and presented in the report and in the Annex 2.

In Bosnia and Herzegovina the main challenges were on obtaining information from different levels of administration; different understanding of roles and responsibilities in relation to strategic planning and sector approach; different interpretation of “coordinating” role of state level institutions and in some cases the passive role of state level institutions in relation to sector coordination.

The same specificities and limitations in the access to information make the BiH case not necessarily comparable to the other countries.

2.2 PRESENTATION OF THE REPORT

The report consists of four parts. The first part presents this introduction the structure of the report, general introductory remarks and the context and the background. The second part presents the methodological approach, including basic objectives and scope of the evaluation, approach, methodology and techniques used and presentation of results of the results of the evaluation. The third part presents findings and conclusions for each country and by sectors. The fourth part presents recommendations for each country and by sectors and overall horizontal recommendations.

The annexes of the report includes:

ANNEX 1 – Key strategies by sector for each country

ANNEX 2 – Final reports for each country

ANNEX 3- Scoring tables with guidance criteria for each country

ANNEX 4- List of interviews during the field missions

ANNEX 5- Evaluation questions, judgement criteria and sources of information

3. RESULTS, FINDINGS AND CONCLUSIONS FOR EACH COUNTRY AND BY PRIORITY SECTORS: THE LEVEL OF MATURITY OF THE SECTORS

3.1. THE FORMER YUGOSLAV REPUBLIC OF MACEDONIA

The table below presents the summary of the results of the overall assessment of sectors⁸ in the case of the former Yugoslav Republic of Macedonia according the adopted methodology and the respective criteria/sub-criteria.

the former Yugoslav Republic of Macedonia	
Agriculture	45.58
Employment	43.58
Competitiveness	41.61
Public Administration Reform and EU integration	41.13
Transport	40.33
Home affairs	39
Environment	37.15
Justice	34.92

Table 3.1. Summary of the overall assessment of sectors for the former Yugoslav Republic of Macedonia

Note: For detailed scoring per criteria and sub-criteria see Annexes 3

From the results in the Table 3.1 above it can be noted that all analysed sectors in the former Yugoslav Republic of Macedonia fall either in the range “In progress towards sector approach” or “Ready for sector approach with some improvements”. The highest ranked sector from all 8 sectors which were analysed is “Agriculture and rural development” and the last ranked is the sector “Justice”. According the analysis, only two sectors “Agriculture and rural development” and “Employment” are “Ready for sector approach with some improvements”, and two sectors are almost ready being at the cut-off point (“Competitiveness” and “Public Administration Reform”).

In the following text short explanation about the maturity of each sector is given, corresponding to the order in the table above.

Findings and conclusions for sectors that are ready for Sector Approach with some improvements

Sector: Agriculture and rural development

Overall rating and assessment

The assessment of the sector “**Agriculture and rural development**” shows that it is ready for sector approach with some improvements and has a sufficient maturity. The arguments that support this

⁸ When the analysis was made, it was decided to split two sectors for a more specific approach: The “Justice and Home affairs” sector was divided into “Justice” and “Home affairs” and “Employment and Competitiveness” into “Employment” and “Competitiveness”.

conclusion are: main sector strategy, National Agriculture and Rural Development Strategy (NARDS) 2007 - 2013, exists and the new one for the period 2014 - 2020 is in process of preparation. This sector is a priority for the government, and has a good allocation from the central budget (140 Mio. Euro in 2014). It is very important for the national economy and receives continuous support from different donors. The process of strategic programming has been improved over time and information system has been established providing the necessary data for decision making.

Findings and conclusions on Criteria 1 - National sector strategies and budget appropriation

Ministry of Agriculture, Forestry and Water Economy (MAFWE) during 2013 has initiated the process is in the process of the preparation of the sector strategy National Agriculture and Rural Development Strategy (NARDS) 2014 - 2020 supported by FAO. It will be submitted to the Government for adoption in the course of 2014. The main subsector/ priorities are fairly good covered by individual sub-sector strategies and the most of them complemented by Action Plans. However, app. one third of the sub-sectors/priorities are not covered with any strategy.

Although a bit long, the overall objective of the main strategy NARDS 2007 - 2013 is visible and gives clear reference to the specific objectives of the National Development Plan (NDP) 2007 - 2009 (relevant at the time). The specific objectives are thoroughly described. Chapters for water sector and forestry are at the end of the main strategy, but they do not look well integrated. Main specific objectives are not very coherent with the identified subsectors/ priorities. Relevance of objectives is satisfactory, while their formulation might be improved.

There is a clear action plan for implementation which is part of the main strategy. It is presented with Gant charts for each specific objectives and for the whole period 2007 - 2013. It contains the following information per specific objective/ results: activity; responsibility (leading agency/partners); time frame; potential sources of financing. There is neither budget estimate for each activity/ measure nor indicators. The ministry collects the information on the indicators (mainly at output level) within the reporting process but it is still not ideal. It is estimated that some 80% of the NARDS 2007 - 2013 has been implemented. Mid-term evaluation was not conducted. Analysis of the current situation for the preparation of NARDS 2014 - 2020 has been made, but analysis of the achieved results and impacts with the current strategy wasn't. The budget allocations for the implementation of the main strategy are very good, and especially the one from the central budget (140 Mio. Euro for 2014).

Findings and conclusions on criteria 2 - Institutional setting, leadership, capacity and performance framework

The Ministry of Agriculture, Forestry and Water Economy has the leading role in the sector and has been also formally appointed in 2009 as responsible for the working group for Chapter 11. "Agriculture and rural development", Chapter 12. "Food safety, veterinary and phytosanitary policy" and Chapter 13. "Fisheries". Different staff from the Ministry is involved in planning, but there is no clear planning department. Although the capacities for strategic planning have been increased over years, the elaboration of strategic documents has been still dependent on external resources. Capacities in the ministry are still weak in the area of policy analysis as well as the capacity for strategic planning at lower hierarchical levels.

Findings and conclusions on criteria 3 - Sector and donor coordination

There are several coordination mechanisms, whereas the National Council for Agriculture and Rural Development is the highest coordination mechanism at national level, which is established and chaired by the Minister according the Law. Related working groups for Chapters 11, 12 and 13 are in charge for preparation of the NPAA and for preparation of the future negotiation positions. IPARD monitoring committee is a coordination platform with regards to the implementation of the IPARD Programme, where all relevant stakeholders participate (line ministries, farmers associations, chambers, etc.).

At the beginning of 2013 the Government has established sector wide approach working group "Agriculture and Rural Development" to support the process of preparation for IPA II 2014 - 2020

which members are: Secretariat for European Affairs, NIPAC, Ministry of Agriculture, IPARD agency, Agency for Food and Veterinary and Ministry of Finance.

Main coordination mechanisms for NARDS at the operational level are the sub-sector standing working groups that are established by Law in the most important agricultural sub-sectors and which have regular meetings. Those working groups are involved in the definition of priorities and measures of the strategy for the new programming period. There is a rule book, annual work programme and assigned secretary of each of the sub-sector working groups. However, the different coordination platforms are not yet completely consolidated and integrated.

Programme Based Approach working group “Agriculture and rural development” has been established in 2009 for donor coordination. Secretariat for European Affairs has established Central Donor Assistance Database as well as a portal for National Plan for Adoption of the Acquis (NPAA).

Sector: Employment

Overall rating and assessment

Sector “**Employment**” is ready for sector approach with some improvements. The readiness is supported with the following arguments: main sector strategy is the National Employment Strategy 2011 - 2015; there is a National Action Plan for Employment (NAPE) 2011-2013 incl. annual Operational Plan (OP) for active measures for employment. Main strategy covers all policy areas: employment policy, education policy and social inclusion and fight against poverty. All main subsector/ priorities are well covered by interlinked individual sub-sector strategies valid for the period after 2013. The main strategy is very well aligned with the EU 2020 strategy and strategy South-East Europe 2020. The sector is a high priority for the Government due to still high and structural unemployment. Several coordination mechanisms exist at different levels and there are active donors in the country.

Findings and conclusions on criteria 1 - National sector strategies and budget appropriation

Main sector strategy prepared by the Ministry of Labour and Social Policy (MoLSP) is already under implementation. The individual sub-sector strategies are covering all main subsector/ priorities but more of them do not have action plans. Targets given in the main strategy were assumed as its overall objective which includes baseline data for 2010, national objectives for 2015 and EU objectives 2020. Sub-sectors/priorities are fairly good connected with the specific objectives of the main strategy. Both coherence and complementarity are very high. Specific objectives are sufficiently addressing all main problems in order to achieve the overall objective of the main sector strategy. Relevance of objectives is satisfactory, while their formulation might be improved. The main strategy is well aligned with the main specific objectives of the National strategy for balanced regional development 2009-2019 as well as with the strategy SEE 2020 through the pillars “Inclusive growth” and “Smart growth”.

National Employment Strategy (NES) 2011-2015 is implemented through 3 years National Action Plan for Employment (NAPE) 2011-2013 and through annual Operational Plan (OP) for active programs and measures for employment. NAPE contains: measures/projects, target groups, output indicators, budget and responsible institutions, but does not contain results and results indicators. Some of the measures/ projects are budgeted. Indicators are not SMART (not quantified, not time bound, and partly not enough specific). Unit for Labour market in the Sector for Labour in the MoLSP monitors the implementation of the main strategy. Annual report with results of implementation is submitted to the Government after being reviewed and approved by the Economic and Social Council. Guidelines for monitoring of the active measures for employment exist. Allocations in the central budget for the implementation of the NES/NAPE/OP are average covering app. 54% of the total amount needed, and the rest is provided through projects and loans. The allocation for the OP for active programmes and measures for employment in the central budget for 2014 was 8,5 Mio. Euro.

Findings and conclusions on criteria 2 - Institutional setting, leadership, capacity and performance framework

Ministry of Labour and Social Policy (MoLSP) has the leading role in the policy area Employment and has been also formally appointed for the working groups for the Chapters 2 and 19. Ministry of Education and Science (MoES) has the leading role in the policy area Education and has been also formally appointed for the working groups for Chapters 25 and 26. Different sectors/ staff from MoLSP are involved in development and implementation of different strategies, but there is no clear planning department. Main capacity gaps in both ministries are: Monitoring and Evaluation; Development of procedures and manuals for monitoring and reporting and Sector-based multi-annual financial planning linked to the inter-ministerial coordination. In addition there is a high turnover of staff in the MoLSP related to monitoring and evaluation. Monitoring and reporting procedures are in place. Despite the fact that the capacities of the MoLSP and MoES have increased over time, in the elaboration of strategic documents' external sources.

Findings and conclusions on criteria 3 - Sector and donor coordination

Working groups and coordination councils/committees are main forms of coordination. Related working groups for Chapters 2, 19, 25 and 26 have been formally established in 2009 and they are in charge for preparation of the NPAA and the future negotiation positions. In 2013 the Government has established Sector Wide Approach WG "Human Resources Development" to support the process of preparation for IPA II 2014 - 2020 where members are: Secretariat for European Affairs, NIPAC, MoLSP, MoES, Ministry of Health and Ministry of Finance. Sectoral Monitoring Committee (SMC) is a coordination platform for implementation of the Operational Programme Human Resources Development, where all relevant stakeholders participate. Sub-sector working groups/councils are established for preparation of the main sub-strategies (National Employment Strategy 2011 - 2015, National Strategy for alleviation of poverty and social inclusion 2013 - 2020, Council for monitoring of the implementation of the Strategy for Vocational Education and Training in a lifelong learning context 2013 - 2020). Members of those working groups were involved in the definition of priorities/ measures and the members are mainly at managerial or senior level. They meet regularly with good attendance. Not all coordination bodies have manuals. Despite the big number of different coordination platforms, they are not yet completely consolidated and integrated. For better donor coordination Programme Based Approach working group "Human Capital" has been established in 2009 with Employability (Employment) as priority sub-area.

Findings and conclusions for sectors in progress towards sector approach

Sector: Competitiveness

Overall rating and assessment

The assessment of the sector "**Competitiveness**" shows that it is somehow between "Progress towards sector approach" and "Ready for sector approach where some improvements are necessary". The arguments are: Action Plan for improvement of the Competitiveness 2012 - 2013 is not a proper strategic document; there is a strong political support from the Cabinet of the Deputy Prime Minister for Economic Affairs (CDPMEA) which is the lead institution and has the overall coordination role in the sector; Importance of the sector for the national economy due to low level of private sector competitiveness; Several very important sub-strategies exist; Involved institutions work together for a longer period of time and they know their strengths and weaknesses; Consultation process with the companies is conducted; Innovation strategy 2013 - 2020 has a high level political support and 3-year budget of 18 Mio. Euro for implementation of the strategy is secured.

Findings and conclusions on criteria 1 - National sector strategies and budget appropriation

Action Plan for improvement of the Competitiveness (APC) 2012 - 2013 is the main strategic document. Cabinet of the Deputy Prime Minister for Economic Affairs (CDPMEA) is coordinating the preparation of a thorough analysis of the competitiveness of the country based on the Global Competitiveness Report. APC is not an action plan of a regular strategy but it is based on the Global Competitiveness Index (GCI). Its quality is average since time frame is given for some of the measures, while the budget is not presented. The most important sub-strategies are: Strategy for Industrial Policy (SIP) 2009 - 2020 prepared by Ministry of Economy (MoE); Innovation Strategy 2012 - 2020 for which at the moment the responsibility is being transferred to the Ministry of Education and Science; Strategy for SME Development 2002 - 2013 prepared by the MoE and Strategy for regional development 2009 - 2019 prepared by the Ministry of Local Self-Government. The most of the sub-strategies have Action Plans. The pillars of the GCI are considered as specific objectives and they have high coherence and complementarity with the subsector/ priorities. The overall objectives in the key sub-strategies are in compliance and well connected with the specific objectives of the APC 2012 - 2013. The APC 2012 - 2013 itself contains only very few measures on local and regional level. APC is very well aligned with the strategy SEE 2020 through the pillars "Smart growth" and "Sustainable growth". Coherence between the actions in the APC is not clearly visible and the duration of some measures is questionable. Indicators of the GCI are followed by the other institutions depending on the type of the indicator and the assigned responsibility. The indicators in the sub-sector strategies are followed by the responsible sectors in the line ministries. In general there are no monitoring procedures/ manuals in place. In the most of the cases indicators are not quantified. The allocations in the national budget for SME and entrepreneurship promotion, private sector competitiveness, cluster support, local and regional competitiveness, export promotion, etc., are in general very low. From the other side for implementation of the Innovation strategy 18 Mio. Euro has been allocated for 3 years (60% from national budget and 40% from donors).

Findings and conclusions on criteria 2 - Institutional setting, leadership, capacity and performance framework

The CDPMEA has the leading role in the economic policy area and has been also formally appointed as a chief responsible for the NPAA Working Group (WG) II. "Economic criteria". Different sectors/ staff from different institutions are involved in planning, but there is no clear planning department. There are insufficient human resources in the CDPMEA as well as in the sectors in the line ministries responsible for the main sub-sector strategies. At the moment, the CDPMEA monitors the implementation of the APC through monitoring the fulfilment of the Decisions of the Government. Despite being strategic coordinator for IPA Components III and IV, staff in the CDPMEA has not participated in relevant IPA trainings in the last 2 years. The situation is similar with the sectors in the line ministries responsible for the main sub-sector strategies. Despite the fact that the capacities of the institutions have increased over time, in the elaboration of strategic documents external sources. There are several monitoring instruments on different levels (SAA, NPAA, and IPA, at the level of the main/ sub-sector strategies).

Findings and conclusions on criteria 3 - Sector and donor coordination

There are several coordination mechanisms (working groups and coordination councils/committees) at different levels. The highest level coordination platform in the economic field is the Economic council of the Government. Working groups for Chapter II. and 20 are in charge for NPAA preparation and for preparation of the future negotiation positions. In 2013 Sector Wide Approach working group "Development of business sector, science and innovation" has been established to support the process of preparation of IPA II 2014 - 2020, where the members are: Secretariat for EU Affairs, NIPAC, CDPMEA, MoE and the Ministry of Finance. High level Committee for competitiveness and innovation is chaired by the Prime Minister, where ministers of the responsible ministries, representatives from the business sector and the academia are members. The CDPMEA is (co)chairing several coordination councils: National Council for Entrepreneurship and Competitiveness (NCEC), National Council for sustainable development, and National Council on Balanced Regional Development. Main coordination mechanism in the sector Competitiveness is the NCEC which defines measures to increase the private sector competitiveness and monitors their

implementation. At operational level inter-ministerial working groups are established for preparation of different strategies. Members of those working groups were involved in the definition of priorities/ measures. Communication between the IPA sectors and other sectors in the line ministries, as well as the communication between different sectors in the line ministries (MoE, MoES) is weak. For better donor coordination, a programme based approach working group “Business environment, competitiveness and innovation” has been established in 2009, and the sub-area “Industrial policy” was adopted as priority. However, the working group is on hold at the moment. There are several active donors and IFIs in the sector.

Sector: Public Administration Reform and EU Integration

Overall rating and assessment

Scores for the sector “**Public Administration Reform and EU integration**“ show that it is somehow between “Progress towards sector approach” and “Ready for sector approach where some improvements are necessary”. The following arguments explain its readiness for sector approach: Public Administration Reform (PAR) strategy 2010 – 2015 is the main sector strategy; it is revised in 2012 to cover the actual needs and focused on the Action Plan (AP) 2012 - 2015; Ministry for Information Society and Administration (MISA) has been established in 2011 to take over the responsibility for the sector; there is a strong political support through the High Level Committee on PAR chaired by the Prime Minister as the main coordination body; Sector is a priority at different levels: Government, High Level Accession Dialogue (HLAD), NPAA, etc., and it is one of the main criteria against which the EU measures the country performance; Minister of MISA is directly involved; Several coordination mechanisms at different levels are established; There are several donors active in this field.

Findings and conclusions on criteria 1 - National sector strategies and budget appropriation

Public Administration Reform (PAR) strategy 2010 - 2015 is assessed as an average one. SWOT analysis was not conducted and the needs assessment is assessed as limited (too detailed and much focusing on analysis of different laws). The PAR strategy does not involve the municipalities. Ministry for Information Society and Administration (MISA), has inherited the strategy. After the revision in 2012 it better reflects the needs. Rationale analysis is assessed as satisfactory, but limited in the part for human resources. Although not all sub-sectors/ priorities are covered by sub-strategies they are covered with the priorities in the main strategy. Public Finance Management (PFM) is one of the priorities in the PAR strategy. The connection between the PFM and the PAR Strategy is not complete. It is based on the participation of the Ministry of Finance (MoF) in the preparation of the PAR strategy and on the plans to have Public Internal Financial Control (PIFC) and trainings for the civil servants on internal audit and internal control. PFM is the core business of the MoF, where the main sub-strategy is the Fiscal Strategy (FS) 2014 - 2016, which gives the mid-term macro-economic scenario; mid-term fiscal framework and a strategy for public debt management. Sub-sectors/priorities “Cooperation with the civil society” and “Decentralisation and local self-government” are not well connected with the PAR strategy, but rather with the respective sub-strategies.

The main priorities are well in compliance with the overall objective of the PAR strategy, but they are formulated in a rather general way. The overall objective and the priorities of the PAR strategy are not in compliance with the objectives in the national strategy for regional development 2009 - 2019. Specifics of the local level is not covered and not addressed. PAR strategy is well aligned with the strategy SEE 2020 through the pillar “Governance for growth”. The Action Plan (AP) 2012 - 2015 of the PAR strategy is a separate document. It does not contain budget, the time frame is very precise given and some deadlines are very tight/ unrealistic. The implementation rate is 40 - 50% of all activities foreseen until 2015. The output indicators are not fully SMART (usually not quantified and not time bound). The PAR strategy/ AP do not contain result and impact indicators. There is no baseline data for the indicators. PAR sector is also monitored through the Action Plan of High Level Accession Dialogue (HLAD). The monitoring is mainly based on the number of measures

implemented. The total contribution for the PAR sector from IPA TAIB 2012 - 2013 will reach 8,3 Mio. Euro for the period 2012-2013, representing 14,8%. Total planned allocation in the support programme for the PAR in the national budget is 9,32 Mio. Euro for 2014.

Findings and conclusions on criteria 2 - Institutional setting, leadership, capacity and performance framework

MISA has the leading role and has been also formally appointed as a chief responsible for the Working Group for Chapters II. "Political criteria/ Democracy and the rule of law/ Public administration" and Chapter IV. "Strengthening of the administrative capacities". MISA is the lead institution in the implementation of the PAR strategy and in preparation of the revised AP in 2012. Staff from different sectors/units in the MISA is involved in planning, but no clear department only dedicated to strategic planning and programming could be identified. According the General Secretariat there is a lack of capacities for strategic planning in the municipalities. There are several monitoring instruments established on different levels. The quality and frequency of reporting is good and there are written manuals of procedures on reporting. However, the reporting is still at level of activities and outputs.

Findings and conclusions on criteria 3 - Sector and donor coordination

There are several coordination mechanisms (working groups and coordination councils/committees) at different levels. The highest coordination body is the High Level Committee on PAR chaired by the Prime Minister. In the framework of the Stabilisation and Association Agreement functions a Special group (sub-committee) on PAR chaired on the country's side by the MISA. Related working groups for Chapters II and IV are in charge for preparation of the NPAA and the future negotiation positions. At the operational level working group was established for revision of the PAR strategy and chaired by the State secretary in MISA. Secretariat for EU Affairs is not part of the working group for the preparation and revision of the PAR strategy. The donor coordination has been promoted in the special Programme Based Approach (PBA) WG on PAR, but its activity has stopped.

Sector: Transport

Overall rating and assessment

"Transport" sector is assessed as being in a Progress towards sector approach. The following arguments explain its readiness for sector approach: National Transport Strategy (NTS) 2007 - 2017 is main sector strategy which represents good basis for development; Main sub-sectors/ priorities are well covered by several individual sub-sector strategies and the most of them complemented by action plans; Ministry of Transport and Communications (MTC) has developed a mature pipeline of projects in the transport sector until 2021 which was requested by EU during the IPA 2007 - 2013; NTS is very well consistent with the EU accession strategies, National corridors correspond with the EU corridors; MTC is leading institution; Sector receives strong political support; Inter-ministerial coordination in the sector is done at the level of the Government; EU is the sole donor in the transport sector and regular monthly coordination meetings are held between the MTC and the EU Delegation.

Findings and conclusions on criteria 1 - National sector strategies and budget appropriation

National Transport Strategy (NTS) 2007 - 2017 contains short analysis of the situation in the core text for each objective and more detailed description in the annexes. It has a larger number of specific objectives, and, as a document, lacks coherent structure. The specific objectives although general correspond well to the needs.

There is an action plan after each objective, where short, mid and long-term priorities are defined. Responsibility, budget, and indicators are missing as well as the results to be achieved with the implementation of certain activities or group of activities. There is no clear coherence between the actions, sequencing is not clear and the duration of some activities is questionable. Some of the individual sub-sector strategies are covering the period until either 2013 or 2014. NTS is very well

consistent with the EU accession strategies, since the country is on the cross-road of the European corridors. The Overall objective pursued by the main transport sector strategy is very well aligned with the main specific objectives of the National strategy for balanced regional development 2009-2019. NTS is also aligned with the strategy SEE 2020 through the pillar “Sustainable growth”. The budget allocations for the implementation of the NTS are assessed as average, since there are not enough funds to cover its implementation. Through IPA Component III Regional development in total 66.6 MEuro were allocated in the period 2007 - 2011. The part of the MTC budget for transport and communication is 10,412 Mio. Euro, while the Programme for investments in the railway in the central budget amounts to 20,3 Mio. Euro in 2014.

Findings and conclusions on criteria 2 - Institutional setting, leadership, capacity and performance framework

The MTC has the leading role and has been also formally appointed in 2009 as a chief responsible for the working group for preparation of the NPAA and future negotiations for Chapter 14: “Transport policy” and Chapter 21: “Trans-European Networks”. Sector for EU in the MTC is the driving force behind the NTS. Unit for strategic planning in the MTC is more involved in the preparation of the Strategic Plan of the MTC and links it to the budgetary process. It seems therefore that staff from different sectors/units in the MTC is involved in planning, but no clear department only dedicated to strategic planning and programming could be identified. Although capacities for strategic planning have been increased over years, the elaboration of strategic documents has been still dependent on external sources.

Findings and conclusions on criteria 3 - Sector and donor coordination

Inter-ministerial coordination is done at Government level. Communication is maintained on daily basis with the Ministry of Environment and Physical Planning and Ministry of Economy as well as the Public Enterprises Agency for State roads and Railway infrastructure. The main coordination mechanism regarding the NTS 2007-2017 is the working group established within the MTC, and consisted of Heads of Sectors in the MTC which meets on bi-annual basis to discuss the implementation of the strategy. It is evident that although concerned the municipalities and Civil Society Organisations are not involved in the coordination platforms. Regular monthly coordination meetings are held between the MTC and the EU Delegation.

Sector: Home Affairs

Overall rating and assessment

Scores rank the “Home Affairs” sector as being in progress towards a sector approach. The following arguments can be given: Comprehensive strategy in the area of Home Affairs does not exist at the moment; all subsector/ priorities are well covered by fragmented individual strategies mainly focused on their own field of expertise and not well connected between them, while only two of them are covering the period after 2014; Action plans of the main strategy and the sub-sector strategies represent good starting point for drafting even better tool for defining and monitoring the implementation of the sector strategy; Ex-post assessment of the implementation of the previous (sub)strategies is conducted; Sector has got the biggest part from the IPA Component I in the period 2007 - 2011 with total allocation of 23,35 Mio. Euro; Ministry of Interior is the leading institution; Coordination mechanisms exist in the sector through working groups and national committees.

Findings and conclusions on criteria 1 - National sector strategies and budget appropriation

The most relevant sector strategy analysed is the Police Reforms Strategy 2003 - 2005. Although obsolete, it is still valid and given also as a reference strategy in the IPA Sector Fiche Justice and Home Affairs 2012 - 2013. There is no clear connection between needs/problems and the specific objectives. It also contains too many specific objectives. The strategy also lacks sub-sector analysis regarding some important components such as migration, asylum, external borders and Schengen, customs and cooperation, etc. Participatory approaches are followed in preparation of the (sub)

strategies and different stakeholders are involved. It seems that at the moment the sector is not the top priority of the Government. Not all fragmented sub-strategies are well connected with the main reference strategy. The main reference strategy is not well aligned with the national regional development strategy. The action plan contains most of the necessary information, but the financial budgets as well as result/impact indicators are missing. Output indicators are, in principle, well defined but are not fully SMART. Monitoring of the strategies is done based on the number of activities implemented and/or the number of implemented recommendations from various reports by international organisations. In the central budget 12 MEuro are planned for police reforms in 2014 which is not sufficient to cover the needs.

Findings and conclusions on criteria 2 - Institutional setting, leadership, capacity and performance framework

The Ministry of Interior (MoI) has been also formally appointed in 2009 as a chief responsible for the working group for Chapter 24. Staff from different sectors in the Ministry of Interior is involved in planning, but no clear department only dedicated to strategic planning and programming could be identified. There is still lack of capacities related to strategic planning in the ministry and the coordination bodies. In addition, there is no clear separation of functions between programming, implementation and monitoring & evaluation tasks. It is not clear who oversees the “big picture” in the sector. In general there is a lack of knowledge and skills for efficient Result Oriented Monitoring system. Structures in the ministry which are involved in EU matters have manuals, procedures, check lists, templates, etc. in place. The other sectors and committees which bear the responsibility for implementation of the sub-sector strategies differ in terms of existence of written manual of procedures on monitoring/ reporting.

Findings and conclusions on criteria 3 - Sector and donor coordination

Coordination mechanisms exist, such as working groups and national committees. In 2013 the Government established a sector wide approach working group for Justice and Home Affairs where members are: Secretariat for EU Affairs, NIPAC, Ministry of Interior, Ministry of Justice, Ministry of Finance and Ministry of Defence. The working group for Chapter 24 is in charge of preparations for the NPAA and for preparation of the future negotiation positions. National Coordination Centre for Border Management is the main coordination body in the field of Integrated Border Management. National Committee for combating against trafficking in human beings and illegal migration is the main coordination body in that area. Ministry of Interior participates in the State Anti-corruption Committee. In order to complete the process of police reforms the cooperation of the ministry with the Government and the relevant ministries and state institutions (Ministry of Justice, Ministry of Finance, the Public Prosecutor’s Office, the Police Academy, etc.) is of high importance. The Programme Based Approach working group in the Justice and Home Affairs sector initially established for donor coordination has changed its focus and now has a more strategic orientation. During 2013 PBA working group met once and some donors attended the meeting.

Sector: Environment and Climate change

Overall rating and assessment

Sector “**Environment and climate change**” is in “Progress towards sector approach”. The arguments are: 2nd National Environmental Action Plan (NEAP) 2006 - 2011 is the main sector strategy according the Law on environment, but it is already obsolete; Ministry of Environment and Physical Planning (MoEPP) is the lead institution; MOEPP has prepared an analysis of the needs for IPA II 2014 - 2020 and has already started with the process of preparation of a new sector strategy which will be supported by EU; The most important sub-strategies are: National Environmental Investment Strategy 2009 - 2013, National Strategy for Sustainable Development 2010 - 2030 and 2nd National Communication on Climate Change 2008, but there are also sub-strategies in the main sectors: water, waste, air, etc.; Environment is the most comprehensive and the most expensive sector in terms of EU

approximation; Sector is considered 2nd level priority of the Government; Central budget allocations are low; Monitoring and reporting procedures are in place; Sector has the biggest number of donors.

Findings and conclusions on criteria 1 - National sector strategies and budget appropriation

During preparation of the main strategy NEAP 2006 - 2011, extensive needs analysis was prepared through preparation of thematic background reports, but also other instruments were used. It gives the state of environment with regards to different media, but also in different sectors. It also contains instruments and mechanisms for implementation. However, the strategy is very extensive and is lacking clear focus.

The sector is lacking defined priorities/objectives at national level with quantified indicators. Not all main subsector/priorities are covered by individual sub-sector strategies. Half of the sub-sector strategies are already expired or will expire until 2014. Sub-sectors/priorities and overall objective in the NEAP have very high coherence and complementarity. Specific objectives are formulated in a rather general way. None of the strategic objectives in the Work Programme of the Government 2011 - 2015 is referring directly to environment and climate change, but there is a priority area "Protection and improvement of the environment and nature".

Overall objective is not clearly visible in the NEAP. All specific objectives are coherent with the overall objective. The overall objective and the specific objectives are formulated in a rather general way. Furthermore, the overall objectives of the main sub-strategies are in compliance with the overall objective of the main strategy, while it is well aligned with the main strategic objectives of the national regional development strategy. Strategic objectives in the NEAP address local/regional level. NEAP is aligned with the strategy SEE 2020 through the pillar "Sustainable growth".

The main sector document is actually a 6 year action plan. The timeframe is specified for some objectives. Coherence between the different actions is not clearly visible from the action plan. It is not aggregated, but rather it is given separately by environmental media and sectors. However, there are too many objectives and indicators, which make the monitoring difficult and question the feasibility. NEAP also contains details in regard to its implementation, monitoring and updating. The indicators are not fully SMART (in the most of the cases not quantified and not time bound). Information on the actual monitoring of NEAP was not obtained. From the other side, there are no specific monitoring units and the monitoring of the implementation of the sub-strategies is done by the responsible sectors/units in the lead ministry.

Strategy and sub-strategies as documents are of good quality, but are not in correspondence with the available financial resources for their implementation. The portfolio of needed investments in the field of Environment is clearly defined, and the mechanisms for implementation are defined, but the implementation is weak. Proper financial mechanisms and good financial planning that will support sector based approach are lacking. The specific investments (waste water treatment plants, landfills) which have to be financed from the central budget is lacking budget.

Findings and conclusions on criteria 2 - Institutional setting, leadership, capacity and performance framework

The MoEPP has the leading role and has been also formally appointed as a chief responsible for the working group for the Chapter 27 "Environment". Different sectors/staff and different sectors/units in the MoEPP are involved in planning, but there is no clear planning department. According the workload assessments, important residual gaps remain and MoEPP itself has limited capacities. The capacities of the Heads of the key sectors are good. The entities within the MoEPP: State Inspectorate of Environment and Nature, Office of Environment and Office for spatial information system have to improve capacities, and in particular employ specific personnel which is lacking. There are low capacities on local level. Despite the fact that the capacities of the MoEPP have increased over time in the elaboration of strategic documents external sources are still engaged. There are no written manual of procedures on reporting. There are several monitoring instruments on different levels (SAA, NPAA, IPA, and at the level of the sub-sector strategies). In general, monitoring and reporting procedures are in place.

Findings and conclusions on criteria 3 - Sector and donor coordination

Working group and coordination councils/committees are main forms of coordination. Stabilisation and Association Agreement is being followed in the framework of the respective Sub-committee on Transport, Environment, Energy and Regional development and with active participation of all responsible institutions. In 2013 the Government has established Sector Wide Approach working group for “Environment and Climate Change” where members are: Secretariat for EU Affairs, NIPAC, MoEPP, Ministry of Finance, Cabinet of the Deputy Prime Minister for Economic Affairs and Ministry of Transport and Communications.

IPA Sector Monitoring Committee is a coordination platform for the Operational Programme Regional Development where all relevant stakeholders participate. The Cabinet of the Deputy Prime Minister for Economic Affairs is chairing the National Council for sustainable development. The National Climate Change Committee is the main coordination mechanism in the sub-sector climate change. There are no coordination manuals for the WG/committees apart from NPAA WGs. It seems that there are several coordination mechanisms at different levels which are not well integrated. For better donor coordination a Programme Based Approach working group “Environment” has been established in 2009, and the sub-areas “Water management” and “Integrated waste management” were adopted as priority. Climate change has been taken as a general multi-sector priority. The main donors at the moment in the sector Environment and climate change are: EU, World Bank, UNDP, SDC (water), JICA (recycling of waste), UK (environmental governance), Norway, etc.

Sector: Justice

Overall rating and assessment

Sector “**Justice**” is in progress towards a sector approach. It could be the case that the sector has slightly high readiness than the one shown by the scores for Criteria 1 in Annex 3, influenced by the absence of comprehensive strategy for the sector. The arguments are: Ministry of Justice is the lead institution; It has prepared concept paper for the new Judiciary strategy 2014 - 2017, and started its preparation with EU support; Sector has strong political support and it is one of the objectives in the main national and EU documents; Major reforms in the judiciary were completed with the former strategy 2004 - 2007; There are several working groups/committees in place as coordination mechanisms; There is a wide variety of implementing bodies/ institutions in the sector that have to be involved and coordinated, and some of them are independent: Academy for Judges and prosecutors, Administrative court, Judicial Council, Council of Public prosecutors, Supreme Court, Presidents of the Courts, Public prosecutor of RM, MoI, State Commission for prevention of corruption, Association of Judges, Association of Prosecutors, etc.

Findings and conclusions on criteria 1 - National sector strategies and budget appropriation

Strategic Plan (SP) of the Ministry of Justice (MoJ) 2012 - 2014 is the most relevant sector strategic document, but it does not have comprehensive strategic orientation. It also lacks overall overview and connection with the complementary Home Affairs sector. Analysis of the external environment, challenges, analysis of stakeholders, capacity of the system for cooperation, etc. is lacking. Consequently there is no real connection between the specified objectives and existing problems. Specific objectives defined in the strategic plan are covering the main subsectors/priorities identified: judiciary, criminal justice system and fight against corruption, while they show very little coherence in the field of fundamental rights (except related to prison system and juvenile justice). Almost half of the sub-sector strategies do not have action plans. Reforming the justice institutions at regional or local level has not been considered in the national regional development strategy, but the strategic plan is in compliance with the strategy South-East Europe 2020. Support programmes in the action plan do not contain: activities/ measures; responsibilities, time frame, budget allocation and impact indicators The output indicators are not specific enough, and almost no indicator contains quantification as well as they are not time bound. The budget allocations for the sector are assessed as fairly good. In part it is covered with the EU Sector Fiche JHA 2012 - 2013, and in part from the

central budget (annual budget of the ministry is 7,2 MEuro, while the support programme Judiciary reforms has 1,5 MEuro in 2014).

Findings and conclusions on criteria 2 - Institutional setting, leadership, capacity and performance framework

MoJ has been also formally appointed as a chief responsible for Chapter 23 “Judiciary and fundamental rights”. It also chairs the Working Group I. “Political criteria/ Democracy and rule of law/ Judiciary”. Staff from different sectors in the Ministry of Justice is involved in planning, but no clear department dedicated to strategic planning and programming could be identified. In general there is an insufficient level of investment in capital infrastructure in the Justice sector. In the field of Anti-corruption there is a lack of skilled/ trained personnel and institutional capacity as well as technical equipment.

There is still lack of capacity related to strategic planning which differ across different sectors in the ministry. In addition, there is no clear separation of functions between programming, implementation and monitoring & evaluation tasks. Reports are not user friendly (not focused and too much narrative). Reports have been prepared focusing on the implementation of several individual projects. It is not clear who has to oversee the sector, especially with regards to the priority area Fundamental rights. Based on the experience from IPA Component I so far, the monitoring of the implementation of the strategies is still very much focused on the number of projects/ activities implemented rather than on the impact for the sector. In general there is a lack of knowledge and skills for efficient Result Oriented Monitoring system. EU related structures have manuals, procedures, check lists, templates, etc. in place. The other sectors which bear the responsibility for implementation of the (sub) sector strategies usually do not have written manual of procedures on monitoring/ reporting. Due to the number of different monitoring platforms it seems that the sector monitoring system is not well consolidated.

Findings and conclusions on criteria 3 - Sector and donor coordination

The areas of the WG for Chapter 23 include: Judiciary, Anti-corruption, Fundamental rights and Rights of the EU citizens. In each area, different relevant stakeholders participate. In 2013 the Government has established sector wide approach working group for Justice and Home Affairs. There is no single responsible institution for the coordination of the whole sub-sector Fundamental rights. At the moment the coordination is done by Secretariat for European Affairs in the framework of the working group I. “Political criteria”. During the course of 2013, a working group has been established for preparation of the new Judiciary strategy. The members of the WG were involved in the definition of priorities/ measures in the concept paper for the new strategy. The State Committee for prevention and repression of corruption is the main coordination body in the sub-sector Anti-corruption.

It can be concluded that the coordination is done at several levels, but the respective levels are not integrated well and this make the coordination not fully effective.

The programme based approach working group in the Justice and Home affairs sector has changed its focus and now it has more strategic orientation. Thus, it can be concluded that there is no regular and effective sector donor coordination.

3.2. MONTENEGRO

The table below presents the Summary of the results of the Overall assessment of sectors in the case of Montenegro according the adopted methodology and the respective criteria/sub-criteria.

Montenegro	
Environment	45.83

Human Resource Development	42.83
Agriculture and Rural Development	42.42
Transport	42.08
Private Sector Development Competitiveness	40.17
Justice Sector	37.83
Public Administration Reform Sector	34.08
Energy Sector	31.75
Security Sector	26.67

Table 3. 2. Summary of the Overall assessment of sectors for Montenegro

Note: For detailed scoring per criteria and sub-criteria see Annexes 3

From the results in the Table 3.2 above it can be noted that four sectors in Montenegro have obtained high scores which shows their readiness for the sector approach with some improvements. Most of other sectors are “In progress towards sector approach” It is clear that the best ranked sector is the “Environment” sector and the three other well ranked sectors are “Transport”, “Human Resource Development” and “Agriculture and Rural Development”. The lowest ranking is in the Security HA sector.

Findings and conclusions for sectors that are ready for Sector Approach with some improvements

Sector: Environment

Overall rating and assessment

The “**Environment**” sector has no valid reference strategic framework despite a very detailed, relevant and coherent wide range of individual strategies covering the different sector thematic. In the majority of cases, strategies have been prepared through extensive consultation process involving more than 100 different stakeholders from central, regional and local level. Despite having been carried out several years ago, the assessment of needs is still relevant, particularly in the case of waste management and wastewater treatment. The selected projects need to be better prioritized and require an update in terms of their status (completed, on-going, under preparation or simply abandoned). Detailed APs are missing in the majority of the cases and the same goes for indicators; non-existent or inadequately defined. In terms of Criteria 1, the Environmental sector achieved the better score, showing a certain level of maturity in view of a sector approach within IPA funds. The score obtained shows that the sector strategic planning mechanisms meet good quality standards. Capacities for sector planning within the Environment (Criteria 2) are judged satisfactory.

The score reached for Sector and donor Coordination mechanisms helps to measure the good actions taken within the coordination mechanisms. Still some transfer of information should be guaranteed between the Lead Institution and the new General Directorate for Economic Diplomacy and Cultural Cooperation of the MFAEI in charge of the overall Donor Coordination.

If we consider the cumulated scores for the three criteria, we can consider it “ready for Sector Approach with some improvements”.

Findings and conclusions on criteria 1 - National sector strategies and budget appropriation

No clear strategic reference framework can be found for the environmental sector. The current strategies addressing the environmental aspects in a general way are too broad in scope and not well connected with the individual subsector strategies. The collection of individual strategies presents no gaps in terms of thematic coverage of the sector. In general, despite prepared several years ago, they are still relevant and coherent covering implementation periods far beyond 2020. The MDD targets environment as a horizontal priority aiming to stimulate the green economy in line with the majority of the global goals of the different individual sub sector strategies for the sector. It should be mentioned that the majority of specific objectives for the sector correspond well with their respective global objectives defined for the individual sub sector strategies. No clear detailed Action Plan or prioritization of infrastructures could be found for the sector. This is also the case for the individual subsectors such as wastewater treatment and waste management infrastructure. The AP for natural biodiversity and TNA for climate change are relevant but lack target/output and result indicators. The Environment sector has been one of the first priorities in terms of IPA Fund allocation over the last years and the expected IPA contribution for 2012-2013.

Findings and conclusions on criteria 2 - Institutional setting, leadership, capacity and performance framework

The MSDT is the Lead Institution appointed for the Environmental sector. Fully experienced in Programming coordination and project implementation, the Institution has been managing subsectors such as wastewater treatment and waste management within a coherent strategic framework including deep analysis per regions. The MSDT and the associated institutions under its umbrella have gained substantial experience in Programming through the preparation and design of IPA Component III OP RD 2012-2013 / Environment priority. The same Thematic Working Group established for the occasion has been renamed in a Sector Working Group, formally adopted. While internal capacity knowledge has risen, still non-permanent staff requires to be stabilized and skilled working force retained. Reporting tasks have been prepared based on the implementation of several individual projects. It requires to be based on the AP correctly designed for the sector as a whole as well for individual environmental sub sector.

Findings and conclusions on criteria 3 - Sector and donor coordination

The Sector Working Group for environment is well experienced through the IPA I Component III 2012-2013 Programming exercise. The Sector group meets regularly and is in charge of programming activities, in particular for IPA II funds. The sector Donor coordination within the field of environment takes place a few times per year. Donor coordination is managed at central level by the new recently created General Directorate for Economic Diplomacy and Cultural Cooperation of the MFAEI.

Sector: Human Resource Development

Overall rating and assessment

In the “**Human Resource Development**” sector, the National Employment and **HRD** strategy for 2012-2015 is a very well-conceived document identifying with justified rationale priorities designed in an integrated way incorporating some specific needs from a wide range of actors (Science, Education, Health, Social services) covered by a high density of individual sub sector strategies. Their global objectives are somehow connected with the main ones defined in the Employment and HRD strategy. However, synergies and complementarities are not well established between the main strategy and the individual ones in particular for education and health and safety at work. The main HRD strategy and the related sub strategies for the sector have formulated APs within its period of implementation. However, those APs are in general of poor quality, listing the activities rather than classifying them into measures related to priorities, forgetting to identify the concrete outputs/results, confusing indicators/source of verification, not clearly establishing deadlines and an adequate time frame for implementation not to say a prioritisation of activities or not proposing or failing to properly allocate estimated funds needed

and/or their source of funding. In terms of Criteria 1, the HRD sector can be considered to meet good quality standards. The score reached for Sector and donor Coordination mechanisms shows that some actions to reinforce the interaction and communication mechanisms between the MLSW as Lead Institution and the new General Directorate for Economic Diplomacy and Cultural Cooperation of the MFAEI in charge of the overall Donor Coordination.

If we consider the cumulated scores for the three criteria, we can consider that the Sector is ready for Sector Approach with some improvements.

Findings and conclusions on criteria 1 - National sector strategies and budget appropriation

The HRD sector relies on the National Employment and HRD strategy 2012-2015 for Montenegro, which is a very well-conceived document defining its priorities based on a logic rationale analysis behind and a relevant SWOT and represents a coherent overall strategic framework for the sector, approached in an integrated way (Employment, Science & Innovation, Education). The specific needs are well covered by the high density of individual strategies within the different HRD sub sectors. While scope and vision are in general well addressed, the background situation analysis is not supported by quantitative data or specific evidence to justify the assumptions and is not addressed in the right place within the structure of the strategic planning document. The MDD includes the science and education and labour market within its main priorities which are aligned with the specific goals identified for each of the sub sectors of HRD. The majority of the global objectives of the wide range of individual sub strategies are somehow connected with the main ones defined in the Employment and HRD strategy. However, synergies and complementarities are not well established between the main strategy and the individual ones in particular for the education and the health and safety at work.

The main HRD strategy and the related sub strategies for the sector have formulated APs within its period of implementation. However, those APs are, in general, poor quality and list the activities rather than classify them with measures related to priorities, forgetting to identify the concrete outputs/results, confusing indicators/source of verification, not clearly establishing deadlines and an adequate time frame for implementation not to say a prioritisation of activities or not proposing or failing to properly allocate estimated funds needed and/or their source of funding. A wide range of activities are expected to be financed through the HRD sector and funds allocated have been clearly not sufficient compared to the target objectives.

Findings and conclusions on criteria 2 - Institutional setting, leadership, capacity and performance framework

The Lead Institution for the HRD sector is the MLSW which counts on a consolidated experience in coordinating Programming and project implementation. The institution has been analyzing in full the different needs and delegating to the associated institutional bodies (Education, Science and now Health) in order to make better use of synergies and complementarities within the scope of an integrated programme aiming to achieve the higher degree of impact. The MLSW and the partner institutions under its umbrella have gained substantial experience in Programming through the preparation and design of IPA Component IV OP HRD 2012-2013. This is well reflected in the National Employment and HRD strategy for Montenegro for the period 2012-2015. The same Thematic Working Group established for the occasion for Component IV IPA HRD 2012-2013 has been renamed and formally established as a Sector Working Group including new institutional partners such as the MoH. While internal capacity knowledge has improved, the institutional capacity is not sufficient and key strategic staff needs to be consolidated in order to keep the institutional memory. Reporting tasks have been prepared so far based on the implementation of several individual projects. It requires to be based on the AP correctly designed for the HRD sector as a whole.

Findings and conclusions on criteria 3 - Sector and donor coordination

Recently established but already operational since long, the Sector Working Group for HRD is in charge of programming activities in particular for IPA II funds. There is no HRD Sector Donor

coordination in place. Donor coordination is managed at central level by the new recently created General Directorate for Economic Diplomacy and Cultural Cooperation of the MFAEI.

Sector: Agriculture and Rural Development

Overall rating and assessment

In the “**Agriculture and Rural Development sector**”, the Agriculture and rural development (ARD) strategy 2007-2013 remains a strong quality strategic reference framework for the sector (good situation analysis, well justified sector review, logical deduction of objectives, priorities/measures tackling the real needs). Based on this first relevant document, a new strategy is being prepared covering the period 2014-2020. The individual strategies cover the thematic sub sectors well, within ARD except in the case of rural competitiveness which is, however, addressed in the main strategy. Nevertheless, most of those strategies have come or are coming to an end. The needs of beneficiaries/stakeholders should then better consider within the various target strategic planning exercises where, as per national law, consultation process plays a major role and requires full attention. No clear detailed Action Plan or prioritization of activities could be found for the sector. This is also the case for the individual subsector strategies lacking of implementation APs due in some cases to lack of administrative capacity and/or financial resources.

In terms of Criteria 1, the ARD sector shows that the sector strategic planning mechanisms meet the required quality standards. Capacities for sector planning within the ARD (Criteria 2) are judged not satisfactory enough. The score shows the potential and the experience gained so far in comparison to other sectors but still no management structures are in place for IPARD 2012-2013 due to prolonged delays. The score reached for Sector and donor Coordination mechanisms show that already some good actions for improving the coordination mechanisms have been taken. Still some transfer of information should be guaranteed between the MARD as Lead Institution and the new General Directorate for Economic Diplomacy and Cultural Cooperation of the MFAEI in charge of the overall Donor Coordination.

If we consider the cumulated scores for the three criteria, we can consider “ready for Sector Approach with some improvements”.

Findings and conclusions on criteria 1 - National sector strategies and budget appropriation

The Agriculture and rural development (ARD) strategy 2007-2013 remains a high quality strategic reference framework for the sector (good situational analysis, well justified sector review, logical deduction of objectives, priorities/measures tackling the real needs). A new strategy covering the period 2014-2020 is under preparation. The individual strategies cover the thematic sub sectors within ARD well, except in the case of rural competitiveness which is nevertheless addressed in the main strategy. Most of those strategies have come or are coming to an end. As most of the strategies are out of date, needs of beneficiaries/stakeholders should nonetheless be better considered within the various target strategic planning exercises where, as per national law, the consultation process plays a major role and requires full attention. The MDD targets agriculture as a key development priority aiming to stimulate the green economy in line with major goal to be achieved within the sector. It should be mentioned that no clear detailed Action Plan or prioritization of activities could be found for the sector. This is also the case for the individual subsector strategies lacking of implementation APs due in some cases to lack of administrative capacity and/or financial resources. The ARD sector has been allocated several sources of financing: national budget, IPA I Components I and IV and other donors contribution.

Findings and conclusions on criteria 2 - Institutional setting, leadership, capacity and performance framework

The MARD is the Lead Institution appointed for the ARD sector. The MARD and the associated institutions under its umbrella have gained substantial experience in Programming through the preparation and design of IPARD. The same ARD Thematic Working Group established for the

occasion has been renamed in a Sector Working Group, formally established. While internal skill knowledge has risen, capacities in particular for Programming and Monitoring need to be strengthened. Reporting tasks have been prepared so far based on the implementation of several individual projects.

Findings and conclusions on criteria 3 - Sector and donor coordination

The ARD Sector Working Group is well experienced through the IPARD component. The Sector group meets regularly and will be in charge of programming activities in particular for IPA II funds. Sector Donor coordination within the field of ARD take place a few times per year. Donor coordination is managed at central level by the new recently created General Directorate for Economic Diplomacy and Cultural Cooperation of the MFAEI.

Sector: Transport sector

Overall rating and assessment

In the “**Transport**” sector, the development strategy represents a relevant and coherent overall strategic framework. Despite not addressing the multimodality aspects well, and putting too much emphasis on developing specific objectives more than addressing priorities and measures, the main strategy covers all transport modes well. The needs analysis was carried out several years ago and requires an update in terms of projects completed, on-going, under preparation or simply abandoned. Despite tackling the major sector problems through the different set of global objectives defined, the specific objectives are not connected with the different transport priority modes. The main transport strategy is missing a detailed Action Plan and prioritization of infrastructures. Similarly, the individual sub strategies per transport mode do not have an AP and it is actually difficult to assess the degree of advancement of the different measures/operations planned. No prioritization of infrastructure per different transport mode is made in order to better estimate gains in accessibility and mobility rates. Deadlines are missing, indicators are not adequately defined and most of them do not refer to any budget financial support. In terms of Criteria 1, the Transport sector can be considered to meet good quality standards. The score reached for Sector and donor Coordination mechanisms shows that some actions are needed to reinforce the interaction and communication mechanisms between the Lead Institution and the new General Directorate for Economic Diplomacy and Cultural Cooperation of the MFAEI in charge of the overall Donor Coordination.

If we consider the cumulated scores for the three criteria, we can consider that the Transport Sector is “ready for Sector Approach with some improvements”.

Findings and conclusions on criteria 1 - National sector strategies and budget appropriation

The transport development strategy for Montenegro (2009) represents a relevant and coherent overall strategic framework for the sector. Despite not addressing the multimodality aspects well and putting too much emphasis on developing specific objectives more than addressing priorities and measures, the main strategy covers all sector transport modes well. The MDD includes the transport sector as one of its priorities which is in line with the global goal of both the main transport development strategy and its related individual modal transport sub strategies. Despite tackling the major sector problems through the different set of global objectives defined, the specific objectives are not connected with the different transport priority modes. The main transport strategy is missing a detailed Action Plan or prioritization of infrastructures. Similarly, the individual sub strategies per transport mode do not have an AP and it is actually difficult to assess the degree of advancement of the different planned measures/operations. No prioritization of infrastructure per different transport mode is made in order to better estimate gains in accessibility and mobility rates. Deadlines are missing, indicators are not adequately defined and most of them do not refer to any budget financial support. Despite some gaps in the source of financing, transport has been the first sector in terms of concentration of government funds allocation and expected contribution in the next years

Findings and conclusions on criteria 2 - Institutional setting, leadership, capacity and performance framework

Recently appointed lead institution within the sector, the MTMA has been coordinating the Programming exercise with all relevant associated body institutions representing the different modes of transport. The same Thematic Working Group established for the occasion has been renamed in a Sector Working Group, now formally adopted. Still the strategic planning capacities are not sufficient and no clear separation of functions between strategic planning, implementation and monitoring & evaluation tasks is effective. Reporting tasks have been prepared based on the implementation of several individual projects. It requires to be based on the AP correctly designed for the sector as a whole as well for individual modal transport subsectors.

Findings and conclusions on criteria 3 - Sector and donor coordination

Recently established but already operational since long, the Sector Working Group for transport is in charge of programming activities in particular for IPA II funds. There is no Sector Donor coordination in place for transport. Donor coordination is managed at central level by the new recently created General Directorate for Economic Diplomacy and Cultural Cooperation of the MFAEI.

Findings and conclusions for sectors in progress towards sector approach

Sector: PSD and Competitiveness

Overall rating and assessment

The “**PSD and Competitiveness**” sector counts on a solid strategic framework based on the strategy for enhancement of Competitiveness 2011-2015 as main pillar, complemented by the SME development strategy 2011-2015 and the Strategy for Sustainable Economic Growth through the introduction of Business Clusters 2012-2016. The vast majority individual strategies have identified overall objectives, relevant and with a clear scope and vision, connected to the main goal for the PSD and competitiveness sector. Nevertheless their time for implementation is still short ending 2015 or 2016. The main relevant APs are well formulated in line with the priorities/measures identified in the strategies but they lack of cost appropriations and financing source. In terms of Criteria 1, the Competitiveness and PSD sector can be considered to meet good quality standards. The assessment for Criteria 2 shows that the competitiveness and PSD need to strengthen their management implementation systems. The score reached for Sector and donor Coordination mechanisms emphasizes the necessity to strengthen the coordination mechanisms.

If we consider the cumulated scores for the three criteria, we can consider that the Sector is in progress towards a Sector Approach through EU IPA financing.

Findings and conclusions on criteria 1 - National sector strategies and budget appropriation

The PSD and Competitiveness sector counts on a solid strategic framework based on the strategy for enhancement of Competitiveness 2011-2015 as main pillar, complemented by the SME development strategy 2011-2015 and the Strategy for Sustainable Economic Growth through the introduction of Business Clusters 2012-2016. The big majority individual strategies have identified overall objectives, relevant and with a clear scope and vision, connected to the main goal for the PSD and competitiveness sector. Only the market surveillance strategy whose implementation period already elapsed needs to be better connected with the priority of standardisation and accreditation of products. Although PSD and competitiveness strategies have been recently prepared, their time for implementation is still short, ending 2015 or 2016. All variety of specific needs have been identified related to the improvement of quality within SMEs,

competitiveness and enhancement of business environment. A cluster includes sectors such as agriculture and food processing, tourism, construction industry or wood production and processing. The main relevant APs are well formulated in line with the priorities/measures identified in the strategies but they lack of cost appropriations and financing sources. The only AP that makes the distinction between output, result and impact indicators is the one related to the strategy for sustainable economic growth through the introduction of business clusters 2012-2016. It has been noticed that the commitment of the Government of the RoM towards the PSD and competitiveness sector proved in the MDD is not clearly reflected in terms of fund allocation.

Findings and conclusions on criteria 2 - Institutional setting, leadership, capacity and performance framework

The MoE has been taking the lead for managing the programmes to be financed within the competitiveness and PSD. However, several institutional partners can act as delegated bodies such as the MoS, the MSDT or the MoC. However, their experience in implementing IPA funds is limited. The MoE counts on a Strategic Planning Department with experience in local governance, regional development and SME development. The project based approach financed through IPA Component I for competitiveness and PSD has recently evolved towards a Program implementation approach based on the experience acquired within the implementation of the strategies related to SME development and enhancement of competitiveness.

Findings and conclusions on criteria 3 - Sector and donor coordination

A Sector Working Group for competitiveness and PSD is in place coordinating more 9 Ministries established but not formally appointed by government decision. No sector donor coordination meetings are organized for competitiveness and PSD. However, as for other sector, donor coordination is managed at central level by the new recently created General Directorate for Economic Diplomacy and Cultural Cooperation of the MFAEI.

Sector: Justice

Overall rating and assessment

The “**Justice**” sector relies on the overall strategy for the Reform of the Judiciary (2007-2012) as the main reference framework. As this strategy expired, the MoJ started preparing and developing the new strategy for the period 2013-2018, emphasising European Integration as the main priority goal. This Strategy will define further directions and goals for the judiciary system for the period 2013-2018. However, if the Sector as a whole is to be considered as a common framework including the Home Affairs, it then requires expanding on complementarity and synergetic activities interacting with Security topics. In terms of scoring for Criteria 1, the Justice sector has obtained the minimum range for being able to be in line with the Sector Approach,

If we consider the cumulated scores for the three criteria, it can be considered that the Sector is in progress towards a Sector Approach through EU IPA financing.

Findings and conclusions on criteria 1 - National sector strategies and budget appropriation

Although main sector/subsector problems have been identified, the current Strategy for Justice Reform (2007-2012) has proved to lack sufficient background analysis, needs assessment and clear connection/well justified link between problems and objectives. The Justice sector is not considered in the main strategic national document MDD. However, the AP for negotiation Chapter 23 substantially details the relevant priorities / measures to be addressed in the short, medium and long term reflecting the commitment of the Government for meeting the European Integration criteria within the sector. The objectives of the main strategy of Justice Reform are relevant and coherent despite being too broad and not sufficiently focused. Differences between output, result and impact indicators for monitoring the implementation of strategies seem to not be correctly understood by the relevant authorities. Reforming the justice institutions at regional or

local level has not been considered in the national regional development strategic plan for Montenegro. The AP for negotiations Chapter 23 can be taken as a good implementation tool within the justice sector. It contains the necessary information related to actions/measures, responsible bodies, timeframe, budget and performance indicators.

A dedicated national budget line has been allocated for the justice sector. This one is complemented by an average annual envelope of IPA contribution close to 3,85 M Euro.

Findings and conclusions on criteria 2 - Institutional setting, leadership, capacity and performance framework

The MoJ can be defined as the Lead Institution for the sector. They have been also formally appointed as Chief Institution from the Working Group for negotiations for Chapter 23. Still, the strategic planning capacities should be improved by building the necessary knowledge related to Programming. In addition, there is no clear separation of functions between strategic planning, implementation and monitoring & evaluation tasks. Based on the experience IPA Component I, the approach is still very much focused on Project Implementation or Component Axes rather than a global strategic view for the sector. Reporting tasks have been prepared based on the implementation of several individual projects. It has been addressed at micro level without any macro level perspective analysis.

Findings and conclusions on criteria 3 - Sector and donor coordination

Formally established in March 2002, the Working Group for Chapter 23 is in charge of monitoring the implementation of the AP for negotiations Chapter 23. Recently, the Sector Working Group has been established and meets on a regular basis for preparing the new Strategy for Justice Reform. There is no Sector Donor coordination in place. Donor coordination is managed at central level by the new recently created General Directorate for Economic Diplomacy and Cultural Cooperation of the MFAEI.

Sector: Public Administration Reform

Overall rating and assessment

In the “**Public Administration Reform**” sector, the main relevant strategy for that sector remains the Strategy for Public Administration Reform in Montenegro 2011-2016. The Strategy is well structured, includes coherent and relevant objectives but fails to define clear activities/measures converting vision into action. No sufficient analysis of needs and overall assessment of the background situation are provided. Additional quantitative and qualitative data analyses are required in particular in areas not covered by some related thematic strategies such as local self-government / decentralisation. In order to avoid confusion, the related AP requires defining the list of measures/ operations linked to a specific priority axis in a much more clear way, indicating the period of implementation and its indicative deadline. In terms of Criteria 1, the PAR sector can be classified in the range of progress towards the sector approach. The score reflect that the sector strategic planning mechanisms do meet average quality standards but with important gaps. The capacity building assessment for sector planning within the PAR (Criteria 2) shows that improvements are still required. It is expected to formally appoint the MoI as Lead Institution for the PAR sector.

If we consider the cumulated scores for the three criteria, we can consider that the Sector is in progress towards Sector Approach.

Findings and conclusions on criteria 1 - National sector strategies and budget appropriation

The current PAR strategy (2011-2016) is a coherent document. The priorities are presented in a well-structured way by components but, within those, actions/sub-priorities/measures/objectives are sometimes confused. As a consequence, the AP lacks of clear outputs/results. Background and situation analysis per components is still not sufficiently elaborated and lacks of deep and

substantiated need assessment. The existing collection of sub strategies does not reflect the full range of topics identified within the PAR priorities. Three relevant thematic sub strategies have been identified related to public finances, e-government and administrative procedures. Still some gaps can be found in particular for local decentralisation and civil servants reform strategy not enough addressed in the main PAR strategic document. The MDD includes as one of its priorities the Efficiency of the State which is in line with the main general and specific goals of the PAR strategy, and to a further extent, with its related strategies for ICT, procurement systems and public internal financial control. The global objectives for the PAR sector strategy and its related sub strategies are well defined, relevant and coherent with the main goal pursue for improving the sector. The PAR local priority is addressed within the strategic goal of more development of local government units as defined in the National Regional Development strategic plan for Montenegro. But, APs from the different strategies do not clearly define the corresponding expected output/results and related indicators. Deadlines are missing, indicators are not adequately defined and most of them do not refer to any budget financial support. The total IPA contribution for the PAR sector reached 12,1 M Euro from the period 2011 -2012, representing 27,1 % of the total envelope. In financial terms, this is the first sector of concentration of the EU.

Findings and conclusions on criteria 2 - Institutional setting, leadership, capacity and performance framework

The MoI is the Institution taking the Lead within the sector. They have been also formally appointed as Head of the PAR Sector Working Group for programming. The strategic planning and programming coordination capacities require are still very much dependent on external sources and require to be substantially improved and coordinated both at the level of the Lead Institutions and at the level of its delegated institutional bodies. In addition, there is no clear separation of functions between strategic planning, implementation and monitoring & evaluation tasks. Based on the experience IPA Component I, the approach is still very much focused on scattered projects implementation or component axes rather than on a global strategic view for the sector. Reporting tasks have been prepared based on the implementation of several individual projects. It requires to be based on the AP correctly designed for the sector as a whole.

Findings and conclusions on criteria 3 - Sector and donor coordination

Recently established, the Sector Working Group for PAR is in charge of programming activities in particular for IPA funds. There is no PAR Sector Donor coordination in place. Donor coordination is managed at central level by the new recently created General Directorate for Economic Diplomacy and Cultural Cooperation of the MFAEI.

Sector: Energy sector

Overall rating and assessment

The “**Energy sector**” counts on the strategy development until 2025 as a good quality reference strategic framework. The main complementary individual strategy for the sector is the Energy efficiency strategy prepared in 2005. This strategy connects well with the main reference strategy as it expands one of its key priorities by setting forth the policy of energy efficiency and laying out activities on improving energy efficiency. To further give the sector a better cohesion, the new energy development strategy for 2030 should expand further important priorities in RES and co-generation and local energy development or develop them in deep through individual strategies. In terms of Criteria 1, the Energy sector score shows that some improvements in terms of quality of the strategic framework. The assessment for Criteria 2 shows that the capacities allocated for the energy sector does not meet the minimum standards and require further improvements. The score reached for Sector and donor Coordination mechanisms emphasizes the necessity to strengthen the coordination. If we consider the cumulated scores for the three criteria, we can consider that the Sector is in progress towards a Sector Approach through EU IPA financing.

Findings and conclusions on criteria 1 - National sector strategies and budget appropriation

The Energy sector counts on a well-developed strategic framework where main priorities/subsectors have been clearly identified and are coherent with the specific objectives to be fulfilled within the sector. The Energy sector is one of the key development priority sector defined within the MDD. The objectives are aligned with the ones defined in the main strategic reference framework. All needs for the sector have been addressed and are covered by the wide range of priorities which may affect impact by lack of focus. The AP for implementing the energy strategies are very detailed documents more prepared as a reformulation of the strategy than as its implementation and monitoring tool per se. The AP do list a certain number of programmes/measures/projects not always well connected to the core content/priority. Differences between output, result and impact indicators for monitoring the implementation of strategies seem not to be correctly understood by the relevant authorities. The financial commitment of the Government of the RoM towards the sector is not clearly reflected within the MDD which shows very low budget allocation rates compared to other less strategic key development priorities such as transport or environment. The AP for the main reference energy strategy shows on the contrary big fund commitments to finance the activities planned

Findings and conclusions on criteria 2 - Institutional setting, leadership, capacity and performance framework

The MoE has been taking the lead for managing the programmes to be financed within the energy sector. However, there is a different set of institutional actors within the sector not counting with the required capacities and experience in managing EU funds. Due to the diversity of beneficiaries and lack of experience in managing EU IPA funds, no sufficient strategic planning/programming capacities have been built all over these years. Saving measures within the MoE and outsourcing have not also helped to strengthen the capacities in terms of Programming. In addition, there is no clear separation of functions between strategic planning, implementation and monitoring & evaluation with staff involved in different tasks at the same time. Based on the experience IPA Component I, the approach is still very much focused on Project Implementation or Component Axes rather than a global strategic view for the sector. Reporting tasks have been prepared based on the implementation of several individual projects. It has been addressed at micro level without any macro level perspective analysis.

Findings and conclusions on criteria 3 - Sector and donor coordination

The screening process for Chapter 15 has started. There is a Working Group established but not formally appointed by government decision. Consequently, no Sector Working Group in charge of Programming is set up. Regular annual meetings with donors take place for the energy sector. However, as for other sector, donor coordination is managed at central level by the new recently created General Directorate for Economic Diplomacy and Cultural Cooperation of the MFAEI.

Findings and conclusions for sectors not yet in progress towards sector Approach and not ready at all

Sector: Home Affairs

Overall rating and assessment

Concerning the “**Security – Home Affairs**” sector, the main relevant strategy as a general framework remains the National Security and defence strategy of Montenegro 2008-2015. The Strategy is a very weak and short document and reflects more the guidance of the Government towards the sector without any substantial quantitative and qualitative analysis. As a Sector Working Group has been set up for the JHA sector, and as the strategy for Justice reform is currently under preparation, there is an

opportunity to expand the mentioned strategy into a more broad programming document in order to include a strategic priority axis covering the fragmented topics within the Home Affairs sector (migration and asylum, police reform, economic and organized crime, fight against drug abuse, integrated border management). In terms of Criteria 1, the assessment of the Security sector strategic planning mechanisms does not meet the expected quality standards and is considered to be in the second lower assessment range. The capacities assessment for sector planning (Criteria 2) brings a score which is very much below standards.

If we consider the cumulated scores for the three criteria, we can judge the Sector to be unprepared for a Sector Approach.

Findings and conclusions on criteria 1 - National sector strategies and budget appropriation

The current National Security and defence strategy of Montenegro 2008-2015 is a very weak document that doesn't reflect the main needs per priority/ subsector areas. The background and situation analysis is non-existent, no SWOT analysis has been carried out, it doesn't properly address the main priorities nor identify the main problems and needs for the sector or define specific goals.. The MDD does not consider the Home Affairs sector as one of its priorities, however, the AP for negotiation Chapter 24 substantially details the relevant priorities / measures to be addressed in the short, medium and long term reflecting the commitment of the Government for meeting the European Integration criteria within the sector. The National Security and Defence strategy has set unfocused objectives not properly linked with the main subcomponents of the Home Affairs sector. However, there are several fragmented individual sub-strategies that cover the different sub themes within the Sector well. A good tool for defining and monitoring the implementation of the Security strategy can be found in the AP for negotiations Chapter 24. It contains the necessary information related to actions/measures, responsible bodies, timeframe, budget and performance indicators. Action plans from the different strategies do not clearly distinguish between output/results and their corresponding indicators. These are required to be designed according to SMART principles separating output, result and impact criteria. It should also be mentioned that no clear reference is made addressing Security strategy at regional or local level. The topic has not been considered in the national regional development strategic plan for Montenegro.

The IPA average annual envelope for the last two years for the JHA sector has been close to 3,85 M Euro, which shows the importance allocated to the sector.

Findings and conclusions on criteria 2 - Institutional setting, leadership, capacity and performance framework

The MoI is the Institution taking the Lead within the Home Affairs sector. They have been also formally appointed Chief Institution from the Working Group for negotiations for Chapter 24. The strategic planning and programming coordination capacities need to be strengthened substantially at central level while it varies in terms of skills and capacity for the different directorates or agencies in charge of the sub sector themes covering the Sector. In addition, there is no clear separation of functions between strategic planning, implementation and monitoring & evaluation tasks. Based on the experience IPA Component I, the approach is still very much focused on scattered projects implementation or component axes rather than on a global strategic view for the sector. Reporting tasks have been prepared based on the implementation of several individual projects. It has been addressed at micro level without any macro level perspective analysis for the sector.

Findings and conclusions on criteria 3 - Sector and donor coordination

Formally established in March 2002, the Working Group for Chapter 24 is in charge of monitoring the implementation of the AP for negotiations Chapter 24. Recently, the Sector Working Group has been established and meets on a regular basis for preparing the new Strategy for Justice Reform. There is no Sector Donor coordination in place. Donor coordination is managed at central level by the new recently created General Directorate for Economic

3.3 BOSNIA AND HERZEGOVINA

The table below presents the Summary of the results of the Overall assessment of sectors⁹ in the case of BiH according the adopted methodology and the respective criteria/sub-criteria

Bosnia and Herzegovina	
Public Administration Reform Sector	46.92
Justice Sector	45.17
Transport	27.17
Home Affairs	15.67
Social Sector Development	13
Environment	10.75
Private Sector Development Competitiveness	5.5

Table 3.3.. Summary of the Overall assessment of sectors for Bosnia-and-Herzegovina

Note: For detailed scoring per criteria and sub-criteria see Annexes 3

From the results of the scoring it can be seen that there are two outstanding sectors in BiH: Justice and Public Administration Reform which are scored as ready for the Sector Approach with some improvements. The other sectors, according to the scoring are at the early stages of progress towards the Sector Approach.

Two important issues have to be taken into account when interpreting the results of scoring for BiH:

- The methodology was prepared and agreed to by the EC for all the countries covered by the project. BiH has a special administrative complex structure, which could not always be adopted in the methodology. Therefore the result of the scoring has to be treated with caution and interpreted together with the narrative parts of the report.
- There are a number of outstanding cross-sectoral issues in BiH which have heavy influence on the preparing, adopting and implementing sector approach in the country. They have to be taken into account, when progressing with any further assistance on sector approach. They are presented further in the horizontal findings.

Findings and conclusions for sectors which are ready for Sector Approach with some improvements

Sector: Public Administration Reform

Overall rating and assessment

⁹ The Justice and Home Affairs sector was divided into two sectors for a more specific approach and for the scoring exercise.

Sector “**Public Administration Reform**” has received the highest score among all the analysed sectors. Therefore it can be considered as a ready sector for Sector Approach with some improvements. The sector has a PAR Strategy in place with an Action Plan. It has well developed sector coordination organised according to the Pillars of the strategy and it has a unique instrument of donor coordination called PAR Fund, which pools the resources of donors for the priority projects for implementation of the Strategy.

Findings and conclusions on criteria 1 - National sector strategies and budget appropriation

The Public Administration Reform Strategy and its Revised Action Plan (RAP) 1 (2011 – 2014) are the main strategic documents adopted as a country-wide strategies. The monitoring and coordination of implementation of the strategy is done on a central level by PAR Coordinator Office (PARCO). Implementation is done on all levels of administration by the relevant institutions. The entities adopted and follow the strategy and RAP 1 implementation.

The objectives of the strategy are well identified and the Strategy covers all relevant issues. The preparation of the strategy was accompanied by a comprehensive consultation process including the state and entities authorities. The implementation of the strategy requires reforms in the clearly identified 6 areas: policy making and coordination capacities; public finance; human resources, administrative procedure; institutional communication; information technologies. There are on-going discussions and preparatory activities to prepare Action Plan 2. At the moment it is in its initial preparatory phase and it is planned to be further developed in 2014. It will have objectives in relation to EU integration and will have specific sector related objectives. The prospects of adopting the Action Plan 2 are not very clear

There is no overall cost of implementation of the strategies. There are no statistics on the overall allocations from the national/ entities budget. The implementation of the strategy is supported by so called PAR Fund. The main donors of the Fund were: UK, the Netherlands, and SIDA. Recently UK and NL withdrew, Sida remained and Norway and Denmark joined as new donors. Sida and Norway contributed with each 1 million Euros per year for three years (2012-2014). Denmark will contribute with 3.76 million Euro starting from 2014 (1.76 million Euro) and 1 million Euro per year for 2015 and 2016. PAR Fund is a good example of coordination. National budget support is symbolic but all levels have contributed to the Fund with own resources.

The monitoring of implementation of the strategy is done by PARCO. There is a manual for implementation of the RAP. The monitoring includes indicators, but according to the PARCO representatives there is a need to improve the indicators, especially by introducing results based monitoring and improving the impact evaluations.

According to the EU DEL the missing elements of the strategy are: there are no PAR coordinators in the FBiH cantons as it is not defined by the strategy; the strategy does not include public companies and off-budget interventions under its activities. EU DEL also noted that the implementation of the reform slowed down and that there are low prospects for its adoption. The main reason is more general: the Republika Srpska opposing strengthening of the state level institutions and is promoting further decentralisation.

There is a very well developed website of the strategy which includes, among others, implementation progress reports and overview of projects supported by PAR Fund including their evaluation.

Implementation of PAR Strategy is assisted by GIZ project: Strengthening of Public Institutions. It is a 10 year project (2010-2020). The first phase has been completed by the end of 2013 and the next phase is about to start in 2014. The programme aims to strengthen the institutional capacity of users to provide services, efficiency, transparency and customer orientation, as well as the use of instruments for quality management, and strengthening their cooperation with the corresponding institutions at the entities and the Brcko District level. Additionally, advice on strategic management is being provided. Further, a special interest of the programme lies in the development of cooperation between institutions at all levels of government. The program will also enhance work on the use of synergy effects between these institutions, in order to work efficiently not only with the appropriate entity

institutions, but also with citizens of BiH, as well as end-users of public institutions. Important activities of the Programme, among other things are, in cooperation with the PARCO, strengthening strategic planning, monitoring and evaluation and public profiling. Currently the continuation of activities related to the PARCO strategic plan preparation is expected.

Findings and conclusions on criteria 2 - Institutional setting, leadership, capacity and performance framework

There is a well-defined and functioning structure responsible for coordination of strategy implementation (PARCO). At the moment the PARCO's strategic plan is under preparation (through GIZ assistance) and will be prepared in the course of 2014. It will serve as a pilot for other ministries/institutions. In general the capacities of PARCO office on strategic planning are satisfactory, especially that there is an on-going assistance of GIZ on strategic planning. GIZ project provided trainings on strategic planning. According to PARCO there is a need for more training and building expertise on evaluating the results and impacts of the reform. There is a working reporting mechanism. PARCO prepares reports on AP 1 implementation twice per year.

Findings and conclusions on criteria 3 - Sector and donor coordination

PAR Coordinators (at State and entities levels in the relevant institutions) ensure the overall coordination. The main coordination body is on a political level and then it is followed by sub-coordination bodies on working level. There are 7 supervisory teams for 6 reform areas. The donor coordination for the sector is conducted via the meetings of the PAR Fund Joint Management Board. The meetings are organized every two months and will continue during 2014. There is also Donor Coordination Forum organized by the Ministry of Finance and Treasury of BiH.

Sector: Justice

Overall rating and assessment

The “**Justice**” sector is ready for sector approach with some improvements. It can be concluded that the sector has a sufficient maturity to enable support by means of a sector approach. There are several arguments that support this conclusion: The main strategic document is in place¹⁰ and has been under implementation for several years; the institutional capacities are good and there is an Action Plan; there is an on-going work on preparing the new Action Plan; there is organised sector coordination with working groups and ministerial conferences and there is donor coordination conducted together with the Ministry of Finance and Treasury.

Findings and conclusions on criteria 1 - National sector strategies and budget appropriation

The main sector strategy is the Strategy on Justice Sector Reform in BiH (JSRS). The aim of the strategy is to enhance the system of international legal aid and to establish, strengthen and maintain the processes that will provide for equal access to justice in BiH. It covers most of the areas of the justice sector; from harmonising substantive laws, to simplifying procedures and modernising the systems and procedures in place for enforcing criminal, civil, commercial, and administrative and enforcement law. It also considers land registry and transitional justice issues including access to free legal aid. Furthermore, it seeks to improve the coordination between judicial institutions and ministries of justice through better budgetary planning, strategic planning, public relations and transparency. The strategy implementation was planned from 2008- 2012. There is an Action Plan for the Strategy (2009 – 2013) which has been implemented in 2013. There is a need to review the strategy and action plan and to prepare a report on the implementation of the JSRS strategy for the last 5 years. The strategy is organised in 5 pillars which implementation is supported by 5 working groups. The working groups meet quarterly and monitor progress and activities under implementation. The Secretariat coordinates the implementation of the strategy on a technical basis; it prepares and

¹⁰ The Justice Strategy expired in December 2013.

manages the Ministerial conferences and prepared quarterly, bi-annually and annual reports on the implementation. The annual reports are part of the Council of Ministers agenda.

There are regular Ministerial conferences twice per year for the sector strategy. There is a need for a political agreement for a declaration to establish new Ministerial conferences for the review and planning of the new strategy. It is a political forum consisting of 13 Ministers of Justice along with presidents of High Judicial and Prosecutorial Council and Brcko District Judicial Commission.

The observed problems with implementing the strategy are (1) the operational plans of the relevant institutions do not always follow the Action Plan, or were not developed (2) attendance on the working groups is not always fully covered (3) gathering is data for quarterly reports is not always easy/ successful (4) the strategy does not have an obligation for implementation.

The next Strategy will be prepared with the TA provided by Switzerland. It is envisaged that it will cover a bigger picture (ministerial conferences, donors' coordination, structural dialogue with the EU involvement and involvement of all relevant stakeholders). The next Ministerial Conference is planned for 29 of January to give a green light for the development of the new strategic documents¹¹.

In relation to the budget allocations, the situation in Bosnia and Herzegovina is fragmented. One of the key problems that complicate the implementation of the adopted strategy at the State level is fragmented funding in the justice sector (funding from 14 different sources), and in particular fragmented funding of the judiciary.

The Ministry of Finance has been doing the budget programming for the last 10 years, there are some actions for planning and evaluation of the budgets.

Findings and conclusions on criteria 2 - Institutional setting, leadership, capacity and performance framework

The main coordination institution is the Ministry of Justice and the HJPC is the leading institution for the judiciary in the entire country. The strategic planning is considered team work and there are 2 positions on planning. There were trainings organised on strategic planning over the last 2 years.

There is a monitoring system in place and a manual for implementation. According to the Ministry of Justice, further improvements are needed to the system on planning monitoring and evaluation. The reports are prepared on a quarterly, biannual and annual basis.

Findings and conclusions on criteria 3 - Sector and donor coordination

There are working groups organized for the pillars of the strategy. The Ministerial conference is organised twice per year. One of the mechanisms supplementing the JSRS implementation is a Policy Forum consisting of the Ministry of Justice and the High Judicial and Prosecutorial Council of BiH. It is planned to be expanded to other institutions. There are thematic conferences organised on specific topics/ issues.

The Ministry of Justice is pro-active in relation to donors' coordination and has a leading role in this process. At the beginning there were many obstacles and a series of meetings was needed to find a way how to coordinate donors. At the moment the donors' assistance is monitored and reports on monitoring are prepared by the Ministry of Finance and Treasury and then adopted by the BiH Council of Ministers. Donors' meetings are organised by the Ministry of Justice and Ministry of Finance. Out of 60-70 donors around 30 are active in the sector. The meetings are organised twice per year.

Findings and conclusions for sectors not yet in progress towards sector Approach and not ready at all

¹¹ According to the information received, there was no agreement reached on developing a new strategy.

Sector: Home Affairs

Overall rating and assessment

Sector “**Home Affairs**” is not ready for the sector approach. It can be concluded that the sector is not sufficiently mature to enable support by means of a sector approach. There are several arguments which support this conclusion: there is no sector country-wide strategy and there are no plans at the moment to develop such strategy. Some sub-sector strategies have emerging elements of the sector wide approach: development of monitoring tools, action plans and annual reporting. There is no overall coordination in the sector and there is no donor coordination mechanism.

Findings and conclusions on criteria 1 - National sector strategies and budget appropriation

There is no country-wide strategy for the sector and there are no plans to develop such a strategy. The sector is covered by a number of sub-strategies targeting specific issues related to crime. The most recent such sub-strategy, the Strategy to fight Organized Crime, was prepared with IPA assistance. It is currently awaiting adoption by the Council of Ministers. Preparation of all sub-sector strategies was accompanied by stakeholder consultations. In the sector there are attempts to harmonise with EU standards as much as possible. The approach taken is to have a voluntary harmonization with the EU standards. The sub-sector strategies are accompanied by action plans. Implementation of the strategies is often problematic, due to poor monitoring and evaluation processes. Since last year there have been attempts to introduce monitoring tools for the strategy on Trafficking Human Beings. This approach will be extended to other strategies in the future. There is annual reporting per sub-sector strategy.

Findings and conclusions on criteria 2 - Institutional setting, leadership, capacity and performance framework

The Ministry of Security has a leading coordinating role for the sector. There is a special Department for Strategic Planning in the Ministry staffed with four persons. Sector strategies are developed by specific thematic units of the Ministry and assistance by the Department of Strategic Planning. The institutional capacities are satisfactory. There was no training on strategic planning over the last two year. The skills of staff in relation to strategic planning are limited.

Findings and conclusions on criteria 3 - Sector and donor coordination

There is no sector coordination working group. Lack of agreement on coordination on the state level influences the situation in the sector. At the moment there is no plan to start working on sector coordination.

There are no donor coordination meetings for the sector. The data base of projects is very limited and includes only IPA projects. According to the Ministry the bilateral donors do not want to be coordinated and there are no plans to do it in the future.

Sector: Social Sector Development

Overall rating and assessment

“**Social Sector Development**” is not ready for the sector approach. The sector was analysed with three sub-sectors: education; social policies and science and research. The situation is diverse in the three sub-sectors: In Social Policies there is no country-wide strategy. There is a current work on a Common Framework for Coordination integrating the objectives of Europe 2020 Strategy. It has the potential to become an umbrella document in line with SEE2020 objectives. There are no regular sector coordination activities and there are no donor coordination activities. In the education sub-sector, the main document adopted is a Baseline for Qualification Framework. The Action Plan for implementation of the framework is under development. There are no monitoring or reporting activities on the sector level. There is an inter-sector commission established for coordination of the

framework development. The sector participates in the overall donor coordination activities by the Ministry of Civil Affairs. In the science and research sub-sector there is a sector strategy on Strategy of Science Development and Action Plan but there is no monitoring or reporting system in place for the implementation of the strategy. There are no regular meetings on sector coordination or regular donor coordination activities.

Overall social sector

At the State level there are two main Ministries covering the social agenda: the Ministry of Civil Affairs and the Ministry of Human Rights and Refugees. The last version of the CSP does not cover culture, but recently the authorities commented on the CSP and proposed the introduction of culture into the CSP. In general, the culture sector projects are very successful and give high visibility. The UNDP supported development of Culture strategy and its Action Plan, currently there is no budget for its implementation.

Social sector is very comprehensive covering a number of issues and cross cutting with other sectors e.g. education, human rights, Roma issues, social inclusion, and civil society. Due to the complexity of the sector and competences there cannot be one country- wide strategy for the social sector. The attempts so far to have a country level strategy for social sub-sectors failed; the Social Inclusion Strategy was not adopted and the Youth Strategy adoption failed as well.

In relation to the minorities, the main strategy is the Roma Action Plan (adopted). Talking about the minorities is still not an openly discussed topic. The financial support of the State/entities is very limited. The main Ministry is the Ministry of HR and Refugees.

Observations are divided below into **Social policies, Science and Research and Education.**

Findings and conclusions on criteria 1 - National sector strategies and budget appropriation

Social policies

Currently there is an on-going work on a Common Framework for the Coordination for integrating objectives of Europe 2020 Strategy into SEE 2020 Strategy. It has a potential to become an umbrella document in line with SEE2020 objectives. It is important to use the momentum of high interest and political willingness to support this process. The approach taken is that the Common Framework sets benchmarks and common indicators and the Ministry of Civil Affairs have a coordinating role. The entities will be reporting on agreed indicators based on their existing (or to-be-developed) strategies. There is a need to enhance the monitoring and evaluation and to note the responsibilities between MoCA and MoHRR in this process.

The project, supported by EU and implemented by UNICEF, produced a report in November 2013 on Gap Analysis in the area of social protection and inclusion policies in BiH and a roadmap/proposal for progress. The reason why UNICEF was implementing the activity on the strategic framework and establishment of the coordination was in light of the fact that the state level strategy is not adopted. The document proposes a set of Entity roadmaps/ proposals for social protection and social inclusion and a Framework for the Coordination of Entity Roadmaps/ proposals. The framework will be discussed in further workshops with policy makers and stakeholders in each Entity and District level. The Framework will provide a basis for the development of social protection and inclusion policies and enable funding of the activities identified through Entities budgets with the support of the external donor programmes and other funding sources. Currently, the EC is preparing a project for support to monitoring systems. As noted by EU DEL, the improvements in the sector need to result from on-going initiatives/ projects that very much depend on the political support to the process.

In relation to the Youth Strategy development there is no clearly defined coordinator. Previously the process was coordinated by the Council of Ministers and now it is by MoCA, since it became a political issue. The EU supported a project (IPA 2008) on EU support to the coordination and implementation of BiHs National (Coordinated) Youth Policy (EUNYP). It aims at improving the

position of youth in BiH, through the creation of the appropriate conditions for better and more efficient dialogue and more functional coordination among the stakeholders responsible for youth issues in BiH. The overall progress in planning for youth strategy is quite mature; it is a good example of sub-sector approach. It is presented in the CSP in a general way, not to block future interventions.

Science and Research

The Framework law on Science is the main document for the sector of science and research. Based on the framework law the Strategy of Science Development and Action Plan were developed in 2009. It covers the period from 2010 – 2015. The Strategy was developed in consultations with relevant stakeholders at state, Entities and academia stakeholders. The Action Plan is fully coordinated with the entities. The goals of the Action Plan are outdated and are unlikely to be achieved. There is a need to update the Action Plan. At the time of Strategy development it was foreseen that 1% of GDP could be allocated to Science and research. Due to the economic situation following the financial crisis this goal will not be achieved by 2015.

The EU-BiH bilateral relations discuss BiH as part of the European Research Area. European partnership sets a precondition for BiH joining the European research area: existence of an integrated research system in the country. On the other hand there is no clear definition of what the requirements are for such system. Clarification from EU side could help. In general there is a good cooperation in science. In relation to BiH participation in the FP7 programme there is a consensus of all stakeholders and it is supported by all ministries at entity and canton levels.

The Regional Strategy for Research and Innovation in Western Balkans was adopted in October 2013. In 2009 a Joint Statement was developed during a Ministerial Conference in Sarajevo, Bosnia and Herzegovina, expressing the interest of the Western Balkans region in developing a joint strategy on research and innovation. In September 2011, the World Bank and the European Commission signed an agreement to support the development of this Strategy. The resulting technical assistance is being financed through a Multi-beneficiary Instrument of Pre-Accession Assistance (IPA). The Strategy identifies key priorities and is expected to serve as a framework for a collective effort to recommend policy and institutional reform that can promote the region's most urgent priorities of increasing innovation, growth, and prosperity. As noted by the Ministry of Civil Affairs it has a coordinating role, but cannot impose any obligations. The current system of coordination is inefficient and expensive: too many people are responsible for coordination. Regarding budget allocations, the sector is not integrated into the statistical system, therefore there are no data available. The level of funding is unknown. The Strategy and Action Plan are consistent with the Regional research and Development Strategy in WB (BiH is part of it).

Education

The main document in the field is the Baseline for Qualification Framework in BiH (BQF) (adopted in 2011). An action plan for the development of the qualifications framework in BiH (2014 – 2020) is under preparation¹². The BQF is a short document providing nevertheless all necessary elements for further work. The most important document will be the Action Plan and at a later stage, Qualification framework in BiH. The monitoring mechanism is envisaged for the Action Plan. Overall the MoCA is at the early stage with the sector and strategic planning and further strategic documents need to be developed.

Findings and conclusions on criteria 2 - Institutional setting, leadership, capacity and performance framework

Social Policies

The Ministry of Civil Affairs has a coordination role. There are limited institutional capacities for strategic planning in the relevant ministries.

¹² The preparations have been successfully completed by the Intersectorial Committee in January 2014.

Science and Research

The Ministry of Civil Affairs has a coordination role.

The institutional capacities related to strategic planning are limited. Staff participated in trainings organized by UNDP and were awarded certificates.

There are no reporting or monitoring mechanisms in place.

Education

The Ministry of Civil Affairs has a leading role as coordinator and cannot impose any obligations on the entities, cantons and Brcko District. There is an approval of all relevant authorities for development of Qualification Frameworks.

According to the MoCA, the capacities on planning are satisfactory; at least 5 persons are involved in strategic planning. Staff participated in strategic planning organized by UNDP.

There is no reporting mechanism on implementation of education strategies. This is only been done sporadically. The only mandatory reporting is on individual projects and implementation of the framework education laws. Reporting is also done based on different international obligations and requests.

Reports on strategies implementation is also done in form of information-written documents to Council of Ministers by the MoCA

Findings and conclusions on criteria 3 - Sector and donor coordination

Social policies

The sector coordination is done mainly as administrative coordination. There are ad-hoc meetings organized. There are no donor coordination meetings for the sector.

EU DEL noted that there are some donor coordination activities organized at the state level, as well as a donor coordination in several areas under social sector.

Science and Research

There are ad-hoc meetings with stakeholders organized, but no regular working groups. There are no regular donor coordination meetings in the sector. There is a database of all projects financed by grants. The central information system was foreseen, but never established. Entities might have more detailed information on specific projects.

Education

For the QF there is Inter-sector Commission which has been established by the Council of Ministers to work and coordinate this process. Working groups are created for individual projects. There is donor coordination forum lead by the Ministry of Civil Affairs. The data base of projects is managed by MoCA.

Coordination working groups are established for preparation and design of all strategic documents and projects, including all respective levels of governance and authorities.

Sector: Transport

Overall rating and assessment

Sector “**Transport**” is not ready for the support by the means of Sector Approach. The sector strategic planning is based on an outdated Transport Master Plan from 2001, while the work on developing the transport strategy is not progressing. However, the Master Plan could serve as a basis for developing further strategic documents. The institutional capacities are assessed as satisfactory and there is experienced staff available on a State level. There are no regular sector coordination or donor coordination activities.

Findings and conclusions on criteria 1 - National sector strategies and budget appropriation

There is no country-wide sector strategy for transport. EC introduced a pre-condition for existence of such strategy for using IPA II funds on transport infrastructure.

The sector was supported by a Twinning project: “Assistance to the Ministry of Communication and Transport of BiH concerning implementation of projects under the IPA Regulation”. The project finished in September 2012. The twinning project final report states that the MoCT is ready to fulfil its mandate under the future instrument for IPA. The following results in relation to strategic planning were achieved

- The project trained the staff of the Project Implementation units and MoCT on IPA Regulation.
- The structure of the PIU within MoCT has been assessed and proposals for a new organisation of operational structures have been drafted, presented and discussed. It includes a proposal concerning repartition of activities between the institutions as well as proposals concerning recruitment of new staff and/or technical assistance.
- The MoCT staff was trained on the topics dealing with manuals of procedures. The structure of the manual of procedures has been defined.
- The MoCT was trained on the strategic planning and on preparation of programming documents. There were also trainings on PCM, feasibility studies, cost benefit analysis and environment impact assessments.
- A road map for BiH was prepared (under assumption that BiH would be eligible for IPA III component from 2015). It defines the tasks to perform and the steps to be taken to be ready for assistance.
- The Terms of reference of a study for the preparation of a long-term transport development strategy were drafted. The MoTC should set up the technical committee and the steering committee for the project. Currently, there is no agreement on the ToR for the strategy.
- A draft data base of projects was prepared including the assessment of the maturity of the projects and evaluation of the future needs for the preparation of a pipeline of projects

The Transportation Policy is a pre-condition for moving ahead with developing a transport strategy. The Transportation Policy presents the progress and development of the transportation sector, applying EU norms and standards and is a basis for developing transport strategy. The Council of Ministers adopted a Transport Policy Document in December 2013. The Parliament still has to adopt the policy document (status of February 2014). The EU introduced conditionality to the transport sector. The existence of country-wide transport strategy is a pre-condition for using IPA II resources for infrastructure projects. The step by step approach has to be applied (1) adoption of the transportation policy document (2) agreement on ToR for Transport Strategy (3) tendering and development of Transportation Strategy (4) Adoption of Transport Strategy

The Master Plan from 2001 is the only strategic document prepared on a country level and accepted by all relevant levels of administration. The Master Plan has been used for various studies and different strategic documents in transport sector. It could serve as a good basis for an update/ upgrade of the planned Transport strategy, however, it is outdated.

In relation to budget allocations the MoTC estimates that the state level co-finances around 10% of Master Plan implementation. The statistics from Entities are unknown. The Ministry of Finance is the main borrower in the sector and sub-contract resources to the entities for implementation. Entities finance the in-country infrastructure while the cross-border infrastructure is finance by the State level. For the State level projects the preparations (FS, DD, EIAs) are prepared by MoTC

The Master Plan is consistent with the Danube Strategy and with SEETO infrastructure maps. There is no overall monitoring for the sector. Monitoring is conducted only on project levels. There is a draft manual of procedures.

According to the EU DEL some sub-sectors like aviation and railways are more advanced to be the basis for sector approach. The EU DEL is waiting for 1 year for feedback/ agreement on ToR for Transportation Strategy. The IPA funds are planned to support the sector/subsector strategy development. Due to the political obstacles there is a standstill and further progress in the sector is blocked.

The EU DEL is waiting for 1 year for feedback/ agreement on ToR for Transportation Strategy. The IPA funds are planned to support the sector strategy development. Due to the political obstacles there is a standstill and further progress in the sector is blocked.

Findings and conclusions on criteria 2 - Institutional setting, leadership, capacity and performance framework

The MoCT is planning improvements to its structure, namely the change of organisation based on transport sub-sectors. It would increase the efficiency of coordination and work. The MoCT has 10 years of experience in coordination at the State level and has a number of qualified staff (technical, financial, organisational and financial staff). The MoCT itself often prepares the projects and runs the procurement.

The leading institution is the Ministry of Transport and Communication. Strategic planning is a team work with the main responsibility of the Assistant Minister. According to the MoCT the capacities of the staff on strategic planning are very good and the staff is experienced with the topic and programming. The staff was trained in the frame of a twinning project. Still, the ministry need to further strengthen its coordination role between the various stakeholders and the Commission.

Findings and conclusions on criteria 3 - Sector and donor coordination

There are some working groups on specific topics e.g. on Sava river. The working groups are organized for individual projects. It is envisaged that the overall working for the development of the Transport Strategy will be created.

The sector is not very interesting for donors, as it requires considerable financial resources and many bilateral donors have only resources for soft measures. At the same time the fiscal situation of the country does not leave more room for loans from the international financial institutions for infrastructure development.

Public Private Partnerships are not regulated by law at the state level, and therefore the private sector operators are not interested in investing in the country. On the other hand, public private partnership (PPP) is covered by the RS entity law In the Federation, the JP" AUTOCESTE BIH" , are ready to apply the PPP in constructing the part of the road on the section of the Corridor Vc through design and built model of the PPP. For that purpose, they have sent to the FBiH Parliamentary assembly couple of legal and sublegal acts that would make implementation of the PPP in building the roads in BIH possible.

Sector: Environment

Overall rating and assessment

Sector "Environment" is not ready for the sector approach. Currently there is no country-wide sector strategy. There is on-going work on preparing a package of strategic documents which will provide a sector strategic approach. The capacities on strategic planning are insufficient. Currently, the sector coordination working groups are related to preparing the package of strategic documents. The donor coordination is organised by donors themselves.

Findings and conclusions on criteria 1 - National sector strategies and budget appropriation

Currently, there is no country-wide environment strategy in BiH. The environmental Approximation Strategy is being prepared. The costs of the implementation of EU acquis for the 8 environment subsectors are estimated to be in the region of 6.2 billion Euros. Implementation of the priorities from

the Strategy should be assured through the entity implementation plans. Support on the implementation of the strategy will be needed.

The sub-strategies are fragmented and outdated. In relation to the entities, the entities level strategies are also fragmented and were not prepared in a harmonized way to present the situation and objectives for the sub-sector on a country level in a harmonized way.

The most important development of 2013 in the strategic planning in the field of environment is the EU financed assistance project Strengthening of Bosnia and Herzegovina's Environmental Institutions and Preparation for Pre-accession Funds. The project outputs foresee a package of action plans for all levels of administration on the basis of the Strategy for acquis approximation in the sector of environment. (see details in the sector analysis).

The project encountered numerous problems on its way to implementation. The most important was that the ToR for the project did not "allegedly" reflect the legal situation in relation to administrative responsibilities in the country. As a result the first Inception Report was not approved and the Republic of Srpska withdrew their institutions as project beneficiaries due to alleged non-compliance of the project activities with the BiH and with Entities' Constitution. It blocked the start of the project implementation phase. The project team conducted detailed assessment of legal and organizational constraints of the existing BiH environmental monitoring, data management, data quality assurance and data quality control procedures. As a result, a new approach towards general understanding of the role of objectives of the strategic documents in the environment sector was developed and introduced in the revised Inception Report:

The Environmental Approximation Strategy (EAS) is driven by EU Accession Process; therefore the requirements are pre-defined in the relevant EU acquis. In accordance with the constitution in BiH the implementation of the sector strategies is the competence of the Entities/Brcko District. The requirement to transpose and implement relevant environmental acquis stems from the signed SAA as an international obligation for which the state of BiH bears the exclusive responsibility. In accordance with the BiH constitution the Entities are obliged to assist the State in fulfilling its international obligations. Therefore, the country-wide strategy itself needs to be developed at the State level in parallel with the implementing documents at the Entities/Brcko District level. All four strategic documents together will represent the requested Sector Approximation Strategy of Bosnia and Herzegovina.

The Environmental Policy document reflects the actual state of the environment sector in the country. It should also take into account the objectives of the EU process such as the 7th Environmental Action Plan. This process takes into account the state of the environment sector in the entities and the objectives of relevant strategies at entities level. The overall country-level objectives are harmonised based on the entities inputs. Currently the project is being extended for one more year in order to proceed with preparations of the necessary strategic documents for the environment sector. As the EU, in the meantime, introduced a pre-condition for receiving EU assistance under IPA II – the existence of a country-wide strategy for the environment sector is a precondition for financing environmental infrastructure projects in BiH. The extension of the project, in order to finalise the strategic documents, is the last chance for the country to fulfil the EU pre-condition. There is not any alternative process currently in place which could prepare the required strategic documents.

The proposed model for developing country-wide strategies (country-wide strategy with implementation plans for entities level) could be considered as a model for other sectors.

There is a comprehensive consultation process with the working groups under the TA project. Once adopted, the package of strategic documents will be in compliance with the EU accession strategies. The monitoring mechanism is foreseen for the strategic documents under preparation.

The other country-wide adopted strategies include Low Carbon Development Strategy and Biodiversity Action Plan (as requirement of the Convention).

Findings and conclusions on criteria 2 - Institutional setting, leadership, capacity and performance framework

There is an institution (MOFTER) responsible for coordination of strategic planning at the country level. According to the representatives of MOFTER the capacities for strategic planning are insufficient; around 8-9 persons are involved at the state level and less than 10 per entity.

Findings and conclusions on criteria 3 - Sector and donor coordination

The coordination working groups in the sector are related to preparations of the package of strategic documents. There are donor coordination meetings in the sector, but they are organised by the donors themselves. Apart from EUD, SIDA has a leading role for the environment sector. The main donors participating include: EIB, WB, SIDA, KfW, UNDP, EU. There is a need for a stronger role for BiH authorities in coordinating donors. There are individual donor pipelines of projects, which are currently not coordinated.

Sector: Private Sector Development

Overall rating and assessment

Sector “**Private Sector Development**” is not ready for the sector approach. Lack of readiness can be explained by: Lack of the country-wide strategy for the PSD and lack of any on-going processes to develop such a strategy. The institutional capacities on strategic planning are low and there are no regular activities related to sector coordination or donor coordination.

Findings and conclusions on criteria 1 - National sector strategies and budget appropriation

There is no overall private sector/SME development strategy at the state level. It was agreed that the main coordination document in the sectors of SMEs should be the EU Charter for SMEs which will be used as an internal and external coordination document.

There is no strategic framework for industrial, investment or export promotion policy. There is no state level foreign trade development strategy. It is important to mention that in terms of the developing capacities for implementation of foreign trade agreements (SAA, WTO, CEFTA; EFTA; etc.); the TA project IPAQ 2008 EUTPP 2 supporting the MOFTER has been assigned the best grades of all by the external monitors.

Though, there is no Strategy on foreign trade development, other important documents are prepared such as “White book on foreign trade”, and the “Guidelines for industrial policy”.

It is also important to mention that the BIH has made great progress toward membership of the WTO, and it is expected that within a short period of time, will become a full member. The effect of WTO membership will be felt not only from the point of view of increase in foreign trade exchange but also from the point of view of creating a better environment for economic growth.

The sector lacks a mechanism for ensuring that Entities at state level are implementing the strategies and supporting policies for SMEs/ PSD in a coordinated manner, and there is no sector strategy in preparation. According to the Constitution, there is a need for a state level SMEs development strategy which should be followed by the Entities. The state level should at least have been coordinating the activities. Currently, the problem is that the Republika Srpska does not recognise the coordinating role of the State level. There is a need to have an agreement first on the need for a country-wide strategy for this sector. SEE2020 Strategy is a step in the right direction, as all Ministers agreed on its objectives, of which some are related to private sector development. The MoFTER introduced an intention to prepare a country-wide strategy for the 2014 work plan, but the notion is not yet approved.

Findings and conclusions on criteria 2 - Institutional setting, leadership, capacity and performance framework

There is no monitoring/ reporting mechanism for the sector. Some information is gathered for the OECD indicators and statistics. The MoFTER has a leading role in coordination. The institutional capacities on strategic planning are limited. There is no strategic planning unit. There is good capacity in the academia and chamber of commerce which could be used for the preparation of the strategy.

Findings and conclusions on criteria 3 - Sector and donor coordination

There is no donor coordination for the sector. There was an opportunity to use IPA resources for private sector, but the opportunity was missed due to the blockage of the project idea by the entities. There has been no meeting since 2011. It was organised with the donors' assistance. Republic of Srpska is not interested in being involved in the forum and the forum was not continued because the EU financed assistance project finished and because of the formal attitude from the competent authorities from Republic of Srpska that the overall national SMEs strategy is not necessary, as the SMEs are under the Entities competences.

HORIZONTAL CONCLUSIONS AND FINDINGS

As a result of the meetings/ interviews a number of BiH specific issues (due to BiH administrative situation) which influence not only the prospects on a shift to sector approach but the prospects of adopting any country-wide strategies in the nearest future. These issues are presented below:

Coordination: There are different interpretations of state level coordination role on strategic planning. The Republic of Srpska is promoting a so-called “modal approach”, where the state level institutions should “copy-paste” the entities’ strategies and create one document which will be a summary of entities’ strategies without any value added. According to the State level institutions their role as coordinators is broader and they should provide value added in relation to developing country-wide strategies. As long as there is no common understanding on what “coordination” means, the prospects of adopting other country-wide strategies and successful introduction of sector approach are slim.

Country-wide strategy: Due to political reasons in BiH the strategies are not called “national” but “country-wide”. The recent experience of the environment sector shows that in order to comply with the legal situation in the country, there should not necessarily be only one single country-wide strategy for the country, but a package of strategies (at state and lower, entity level) which would constitute a country strategic approach. It is important to mention, that this is one of the options which could represent the right approach for a given sector, but it should not be considered universally applicable for all the other sectors when drafting their Strategy. Moreover, the state level strategy should go beyond a simple compilation of the entity strategies, but should ensure applicability and harmonisation of the policy throughout the country creating value added. If successful, the environment example could become a model for other sectors. State level institutions struggle with adopting any country-level strategies, as often the name is already the reason for rejection (e.g. the strategy cannot be named national and the strategy cannot be called “strategy, but rather, for example, “framework”). The discussion is focused on politically influenced perception of the country-wide document, not on the technical issues. It is important that EC in its communication will consider the approach of a package of country-wide strategies as a sector approach for BiH.

Potential for country-wide strategies: As long as there is no common agreement on what is meant by “efficient coordination” regarding the conduct and implementation of EU affairs, the prospects for the sector approach are not very clear. There is a need for the EU assistance to always be consistent with the legal role of the state level institutions. When it comes to “coordination role of state institutions”, this role was clearly established by the existing legal framework (such as Law on Ministries and other administrative bodies of BIH Decision on establishing the function of the SPOs, Decision on the establishment of coordination system on the EU related pre-accession affairs, etc.). This legal set up is still in place and legally effective and binding. It also has to be noted that there is not the same understanding of the role of the State level institutions at the entities level.

EU conditionality: The EU introduced a number of conditions to be fulfilled before IPA II resources could be utilized in BiH. According to the stakeholders the conditionality might not have a strong impact on decision makers because (1) IPA is not considered as a major source of funding (2) Spending of IPA resources is done under very strict EU procedures, especially procurement rules, and therefore not attractive for decision makers. Stakeholders noted that conditionality linked to budget support could be more effective than on individual projects.

National Development Plan: There is no National Development Plan in BiH or other relevant national strategic document, thus there is no prioritization among the sectors. However, the National Development Strategy (NDS) and Strategy of Social Inclusion (SIS) have been prepared based on the entity development strategies. However, NDS was adopted by the Federation and Brčko District, whereas rejected by Republika Srpska. Although never adopted, according to the national authorities the NDS represents good basis for further development of strategic documents in the country and was in this sense used by many donors. According to interviewed stakeholders the priority sector becomes this for which the donors are interested. In such situation it is a challenge to do programming of IPA II to be aligned with country priorities.

Strengthening of State Level: Coordination of Strategic planning as a responsibility of state level institutions is seen often as strengthening the State level. As noted by several interviewees the Republic of Srpska is opposing strengthening of the state level institutions and is promoting further decentralization. Therefore several attempts to develop the country-wide strategy with coordinating role of the state level institutions might be opposed by the entities.

Donor coordination activities: Currently the Ministry of Finance and Treasury organizes the Donors Coordination Forum. There is also specific donor coordination mechanisms developed for few sectors. According to the document prepared by the Department of European Integration it is planned that donor coordination will be the responsibility of the sector authorities. There is a need to clarify the roles of responsibilities of various stakeholders in relation to donor coordination.

Capacities for sector approach: One of the objectives of this project is to assess the institutional capacities in the selected sectors to shift to sector approach. In the BiH situation, the capacities cannot be assessed accurately, as there is no agreement/ understanding among the levels of administration on the roles and responsibilities of various levels of administration. As highlighted by state level authorities the legal framework for coordination process is still existing and legally binding, but this role is not understood in the same way by all levels of administration. However, what is required is improvement of this mechanism particularly in regards to coordination of EU related affairs.

Political versus technical: Several technical level developments, as described in the report, are blocked due to political reasons.

Heavy Donors Assistance: The experience shows that the majority of strategic documents and accompanying action plans were prepared with heavy donors' assistance. Once the assistance projects are finished, developed processes/ meetings/ coordination processes are not followed. It raises a question on the sustainability of provided assistance.

Inter-sector coordination: As noted by several stakeholders there is a need to develop processes of inter-sector coordination e.g. authorities responsible for science and research noted the need to link the sector strategic planning with employment sector. There is a need to assist the authorities in identifying the specific linkages across sectors.

Related projects: Twinning Project on Strengthening the National Planning Process in BiH. One of the project components focuses on strengthening strategic planning capacity and introducing Sector Wide Approach. It is planned that the project will conduct the gap assessment of BiH public administration sectors for the application of the Sector Wide Approach. The capacities planned for the project implementation are around 5 times higher than for this project.

Findings and conclusions on criteria 1 - National sector strategies and budget appropriation

There are no existing country-wide strategies covering the whole period 2014 – 2020. In majority of sectors where strategies exist they have just expired/ or will expire next year and therefore the new Action Plans/ Strategic documents need to be prepared. The strategies with the highest level of maturity for sector approach are in the Justice Sector and Public Administration Reform. For the two most mature sectors (PAR and Justice) there is a need to develop new strategies/ Action Plans as the current have expired. As explained by a number of stakeholders, the current political situation might jeopardize further work on updating the strategic documents even in the most mature sectors. There is emerging potential for sector approach in the sector environment and social inclusion. There is a potential for sector approach in transport, provided that political blockage of strategy development will be overcome. Sectors like private sector development or education are at the early stages of development. Home Affairs sector is covered by sub-sector strategies and there are no plans to develop a single sector country-wide strategy. In several sectors the work on updating/ developing new strategies is planned by the authorities, but due to the political situation (lack of agreement on coordination) the prospects of their development are not clear. For some sectors, due to its complexity, it is not possible to have one country-wide strategy e.g. social sector. For the existing strategies in majority of cases the needs were well assessed e.g. using gap analysis. In several cases the existing strategies were developed before the financial crisis, therefore the costing and objectives are not matching the current economic situation in the country. In all existing strategies the consultation process with wide participation of stakeholders was done. The most frequently the workshops and meetings were organized, there were also drafts posted on-line with a web based consultation processes in place.

The number of stakeholders present in the consultation process varies across sectors. In all the cases the preparation of strategies is supported by donors. The contributions of the state level ministries is maximum 10% and 0% in some cases where the state level does not have the budget allocation, but has a coordinating role e.g. education. In general the estimation of financial allocations is unknown due to underdeveloped reporting systems.

Due to the administrative situation in BiH the country-wide strategies need to be adopted, in majority of cases, by the Council of Ministers, and the Governments of RS, FBiH and District Brcko. There is no National Development Plan or other similar document stating the country priorities in BiH and therefore there are no development priorities available. According to the state level authorities there is a draft National Development Strategy, which potentially could assist in planning sector activities.

There is an on-going project on The Integrated Local Development by UNDP. It aims at strengthening the local development planning framework and local governments' capacities to develop local development strategies. It is planned that 50% of all local governments will be covered by the local development plans (developed according to the adopted methodology) by the end of the project. The project also aims at enhancing its vertical integration with higher government and financial planning frameworks. The developed standardized methodology for local development planning became the conceptual and methodological blueprint enabling socially inclusive, sustainable and integrated local development planning in Bosnia and Herzegovina. In Federation of Bosnia and Herzegovina a Law on Development Planning and Management is under preparation which will further streamline the local development planning processes.

The experience showed that considering the specific political and administrative set up of Bosnia and Herzegovina, a bottom up, partnership approach to the country development planning could be considered. A coherent country development strategy could be designed based on the already developed strategies and priorities of each entity and Brcko district. In 2013 a Strategic Planning Coordination Group has been established by UNDP and PARCO. Four coordination meetings were organized in 2013 bringing together representatives of various projects and institutions.

In general the leading institutions are aware of the objectives of the regional strategies and such strategies (in a paradox way) are often easier adopted than country-wide strategies. Examples of such

strategies include: SEETO Network, SEE 2020 Strategy, Regional Research Strategy for Innovation in the Western Balkans, Danube Strategy.

The existing strategies (e.g Justice or PAR) have action plans developed usually as a separate document. The sub sector strategies rarely have action plans or their implementation is followed. The sequencing of quality of planning is assessed as good for the existing strategies.

The most advanced sectors (PAR and Justice) have well-functioning monitoring system with indicators. The assessment of impact of reforms is not yet developed. For the most advanced strategies there is a well -functioning reporting system with annual and biannual reports. In the case of PAR the reports and all associated documents are presented on a comprehensive and updated website. The state level ministries have a coordination role but the Entities do not have obligation in several cases to report back to the State level institutions. All the revised sectors stakeholders have experience with individual projects reporting. There is an on-going project financed by IPA and implemented by the World Bank to improve the indicators for selected sectors. The project “Monitoring and Evaluation Capacity Development for the Western Balkans and Turkey” aims at strengthening the institutional capacity monitoring progress in key sectors, specifically through indicators development. It covers the Justice, PAR and Employment sectors in BiH. According to the project quarterly report from November 2013, the project completed the consultations and developed a proposal for indicators. A number of training is planned in the upcoming months. The project implementation can provide a valuable input to the sector approach by improving the indicators of the sector strategies.

There is an overall problem with linking the budgeting with financing strategies from the national/entities budget for all sectors. One of the areas of Public Administration Reform is currently working on improving Public Finance and its links to strategies. Sector strategies do not usually include financial figures.

Due to the lack of obligation to report by the Entities to the state level authorities, there is often no information available on the budget allocations and actual spending.

Some sectors e.g research and science are not part of the statistical data gathering thus there is no information available whatsoever on the expenditures.

The main problems identified with the strategic planning are:

- Lack of country-wide sector strategies
- Lack of understanding and agreement on the role of the state level institutions in relation to strategic planning and sector approach
- Heavy dependence of donors technical assistance in preparing the strategies, resulting in low level of ownership
- Political problem with recognition of state level institutions as coordinators of strategic planning
- Lack of sector-based financial planning linked to the inter-ministerial coordination
- General lack of financial resources following the financial crises including limited fiscal space for new loans for infrastructure;
- Lack of reporting obligations between the levels of administration

Findings and conclusions on criteria 2 - Institutional setting, leadership, capacity and performance framework

For majority of sectors the Lead coordination institutions are appointed at the state level and entities level. In the case of Bosnia and Herzegovina the “leadership” cannot be clearly defined. The state level institutions have coordination responsibilities and the Entities usually are responsible for implementation and have budget allocations. The role of the State level institutions as coordinators of strategic planning is not commonly understood and it is interpreted in a number of ways. In majority of cases the relevant ministries do not have specific strategic planning units. Strategic planning is considered as team work with many staff members involved.

According to the state level authorities their role is clearly defined in the articles of the Law on Ministries and from these articles the leadership role for implementing the sector wide approach is visible. Overall institutional capacity is assessed between average to limited. There is high number of staff experienced in the sector but not necessarily in the strategic planning. For majority the sectors the staff participated in various trainings on sector approach/ strategic planning in the last 2 years.

The most advanced sectors (Justice and PAR) have the reporting mechanisms well developed; the reports are usually prepared annually and biannually. The PAR and Justice have the manual for implementation. For other sectors, as there are no active strategies (or under planning/ preparation) the actual implementation cannot be assessed. In majority of cases there is a lack of strategic planning activities and budgeting process of the relevant implementing institutions.

Findings and conclusions on criteria 3 - Sector and donor coordination

In general national sector coordination exists for the most advanced sectors (Justice and PAR). Most of the stakeholders noted the need for improving inter-sectoral coordination (e.g. science and research to be better aligned with employment) but so far there are no models or examples to follow on.

The biggest challenge in relation to coordination for sectoral approach is the lack of understanding / lack of agreement on the definition of “coordination”. As noted by several stakeholders, the Entities (especially Republic of Srpska) promotes so called “modal” approach. It means that country-wide strategies are a sum of entities strategies without any value added by state level institutions in relation to coordinating objectives of strategies/ common monitoring/ reporting etc. At the same time, the state level institutions argue (based on legal documents adopted by the Council of Ministers, which represents all the entities) that the state level coordination must include value added to the Entities inputs in order to prepare a well-defined and harmonized country-level strategy. The role of various state level institutions on strategic planning and coordination is also not always clear and well understood by the stakeholders; e.g. role of the Directorate for Economic Planning versus of Directorate for European Integration. In the sectors where coordination meetings are being organized, they are attended by managerial and senior level of authorities.

According to the state level authorities the role of the Directorate for Economic Planning is clearly defined in the Law on Directorate of economic planning which was adopted by the relevant authorities. In the same way, the role of the Directorate for European Integrations is defined in the Decision on the Directorate for EU Integrations. Therefore, it should not be any misinterpretations in regards of roles and mandate of these two institutions.

The overall donors’ coordination is done by the Ministry of Finance and Treasury. 17 leading donor organizations and IFIs established the Donor Coordination Forum (DCF) in BiH. DCF initiated the Donor Mapping Exercise (DME) in BiH in 2006 as a tool to improve the management of aid information and to synchronize and enhance cooperation of the donor community in BiH. DME includes an online database with projects funded by donors and the analytical report which offers an overview of donor activities contributing to sectoral reforms. The BiH Ministry of Finance and Treasury assumed the Secretariat role for DCF in 2009. The last DCF was organized in April 2013 where it was announced that the data base of projects will be updated and expanded. The new data base is expected to be public in April 2014. The next Donor Coordination Forum meeting is planned for February 2014.

The MoFT organized in 2010 a workshop on Implementing Sector Approaches in the Context of EU Enlargement (Challenges and lessons learnt). It was a regional workshop which aimed at exploring principles and working practices for the formulation of sector strategies and to share practical experience and lessons learnt by countries. The MoFT has a mandate to coordinate all aid except EU aid, and DEI is responsible for EU aid. In the current programming period DEI was responsible for coordination of EU assistance. IPA II requires a shift to the sector approach and therefore it requires the establishment of the sector coordination. This would include the transfer to the sector coordination practices including:

- Establishment and empowerment of the leading institution in charge of coordination of the sector;
- Presence and adoption of the single country wide strategy for the sector;
- Establishment of the necessary linkages between the strategies priorities and the appropriate budget allocations by the leading intuitions;
- Establishment and enforcement of the donor coordination for the sector by the leading institution;
- Establishment and empowerment of the implementation of the country wide strategy monitoring mechanism by the leading institutions;
- Establishment of the efficient public finance mechanism in the sector to assess the effectiveness of budget funds utilization

The sector relevant ministries need to be responsible for coordination of activities within their sectors. EU DEL in March 2013 requested NIPAC office to identify the relevant institutions in BiH and donors which should participate in a sector donor coordination mechanism at the level of potential IPA II priority sectors. It required identification of an institution to lead donor coordination efforts on the BiH side in coordination with the relevant institutions responsible for the sector at different levels of government. As a response to this request DEI prepared a draft version of the discussion paper “*Establishment of sectorial donor coordination mechanism in the context of IPA II*”. The draft version of this document was prepared in line with the current legislative framework such as the “Law on ministries” the “Decision on the establishment of the function of Senior Programme Officer”, and the EC instruction on introducing SWAP approach in the IPA national programing process. The purpose of this document is to lay down the basic considerations related to the establishment of the mechanism of donor coordination (including IFIs and multilateral organisations) in the context of IPA 2014 – 2020 strategic planning and programming and depending on programing needs, to initiate the discussion with relevant stakeholders to establish donor coordination mechanism in a sample of sectors in BiH. The draft version of discussion paper in its annex proposes the leading institution for donor coordination, as well as a leading donor for the sector and other sector relevant stakeholders. Prior to discussing this draft with the SPOs and IPA Coordination Committee, DEI submitted the draft version of the discussion paper to the office of the Chairman of the Council of Ministers in June 2013 and until now received no response to the document.

3.4 KOSOVO

The table below presents the Summary of the results of the Overall assessment of sectors in the case of Kosovo according the adopted methodology and the respective criteria/sub-criteria

Kosovo	
Agriculture and Rural Development	42.69
Energy Sector	38.95
Home Affairs Sector	31.56
Environment Sector	29.5
Justice Sector	21.5

Table 3.4.. Summary of the Overall assessment of sectors for Kosovo

Note: For detailed scoring per criteria and sub-criteria see Annexes 3

From the results in the Table 3.4 above it can be noted that in Kosovo the “Agriculture and Rural Development” sector is ready for sector approach with some improvements. On the opposite, the “Justice” sector has obtained the lowest score which shows that this sector is not yet in progress towards a Sector Approach. The other analysed sectors scores shows that they are “In progress towards sector approach”.

In the following text short explanation about the maturity of each sector is given, corresponding to the order in the table above.

Findings and conclusions for sectors that are ready for Sector Approach with some improvements

Sector: the Agriculture and Rural development sector (ARD)

Overall rating and assessment

Concerning “**the Agriculture and Rural development sector (ARD)**” In terms of Criteria 1, the Agriculture and Rural Development sector requires improvements in terms of quality of its strategic planning systems, particularly in relation with measures for budget appropriation. The MAFRD should strengthen the link between strategic planning and central budget, by developing results based budgeting mechanisms As for Criteria 2, in the ARD sector monitoring and capacity mechanisms have been reasonably established. Some improvements related to filling vacancies in branches with skilled staff. Further training and monitoring implementation mechanisms are still necessary.

Finally for Criteria 3, in the ARD sector some relevant coordination mechanisms have been defined within the sectors implementation bodies and interested Donors. Efficiency of the established mechanisms in both functionality and results should be assured especially an enhanced role of DEIPC to ensure financing of an adequate level of planned interventions. When considering the cumulated scores for the three criteria, we can consider that the ARD Sector is ready for Sector approach with some improvements needed.

Findings and conclusions on criteria 1 - National sector strategies and budget appropriation

The development of Agriculture and Rural Development Sector in Kosovo is based on a well established strategic framework composed by main sector strategy and five subsector strategies. The ARDP 2014-2020 is the key strategic document for ARD sector which sets long term Goal and objectives based on Government priorities and addressing “EU Rural Development policy ‘2020”’. The ARDP specific objectives address the needs identified through a well organised strategic planning process, participative and transparent. Situation analysis and background assessment have been well conducted but Goals and objectives have been not adequately formulated. In general, the ARD sector is not well covered by implementation mechanisms as only two out five ARD sub strategies have developed output/result oriented implementation plans. The strategic planning process has been well managed by the established Managing Authority chaired by the Minister of MAFRD based on specific Guidelines; At MAFRD level and project level the Monitoring and Evaluation structures and mechanisms are well designed, established and functional. The MC (Monitoring Committee) Rules of procedures have been drafted in line with the DG AGRI Guidelines and in full use. Monitoring is based on output/ result and impact indicators but due to the limited number of branches and insufficient staff, the quality of data and data collection mechanisms have been hampering the efficiency of the monitoring process. The majority of implementation plans do not have cost/budget estimations but even in cases where they exist the Budget appropriation has not been assured. The financial support of ARD sector by both National Budget and IPA has been at low levels and quite insufficient to cover the identified needs.

Findings and conclusions on criteria 2 - Institutional setting, leadership, capacity and performance framework

The ARD sector has a clear institutional leadership through Ministry of Agriculture Food and Rural Development (MAFRD). The programming structures has been established based on IPARD Operating structures model ,main functions have been designated and Operational Guidelines produced by the Twinning Project are in full use. Adequate implementation mechanisms are in place and operational with reporting carried out according to international standards. MAFRD capacities in sector strategy programming have been improved over the years due to participation in various EU programming exercises.

Findings and conclusions on criteria 3 - Sector and donor coordination

Donor Coordination functions at MAFRD is centralized within the DEIPC but donor’s activities are limited in number and merely related to facilitation of donor’s participation to various WG meetings regarding strategic planning.

Findings and conclusions for sectors in progress towards sector approach

Sector: Energy sector

Overall rating and assessment

The “**Energy sector**”, in terms of Criteria 1, still needs to make improvements in terms of quality of strategic planning specifically related interaction between stakeholders in the programming process and developing APs based on realistic timelines for implementation of measures/Investment projects. In terms of Criteria 2 in order to move towards for sector based approach the capacities allocated for the Energy sector needs to be strengthened horizontally to the whole institutions involved in order to support efficient implementation, monitoring and reporting of the respective Implementation Programmes. For Criteria 3, in the Energy sector efforts should be made in increasing the role of DEIPC related to Donor Coordination activities for stimulating sales and marketing of project pipelines. to interested Donor’s; Financial Institutions and PPP in the Energy Efficiency and Renewable Energy area. Considering the cumulated scores for the three criteria, we can consider that the Energy Sector is in progress towards a Sector Approach.

Findings and conclusions on criteria 1 - National sector strategies and budget appropriation

The Energy sector is one of the four key sector priorities defined within the main Kosovo Government policy and strategic documents. Kosovo Energy sector relies on a well-developed legal framework compliant to EU acquis and composed by main strategy (Energy Strategy of the Republic of Kosovo 2013–2022) and a number of strategies, sub strategies and implementation Programs. The main Strategy is a very comprehensive document that provides long term vision - beyond 2020. It was designed based on analysis of energy sector situation, SWOT analysis, energy demand analysis, analysis of energy sources. The overall goal is relevant as fully in line with the identified Kosovo needs in compliance with National and EU energy policy goals but they are not well formulated, remaining too generic and ambitious. The objectives address the identified problem needs and priorities but are not based on defined timelines and sufficiently justified. The strategic framework is well covered by Implementation Programs which are comprehensive and well-structured documents, addressing objectives versus a set of actions, measures/projects, indicators/expected results, cost estimations, suggested financial sources and timelines. Lack of clear timelines or unrealistic deadlines, financial commitments and implementation of monitoring tools/mechanism are the key concerns to AP implementation. A well established and functional Energy sector institutional framework is in place. The strategic planning process has been developed through a well-organized process, transparent and

participatory widely arranged and extended to several national and international stakeholders

Findings and conclusions on criteria 2 - Institutional setting, leadership, capacity and performance framework

The MED has been taking the lead for managing the programmes to be financed within the Energy sector. However, there is a different set of institutional actors within the sector lacking some capacities and knowledge. Even if complex, there is a clear share of responsibilities between different Energy sector institutions in strategic planning, coordination of implementation, monitoring and reporting. Staff engaged in strategic planning at MED has acquired relatively good capacities and skills. The KEEA is understaffed thus totally incapable of performing efficiently the monitoring tasks.

Findings and conclusions on criteria 3 - Sector and donor coordination

The MED Donor Coordination functions are centralised at the DEIPC but level of activities is limited to facilitation of donor's participation to various WG meetings as observers during strategic planning process.

Sector: Home Affairs sector

Overall rating and assessment

The “**Home Affairs sector**” in terms of Criteria 1, shows serious deficiencies in terms of cohesion as a whole. In addition the sector strategic planning mechanisms does not meet the expected quality standards required to qualify for sector based approach. In terms of Criteria 2, in the HA sector improvements capacity building in terms of strategic planning, implementation and monitoring took place but are still required to be improved. In terms of Criteria 3, the result of HA sector shows that it is insufficient in terms of coordination mechanisms.

Considering the cumulated scores for the three criteria, the overall rate obtained shows in clear evidence that the HA Sector is not prepared towards a Sector Approach through EU IPA II financing.

Findings and conclusions on criteria 1 - National sector strategies and budget appropriation

The Kosovo Strategic documents refer the HA sector as one of four the key National and EU accession priorities (under Security matters). The expired National Kosovo Security Strategy 2009–2013 presents too many deficiencies to be considered a Sector Strategy starting from unclear Institution Lead, not transparent and participative strategic process, weak strategy design, lack of situation analysis, lack of goal and objectives. The Strategy against organised crime of Kosovo has been considered as HA reference strategy. This strategy also is a weak document which does not address well the main needs and priorities of the sector needs have not been properly assessed and thus not appropriately addressed to goals and objectives. The strategic framework of the HA sector is well covered by subsector strategies addressing the entire sector priority axis and forming an integrated and solid framework. The strategic framework for both HA reference sector and subsectors have not been sufficiently covered by APs. The existing APs are generally designed as collection of specific activities/measures, responsible authorities, deadlines, success indicators and, in few cases budget and source of funding. However all of them lack correlation between objectives, outputs, results and impact. Quality of indicators is one of the weakest elements of the monitoring system as they are not based on SMART principles but activity/output oriented indicators. Institutional leadership for reference strategy in both strategic planning and monitoring is generally well established. Monitoring responsibilities are within NCO's Secretariat, very appropriately established at Lead Institution, separately by NCO. The HA sector has been a priority sector from financing point of view by both Kosovo Government 2011-2013 budget with respectively 8.9% of the total budget and EU with 30% of total MIPD 2011-2013 budget.

Findings and conclusions on criteria 2 - Institutional setting, leadership, capacity and performance framework

MIA is the Lead Institution within the HA sector. It has also been formally appointed Chief negotiator for the Working Group on Chapter 24. The HA sector strategic planning institutional settings are well established through DEIPC. Monitoring functions are separated from Strategic planning and implementation bodies. Nevertheless, some overlapping is apparently related to monitoring functions. Two Bodies are in charge, NCO's Secretariat and Department Monitoring policies. Strategic planning capacities in terms of resources, skills and experience are limited. Drafting HA strategies remains dependent to external funded projects (EU - TA or twinnings, TAIEX and OSCE).

Findings and conclusions on criteria 3 - Sector and donor coordination

Donor coordination is managed at central level by the MEI. At MIA level, the DEIPC is in charge of Donor coordination but this has not been extended to the sector globally. The DEIPC Donor coordination activities are limited to facilitation of donor's participation in the Strategic planning process. In relation with strategic planning, the coordination mechanisms rely on the establishment of Working Groups (part of strategic planning tasks) and on setting up the monitoring procedures. MIA has been formally appointed chief negotiator for the Working Group on Chapter 24.

Sector: the Environment sector

Overall rating and assessment

Concerning “**the Environment sector**” much progress is needed in terms of strengthening the quality of the strategic planning systems. As for Criteria 2, in the Environmental sector, there is evidence that sector is far from standards required for capacity building and institutional mechanisms. This advises carrying out significant reforms related to strategic planning structures and strengthening institutional capacities in strategic planning and monitoring. For Criteria 3, in the Environmental sector reaches the coordination mechanisms are needed to be put in place. When considering the cumulated scores for the three criteria, we obtain an overall rate which shows that improvements are still necessary in order to progress towards a Sector Approach.

Findings and conclusions on criteria 1 - National sector strategies and budget appropriation

The strategic framework for the environmental sector in Kosovo is composed by main sector strategy and five subsector individual strategies covering well the EU environment priority axis. The strategic framework provides a long term vision of more than 10 years going far beyond year 2020. The main strategy targets Environment as a horizontal priority aiming to assure “a better quality of life for all citizens; sustainable economic, social and cultural development”. The specific objectives for the sector are well connected with the respective global objectives defined for the individual sub sector strategies. Strategic planning has been conducted through a well organized and coordinated process amongst government institutions, local government, research, university, CSO led by MESP. The strategic framework is well covered by 5 year implementation plans. The National Environment AP is a very well formulated document composed by a number of prioritised investments. Project by subsector, scope, lead agency responsible for implementation, time frame, costs estimation and suggested funding sources (Kosovo Budget, Donors, Private sector participation (PSP) /EHCIPs) based on very comprehensive methodology. Monitoring and Evaluation of the main sector Strategy has been envisaged through the NEAP based on a set of well-defined OVIs linked to the respective strategic goals and objectives by priority level. The Environment sector has been the less important sector from funding point of view by both Government budget and EU. Lack of a clear link between the strategic planning at MESP and central budget (MF) is the most critical issue in the sector. Thus, even though the NEAP is a very good quality document it does not reveal a clear Government

financial commitment to fund planned investments which put in risk whole implementation. According to MTBP, the NEAP implementation is expected to start after 2016.

Findings and conclusions on criteria 2 - Institutional setting, leadership, capacity and performance framework

The strategic planning structures at MESP are not yet functional. Even though, the Department for EU Integration and Policy Coordination has been de jure established, de facto the strategic planning functions are still fragmented to the technical departments. The capacity building efforts delivered by EU technical assistance and twinning projects has been merely focused on building MESP technical capacities and less strategic development and programming oriented. Capacities of the MESP in sector strategy programming have slightly improved over years due to participation in few EU programming exercises, including those related to SBA with the EU Commission. These trainings have been sporadic and not delivered in a systematic way. Institutional Capacities are still limited to enable development of strategies and programs independently from external assistance. Limited capacities in both staff number and skills are critical especially in AP implementation and monitoring activities.

Findings and conclusions on criteria 3 - Sector and donor coordination

MESP Donor Coordination functions are centralised at the DEIPC but level of activities are limited to facilitation of donor's participation to various WG meetings regarding strategic planning

Findings and conclusions for sectors not yet in progress towards sector Approach and not ready at all

Sector: Justice sector

Overall rating and assessment

For the **“Justice sector”** it is evident that it does not meet the minimum quality standards in terms of strategic planning. Significant improvements are required in terms of designing the Lead Authority in sector, setting up strategic planning structures and mechanisms to manage the strategic planning process through effective, ownership and stakeholder's involvement.

Findings and conclusions on criteria 1 - National sector strategies and budget appropriation

Kosovo Government has been continuously declared on strengthening the Judiciary sector reforms as a top priority for Kosovo development and EU accession perspective. However, this priority has not been translated into a clear policy and strategic framework document to guide the Judiciary sector long term development. The actual Judiciary sector strategic framework is incomplete and fragmented by individual strategies addressing various justice policy axes, developed independently by respective authorities, with limited coherence and complementarily. The reference strategic document “Anticorruption Strategy 2013–2017” is a limited quality document which lacks evidence based analysis, needs assessments and clear/well justified connection between problems and objectives. As result priorities do not address the identified needs. Goals and objectives are normally formulated in long paragraphs as a mix of measures and objectives. All subsector strategies have serious quality problems as they miss substantial elements to be considered within a strategy document. Some of them are very short and in general they can be considered more an outline of respective sectors than a strategic document. The Justice Sector strategies are not fully covered by APs but even the existing ones have been poorly designed based on numerous specific objectives, activities /measures ranked by implementation priority as short, medium and long term and activity/output oriented SI's are not budgeted. Monitoring arrangements at the Justice Sector strategies are weak both in terms of institutional settings and quality of indicators. The majority of lead institutions do not have a Monitoring Unit while the ACS monitoring arrangements have been inappropriately placed at the

Legal and Education Division (LED), considering AP as part of the information or awareness raising activities. In contrast to the Government declared priority, the Justice Sector reforms have been very insufficiently supported by Government I budget to allow APs implementation. During the period 2011-2013, the Government budget for Judiciary reforms has been about 3.9% of the total Kosovo Budget .

Findings and conclusions on criteria 2 - Institutional setting, leadership, capacity and performance framework

MoJ has adopted a leading role in coordinating the reform implementation within the Justice Sector and ensuring enforcement of rule of law in Kosovo amongst the corresponding sector governmental and independent Institutions. However, this mandate role on strategic planning remains unclear. The institutional lead of the ACS is fragmented into three bodies to fight corruption in Kosovo and relatively weak in relation to capacities and coordination. The Agency for Anti-Corruption is the lead institution for ACS but do not count on a clear mandate, institutional structures and capacity for strategic planning. A strategic planning structure is in place through the established DEIPC. However, there is no clear division of functions between strategic planning, implementation and monitoring & evaluation. The DEIPC lacks HR and capacities in terms of strategic planning, strategy drafting, M&E and Reporting.

Findings and conclusions on criteria 3 - Sector and donor coordination

MoJ has been appointed chief of the Working Group for the Justice sector; however, coordination does not seem to effectively take place. At present, due to lack of strategic planning mandate and leadership, MoJ does not fulfil the expected tasks for targeting the sector as a whole. The DEIPC role in Donor Coordination has been almost inexistent;

3.5. TURKEY

The table below presents the Summary of the results of the Overall assessment of sectors in the case of Turkey according the adopted methodology and the respective criteria/sub-criteria.

TURKEY	
Transport Sector	45.21
Employment, HRD, Education, Social Policies	43.9
Agriculture and Rural Development	42.97
Environment Sector	42.44
Justice Sector	39.42
Security and Home Affairs Sector	38.26
Civil Society and Fundamental Rights	37.33
Energy Sector	35.17

Table 3.5.. Summary of the Overall assessment of sectors for Turkey

Note: For detailed scoring per criteria and sub-criteria see Annexes 3

From the results in the Table 3.5 above it can be noted that in Turkey the “Transport” sector has obtained the highest score which shows that this sector is ready for sector approach with some improvements. Three other sectors has obtained also high scores and are also the most mature: “Employment, HRD, Education, Social Policies”, Environment Sector” and “Agriculture and Rural Development” which shows also that they are ready for sector approach with some improvements .It should be noted also that in comparison with other countries, there is no sector with very low scores.

Findings and conclusions for sectors that are ready for Sector Approach with some improvements

Sector: Transport

Overall rating and assessment

In the “**Transport**” sector, “Turkey’s Transport and Communication Strategy 2011-2023 represents an overall relevant and coherent strategic framework for the sector. Despite not addressing well the multimodality aspects and putting too much emphasis on developing specific objectives more than addressing priorities and measures, the main strategy covers well all transport modes. Therefore, no prioritization of infrastructure per different transport mode exists. Yet, it is missing a detailed Action Plan or prioritization of infrastructure. Similarly, the individual sub strategies per transport mode do not have an Action Plan.

Still, the strategies in place are suitable for a more programme based support to be provided by the EU and other donors as they identify priority actions, financial needs and the timeframe for the required support. The assessment of the capacities for sector planning within the Transport (Criteria 2) brings the highest among all sectors in Turkey. This score shows the potential and the experience gained so far. The score reached for Sector and donor Coordination mechanisms shows that improvements can be expected in overall Donor Coordination.

Findings and conclusions on criteria 1 - National sector strategies and budget appropriation

The Turkey’s Transport and Communication Strategy 2023 represents a relevant and coherent overall strategic framework for the sector and together with GD’s Strategic Plans as subsector strategy documents are well prepared, complementing the priorities of both 9th and 10th NDPs. There is no prioritization between different transport modes in order to improve accessibility and mobility rates. The majority of specific objectives for the sector are corresponding well with their respective global objectives defined for the individual sub sector strategies. Both the main transport strategy and the individual sub strategies are missing detailed AP or prioritization. It is stated that a master plan for transport that will cover these issues is in progress. Monitoring of the implementation of the strategy is weakly defined as is mostly based on the legislative requirements of strategic planning. Strategies mostly refer to good level of participation of stakeholders in preparatory activities although details are not provided. No prioritization of infrastructure per different transport mode is made in order to better estimate gains in accessibility and mobility rates. The consultation process has been widely arranged and extended to several stakeholders including dissemination at regional level within the Ministry of Transport, Maritime Affairs and Communication Council.

Timeframes are missing, indicators are not adequately defined and most of them do not refer to any budget financial support. Budget allocation is left to annual budget programmes of the government and implementation plans. The majority of the specific objectives for the sector are well corresponding with their respective global objectives defined for the individual sub sector strategies.

Findings and conclusions on criteria 2 - Institutional setting, leadership, capacity and performance framework

Overall institutional capacity for strategic planning of MoTMAC and the capacity in terms of skilled internal resources are assessed as very good. The Strategic Planning Department has a clear mandate and skills in strategic planning.

A very good level of experience in EU funded programmes, gained in Programming through the preparation and design of and implementing IPA Component III OP Transport 2007-2013. The MoTMC and the associated institutions under its umbrella have gained substantial experience in Programming through the preparation, design and recently full decentralized implementation of IPA Component III OP Transport 2007-2013

Findings and conclusions on criteria 3 - Sector and donor coordination

The coordination mechanisms mainly rely in the establishment of working groups and the set-up of coordination procedures. There is no Sector Donor coordination in place. The Sector Working Group for transport is in charge of programming activities in particular for programming IPA funds.

Sector: Employment, Education, HRD, Social Policies

Overall rating and assessment

In the “**Employment, Education, HRD, Social Policies**” sector, the primary strategic document for the sector is the NES which is still draft. This sector can be classified Ready/mature for a sector approach with some improvements. However, there is a strategic framework provided by the HRD OP with sufficient coherence among sub-sector fields that can allow initiating sector based support in the absence of the NES.

Findings and conclusions on criteria 1 - National sector strategies and budget appropriation

The National Employment Strategy which covers well some sub-sectors (with the exception of issues such as disability, accessibility and to certain extent poverty) is still at draft level. Satisfactory situation analyses are conducted for most strategies (especially the NES). There is less indication on the quality and scope of needs assessments for all sub-sector fields. On the level of sub-strategies, the Strategic Planning Departments of respective Ministries are in charge with some structures established for M&E.

Findings and conclusions on criteria 2 - Institutional setting, leadership, capacity and performance framework

There is clear leadership of the MoLSS, especially taken into consideration that it has received accreditation since 2012. MoLSS has a strategic planning department. EU Coordination Department of the MoLSS has a good capacity on strategic planning with a range of trainings having been conducted, even though there is still room for improving coordination between the EU Coordination Department and the Strategic Planning Department of the MoLSS.

Findings and conclusions on criteria 3 - Sector and donor coordination

Main coordination mechanisms are at the operational level and do not have established manuals, work procedures, in contrast to monitoring mechanisms which have checklists, templates and manuals developed on the operational level etc.

Sector: Agriculture and rural development

Overall rating and assessment

In the “**Agriculture and rural development**” sector the National Rural Development Strategy (2007-2013) and the Strategic Plan of the Ministry of Food, Agriculture and Livestock (2013-2017) represent a relevant and coherent overall strategic framework for the sector.

Furthermore, in the context of the accession process, Turkey has and will need to further prepare several strategy documents related to this sector, such as the "strategy regarding identification of agricultural lands and how to develop the national farmer's registration system" or the "strategy for transposition and implementation of EU acquis" for Food Safety. The existing strategies are based on sufficient needs assessment in the sector, and are provide a basis for measures to be taken with the

help of financial assistance in the coming years, in order to prepare for accession and to contribute to rural development.

In terms of Criteria 1, the sector strategic planning mechanisms can be considered to meet good quality standards. The good score for Criteria 2 shows the potential and the experience gained so far. The score reached for Sector and donor Coordination mechanisms bringing to light that some actions are needed to reinforce the interaction and communication mechanisms.

Findings and conclusions on criteria 1 - National sector strategies and budget appropriation

There is no specific Action plan for any subsector in Agriculture Sector. Although the overall sectorial strategy represents a relevant and coherent overall strategic framework its date has expired in 2013 and a draft new one is not in circulation yet. The Strategic Plan of the Ministry (2013-2017) is still an institutional strategic plan and lacks important assets of a sector oriented strategy. Indicators are not adequately defined and most of them do not refer to any budget financial support. Although there are important gaps with the EU acquis which has to be better aligned, and most areas that need to be aligned with EU acquis are omitted at strategic documents, which make the score of the strategic documents high, although there is need for important steps for the sector to reach the total EU policy framework.

Findings and conclusions on criteria 2 - Institutional setting, leadership, capacity and performance framework

Overall institutional capacity for strategic planning of Ministry of Food, Agriculture and Livestock is assessed as over average. The Strategic Planning Department of the Ministry has a clear mandate and skills in strategic planning related issues. Yet, sectorial strategies do not seem to be at the agenda, and their Action Plan development capacity is considerably under developed.

Findings and conclusions on criteria 3 - Sector and donor coordination

There are no defined sector based and overall covering coordination mechanisms which are primarily dedicated to programme level monitoring such as Steering Committees. Yet, regular monitoring mechanisms defined under the current IPA implementing regulation, such as SMSC and JMC as already and the regular DIS meetings with the Ministry are filling the gap for EU related projects. The role of the Agricultural Council, on the other hand, can be named as the sector's consulting mechanism, and is more to highlight development path and provide consultancy.

Sector: Environment

Overall rating and assessment

In the "Environment" sector, the Approximation strategy represents a relevant and coherent overall strategic framework for the Environment sector. The analysis of needs have been carried out several years ago and requires an update in terms of projects completed, on-going, under preparation or simply abandoned. However, the Institutional Strategic Plan lacks a sectorial strategic framework due to the urban-environment duality. It is missing a detailed AP or prioritization of infrastructure. Similarly, the individual sub strategies and their APs do not have a prioritization and most of them do not refer to any budget financial support. To address these needs the implementation of projects necessitates an overall sustainable environmental investment strategic and integrated approach (including river basin management plans in the water sector). In terms of Criteria 1, the sector strategic planning mechanisms meet rather average standards. Capacities for sector planning within the Environment are judged almost satisfactory. The score for Sector and donor Coordination mechanisms shows the need for improving coordination mechanisms and donor meetings within the Environment sector to take place on an annual basis. If we consider the cumulated scores for the three criteria, we can consider that the Sector is ready for a Sector Approach with some improvements.

Findings and conclusions on criteria 1 - National sector strategies and budget appropriation

A balance has still to be found at the MoEU between the environment and development agendas. Most aspects of the sector are covered by sub-strategies; complementarity and coherence of sub-strategies to the overall sector strategy is assessed as above average. The sector strategies have good coherence with 9th and 10th NDPs as well as EU enlargement related documents. The strategies present no gaps in terms of thematic coverage of the sector. However, a large number of the strategies have expired.

Findings and conclusions on criteria 2 - Institutional setting, leadership, capacity and performance framework

The separation in 2011 of the former Ministry of Environment and Forestry into two and the further reorganizations within the new Ministry of Environment and Urbanization have substantially weakened Turkey's administrative capacity to pursue robust environmental and climate change policy. The duality of the two Ministries has resulted in high circulation of personnel in the Ministry of Environment after the separation of Forestry from the Ministry. The very high rate of staff turnover is something to worry about, as it has resulted in a loss of competence in specialized units. Monitoring and implementation mechanisms have been decentralized however there is no certainty how transfer of know-how will be ensured with the new Operating Structure. Systematic participation of external stakeholders such as civil society is not always apparent and strategies mostly refer to good level of participation of stakeholders in preparatory activities although details are not provided.

Findings and conclusions on criteria 3 - Sector and donor coordination

Mostly project based coordination exists with key ministries and agencies; the coordination mechanisms mainly rely in the establishment of working groups and set up of coordination procedures. There is no Sector Donor coordination in place. Donor coordination is managed at central level by the Prime Ministry under the secretariat of the Treasury.

Findings and conclusions for sectors in progress towards sector approach

Sector: Justice and Human rights

Overall rating and assessment

In the “**Justice and Human rights**” sector, the JRS 2009-2013 has expired and a new JRS has been drafted in 2012 although it hasn't been made public yet. In terms of scoring for Criteria 1, in the Justice and Human Rights sector the following improvements may assist bolstering the level of maturity for these criteria: The new JRS should increase complementarity with the sub-sector fight against corruption, in particular its judicial aspects. The new strategy should improve its quality; include a performance assessment per indicator of the JRS 2009-2013; an in-depth analysis of the needs per subsectors/priorities with a presentation of a SWOT analysis, stakeholder analysis, and similar analytical tools. It should also include baseline data and a linked action plan with clear actions/measures, responsible bodies, timeframe, budget and performance indicators. The assessment for Criteria 2 shows that it would be particularly beneficial to conduct an in- depth analysis of institutional capacities and their assessment would be highly beneficial. Furthermore, given that each ministry has by law established Strategic Planning Departments, it is of utmost importance that departments and/or directorates in charge of implementation ensure effective coordination with these departments.

Findings and conclusions on criteria 1 - National sector strategies and budget appropriation

The document that has been taken as a basis for analysis has been the JRS 2009-2013- approved at Council of Ministers level- although it has expired and has been updated by a new JRS which is

currently draft and not public. The JRS 2009-2013 bases itself on several situation, problem and needs analyses (e.g. peer reviews, CoE recommendations etc.) although these have not been systematically included in the strategy and links between the objectives, priorities and measures and these analyses have not been properly presented in the strategy. Stakeholder involvement in the preparation of the JRS is assessed as good. There is a good level of complementarity and coherence between objectives of the JRS and sub-sectorial strategies.

The JRS has strong relations to several national policy documents (60th Government programme, 9th and 10th NDPs, Accession Partnership, NPAA and is also included as a priority sector in the MIPD). The JRS AP identifies a list of planned activities per specific objective and expected results. However, it lacks measurable indicators and benchmarks. M&E is not foreseen in the JRS and AP. Monitoring procedures, manuals are not formally established.

Findings and conclusions on criteria 2 - Institutional setting, leadership, capacity and performance framework

The MoJ has not been formally appointed as lead institution for this sector. Nevertheless, the sector is well consolidated and the MoJ has clear leadership. A Strategic Planning Department equipped with skilled staff exists in the MoJ although there is little systematized coordination between the latter and the EU Project Implementation Division of the DG for EU Affairs. The capacities of all implicated institutions in M&E are much less apparent and needs strengthening. Particular emphasis is necessary to coordination between MoJ and other judicial institutions. The project based approach to reporting and monitoring needs to shift towards a strategy level monitoring system. This includes a necessity to coordinate and systematize monitoring (e.g. establishing manuals, monitoring indicators and related baseline data as well as memoranda between institutions)

Findings and conclusions on criteria 3 - Sector and donor coordination

Clear leadership role of MoJ DG for EU Affairs and in particular clear role attributed to the Division of EU Project Implementation for IPA II. Some coordination exists on the level of MoJ through Commissions for the preparation of strategies. Donor coordination mechanisms or central databases haven't been established, and the sector would benefit from an effort to establish a donor coordination unit.

Sector: Security and Home Affairs

Overall rating and assessment

In the “**Security and Home Affairs**” sector, an overall strategy for the sector is not in place, although the 10th NDP provides sufficient higher level guidance on priorities for the sector. The sector is well covered by sub-strategies and a large number of these have Action Plans that are either still in place or being updated. The complementarity and coherence between these sub-strategies would benefit if a guiding strategic framework, drawing from those sub-strategies already in place, would be made available for the purpose of a multi-annual Sector Planning Document in the context of IPA. Furthermore, it would be necessary to update those Action Plans & strategies which have been in place for more than several years.

In terms of Criteria 1, the assessment provides a score which shows that the sector is in progress for a sector based approach. The score reached for Sector and donor Coordination mechanisms means in progress towards sector approach.

Findings and conclusions on criteria 1 - National sector strategies and budget appropriation

Comprehensive overall strategy in the area of Home Affairs does not exist at the moment. In order to be able to cover all sub-sector areas and not to distort the analysis (especially in what concerns coherence and complementarity among sector strategies) the 10th NDP priorities were selected as an overall strategic document and the sector is of government priority. Some sub-sector areas (Visa policy, fight against terrorism) don't have strategies but nevertheless,) one can state that the sector is

covered well by sub-strategies. Seven out of the 9 sub-strategies are still in place or will be in place as of 2014. There is a good level of complementarity and coherence between the overall objectives of the main strategy and those of the sub-strategies. Yet, consultation is a weak point in the strategies where participatory approaches are not systematically used and there are no consultation mechanisms established. APs for this sector include good situation analyses but Information on actions/measures, stakeholders and their responsibilities, general timeframe, proper and realistic costing and output indicators are specific weak points. It is good practice to have Chapter on the Monitoring and Evaluation in the strategy like the one in Turkey's Strategy and Action Plan Against Drugs and Drug Addiction.

Findings and conclusions on criteria 2 - Institutional setting, leadership, capacity and performance framework

MoI has clear leadership of the sector. Clear department dedicated to strategic planning at the MoI, but capacity of staff in charge of sector-based programming has average capacity and draw on limited mechanisms of coordination with the Strategic Planning Department. Overall, there is still lack of capacities related to strategic planning and strategy based M&E in the MoI. Written manuals of procedures on strategy and results based monitoring and reporting is not in place.

Findings and conclusions on criteria 3 - Sector and donor coordination

In general coordination mechanisms exist in the sector Home Affairs, and the MoI EU Affairs and Foreign Relations Department has been chairing Sector Coordination Meetings and Working Groups since March 2013 for the Security and Home Affairs Sector to identify priorities and measures for the whole sector. There is no specific donor coordination mechanism and no central donor related databases.

Sector: Civil society and Fundamental Rights

Overall rating and assessment

In the “**Civil society and Fundamental Rights**” sector, there is no overall strategy for the sector and it is highly advisable that a comprehensive strategy covering the whole sector be developed. Although the sector is prioritised in the 10th NDP, these priorities do not extensively reflect the sector needs and address main problems.

In terms of Criteria 1, the sector can be classified in the range of progress towards the sector approach. If we consider the cumulated scores for the three criteria, we can consider that the sector is in progress towards sector approach.

Findings and conclusions on criteria 1 - National sector strategies and budget appropriation

The quantitative and qualitative results may provide weak scoring for this criteria (given the absence of an overall strategy, lack of Action Plans) which is reflected as such due to the methodology adopted in analyzing more coherent sectors. This is largely due to the horizontal nature of the sector and should not be considered to mean that the sector overall lacks maturity and reduce the added value support to civil society and fundamental rights would have. There is no overall strategy for the sector and only some sub-sector areas are covered by sub-strategies, mostly related to fundamental rights. The overall strategic framework is the 10th NDP. However, the objectives included in the NDP does not adequately relate to the plethora of needs assessments carried out for the civil society sector and hence is not an adequate strategic document for the sector as a whole.

Capacity for monitoring is uneven: Project-based ROM monitoring mechanisms are in place at the level of the MEUA and monitoring manuals, templates and mechanisms are foreseen for APs and strategies in the sub-fields of women's rights and children's rights, whereas, in the sub-field of transparency and participation, capacity for monitoring is weak.

Findings and conclusions on criteria 2 - Institutional setting, leadership, capacity and performance framework

Good level of ownership of institutions involved. Clear de facto leadership of the MEUA for civil society. MEUA's involvement in fundamental rights as a coordinating institution that can allow encompassing all aspects of fundamental rights in coordination with institutions that have a mandate in sub-areas would be highly beneficial.

Although the capacities for strategic planning has been increased over years, especially with the existence of Strategic Planning Departments in each ministry, the elaboration of strategic documents has been still dependent on external sources.

Findings and conclusions on criteria 3 - Sector and donor coordination

Coordination for the sector is not carried out through other formalised structures which allow for coordination on a sectoral basis. Similarly donor coordination is also carried out ad hoc.

Sector: Energy

Overall rating and assessment

In the “**Energy**” sector The Ministry of Energy and Natural Resources Strategic Plan 2010-2014 represents a relevant and coherent overall strategic framework for the sector. Despite tackling the major sector problems through the different set of global objectives defined, the specific objectives lack the necessary measures.

The strategic plan and the subsectors are missing detailed Action Plan or prioritization of projects. Therefore, it is actually difficult to assess the degree of advancement of the different measures/operations planned. Deadlines are missing, indicators are not adequately defined and most of them do not refer to any budget financial support.

In terms of Criteria 1, the Energy sector obtains a score below the minimum at which the sector strategic planning mechanisms can be considered to meet good quality standards.

Findings and conclusions on criteria 1 - National sector strategies and budget appropriation

Although there is no main strategy for the Energy sector, the Ministry of Energy and Natural Resources Strategic Plan 2010-2014 can be consider as a global strategic document where the sector based strategies are well defined. While the plan is based on institutional strategy document, analyses are not based on sector but mostly on institutional capabilities. The implementation, monitoring and evaluation of the strategic plans are weakly defined. Only three areas count on individual sub strategies which are; 1) Electricity Market and Security of Supply Strategy Paper; 2) Energy Efficiency Strategy; and 3) National Climate Change Strategy 2010–2020. Therefore, most aspects of the sector are not covered by sub-strategies.

Findings and conclusions on criteria 2 - Institutional setting, leadership, capacity and performance framework

Overall institutional capacity for MENR strategic planning and skilled internal resources capacities can be defined as moderate based on the strategy documents prepared. Due to the diversity of beneficiaries and lack of experience in managing EU IPA funds, no sufficient strategic planning/programming capacities have been built all over these years.

Findings and conclusions on criteria 3 - Sector and donor coordination

Some strategic level and sector level coordination is apparent, especially for strategies that include multiple stakeholders although the efficiency and effectiveness of these mechanisms cannot be assessed at this stage. There is no Sector Donor coordination and no regular meetings with donors take place

3.6. ALBANIA

The table below presents the Summary of the results of the Overall assessment of sectors in the case of Albania according the adopted methodology and the respective criteria/sub-criteria

ALBANIA	
HRD	43.96
Transport Sector	42.33
Private Sector Development Competitiveness	42.5
Environment	35.25
Public Administration Reform	29.75
Justice Sector Reform	29.33

Table 3.6.. Summary of the Overall assessment of sectors for Albania

Note: For detailed scoring per criteria and sub-criteria see Annexes 3

From the results in the Table 3.6 above it can be noted that in Albania the most mature sector is “Human Resource Development” sector. Two other sectors have obtained high scores: “Transport” and “Private sector development / Competitiveness”.

Findings and conclusions for sectors that are ready for Sector Approach with some improvements

Sector: HRD

Overall rating and assessment

The strategic framework for HRD in Albania is composed by two main strategies and 8 subsector strategies addressing main EU HRD priorities: Employment promotion; Frame for competence skills / Access to education and health employment and Social inclusion. The Employment and Skills Strategy 2014–2020 (ESS) outlines a relevant and coherent policy framework for employment and social cohesion by addressing the NSDI 2014–2020 “New Growth Agenda” which considers “*building of human capital through education and skills as the most important factor for sustained growth*”. It is a well-conceived document with a logic rationale behind. Goal, priorities and policy objectives address well the main HRD topics. Each of the policy objectives has been translated into a number of measures including the expected outputs and actions to be carried out in order to achieve them. The reference strategy has also formulated a very comprehensive AP based on priority objectives (components), number of concrete measures by component, detailed actions, main outputs, responsibilities, indicators and expected results. The majority of sub strategies have AP based on objectives, measures, responsibilities, timeframes and specific indicators. The sector has a clear Lead institution, strategic planning structures and mechanisms composed by IMWG, SBIWG and SDWG which operates according to a clear agenda. A Monitoring unit is in place at MSWY but lacks of human recourses and capacities to monitor efficiently the numerous planned activities. Monitoring and Reporting system is mostly based on SMART baseline indicators. Financial support from both Government and EU has been at low levels during 2007 - 2013 period has not permitted implementation of planned measures and interventions. In terms of Criteria 1, the HRD sector demonstrates that the strategic planning mechanisms are in place facilitating the move towards Sector

Approach. The Budget appropriation efforts should be strengthened to facilitate planned measures and activities. In terms of Criteria 2, the HRD sector demonstrates that the institutional leadership has been strongly reinforced. Improvements are needed for strengthening institutional capacities and implementation systems, especially related to Monitoring. In terms of Criteria 3, the HRD sector shows also that the coordination mechanisms have been established and are effective. Nevertheless more efforts needed to assure greater participation of CSO's and groups of interest during HRD policy and strategic planning and monitoring

When considering the cumulated scores for the three criteria, we can consider that the Sector is ready to qualify for the Sector based Approach in IPA II programming.

Findings and conclusions on criteria 1 - National sector strategies and budget appropriation

The ESS is a comprehensive sector strategy, outlining a long term, relevant and coherent policy framework for an employment - oriented VET policy integrating Employment, Science & Innovation and Education sectors. The reference strategy is a well-conceived document based on a deep situation analysis and logic rationale behind. Goal, priorities and policy objectives have well addressed the main HRD topics, the NSDI 2014–2020 Goal and the EU 2020 “smart, sustainable and inclusive economy”. The ESS has defined a coherent Monitoring and Reporting system based on measurable and SMART baseline indicators. The SSE addresses regional development aiming to tackle the existing gaps on labour market and vocational education in the regions. The reference strategy has formulated a very comprehensive AP based on priority objectives (components), number of concrete measures by component, detailed actions, main outputs, responsibilities, Indicators and expected results. The majority of sub strategies have an AP based on objectives, measures, responsibilities, timeframes and specific indicators. The main concern remains budget support for AP's implementation;

Findings and conclusions on criteria 2 - Institutional setting, leadership, capacity and performance framework

The MSWY and partner institutions have been substantially supported by EU and other donor organisations to strengthen capacities in various HRD specific matters resulted to improved capacities but this has not affected strategic planning capacities which are still too much dependent on external resources.

Findings and conclusions on criteria 3 - Sector and donor coordination

Well defined and functioning coordination mechanisms and sector donor's coordination are in place ,contributing to enhancement of strategic planning and monitoring implementation of HRD.

Sector: Transport

Overall rating and assessment

The “**Transport**” sector strategic framework in Albania is composed by two key strategic documents respectively the draft Transport Sector Strategy, 2014– 2020 (TSS) and Albanian National Transport Programme 2011-2015 (ANTP). The TSS is well incorporated into the framework of the Integrated Planning System as it fits with the medium to long term objectives set at the National Strategy for Development and Integration 2013 -2020, NPISAA priorities and Medium Term Budgetary Plan (new provisions of the MTBP 2014 – 2020). The TSS is a very brief document considering the complexity of a multimodal transport sector. Even though the TSS was formally developed through wide WG consultations, there is no evidence of situation analyses or SWOT. The definition of a transport sector challenges and priorities has been merely based on assumptions and driven by the EU accession requirements than on a deep needs assessment. The strategy is designed as a multimodal transport strategic framework designed by four main Policy areas corresponding to four transport modes: Infrastructure and Roads transport, railway transport, maritime transport and air transport. Under each policy area, the specific objectives have been defined and further translated into measures and project

proposals. The Strategy looks more a mechanical collection of all transport modes in a single document than a solid approach to multimodality. In terms of Criteria 1, the Transport sector shows that quality of its strategic framework and strategic planning needs to be improved by ensure higher ownership on the process related to definition and formulation of goals and objectives through an effective participatory and consultative process. In terms of Criteria 2, the Transport sector put in evidence that sector counts on reliable strategic planning and implementation management systems. Staff capacities have been improved due knowledge transfer and trainings delivered in strategic planning and programming but more demand driven training needed. In terms of Criteria 3, the Transport sector gives evidence of the maturity of the coordination mechanisms.

When considering the cumulated scores for the three criteria, it is possible to say that the sector is in very good line towards the Sector Approach.

Findings and conclusions on criteria 1 - National sector strategies and budget appropriation

The TSS represent a long term multimodal transport sector strategy designed as a sector strategy.. The Strategy lacks consistent situation analysis; priorities and objectives have not been based on needs assessment but on assumptions and mostly directed by the EU accession perspective objectives. The Strategy goal is relevant and well formulated but not adequately translated into specific objectives which address each of the transport modes independently with no coherence among each other. Even though designed as multimodal strategy, TSS lacks combination and synergies between transport modes In that sense, it is difficult to define a list of “priority projects” which implementation will contribute to both to the achievement of the specific transport modes objectives and the consecution of the overall Strategic Goal. The Strategy has a well-designed output/result oriented Monitoring mechanisms part of National IPS system (PAM) composed by 33 indicators. Specific indicators has been defined for each subsector but they are not adequately integrated with measures and projects proposed. It should be mentioned that no prioritization of measures or projects per different transport mode is made in the strategy document in order to better estimate gains in accessibility and mobility rates. The transport sector is highly supported by the National Budget and IPA Funds consisting respectively 8% of total National Budget and 20% of MIPPD 2011-2013 budget.

Findings and conclusions on criteria 2 - Institutional setting, leadership, capacity and performance framework

The transport sector has a clear institutional leadership represented by the MTI but not a designated strategic planning structure has been established. The strategic development is fragmented to the MTI General Directorates representing all transport modes in close cooperation with the respective Authorities. The EI Unit has been in charge of coordination the strategic planning process amongst all relevant associated bodies and institutions. The OS IPA Component III OP RD structure has been established within the MoTPW (predecessor of MTI) which has been appointed as the responsible authority but NO Programming process has not started yet. While technical capacities have been significantly improved, the strategic planning and programming capacities remain weak.

Findings and conclusions on criteria 3 - Sector and donor coordination

The sector coordination mechanisms composed by Strategic Budget Integration Working Group (SBIWG) and Inter Ministerial Working Group are in place but their functioning is rather formal. In contrast, the Transport Sector Donor Co-ordination WG, lead by DSDC is very well organised and based on well-defined tools and mechanisms.

Sector: Competitiveness

Overall rating and assessment

In the “**Competitiveness**” sector, the reference strategy BDIS 2014 – 2020 provides a coherent and long term business and investment policy framework. well aligned with the key sector needs and challenges for achievement of ‘2020 National economic development and EU accession goals. The

BDIS is coherent with main National, EU and CSP priorities except of focusing on mining and industry sector and not in agriculture and tourism as recommended by NSDI and CSP. The BIDS provides a set of monitoring mechanisms and tools designed as a mix of output indicators and output/outcome indicators aiming to measure AP implementation progress. Benchmarking of the BDIS indicators towards global indicators is an excellent tool to enhance monitoring effectiveness; The BDIS provides an AP consisting of a list of measures addressing each of pillar's priorities, timeframes, responsibilities and cost estimations but not linked with indicators. The BITS complements well the BIDS related implementation of policies together with Institutional infrastructure and mechanisms to facilitate innovation and technology. The BITS provides a very comprehensive AP integrating in one platform institutional capacities and leadership strengthening with very well designed measures, actions addressing objectives by output, result and impact indicators.

The sector Institutional leadership is well assured through MoTE but a specific strategic planning sector is missing. An independent Monitoring Unit (MU) within MoTE is in charge of Monitoring and Reporting process based on clear Guidelines. The Government financial support to PSD and competitiveness has been almost insignificant and unable to support effective reforms. Some budget funds has been allocated to support Government institutions in charge of PSD policy making and implementation but NO any financial support in form of funds to support Competitiveness and PSD Projects has been allocated. The EU financial support has also been at low levels In terms of Criteria 3, the Competitiveness and PSD shows that sufficient coordination mechanisms are set up for the competitiveness and PSD. When considering the cumulated scores for the three criteria, the Sector is ready for a Sector Approach.

Findings and conclusions on criteria 1 - National sector strategies and budget appropriation

The BDIS is not fully coherent with the NSDI and CSP related priority sectors focus (agriculture and tourism, as it bases competitive sectors in mine and industry. The Strategic goal is broad and generic; it is a mix of measures (drafting and implementing policies) and purpose. Objectives are translated into very compressed measures and activities, hard to be achieved by the year 2020. The Strategy gears achievement of the main Goal through four well defined pillars translated into a set of actions/measures, implementation arrangements (deadline, responsibilities, costs), risks and assumptions. The BDIS provides a set of monitoring mechanisms and tools aiming to measure progress implementation. Benchmarking of the BDIS indicators towards global indicators is an excellent tool. The BITS AP is a very comprehensive document integrating in one platform institutional capacities and leadership strengthening measures with very well designed measures, actions addressing objectives by output, result and impact indicators. The BITS is a very solid strategic document. The Goal is accurately defined and formulated; objectives are relevant and addressing correctly the Goal; BTIS is very coherent and complementary with the BDIS national sector strategic framework.

Findings and conclusions on criteria 2 - Institutional setting, leadership, capacity and performance framework

Very good technical capacities and experience of MoTE " Competitiveness and PSD" staff building also on EU TA knowledge and No turnover are strong premises for good capacities in managing competitiveness reforms. Ineffective leadership by the High Policy Level Board and high turnover at AIDA during last three years have influenced to not satisfactory BITS performance.

Findings and conclusions on criteria 3 - Sector and donor coordination

Very good coordination mechanisms and sector donor's coordination are in place and contributing to enhancing the strategic planning and monitoring implementation of PSD strategic documents.

Findings and conclusions for sectors in progress towards sector approach

Sector: Environment

Overall rating and assessment

The “**Environment**” sector in Albania provides a coherent framework composed of a high number of sector and subsector strategies, addressing main EU Environmental priority axis, SAA and National Goals. The ECS is well incorporated into the framework of the Integrated Planning System which integrates the medium and long term objectives set at the National Strategy for Development and Integration 2014 -2020, the NPISAA priorities and Medium Term Budgetary Plan (new provisions of the MTBP 2014–2020). Environmental Monitoring and Reporting within MoE are well established through an independent Monitoring Unit (MU) in cooperation with monitoring structures in field. . Nevertheless, the monitoring performance remains critical due to poor monitoring infrastructure, lack of Human Resources and skills at Monitoring Agencies in Center and Regions, lack of monitoring cooperation between Municipalities, Regions and MU/MoE; The administrative and organisational structures to ensure strategic planning in Environment sector are in place. The MoE is the highest authority in Albania to set national environmental policies and priorities. Related to Wastes management, an Inter-Ministerial Wastes Commission (IMWC) with participation of representatives from central and political level has been established chaired by the MoE. While the coordination mechanisms are well defined their functionality has not in all cases assured hampering The ECS and NWMS were not developed through an open participatory process due to weak functionality of SBIWG and low level of consultations and participation from the various target stakeholders. The MoE and the associated institutions under its umbrella have gained substantial experience in IPA Component I Programming through various CB funded projects. In terms of Criteria 1, the Environment sector put in evidences that its planning and strategic framework systems are in progress towards a Sector Approach. In terms of Criteria 3, the Environment sector reaches a score which shows that sector counts on strong and donor coordination mechanisms.

When considering the cumulated scores for the three criteria, we can consider that the Sector is in progress towards Sector Approach.

Findings and conclusions on criteria 1 - National sector strategies and budget appropriation

The Environment sector in Albania presents a coherent framework composed of a high number of sector and subsector strategies, addressing main EU Environmental priority axis, SAA and National Goals. Sub strategies addressing national policies, EU accession agenda and priorities are well aligned with the main strategic objectives defined in the main strategic framework for the Environmental sector. The Government has demonstrated commitment in supporting the Environmental sector as a whole, in particular for the Waste Management and Wastewater subsectors. This is evident considering the support provided in transposition of EU legislation with the *acquis communautaire*, adoption of main environmental laws, adoption of national Waste Management Strategy and National Water Supply and Sewerage Strategy. The ECS is well incorporated into the framework of the Integrated Planning System as it fits to the medium to long term objectives set at the National Strategy for Development and Integration 2014-2020, NPISAA priorities and Medium Term Budgetary Plan (new provisions of the MTBP 2014–2020). The ECS vision can be considered as broad, generic, missing to address key environment priorities and policies related to “effective environmental policy”, “cost efficiency” through “renewable resources” and reference to “EU environment standards”. The ECS targeted objectives are not fully accurate as they rely on the MoE assumptions and have not been based on effective SBIWG consultation process. The ECS do not provide an Action Plan to monitor the overall implementation of the strategic framework; except for Waste Management Strategy which relies on a very coherent Implementation Plan and Water Supply and Sewerage, Master Plan, the other individual subsectors do not have APs. Environmental Monitoring and Reporting is well established through the MoE Monitoring Unit (MU) independent from strategic Planning, but monitoring performance is critical due to poor monitoring infrastructure, lack of Human Resources and skills at Monitoring Agencies in Center and Regions, lack of monitoring cooperation between Municipalities, Regions and MU/MoE. The Monitoring system of ECS is not a coherent framework

linking objectives, indicators and responsible institutions. The ECS budget provisions are based on annual budget estimations for each of the years between 2014-2020 periods and are allocated per objectives and financing source but lack accuracy due to lack of stakeholders input from institutions related to crosscutting areas. The environmental sector funding by a national budget has been at low levels compare to the other sectors and, therefore, insufficient to implement costly environmental investment projects. Waste Management and Wastewater infrastructure projects have been funded by FDI, Grants and Loans at an accumulated amount of about 263 million Euros. The Wastewater subsector has been top priority funding by both FDI, Grants and Loans (95%) and IPA Component I. The Environmental sector has been one of the first priorities in terms of IPA Fund allocation under MIPD 2011-2013 being assigned 20% of the total allocations.

Findings and conclusions on criteria 2 - Institutional setting, leadership, capacity and performance framework

The MOE is the Lead Institution appointed for the Environmental sector supported by a coherent organisational structure. Technical Capacities of Environmental Agencies at central and regional level are limited both in terms of Human Resources and skills hampering implementation of environmental reforms and investment plans. Due to donor's assistance support through various Projects covering all environmental subsectors, capacities of the MoE have improved in technical matters but remain unsatisfactory in strategic planning, as it is still too much dependent on external resources..

Findings and conclusions on criteria 3 - Sector and donor coordination

Well established Sector Coordination mechanisms are in place but their functioning has been weak during ECS process. Key stakeholder Institutions such as MoTPW and METE fail to provide accurate representation and contribution.

Sector: PAR

Overall rating and assessment

The “**PAR**” sector is well incorporated into the framework of the National Strategic Planning System (IPS) as it fits to the Government medium to long term vision and objectives set at the National Strategy for Development and Integration (NSDI) 2013 -2020 (draft), address Stabilisation Association Agreement priorities set at NPISAA (2012 – 2015) and Medium Term Budgetary Plan (new provisions of the MTBP 2014 – 2020). Even though PARS is referred as a crosscutting strategy, it does not really fit with such standards as it focuses on three PAR themes respectively civil service reform, salary reform and PA training and lack of horizontal coverage focusing only on the Central Administration and not on the Local Governance Administration. The PARS vision is relevant but not adequately translated into its specific Objectives. The proposed measures under each objective are not coherent with each other to achieve the desired objective and collectively contribute to the achievement of the strategy goal. The Strategy lacks of mechanisms to ensure effective implementation of each of the specific objectives. The AP 2014 – 2020 is a minimal quality document for 7 years period strategy implementation. Merging of DoPA and DEIPC to MIPA at CoM demonstrates the new Government commitment to enhance PAR sector efficiency by empowering the PAR managing institutions under MIPA as lead institutional. The MIPA should establish strategic planning and monitoring structures as well as the EU Programming structure to manage European Integration matters and IPA Programming together with SPO. In terms of Criteria 1, the PAR sector has slightly overpassing the limit to qualify in progress for the Sector Approach but significant improvements are needed to MIPA strategic planning structures including EU programming. In terms of Criteria 2, the PAR obtained a score which shows the deficiencies of the sector. This addresses further improvement of PAR Institutional lead and strengthening of strategic planning and coordination mechanisms. In terms of Criteria 3, the PAR obtained a score which reflects the good

quality of the coordination mechanisms. When considering the cumulated scores for the three criteria, we can consider that the Sector still requires progress towards a Sector Approach.

Findings and conclusions on criteria 1 - National sector strategies and budget appropriation

The draft PARS (2013-2020) is an average quality document addressing the key National and EU priorities related to PAR, but failing to translate them into accurate specific objectives. The PARS specific objectives do not also address the whole Goal dimension and are not well formulated. Situation analyses are missing; needs assessment are merely based on assumptions and referring to EU recommendations. The PARS reforms, measures and activities under policy pillars, are not well defined and logically prioritised to ensure coherence and synergies in order to accomplish the expected pillars objectives. The PARS lacks monitoring indicators but make proposals using some alternative monitoring tools such as independent monitoring of civil society organisations and media, public information etc. PARS does not represent a sector strategy as it does not address the PFM policy, Local Government and Decentralisation policy, and Regional Development. The AP 2014–2020 is a minimal quality document for a 7 years strategy which does not link the strategic objectives with reforms, measures and activities, expected results, indicators and costs. Despite the previous Government declarations of considering PAR a priority sector, the financial support to PAR has been at “survival” level, insufficient to support implementation of planned reforms. The IPA planned support to PAR consisted of 15% of whole MIPD budget. The PFM is a very coherent and comprehensive strategy with clear Goal and relevant Objectives. It consists of a solid framework of prioritised measures and actions addressing each of the objectives, with clear expectations, indicators and management and monitoring tools and mechanisms. The PFM strategy provides a very adequate Monitoring system based on PEFA Methodology consisting of performance indicators per Objective, reform and measure allowing assessment of performance of each of PFM policy pillars systematically.

Findings and conclusions on criteria 2 - Institutional setting, leadership, capacity and performance framework

Despite considerable Donors financial support in form of TA Projects provided to DoPA aiming to support PAR and strengthening DoPA capacities the DoPA performance in managing PAR reform has not been satisfactory. The DoPA and DEAICT programming capacities are limited in terms of number of resources. Merging of DoPA and DEAICT under MIPA at CoM demonstrates the new Government commitment to ensure efficient leadership to the sector and ensuring coherence to PAR policies by empowering the PAR managing institutions. The just established MIPA missa designated strategic planning structure and EU Programming structure in its organisational structure.

Findings and conclusions on criteria 3 - Sector and donor coordination

Very good model of Donor’s coordination based on IPS and Donors Sector Working Group (DWSG) mechanism managed by DSDC has been established and functional as a forum of joint government and the donor community programming, monitoring implementation and performance.

Sector: Justice

Overall rating and assessment

The “**Justice**” sector currently relies on the cross cutting strategy for the Justice Reform (2011-2013) as the main reference framework. As this strategy expired, the MoJ started preparing and developing the new strategy for the period 2014-2020. This Strategy will define further directions and goals of the judiciary system for that period, still if the Sector as a whole is to be considered as a common framework including Home Affairs, it then requires to expand on complementarity and synergetic activities interacting with Security topics. The APs within the sector have provided substantial list of

measures/activities per main objectives but are difficult to be implemented due to lack of financial allocations.

In terms of scoring for Criteria 1, the Justice sector is not ready for the Sector Approach which is mainly dedicated to the quality of strategic planning document for the Justice Reform which consist of big number of priorities, not well addressing the critical key issues for the sector and lacking establishment of a logic link between the needs assessment, the problem analysis and the related rationale and objectives defined. Budget allocations for the Justice sector has been critically low and do not guarantee a coherent implementation of the foreseen actions. The assessment for Criteria 2 shows the minimum quality standards, mainly dedicated to weak institutional leadership and ineffective functionality of established strategic planning structures. Lack of monitoring structures in charge of the overall monitoring tools based on output/result and impact indicators is another important deficiency at the MoJ. Concerning Sector and donor Coordination, it is required to adopt a thematic Working Group in charge of the overall vision and coordination for the Justice sector, including Programming tasks.

If we consider the cumulated scores for the three criteria, we can consider that the Sector is not ready towards a Sector Approach through EU IPA financing.

Findings and conclusions on criteria 1 - National sector strategies and budget appropriation

The current cross cutting Justice Strategy (2011-2013) does not count on a solid analysis and presents a high number of priorities not making the difference between those aiming to solve the most important clusters of problems. The consultation process is limited to some of the judiciary institutions with some disconnections with the Security/Home Affairs sector. The objectives of the main strategy of Justice Reform are relevant and coherent despite being too broad and not well focused. The APs within the Justice sector have been defined and adopted in order to monitor the implementation of strategies by established Monitoring Committees but they generally lacking indicators or confusing them with results due inappropriate monitoring tools. It does not exist clear distinction between output, result and impact indicators for monitoring the implementation of strategies. The AP's have not been realistically budgeted. Limited financing from the Government has directly impacted the APs implementation. In contrast, considerable IPA funds have been concentrated its priority in the JHA sector.

Findings and conclusions on criteria 2 - Institutional setting, leadership, capacity and performance framework

The MoJ has adopted a non-formalized leading Institution while not assuming entirely its coordination role among the different related Institutions within the Justice sector. The strategic planning capacities are weak related necessary knowledge on strategic planning and Programming process. In addition, there is no clear segregation of functions between strategic planning, implementation and monitoring & evaluation tasks. Based on the experience acquired through IPA Component I, the approach is still very much focused on Project Implementation or Component Axes rather than a global strategic view for the sector. Reporting tasks have been based on collection and consolidation of information from implementation of several individual projects without any macro level perspective impact assessment analysis.

Findings and conclusions on criteria 3 - Sector and donor coordination

Even though a directorate for strategic planning has been established, no working group related to the Justice sector as a whole has been formally appointed. Therefore, the strategy seems to have been developed following an ex cathedra approach. The Justice Sector Donor coordination is guaranteed by DSDC at the level of the Council of Ministers

3.7 GENERAL SECTORAL CONCLUSIONS

Table 3.7 : Scoring for each sector across the countries

SECTOR		COUNTRIES					
		the former Yugoslav Republic of Macedonia	Montenegro	Bosnia and Herzegovina	Kosovo	Turkey	Albania
1	Agriculture and rural development	45.58	42.42		42.69	42.97	
2	Employment	43.58				43.9 ¹³	
3	Competitiveness/ PSD	41.61	40.17	5.5			42.5
4	PAR	41.13	34.08	46.92			29.75
5	Transport	40.33	42.08	27.17		45.21	42.33
6	Home affairs	39	26.67	15.67	31.56	38.26	
7	Environment	37.15	45.83	10.75	29.5	42.44	35.25
8	Justice	34.92	37.83	45.17	21.5	39.42	29.33
9	HRD		42.83				43.96
10	Energy		31.75		38.95	35.17	
11	Social sector development			13			
12	Civil society and fundamental rights					37.33	

The sector **Agriculture and Rural Development** is ready for the sector approach in the countries studied, substantial progress having taken place due to preparations for IPARD sectoral support. National level strategies and institutional leadership are good and this also contributes to the well-developed state of the sector.

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

Both **Transport and Environment sectors** are assessed as substantially ready for the sector approach. Efforts are still necessary to develop and strengthen the monitoring system for the implementation of the strategies. It is also necessary to enhance environmental legislation alignment with the acquis.

Better scored sectors reflect the experiences and the work done with IPA III, IV and V in some countries (Turkey and the former Yugoslav Republic of Macedonia).

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

All assessed countries have good Public Administration Reform Strategies which are horizontal documents that form a basis for specific sub-strategies. In this sector the reforms within the PFM are crucial for the sector approach and more specifically the link between the central State budget and the Strategies for their implementation.

In the Justice sector, in most of countries (the former Yugoslav Republic of Macedonia, Montenegro, Turkey, Albania) the quality of the Strategies in the sector is not sufficient and a number of strategies do not have action plans and their improvement is needed.

In the Home Affairs sector, a comprehensive overall strategy in the area of home affairs does not exist at the moment or should be updated (Turkey, Kosovo). In this sector, there are many fragmented sub-

¹³ Employment, HRD, Education, Social Policies

sector strategies and there is a need to prepare new strategies for the whole Home Affairs sector that will cover the whole period 2014 – 2020.

In the Energy sector the three countries reviewed have been assessed as being “In progress towards Sector Approach”. There is a clear institutional leadership but institutional capacities of the lead institutions in charge for strategic planning should be improved.

Sector conclusions derived for each sector are outlined below:

Sector conclusions for agriculture and rural development sector

Criteria 1 - National sector strategies and budget appropriation

- The sector Agriculture and Rural Development has been assessed in four countries (MK, MNE, KS and TR) and is assessed in all as “Ready for sector approach with some improvements” with score of more than 42 in all countries. This is logical given that three of the countries are, or are in the final stages of preparing for IPARD sectoral support.
- A National Agriculture and Rural Development Strategy (NARDS) exist in all countries and in general they are of good quality covering the identified needs well. There are some important sub-sectors which are not covered with sub-strategies and in the most of the documents the objectives have been not adequately formulated. Action Plans are often missing and where they do exist they do not include adequate budget estimates. In Kosovo it covers the period 2014 - 2020, while it is under in preparation in the former Yugoslav Republic of Macedonia and Montenegro, and in Turkey a draft new one is not in circulation yet.
- the former Yugoslav Republic of Macedonia, Montenegro and Turkey have fairly good budget allocations for the sector, from the central budget, IPA Components I and V, while for Kosovo the financial sector support by both National Budget and IPA has been at low levels and quite insufficient to cover the identified needs.

Criteria 2 – Institutional setting, leadership, capacity and performance framework

- There is a clear institutional leadership by the Ministry of Agriculture in all countries and this is a factor influencing the good coordination in the sector.
- Although the capacities for strategic planning have been in general increased over recent years due to IPARD programming, there are still some remaining gaps (e.g. monitoring, reporting, Action Plan development, etc.).
- Adequate implementation mechanisms are in place and operational with regular reporting undertaken.

Criteria 3 – Sector and donor coordination

- In general, sector coordination mechanisms exist at different levels but organisation varies between countries. Sector working groups have only been established in the former Yugoslav Republic of Macedonia and Montenegro, but IPARD monitoring committees in the former Yugoslav Republic of Macedonia, Montenegro and Turkey represent a good coordination platform for the IPARD Programme.
- National Council for Agriculture and Rural Development which is the highest coordination mechanism at national level (where it exists) has more information and a consultative role.
- Donor coordination is managed differently in different countries (Programme Based Approach ARD working group in the former Yugoslav Republic of Macedonia, centralised in Montenegro and Kosovo)

Sector conclusions for employment/HRD/Education/Social policies sector

Criteria 1 – National sector strategies and budget appropriation

- The sector Employment/HRD/Education/Social Policies (under different names in different countries) has been assessed in five countries (the former Yugoslav Republic of Macedonia, Montenegro, Bosnia and Herzegovina, Turkey and Albania). In four (the former Yugoslav Republic of Macedonia, Montenegro, Turkey and Albania) it is assessed as “Ready for sector approach with some improvements” with score of more than 42, while in Bosnia and Herzegovina it is assessed as not ready for sector approach.
- The main strategic document exists in the four principle countries and has an integrated approach but differs in the coverage of particular sub-sectors. In general, the main strategies are of good quality in all countries representing a coherent overall strategic framework for the sector and covering fairly well the identified needs. Equally, the main subsector/ priorities are fairly well covered by individual sub-sector strategies with some exceptions (e.g. disability, accessibility and to an extent poverty in Turkey).
- The main reference strategies in the former Yugoslav Republic of Macedonia and Albania have formulated very comprehensive Action Plans, while the Action Plans in Montenegro is of lower quality. With regards to the Action Plans of the sub-strategies the situation is different; in some cases they are missing and in some cases they are of low quality.
- Budget allocations for the sector are in general not covering fully the identified needs.

Criteria 2 – Institutional setting, leadership, capacity and performance framework

- There is clear institutional leadership by the Ministry of Labour in all countries (the exact title of the Ministry slightly differs in different countries).
- Although the capacities for strategic planning have been in general increased over recent years due to programming of OP HRD, there are differences between the countries. In the former Yugoslav Republic of Macedonia and Albania the elaboration of strategic documents still depends on external financing, while in Turkey the responsible ministry has a good capacity for strategic planning following a range of trainings.
- Monitoring and reporting procedures are in place.
- Main capacity gaps in the responsible ministries appear to be: monitoring and evaluation and sector-based multi-annual financial planning linked to the inter-ministerial coordination.

Criteria 3 - Sector and donor coordination

- In general sector coordination mechanisms exist at different levels but they are organised differently in different countries. Sector working groups on HRD have been formally established in the former Yugoslav Republic of Macedonia and Montenegro.
- The main coordination platforms usually do not have established manuals or work procedures, in contrast to monitoring mechanisms established for OP HRD which have checklists, templates and manuals developed on the operational level.
- Donor coordination is managed differently in different countries (Programme Based Approach working group Human Capital in the former Yugoslav Republic of Macedonia, sector donor coordination in Albania, centralised in Montenegro, etc.)

Sector conclusions on the Transport sector

Criteria 1 – National sector strategies and budget appropriation

- There are main strategies in the sector. The specific objectives should be better defined and linked.
- In some cases (Montenegro and Turkey), Action Plans for implementation of the main strategies are missing. In the other countries, the implementation mechanism of the AP including monitoring is weak and lacks budgeting.
- Countries where OP have been prepared have gained substantial experience in Programming

Criteria 2 – Institutional setting, leadership, capacity and performance framework

- There are leading institutions in the sector.
- Links between departments in charge of Strategic Planning and Programming are not developed enough.

Criteria 3 - Sector and donor coordination

- In most of countries, sector working groups have been established in the sector.
- In some countries there is no sector donor coordination (e.g. Montenegro, BiH).

Sector conclusions on the Environment sector

Criteria1 – National sector strategies and budget appropriation

- The environment sector received different scores from country to country. In some countries, strategies are obsolete or not developed enough (Montenegro, the former Yugoslav Republic of Macedonia, BiH). In some cases there are no Action Plans for the implementation of strategies (Montenegro, Albania).
- Efforts are still necessary to develop and strengthen the monitoring system. It is also necessary to enhance environmental legislation alignment with the Acquis, law enforcement and supporting implementation of strategies and implementation of respective Action plans

Criteria 2 – Institutional setting, leadership, capacity and performance framework

- There are lead institutions in the sector in most of countries (except Turkey).
- Links between Strategic Planning and Programming should be improved.
- Consultations with various stakeholders in the sector should be developed.

Criteria 3 - Sector and donor coordination

- There are Sector Working Groups in most of countries but coordination between central and local level is weak

Sector conclusions on the Competitiveness/PSD Sector

Criteria 1 – National sector strategies and budget appropriation

- A principle strategic document exists in three of the analysed countries (the former Yugoslav Republic of Macedonia, Montenegro and Albania). In Bosnia and Herzegovina there is no sector strategy. The main strategic documents are complemented with well-defined sub-sector strategies which cover fairly well the main sub-sector/ priorities. The main strategies are of solid good quality representing a coherent overall strategic framework for the sector and covering fairly well the identified needs.
- The main reference strategy in the former Yugoslav Republic of Macedonia is actually an Action Plan (AP), based on the Global Competitiveness Index. It has an average quality since a time frame is given for only some of the measures, while the budget is not presented. The APs in Montenegro are well formulated, but they lack cost estimate and financing sources. The AP of the main strategy in Albania is not linked with indicators. In general the APs do not make distinction between output, result and impact indicators.
- Apart from the secured allocations for the Innovation sub-sector in the former Yugoslav Republic of Macedonia, the sector allocations are in general low and thus do not cover the identified needs.

Criteria 2 – Institutional setting, leadership, capacity and performance framework

- There is clear institutional leadership by different institutions in all countries.

- There are differences between the countries with regards to the capacities. In the former Yugoslav Republic of Macedonia there are insufficient human resources in the lead institution as well as in the sectors in the line ministries responsible for the main sub-sector strategies. In Montenegro, the lead institution has good capacity, while other line ministries have limited experience in implementing IPA funds. In Albania, the lead institution has very good technical capacities and experience. In BiH, the institutional capacities on strategic planning are limited. However, there is good capacity in the academia and chamber of commerce which could be used for the preparation of the main strategy.
- Monitoring and reporting procedures are in general in place, except in Bosnia and Herzegovina.
- The former Yugoslav Republic of Macedonia and recently Montenegro have evolved towards sector approach based on Sector Fiche for IPA Component I.
- Staff in the responsible institutions lack training on IPA implementation.

Criteria 3 - Sector and donor coordination

- In general sector coordination mechanism exists at different level but they are organised differently in different countries (e.g. Coordination councils and Working groups in the former Yugoslav Republic of Macedonia).
- Sector working groups have been established in the former Yugoslav Republic of Macedonia for Development of business, science and innovation and Montenegro for Competitiveness and PSD.
- Very good coordination mechanisms and sector donor's coordination are in place in Albania. Donor coordination is managed differently in different countries (Programme Based Approach working group "Business environment, competitiveness and innovation" in the former Yugoslav Republic of Macedonia, sector donor coordination in Albania, centralised coordination in Montenegro, etc.).

Sector conclusions on the Public Administration Reform (PAR) sector

Criteria 1 – National sector strategies and budget appropriation

- All assessed countries have good main PAR Strategies which form the basis for the establishment of standards for sector specific sub-strategies.
- The Action Plan for the implementation of the strategies should be improved to contain budgets, more realistic deadlines, results and impact indicators.
- In some cases the connection between the PFM and the Strategy for PAR is not complete (the former Yugoslav Republic of Macedonia). In some other cases (Albania) the PFM is a very coherent and comprehensive strategy and provides a very adequate monitoring system based on PEFA Methodology. In the future, the reforms in the PFM systems should be better linked with the PEFA Methodology and recommendations.
- The Existence of a programme based budget is crucial for improving the links between the central state budget and the implementation of strategies. All countries should move towards Mid-Term Expenditure Framework and strengthen the public sector's capacity for medium – term planning and budgetary planning

Criteria 2 – Institutional setting, leadership, capacity and performance framework

- Different Ministries have the leading role in the sector and in most cases the role of the leading institutions should be more clearly defined in the sector.
- Links between strategic planning units and programming should be strengthened.

Criteria 3 - Sector and donor coordination

- Sector Working groups (SWG) have been established in the sector in assessed countries. Coordination between SWG in charge of Programming and SWG in charge of negotiations should be strengthened.

Sector conclusions on the Justice sector

Criteria 1 – National sector strategies and budget appropriation

- In most of countries (the former Yugoslav Republic of Macedonia, Montenegro, Turkey, Albania) the quality of the strategies in the sector are not sufficient. There is a lack of sufficient background analysis, stakeholder analysis, need assessment and clear connection/well justified link between problems and objectives. A number of strategies do not have action plans and in those that do exist indicators are not SMART and in some cases (Albania) there is a confusion between indicators and results. In addition, there are no proper monitoring tools.

Criteria 2 – Institutional setting, leadership, capacity and performance framework

- There is a clear lead institution in most of countries.
- The strategic planning units require to be improved by building the necessary knowledge related to Programming.
- In all countries, coordination between Departments for Strategic Planning and Departments in charge of Programming is not systematic and not sufficient.

Criteria 3 - Sector and donor coordination

- In some countries there are Sector Working Groups (Montenegro, the former Yugoslav Republic of Macedonia, BiH) and in some there is no Working Group in the Justice sector as a whole (e.g. Albania)
- Sector coordination should be improved in all countries

Sector conclusions on the Home Affairs sector

Criteria 1 – National sector strategies and budget appropriation

- In some countries, a comprehensive overall strategy in the area of Home Affairs does not exist at the moment or should be updated (Turkey, Kosovo). In others, the quality of strategies is weak and sub-sector strategies are fragmented. There is a need to prepare new strategies for the whole Home affairs sector that will cover the whole period 2014 – 2020.
- Existing action plans from the different strategies do not clearly distinguish between output/results and their corresponding indicators.
- In all countries, consultative process in the sector and participation of various stakeholders is not sufficient.

Criteria 2 – Institutional setting, leadership, capacity and performance framework

- The MoI is the Institution taking the Lead within the Home Affairs sector. It has been also formally appointed as Chief Institution for negotiations for Chapter 24.
- Capacities related to strategic planning in the sector should be improved and better linked with Programming.

Criteria 3 - Sector and donor coordination

- The roles of the Ministry of Interior and the Ministry of Justice should be clearly defined in case the JHA sector approach is adopted.
- Assessment of Institutional capacities is needed.

Sector conclusions on the Energy sector

Criteria 1 – National sector strategies and budget appropriation

- The sector Energy has been assessed in three countries (MNE, KS and TR) and in all is assessed as being “In progress towards Sector Approach”. A main strategic document exists in Montenegro and Kosovo, while in the Turkey in the absence of main strategy for the Energy sector, the Strategic Plan of the Ministry of Energy and Natural Resources 2010-2014 is considered as a global strategic document.
- In Montenegro all needs for the sector have been addressed and are covered by the wide range of priorities which may affect impact by lack of focus. In Kosovo the main strategic document is complemented with well-defined sub-sector strategies which cover very well the main sub-sector/ priorities. In Turkey most priorities of the sector are not covered by sub-strategies.
- Lack of clear timelines or unrealistic deadlines, financial estimates and monitoring tools/mechanism are the key concerns to Action Plans for implementation of the main strategies.
- The sector allocations in all countries are in general low and thus not covering the identified needs.

Criteria 2 – Institutional setting, leadership, capacity and performance framework

- There is clear institutional leadership by different institutions in all countries. Due to the diversity of beneficiaries in the sector and lack of experience in managing IPA funds, no substantial strategic planning/programming capacities have been built all over these years.
- Institutional capacities of the lead institutions in charge for strategic planning and capacities of skilled internal resources can be defined as moderate based on the strategy documents prepared.
- Monitoring of the implementation of the main strategies is in general weak.

Criteria 3 - Sector and donor coordination

- Working Group for Chapter 15 was established but it is not formally appointed by government decision in Montenegro. In Kosovo, the coordination mechanisms mainly rely on the establishment of working groups according to government administrative procedures, guidelines and instructions. Some strategic level and sector level coordination exist in Turkey, but the efficiency and effectiveness of these mechanisms cannot be assessed at this stage.
- Donor coordination is managed differently in different countries (Regular annual meetings with donors take place but in general the donor coordination is centralised in Montenegro; Centralised donor coordination in Kosovo, but donor role limited to observers; There is no sector donor coordination and no regular meetings with donors taking place in Turkey).

4. RECOMMENDATIONS FOR EACH COUNTRY AND BY PRIORITY SECTORS

4.1. THE FORMER YUGOSLAV REPUBLIC OF MACEDONIA

the former Yugoslav Republic of Macedonia	
Agriculture	Category 1: ready for Sector Approach with some improvements
Employment	
Competitiveness	Category 2: in progress towards sector approach
Public Administration Reform and EU integration	
Transport	
Home affairs	
Environment	
Justice	

Table 4.1. Level of Maturity of sectors for SA the former Yugoslav Republic of Macedonia

Note: For detailed scoring per criteria and sub-criteria see Annexes 3

Category 1: Recommendations for sectors that are ready for Sector Approach with some improvements

.SECTOR: AGRICULTURE AND RURAL DEVELOPMENT

Criteria 1: National sector strategies and budget appropriation

The new sector strategy National Agriculture and Rural Development Strategy (NARDS) 2014 - 2020 should introduce as a **key short term priority** recommendation the necessary corrections as well as upgrade the policies which were not present in the previous one. It should be implementable, cover some sub-sectors which were not well integrated in the previous strategy, contain indicators for implementation at different levels, formulation of the objectives is improved, etc.

Overall SWOT as part of the needs analysis should be introduced as a **key short term priority** in the new strategy. Action plan in a tabular format at the end of the strategy, and together for all specific objectives will facilitate the overall monitoring. It should contain all the necessary information including results, budget and performance indicators (output, result and impact).

Mid-term evaluation of the NARDS 2014 - 2020 should be conducted as a **key medium-term priority** and if necessary the indicators adjusted.

At the end of period, ex-post evaluation of the achieved results and impacts with the NARDS 2014 - 2020 should be also conducted as a **key long term priority**.

Criteria 2: Institutional setting, leadership, capacity and performance framework

Capacities in the area of policy analysis should be improved as a **key medium-term priority**, as well as the capacity for strategic planning in Ministry of Agriculture, Forestry and Water Economy (MAFWE) at lower hierarchical levels.

As a **key medium-term priority** formally appointed working groups for preparation of the NPAA and future negotiations for Chapters 11, 12 and 13 could serve as a good platform to establish reporting and monitoring procedures for the whole the sector. Monitoring mechanisms should include

following of the progress of achievement of well-defined output/result and impact indicators in order to be able to make management decisions which are more result oriented.

MAFWE should establish as a **key long term priority** strong and independent sector/unit in charge of strategic planning and programming, monitoring and evaluation based on the four pillars used for the construction of an IPA Operating Structure. Other functions should be separated and respectively other sectors should be in charge of implementation, finance and control. This sector/unit should be able to detect and analyse the needs in the sector, to define the key short, medium and long term strategic priorities.

Criteria 3: Sector and donor coordination

As a **key short term priority** MAFWE should better understand that CSOs are covering a part of social, economic and environmental needs also in the rural areas.

In short term Ministry should capitalize from the donor coordination utilising the established Programme Based Approach Working Group and the existing Central Donor Assistance Database, as well as the other different coordination mechanisms.

In **medium-term** different coordination platforms should be consolidated and better integrated to benefit from synergies. Synergies should be created with the other national and EU support programmes (e.g. CBC, local and regional development, etc.).

Sector: EMPLOYMENT

Criteria 1: National sector strategies and budget appropriation

As a **key short term priority** the main and the sub-sector strategies should have clear action plan possibly in a tabular format usually at the end of the strategy, or as a separate document. It should contain all the necessary information: objectives, results, result indicators, activities, output indicators, budget, responsibility and timeframe, while the indicators should be fully SMART.

In **medium term** when the National Employment Strategy 2011 - 2015 will be revised it should introduce the necessary corrections as well as upgrade the policies which were not present. It should review the needs and objectives of the two main sub-strategies: Vocational Education and Training strategy 2013 - 2020 and National Strategy for alleviation of poverty and social inclusion 2010 - 2020 and better integrate them. In doing so, close cooperation is needed between the two key ministries Ministry of Labour and Social Policy and the Ministry of Education and Science. The programming should capitalize on the fact that policies in the sector are inter-related and so far good cooperation between both ministries in programming of IPA funds. The main strategy should be also improved in terms of quality (needs analysis, SWOT, formulation of objectives, etc.)

Having in mind the very high unemployment rate in the country and taking into account that the biggest part of the budget of the Employment Service Agency is allocated for transfers for social benefits for unemployed people, the annual allocations in the central budget for implementation of the Operational Plan for active programmes and measures for employment should be further increased in medium-term.

Criteria 2 Institutional settings, leadership and capacity in terms of sector planning

As a **key short term priority** capacities of the Ministry of Labour and Social Policy and the Ministry of Education and Science should be improved in the area of: Monitoring and Evaluation; Development of procedures/manuals for monitoring and reporting and Sector-based multi-annual financial planning linked to the inter-ministerial coordination.

In **medium-term** communication should be improved between the sectors/units within the two key ministries, especially between the “content” sectors and strategic planning units.

If the Ministry of Labour and Social Policy pretends to be a lead institution in the sector Employment, it should establish as a **key long term priority** strong and independent sector/unit in charge of

strategic planning/programming, monitoring and evaluation, that is able to detect and analyse the needs in the sector, to define the key short, medium and long term strategic priorities.

Criteria 3 Sector and donor coordination

In **short term** the sector should utilise the established programme based approach working group “Human Capital” and the existing central donor assistance database, as well as the other different coordination mechanisms in order to improve donor coordination.

Different coordination platforms should be consolidated and better integrated to benefit from synergies as a key medium-term priority.

Category 2: Recommendations for sectors in progress towards sector approach

Sector: COMPETITIVENESS

Criteria 1: National sector strategies and budget appropriation

As a **key short term priority** recommendation it is necessary to define more comprehensive strategy for the sector which should encompass the whole period 2014 - 2020.

The Action Plan for improvement of the Competitiveness should contain as a **key short term priority** all necessary information including the budget estimate for particular measures/projects. The coherence between the actions should be improved and the time frame for implementation of some measures should be more realistic.

As a **key medium-term priority** sector financing should be secured for the new sector strategy (that will replace the Action Plan for improvement of the Competitiveness) including the relevant line ministries which are actually implementing the foreseen measures.

In the **medium-term** more financial resources for the sector should be allocated in the central budget, and in particular for SME support and entrepreneurship, private sector competitiveness, cluster support, local and regional competitiveness, export promotion, etc.

Criteria 2: Institutional setting, leadership, capacity and performance framework

Capacity of the CDPMEA for sector strategy programming should be strengthened as a **key short term priority**, and specific knowledge with comparative examples has to be provided.

In a **short term** project implementation Unit (PIU) should be established in the CDPMEA which will be dedicated only to EU IPA matters and on the implementation of the assistance later on.

Qualified people with advanced knowledge who are knowledgeable in EU funds and strategic planning should be employed in the CDPMEA in a **medium term** as well as in the sectors in the line ministries responsible for the main sub-sector strategies to fill in the existing capacity gaps.

In **medium-term** Committee for monitoring of the implementation of the Action Plan for improvement of the Competitiveness in the National Council for Entrepreneurship and Competitiveness has to be supported in order to perform its monitoring role.

Criteria 3: Sector and donor coordination

As a **short term key priority** the established Programme Based Approach working group “Business environment, competitiveness and innovation”, the Central Donor Assistance Database, and other different coordination mechanisms should be used for better donor coordination.

In order to improve the effectiveness and efficiency of different national coordination councils, and taking into account that most of them are with high level representatives, secretariats (back-offices) should be established in a **short term** which will prepare well the meetings as well as follow-up the implementation of the decisions adopted.

Working groups and coordination councils/committees as main coordination platforms should elaborate as a **short term priority** written manuals which would define their operation.

Coordination of the policies in the sector and their harmonization should be improved in **medium-term**. Synergies with the other national (Programme for Competitiveness, Innovation and Entrepreneurship, Innovation fund) and the EU support programmes (e.g. COSME and HORIZON 2020) should be established.

Sector: PUBLIC ADMINISTRATION REFORM AND EU INTEGRATION

Criteria 1: National sector strategies and budget appropriation

As a **key short term priority** recommendation, the Action Plan of the current Public Administration Reform strategy 2012 - 2015 should contain budget, more realistic deadlines, results and impact indicators. The concept related to output, result and impact indicators as the necessary tools for providing adequate monitoring implementation mechanisms should be better understood in the Ministry of Information Society and Administration.

In the development part of the Budget for 2014 there is a 3-year framework for the capital expenditures. As a **key medium-term priority** Ministry of Finance should move towards Mid-Term Expenditure Framework (MTEF) and should use IPA II 2014 - 2020 in this respect.

In 2015 new Public Administration Reform strategy should be prepared based on better needs assessment and background analysis. It should also better cover the needs of the local/regional level. Taking into account the coordination role and the importance of the PAR sector, of Secretariat for European Affairs should be part of the working group for the preparation and revision of the PAR strategy.

Criteria 2: Institutional setting, leadership, capacity and performance framework

As a **key short term priority** investments along with institutional and capacity building (e.g. introduction of information and Communication technologies (ICT) in the public administration and provision of e-services) should be supported in order to follow the trends in the society.

Already established reporting mechanisms should be further improved as a **key short term priority** to include also result and impact indicators in order to be able to set up an analysis targeting a much more result-oriented approach.

In a **long term** the Ministry for Information Society and Administration should evolve towards a more sector oriented approach by establishing a strong sector/unit for strategic planning/programming and monitoring and evaluation as a key unit in charge of assuming the required responsibilities for detecting and analysing the sector needs, establishing the key strategic priorities for the short, medium and long term and coordinating the programming together with its relevant competent institutional partner bodies, and in particular with the Ministry of Finance (on Public Finance Management) and the General Secretariat (Civil Society).

Criteria 3: Sector and donor coordination

In a **short term** the established Programme Based Approach special working group on PAR and the existing Central Donor Assistance Database as well as the other different coordination mechanisms should be utilized in order to improve the donor coordination.

Sector: TRANSPORT

Criteria 1: National sector strategies and budget appropriation

National as well as EU financial support for the implementation of the National Transport Strategy should be bigger as a **key short term priority**. EU support should not be less than the level of

financing under IPA 2007 - 2013 taking into account that the low starting position in the transport sector.

As a **key short term priority** the National Transport Strategy 2007 - 2017 and the corresponding Action Plan should be revised to contain performance indicators. Specifics of the projects (size, duration, complexity, etc.) should be taken into account when formulating the indicators. Furthermore, the outputs/results of the related activities/measures in the action plans of the strategies/sub-strategies have to be formulated.

With the revision of the National Transport Strategy in 2017 it is recommended to improve the structure of the document. Overall objective should be clearly stated and visible, while the number of specific objectives should be decreased to max. 5-6. SWOT analysis should be introduced. Action plan should be prepared in a tabular format and together for all specific objectives that will facilitate the overall monitoring. The Action plan should contain all the necessary information including responsibility, budget, and indicators.

In **medium-term** the main sub-sector strategies which are expiring in 2013 or 2014 should be revised to cover the period until 2020.

Criteria 2: Institutional setting, leadership, capacity and performance framework

As a **key short term priority** qualified people with advanced knowledge who are knowledgeable in EU funds and preparation of major projects should be employed to fill in the existing capacity gaps.

In **medium term** formally appointed working groups for Chapters 14 and 21 could serve as a good platform to establish reporting and monitoring procedures for the whole the sector. Progress of achievement of well-defined output/result and impact indicators should be followed in order to be able to make management decisions which are more result oriented.

Experience and knowledge gained by the Sector for EU in the MTC in the accreditation for DIS with ex-ante control of IPA Component I and IPA Component III should be disseminated and adopted in **medium term** in the other sectors in the MTC as well (e.g. manuals, procedures, check lists, templates, etc.).

As a **key long term priority** the MTC should establish strong and independent sector/unit in charge of strategic planning/programming, monitoring and evaluation.

Criteria 3: Sector and donor coordination

As a **short term priority** MTC should assess the situation in the other countries in the region, try to identify and attract other possible donors in the sector.

Municipalities and Civil Society Organisations should be more and better involved in the coordination platforms in a short term.

In **medium-term** coordination should be improved and synergies created with the other national and EU support programmes.

Sector: HOME AFFAIRS

Criteria 1: National sector strategies and budget appropriation

In case the Home Affairs is to be addressed on its own, it is requested as a **key short term priority** prepare a new strategy covering the whole period 2014 - 2020 and it should include the main sub-sectors/priorities. The strategy should take advantage on the analysis carried out in the main subsector strategies and should define a comprehensive strategic framework giving coherence to all components/ priority axis to be financed. In the preparation of the new strategy higher correlation between the hierarchy of problems, SWOT analysis and situation analysis should be secured. The new strategy should also detail the short, medium and long term priorities reflecting the commitment of the

Government for meeting the EU integration criteria within the sector. When designing the new main sector strategy, its budgeting should be realistic and matched to the available resources.

Considering that action plans of the sector (sub) strategies contain only well-defined but not quantified output indicators and that monitoring of the strategies is done mainly based on the number of activities implemented and/or the number of implemented recommendations from various reports by international organisations, monitoring of the implementation of the strategies should be improved in a short term towards Result Oriented Monitoring. Result and impact indicators should be introduced and all indicators should be formulated as SMART.

As a **key medium-term priority** it is recommended to conduct evaluations of the strategies at various stages (ex-ante, mid-term and ex-post).

Criteria 2: Institutional setting, leadership, capacity and performance framework

As a **key medium-term priority** formally appointed working group for preparation of the NPAA and future negotiations for Chapter 24 could serve as a good platform to establish reporting and monitoring procedures for the whole the sector Home Affairs. Monitoring mechanisms should include following of the progress of achievement of well-defined performance indicators in order to be able to make management decisions which are more result oriented. Quality of reporting should be improved and the reports should be more focused.

In **medium-term** National Coordination Centre for Border Management needs further human resources and institutional capacity building as well as technical (ICT) equipment. The legal status of the Centre has to be resolved and it should have more realistic budget. National Committee for combating against trafficking in human beings and illegal migration has to strengthen its institutional capacities.

As a **key long term priority** the Ministry of Interior should establish strong and independent sector/unit in charge of strategic planning/programming, monitoring and evaluation based on the example of IPA Operating Structure. Other functions should be separated and respectively other sectors should be in charge of implementation, finance and control. It should be able to detect and analyse the needs in the sector, to define the key short, medium and long term strategic priorities and to coordinate the programming in a participatory way with involvement of all relevant stakeholders.

Criteria 3: Sector and donor coordination

Activities should be designed as a **key short term priority** to raise awareness of the Ministry of Interior that CSOs are covering a part of the needs, especially in area of migration, refugees, human rights, anti-corruption, etc.

In a **short term** donor coordination should be improved utilising the established Programme Based Approach working group in Justice and Home Affairs sector, the existing Central Donor Assistance Database and different coordination mechanisms.

The overall coordination mechanism should be consolidated in a **medium-term** to take into account all lower level coordination platforms.

Sector: ENVIRONMENT AND CLIMATE CHANGE

Criteria 1: National sector strategies and budget appropriation

As a **key short term priority** recommendation, new sector strategy 2014 - 2020 should have clear focus and define limited number of clear and well formulated objectives on national level which should serve as guidance. All measures/activities should be directed to the fulfilment of those priorities/ objectives. Measures and activities should be defined which will implement the Law. It should also define the project pipeline taking into account the financial capacities of the state.

The overall quality of the new sector strategy should be improved as a **key short term priority**. The overall objective and the specific objectives in the new sector strategy should be formulated in more

specific way and have to be in mutual compliance. It should contain realistic and feasible Action Plan with all the necessary information including timeframe, responsibility and budget. The number of the performance indicators should be manageable in terms of their monitoring, and they have to be fully SMART. Clear responsibility in terms of monitoring should be assigned.

Proper financial mechanism and good financial planning that will support sector based approach has to be put in place in a **medium-term**. It should involve budget of all line ministries which are responsible for the implementation of the measures.

Taking into account the needs of the sector, the allocations in the central budget for the sector should be increased in a **long term**, both the budget of Ministry of Environment and Physical Planning and the allocation in the development programme.

Criteria 2: Institutional setting, leadership, capacity and performance framework

People who already have skills/ knowledge for strategic planning and/or of the sector should be employed to fill in the existing capacity gaps as a key medium-term priority. Criteria for employment should be established and used.

As a **key medium-term priority** institutional capacities should be increased and the sustainability of the institutional capacity maintained (scientific support, availability of data, etc.). Experience and knowledge gained in IPA 2007 - 2013 by the EU related structures should be disseminated to the other sectors in the Ministry of Environment and Physical Planning.

In a **medium-term** formally appointed Working Group for preparation of the NPAA and future negotiations for Chapter 27 could serve as a good platform to establish reporting and monitoring procedures for the whole the sector. Monitoring mechanisms should include following of the progress of achievement of well-defined output/result and impact indicators in order to be able to make management decisions which are more result oriented.

As a **key long term priority** Ministry of Environment and Physical Planning should establish strong and independent sector/unit in charge of strategic planning and programming, monitoring and evaluation able to detect and analyse the needs in the sector, to define the key short, medium and long term strategic priorities on and to coordinate the programming in a participatory way with involvement of all relevant stakeholders.

Criteria 3: Sector and donor coordination

In a **short term** coordination of donors in the sector Environment and climate change should be improved utilizing the established Programme Based Approach Working Group “Environment”, the existing Central Donor Assistance Database and other different coordination mechanisms.

As a **medium-term priority** Ministry of Environment and Physical Planning should better understand that CSOs are also covering a part of environmental needs and design appropriate activities for their involvement.

In **mid-term** the coordination of the policies in the sector and their harmonization should be improved. Synergies should be created with the other national and EU support programmes (for ex. CBC, National rural development programme, etc.).

Effectiveness and efficiency of different national coordination councils/committees should be improved by establishing secretariats (back-offices) in a **medium-term**. Working Groups and coordination committees as main forms of coordination should have written manuals which would define their work.

Sector: JUSTICE

Criteria 1: National sector strategies and budget appropriation

As a **key short term priority** new strategic document in the sector should include more in-depth analysis of needs per subsectors/priorities and a more detailed logic between the needs assessment, the identified problems and the related objectives defined. In the phase of needs assessment should be comprehensive and contemporary tools should be used.

Action plan of the new strategy should be prepared as a key short term priority to contain all necessary information related to actions/measures, responsibility, timeframe, budget and performance indicators.

In the **medium-term** the related responsible bodies (e.g. Ministry of Justice, Anti-corruption committee, etc.) require better understanding of the concept related to output, result and impact indicators as the necessary tools for providing adequate monitoring and implementation mechanisms. Support should be provided to define SMART indicators.

Criteria 2: Institutional setting, leadership, capacity and performance framework

Qualified people with advanced knowledge who are knowledgeable in EU funds should be employed as a **key short term priority**. Capacities should be improved in the other “content” sectors in the Ministry of Justice as well as in the subsector Anti-corruption. In addition, sector investment in capital infrastructure and technical equipment should be made available. Experience and knowledge gained in the accreditation for DIS with ex-ante control of IPA Component I should be disseminated and adopted in the other sectors in the Ministry of Justice.

General strategic directions in the whole sub-sector Fundamental rights may be covered as a **short term priority** with a separate comprehensive strategy.

In a **mid-term** the sector monitoring system should be consolidated and the different monitoring platforms should be better integrated. Formally appointed Working Group for Chapter 23 could serve as a good platform to establish reporting and monitoring procedures for the whole the sector provided that political decision makers are part of it. Support should be provided to improve the quality of the reports to be more focused and user-friendly.

As a **key long term priority** the Ministry of Justice should establish strong and independent sector/unit in charge of strategic planning and programming, monitoring and evaluation able to detect and analyse the needs in the sector, to define the key short, medium and long term strategic priorities and to coordinate the programming in a participatory way with involvement of all relevant stakeholders.

Criteria 3: Sector and donor coordination

As a **key short term priority** the Ministry of Justice should improve the donor coordination utilising the already established Programme Based Approach Working Group on Justice and Home Affairs, the existing Central Donor Assistance Database, and the other coordination mechanisms.

Activities should be foreseen as a short term priority that will increase the awareness of the Ministry of Justice that Civil Society Organisations (CSOs) are covering a part of the needs in the sector, especially in the area of legislation, free access to justice, human rights, etc. Consequently, the CSOs should be more and better involved in the coordination platforms and their knowledge used.

The Government should assign in a short term single responsible institution for the coordination of the sub-sector Fundamental rights.

In a **medium-term** the Ministry of Justice as leading institution should better integrate coordination platforms at different levels taking into account the wide variety of stakeholders in the sector, majority of them being independent institutions.

4.2. MONTENEGRO

Montenegro	
Environment	Category 1: ready for sector approach with some improvements
Human Ressource Development	
Agriculture and Rural Development	
Transport	
Private Sector Development Competitiveness	Category 2: in progress towards sector approach
Justice Sector	
Public Administration Reform Sector	
Energy Sector	
Security – HA Sector	Category 3: not ready for sector approach

Table 4.2.. Level of Maturity of sectors for SA Montenegro

Note: For detailed scoring per criteria and sub-criteria see Annexes 3

Category 1: Recommendations for sectors that are ready for Sector Approach with some improvements

Sector: Environment

Criteria 1: National sector strategies and budget appropriation

As a **key short term priority** recommendation the new national reference strategy for the environmental sector should go together with an AP as a basis for monitoring and following its implementation. The APs related to each of the subsectors/ priorities should be also developed.

A National Environment Approximation Strategy with environmental investment plan is planned under the IPA 2012/2013 National Programme project. As individual strategies address well the relevant priorities of the sector, it is not recommended to start drafting the strategic policy from scratch. Nevertheless, the sector requires an as a **short term priority** overall framework to provide coherence and coordination of actions to be implemented avoiding when possible overlaps.

Monitoring should be defined not at project level but at priority level. Indicators should address not only the maturity of the different project infrastructure phases (identification, financing, feasibility study, technical drawings, construction) but also the degree of advancement of each of the main environment infrastructure projects.

Following the trend initiated several years ago and in order to accelerate the gaps in terms of implementation of transposition of the EU Acquis, the Environmental sector should promote in **short/medium term** combining different source of financing to better match the required investment needs.

Criteria 2: Institutional setting, leadership, capacity and performance framework

In the **short term**, the new monitoring mechanisms set up within the OP RD 2012-2013 for the MSDT should be consolidated in order to gain experience in monitoring priorities and measures in a first phase (including effective tools with target and results indicators) to further expand to the long term towards a complete sector coherent follow up.

In order to strengthen its capacity efficiency, the MSDT should stabilize in the **short/medium term** the non- permanent staff and set up the necessary steps to retain the skilled working force.

Criteria 3: Sector and donor coordination

In **short/medium term**, the internal capacities of the representatives of the Environment Sector Working Group should be consolidated in terms of guidance and preparation of the Programming and strategic planning

To promote coordination and capitalize on the experience of the sector donor coordination group with the recently created Central Donor coordination unit under the General Directorate for Economic Diplomacy and Cultural Cooperation of the MFAEI to synchronise the process with the Lead Institution.

Sector: Human Resource Development

Criteria 1: National sector strategies and budget appropriation

As a **short term priority**, the related competent and responsible implementation bodies require better understanding of the concept related to output, result and impact indicators as the necessary tools for providing adequate monitoring implementation mechanisms.

The collection of individual strategies should be renewed in the **short/medium term** taking as a reference the solid strategic reference framework prepared for the sector. When required, most of them should be extended in time covering a longer implementation period until 2020.

When conceived, the strategies should take as a model the methodology and structure followed within the National Employment and HRD strategy 2012-2015 for Montenegro.

In that sense, in order to guarantee a coherent and consistent strategic framework, the strategy of development and financing higher education 2011-2020 and the strategy for improvement of health employees and safety at work 2010-2014 should be much more consistent with the main HRD strategy establishing the link with some of the established priorities.

The implementation APs for those mentioned strategies should be revised and adapted in the **short/medium term** in order to ensure the consistency of measures/activities aiming to achieve a higher degree of impact.

Criteria 2: Institutional setting, leadership, capacity and performance framework

Despite having increase capacity knowledge in Programming, the MLSW needs to continue as a **key short term priority** building capacities in particular in the field of delegation agreements related to its institutional bodies in charge of implementing some of the priorities/measures.

The new monitoring mechanisms set up within the OP HRD 2012-2013 for the MLSW should be consolidated in the **short/medium term** in order to gain experience in monitoring priorities and measures in a first phase (including effective tools based on target and results indicators) to further expand in the long term towards a complete sector coherent follow up.

Criteria 3: Sector and donor coordination

As a **short term key priority**, the capacities of the representatives of the HRD Sector Working Group should be built and reinforced in terms of guidance and preparation of the Programming and strategic planning.

In the **short term**, it is necessary to capitalize on the experience of the database for donor coordination already prepared under the Office of the Prime Minister a few years ago and to count on the recently created Central Donor coordination unit under the General Directorate for Economic Diplomacy and Cultural Cooperation of the MFAEI to continue the process by using the centrally collected information and disseminating it to the Lead Institution in charge of the HRD sector.

Sector: Agriculture and rural development

Criteria 1: National sector strategies and budget appropriation

As a key **short term priority**, the new ARD strategy for the period 2014-2020 should detail a full AP as a basis for monitoring and following its implementation. The APs related to each of the subsectors/priorities should be also developed.

As a medium term priority, the process of building or updating new strategies, consultations, public debates, workshops, focus groups, field surveys (if time and financial resources allow it) are essential tools for increasing the final strategy quality as proved in the previous Programming period.

In the **short/medium term**, in order to avoid unrealistic implementation plans, activities/measures/priorities should be well calculated detailing for each of them the corresponding source of financing.

Criteria 2: Institutional setting, leadership, capacity and performance framework

As a **key short term priority**, in order to strengthen its capacity efficiency, the MARD should stabilize its knowledgeable human resource working force and provide additional training to reinforce competences in Programming and strategic planning.

The new monitoring mechanisms set up within the IPARD for the MARD should be consolidated in the **short/medium term** in order to gain experience in a first phase in monitoring priorities and measures (including effective tools with target and results indicators) to expand to the long term towards a complete sector coherent follow up.

Criteria 3: Sector and donor coordination

In the **short/medium term**, it is necessary to consolidate the internal capacities of the representatives of the ARD Sector Working Group in terms of guidance and preparation of the Programming and strategic planning

In the **short/medium term**, to promote coordination and capitalize on the experience of the sector donor coordination group with the recently created Central Donor coordination unit under the General Directorate for Economic Diplomacy and Cultural Cooperation of the MFAEI to synchronise the process with the MARD as Lead Institution.

Sector: Transport

Criteria 1: National sector strategies and budget appropriation

As a **key short term priority**, the main transport development strategy requires updating its list of “strategic projects” and reviewing the new needs to be defined based on the concept of European transport corridors, efficiency and multimodality and combination of several transport modes.

As **key short term priority**, the main transport development strategy requires to be extended in time covering at least the period up to 2020.

In that sense, in order to guarantee a coherent strategic framework, each transport mode sub strategies and its related APs should be in line with the main transport development strategy matching the corresponding needs covered by the bottom up project pipeline.

In the **short/medium term**, APs should be prepared including a prioritization of selected projects gathered within the measures/priorities identified. The prioritization could be based on a multi criteria analysis having as a key requirement the source of financing approved.

In the **medium/long term**, Monitoring should be defined not at project level but at priority level. Indicators should address not only the maturity of the different project infrastructure phases (identification, financing, feasibility study, technical drawings, construction) but also the degree of advancement of each of the transport corridors.

Criteria 2: Institutional setting, leadership, capacity and performance framework

As a **key short term priority**, The MTMA should establish a separate strategic department/directorate as a key unit in charge of Programming, prioritisation and strategic planning, assuming the required responsibilities for detecting and analysing the sector needs, establishing the key strategic priorities for the short, medium and long term and coordinating the programming together with its relevant competent institutional partner bodies.

The new monitoring mechanisms set up within the OP RD 2012-2013 for the MTMA should be consolidated in order in a first phase to gain experience in monitoring priorities and measures (including effective tools with target and results indicators) to further expand in the long term towards a complete sector coherent follow up.

Criteria 3: Sector and donor coordination

In **short/medium term**, to build and reinforce the capacities of the representatives of the Sector Working Group in terms of guidance and preparation of the Programming and strategic planning.

In the **short/medium term**, to capitalize on the experience of the database for donor coordination already prepared under the Office of the Prime Minister a few years ago and to count on the recently created Central Donor coordination unit under the General Directorate for Economic Diplomacy and Cultural Cooperation of the MFAEI to continue the process by using the centrally collected information and disseminating it to the Lead Institution in charge of the transport sector.

Category 2: Recommendations for sectors in progress towards sector approach

Sector: Private sector Development and Competitiveness

Criteria 1: National sector strategies and budget appropriation

In the **short term**, the priority for standardisation and accreditation of products needs to be further expanded through the opportunity brought in updating the market surveillance strategy.

In the **short/medium term**, actions/measures related to the PSD and competitiveness sector require focusing on the priority development sectors indicated in the MDD (Tourism, agriculture, industry and energy). Some combination and synergies of those clusters would clearly have a higher effect on the economy.

In the **short/medium term**, the related competent responsible bodies require better understanding of the concept related to output, result and impact indicators as the necessary tools for providing adequate monitoring implementation mechanisms.

The overall strategic reference framework requires covering at least the period until 2020. The main strategy for Enhancement of Competitiveness could be updated in the **long term** by setting up a detailed AP for implementation covering the programming period 2014-2020.

Criteria 2: Institutional setting, leadership, capacity and performance framework

As a **key short term priority**, the MoE should continue the process of strengthening its internal capacities in relation to strategic planning and programming. Staff should receive additional trainings within the sector programming approach.

In the short/medium term, the different institutional set ups defined for monitoring should be capitalized and integrated into a single unit attached to the Sector Working Group for future Programming and EU chapter negotiations.

Criteria 3: Sector and donor coordination

In the **short term**, the Sector Working Group for PSD, competitiveness and innovation can be in charge of the future preparation of Programming exercise for IPA II funds within the competitiveness and PSD.

In the **short/medium term**, to capitalize on the experience of the database for donor coordination already prepared under the Office of the Prime Minister a few years ago and to count on the recently created Central Donor coordination unit under the General Directorate for Economic Diplomacy and Cultural Cooperation of the MFAEI to continue the process by using the centrally collected information and disseminating it to the Lead Institution in charge of the PSD and competitiveness sector.

Sector: Justice

Criteria 1: National sector strategies and budget appropriation

While the Strategy for Justice Reform 2007-2012 is currently being revised and focused on main criteria for EU accession, the new planning document should include in the **short term** a more deep analysis per subsectors and a more detailed logic between the needs assessment, the identified problems and the related rationale and objectives defined.

As a **short term priority**, if possible, the new Strategy for Justice Reform should be articulated within the framework of 7 years perspective (2014-2020)

In the **medium term**, the new Strategy for Rule of law should clearly show the interrelation, synergies and complementarities with the Security/Home Affairs sector, in particular if the approach is to consider the sector of JHA as a whole.

The related competent responsible bodies require better understanding of the concept related to output, result and impact indicators as the necessary tools for providing adequate monitoring implementation mechanisms for the justice sector.

Criteria 2: Institutional settings, leadership and capacity in terms of sector planning

As a **key short term priority**, the MoJ should reinforce its strategic development capacities by setting up an independent unit in charge of strategic planning and programming. Separate departments should be in charge of Implementation and Monitoring & Evaluation respectively.

In the **short/medium term**, the MoJ should evolve towards a more sector oriented approach by consolidating a strategic department/directorate as a key unit in charge of assuming the required responsibilities for detecting and analysing the sector needs, establishing the key strategic priorities for the short, medium and long term and coordinating the programming with its relevant competent partner institutional bodies.

In the **medium/long term**, the establishment of well-defined reporting and monitoring procedures in the framework of the Working Group for Chapter 23 provides the opportunity to address an overall monitoring follow up of the sector based on a long term vision articulated under a set of coherent objectives. Monitoring mechanisms should include tools based on output/result and impact indicators in order to be able to set up an analysis targeting a much more result-oriented approach.

Criteria 3: Sector and donor coordination

In the **short term**, as the Sector Working Group is composed of authorities from the Judiciary but also from the Home Affairs sector, the new Strategy for Justice Reform should be promoted as a JHA sector framework strategy trying to identify priority axis and measures linked with the Security sector.

In the **short/medium term**, to capitalize on the experience of the database for donor coordination already prepared under the Office of the Prime Minister a few years ago and to continue the process by using and disseminating the information to the Lead Institution in charge of the Justice sector.

Sector: Public Administration Reform

Criteria 1: National sector strategies and budget appropriation

As a **key short term priority** recommendation, the new strategic planning process for the PAR sector should include a detailed needs assessment and background analysis. Despite well connected with the priorities identified, the planned measures need to be better defined in order to formulate the correct vision for the future desired functioning of the administration. The related AP should clearly reflect the measures/actions to be put in place with clear deadlines, expected outputs/results and related indicators.

As a **short/medium term priority**, the related competent and responsible PAR bodies require better understanding of the concept related to output, result and impact indicators as the necessary tools for providing adequate monitoring implementation mechanisms

Criteria 2: Institutional setting, leadership, capacity and performance framework

As a **key short term priority**, the MoI should evolve towards a more sector oriented approach by consolidating a strategic department/directorate as a key unit in charge of assuming the required responsibilities for detecting and analysing the sector needs, establishing the key strategic priorities for the short, medium and long term and coordinating the programming together with its relevant competent institutional partner bodies (MoIS and MoF).

In the **medium term**, the establishment of well-defined reporting and monitoring procedures based on an updated framework AP for implementation of the PAR strategy is mandatory in view of a sector approach. Monitoring mechanisms should include tools based on output/result and impact indicators helping to target the analysis towards a much more result-oriented approach.

Criteria 3: Sector and donor coordination

As a **key short/medium term priority**, to build and reinforce the capacities of the representatives of the Sector Working Group in terms of guidance and preparation of the Programming and strategic planning

In the **short/medium term**, to capitalize on the experience of the database for donor coordination already prepared under the Office of the Prime Minister a few years ago and to continue the process by using and disseminating the information to the Lead Institution in charge of the PAR sector.

Sector: Energy

Criteria 1: National sector strategies and budget appropriation

In the **short/medium term**, the new energy development strategy for 2030 should address or develop further through individual strategies important priorities in RES and co-generation and local energy development.

The related competent responsible bodies require in the **short/medium term** better understanding of the concept related to output, result and impact indicators as the necessary tools for providing adequate monitoring implementation mechanisms.

Criteria 2: Institutional setting, leadership, capacity and performance framework

As a **key short term priority recommendation**, the MoE should reinforce its strategic development capacities by setting up an independent unit in charge of strategic planning and programming. Separate departments should be in charge of Implementation and Monitoring & Evaluation respectively.

In addition, the new appointed staff within the energy sector institutional framework should receive the necessary trainings in strategic planning, programming and sector approach.

The establishment of well-defined reporting and monitoring procedures in the framework of the Working Group for Chapter 15 provides the opportunity to address an overall monitoring follow up of the sector based on a long term vision articulated under a set of coherent objectives. Monitoring mechanisms should include in the **short/medium term** tools based on output/result and impact indicators helping to target the analysis towards a much more result-oriented approach.

Criteria 3: Sector and donor coordination

As a **key short term priority**, a Sector Working Group should be formally appointed in order to better coordinate the programming, implementing and monitoring & evaluation process.

In the **short/medium term**, to capitalize on the experience of the database for donor coordination already prepared under the Office of the Prime Minister a few years ago and to count on the recently created Central Donor coordination unit under the General Directorate for Economic Diplomacy and Cultural Cooperation of the MFAEI to continue the process by using the centrally collected information and disseminating it to the Lead Institution in charge of the energy sector.

Category 3: recommendations for sectors not yet in progress towards sector Approach and not ready at all

Sector: Home Affairs

Criteria 1: National sector strategies and budget appropriation

In case the Security sector is to be addressed on its own, it is requested as a **key short term priority** recommendation update the National Security and defence strategy of Montenegro 2008-2015 and include main components (asylum and integrated migration management, economic and organized crime, customs cooperation and border management, fight against drug abuse, police cooperation and fight against terrorism). The new planning document should take advantage of the analysis carried out from the main subsector strategies and define a comprehensive strategic framework providing coherence among all components / priority axis to be financed.

If possible, the new Strategy for Security sector should be articulated within the framework of 7 years perspective (2014-2020)

If the Home Affairs sector is to be considered together with the Justice sector, as it makes sense since the two sectors benefit of the same Sector Working Group in charge of the Programming exercise, then it is suggested to expand the new Strategy for Justice Reform into a more complementary and coordinated one addressing and tackling the issues of the Security/Home Affairs sector.

In the **short/medium term**, the related competent and responsible implementation bodies require better understanding of the concept related to output, result and impact indicators, as the necessary tools for providing adequate monitoring implementation mechanisms.

Criteria 2: Institutional setting, leadership, capacity and performance framework

As a **key short term priority** recommendation, the MoI should evolve towards a more sector oriented approach by consolidating a strategic department/directorate as a key unit in charge of assuming the required responsibilities for detecting and analysing the sector needs, establishing the key strategic

priorities for the short, medium and long term and coordinating the programming together with its relevant competent institutional partner bodies as well as with the MoJ.

In the short/medium term, the MoI should explore the synergies and complementarities with the MoJ regarding a common approach towards the JHA sector promoting shared capacities for strategic Programming taking advantage of the recently established Sector Working Group for JHA.

In the **short/medium term**, the establishment of well-defined reporting and monitoring procedures in the framework of the Working Group for Chapter 24 provides the opportunity to address an overall monitoring follow-up of the sector based on a long term vision articulated under a set of coherent objectives. Monitoring mechanisms should include tools based on output/result and impact indicators in order to be able to set up an analysis targeting a much more result-oriented approach.

Criteria 3: Sector and donor coordination

As the Sector Working Group is composed not only of authorities from the Judiciary but also from the Home Affairs sector, the new Security Strategy aiming to include the major sub themes components should be built together **in the short term** with the new Justice Reform Strategy currently under preparation. In that sense, a joint JHA sector framework strategy should be promoted in order to identify priority axis and measures linked with the Security sector.

In the **short/medium term**, to capitalize on the experience of the database for donor coordination already prepared under the Office of the Prime Minister a few years ago and to continue the process by using and disseminating the information with the Lead Institution in charge of the Security sector.

4.3. BOSNIA AND HERZEGOVINA

Bosnia and Herzegovina	
Public Administration Reform Sector	Category 1: Ready for sector approach with some improvements
Justice Sector	
Transport	Category 2: Not ready for sector approach
Home Affairs	
Social Sector Development	
Environment	
Private Sector Development Competitiveness	

Table 4.3.. Level of Maturity of sectors for SA Bosnia and Herzegovina

Note: For detailed scoring per criteria and sub-criteria see Annexes 3

Category 1: Recommendations for sectors that are ready for Sector Approach with some improvements

Sector: PUBLIC ADMINISTRATION REFORM

Criteria 1: National sector strategies and budget appropriation

The **key short term priority** recommendation is to develop and adopt an Action Plan 2. As the Revised Action Plan 1 will expire in 2014, there is a need to provide a support to the development of

AP2. The role of EU DEL in this process is prominent, by providing a relevant TA. The new AP2 should have a mechanism to allow better linkages with other strategies with PARS. The statistics from the national/entities budgets on implementation of the strategy should be improved.

The PAR Fund is a rear example of a well-functioning donors' coordination mechanism. It is recommended, in the **medium term**, to continue supporting the Fund for the implementation of the planned AP 2.

The benefits of implementing the PAR reform are not as visible at the first sight as for e.g. transport sector. It is recommended in the **long term**, to promote the achievements and impacts of the PAR, especially among the decision makings and politicians in order to ensure their further support to the PAR.

Criteria 2: Institutional setting, leadership, capacity and performance framework

Key priority short term recommendation is to include in the future trainings on strategic planning elements of coordination with other ministries strategic planning activities. GIZ assistance is very well received. According to PARCO there is a need for project continuation for the next 3-4 years to assist in strategic planning and improvements of the current strategic documents and communication with the existing institutions.

In the short term during the course of preparations of AP 2 PAR coordinators at the cantons level should be included and their participation to be ensured in the strategy activities.

This sector is experienced in implementing the AP 1. There is a need to analyse the current situation and identify the areas which need further improvement.

Criteria 3: Sector and donor coordination

It is recommended in the **medium term** to further streamline the donor coordination processes conducted by various institutions (e.g. Donor coordination forum by Ministry of Finance and PAR Fund donors meetings).

Sector: JUSTICE

Criteria 1: National sector strategies and budget appropriation

Key short term recommendation is to revise the Strategy and Action Plan. It is recommended to expand the Strategy to monitor related sector relevant strategies e.g. War Crime Strategy. The operational plans of the relevant institutions should be better aligned with the Action Plan of the Strategy. If possible, the new Strategy for Justice Reform should be articulated within the framework of 7 years perspective (2014-2020)

In the **medium term**, there is a need for a TA support to work more with the entities, especially on capacity building and preparation for decisions implementation.

In the **long term** more synergies should be developed with the home affairs sector and in particular to consider the sector JHA as a whole.

Criteria 2: Institutional setting, leadership, capacity and performance framework

The **key medium term** recommendation is to provide more training on strategic planning to build the institutional capacities.

In the **long term** sector programming should be better linked to budgeting and reporting should be improved.

Criteria 3: Sector and donor coordination

The **key medium term** recommendation is to improve the cooperation with the PAR reform and to ensure stronger support of projects from the PAR Fund, especially in relation to strengthening the institutional and strategic planning, reporting and monitoring.

The way how the work on the strategy is acknowledged by the CoM (adoption of plans, reports and monitoring) could be a good example for other sectors.

In the long term it is recommended to continue the process of coordination with the Ministry of Finance.

Category 3: Recommendations for sectors not yet in progress towards sector Approach and not ready at all

Sector: TRANSPORT

Criteria 1: National sector strategies and budget appropriation

The **key short term priority** recommendation is to develop the country-wide transport strategy and action plan.

The shift to the sector approach and usage of IPA II funds is already conditioned by EC. The political agreement on a transport policy document and on a technical issue like ToR for the transportation sector strategy is recommended in the short term in order to enable TA support for the strategy development.

Criteria 2: Institutional setting, leadership, capacity and performance framework

Key short term priority recommendation is to provide further support to MoCT on development of the strategy and building institutional capacities for its coordinating role, especially for monitoring and evaluation of the strategy. There is a need to strengthen the institutional capacities on all levels on strategic planning.

Criteria 3: Sector and donor coordination

In the **short-medium term** it is recommended that the MoCT will take a more pro-active role in relation to donors' coordination by initiating sector and donor coordination activities in the sector.

Sector: HOME AFFAIRS

Criteria 1: National sector strategies and budget appropriation

The **key short term priority** recommendation is to re-visit the possibility to development the country-wide strategy for the sector.

In the **medium term** the implementation tools (monitoring and evaluation) need to be further extended to other sub-sector strategies.

Criteria 2: Institutional setting, leadership, capacity and performance framework

The **key short term priority** recommendation is to provide support for institutional strengthening of the staff responsible for strategic planning in the Ministry of Security.

Criteria 3: Sector and donor coordination

The key short term recommendation is to establish a sector and donor coordination for the sector as part of the sector wide approach

Sector: SOCIAL SECTOR

The **key short term priority** recommendation is to revisit the idea of social sector approach. It is recommended to proceed with introducing sector approach for social sector sub-sectors e.g. education, social policies, research and science. As noted by stakeholders of the sector, social sector is too diverse to have one strategy overlooking all sub-sectors.

In the **medium term** it is important to support success stories and to use the momentum of political commitment to move forward with adoption of possible country-wide strategies.

In the case of education sub-sector it is recommended to discuss the common understanding of state level ministry (MoCA) coordinating role and acceptance of that role by the entities.

Criteria 1: National sector strategies and budget appropriation

The key short term priority recommendation is to develop and adopt the country-wide strategies for all social sub-sectors.

The strategy for Science and Research is a good starting point for sector approach. The strategy should be revised to have realistic goals. In the **medium term** it is recommended to introduce and agree on the monitoring and reporting systems for the implementation of the strategy.

Criteria 2: Institutional setting, leadership, capacity and performance framework

In the **short term** more training to the education sector on strategic planning and coordination is recommended.

In the **medium term** the capacities (staffing) of the Department of Science should be reexamined. There are 4 persons to cover European integration, bilateral relations, international cooperation and national coordination.

Criteria 3: Sector and donor coordination

In the **medium term** coordination with other sectors, to have a multi-sector approach (including HR development, economic planning and private sector) should be developed.

In the **medium term** the relations with the Ministry of Foreign Trade and Economic Relations for research and science sub-sector should be developed, especially correlations with businesses and private sector and innovation for better implementation of the strategy should be established.

In the **medium term** the research and science sector should be integrated into the statistical system (in line with Eurostat).

In the **medium term** the relations among the ministries of science and the ministries of economy at all levels of governance should be established in order to stimulate the coherence with the innovation. At the moment there is a weak connection between science and innovation.

In the **medium term** more funding on state level is needed for social sub-sectors.

Sector: ENVIRONMENT

Criteria 1: National sector strategies and budget appropriation

The key short term priority recommendation is to adopt by all levels of governance the package of strategic documents for environment. It is recommended to continue the support to the Envis project to allow the country to prepare the strategic documents.

If adopted it can serve as a model for other sector how to develop a country-wide approach.

Criteria 2: Institutional setting, leadership, capacity and performance framework

In the **short/medium term** the relevant authorities should be supported in building their institutional capacities on sector strategy programming and implementation.

In the **short term** the common understanding on the coordination between various levels of administration should be clarified for any further step on sector-wide approach. As long as there is no such understanding and it is not understood in the way there are low chances for successful country-wide approach.

Criteria 3: Sector and donor coordination

The key short term priority recommendation is that MoFTER should establish sector and donors coordination for the sector.

Sector: PRIVATE SECTOR DEVELOPMENT

Criteria 1: National sector strategies and budget appropriation

The key short term priority recommendation is to initialise a discussion on a country-wide strategy for the sector. It is recommended to have an agreement to the lowest levels of administration on the roles and responsibilities linked to strategic planning for the sector.

Criteria 2: Institutional setting, leadership, capacity and performance framework

The key short term priority recommendation is to enhance the capacities of the authorities on strategic planning for the sector

Criteria 3: Sector and donor coordination

The key short term priority recommendation is that MoFTA should establish sector and donor coordination for the sector.

HORIZONTAL RECOMMENDATIONS

Criteria 1: National sector strategies and budget appropriation

Introducing sector approach in BiH should be accompanied by clarification and agreement on the coordination within the sector and the roles and responsibilities of various level stakeholders.

There is a need for gradual introduction of sector approach; the needs are different for the most advanced sectors (PAR and Justice) and for immature sectors.

Assistance on developing strategies to sectors where EU introduced conditionality (environment and transport) should be treated as priority in order to maximize the chances of using **IPA II resources**. These are investment heavy sectors for which programming and actual project implementation is long term and time consuming.

EU should support politically the attempts of state level authorities to update/ review the existing strategies as a core requirement for the sector approach.

There is a need to assist as priority the state level authorities in improving alignment of budget programming in the situation of sector approach shift.

The existing strategies need to be revised to take into account the actual economic situation in the country and the fiscal space.

There is a need to introduce a system of tracking co-financing of strategies from national/ entities budget

Once the political blockages are overcome, the national (country-wide) development plan with clearly developed priorities should be prepared and adopted taking into account the local development plans.

The lessons learnt from the most advanced sectors on monitoring and the use of indicators should be gathered and passed to the representatives of other sectors

The guidance from the World Bank project on indicators should be disseminated to all relevant stakeholders.

There is a need to clarify the responsibilities on reporting. The current situation where the entities do now have reporting responsibilities does not allow monitoring strategies implementation in an efficient and effective manner.

There is a need to assist the relevant institutions in developing the system of budget programming linked to sector approach.

IPA II programming should take into account the following aspects: developing sector planning documents for ready sectors for sector approach and assistance based on individual projects for sectors which are not ready for sector approach.

Criteria 2: Institutional setting, leadership, capacity and performance framework

The roles and responsibilities of state/ entities level institutions need to be clarified/ agreed.

There is a general need for further capacity building on strategic planning.

To make sure that all new/ revised strategies will have defined obligations for implementation.

IPA II programming should take into account the process of a shift to sector approach and provide relevant technical assistance to support this shift.

Criteria 3 : Sector and donor coordination

There is a need to provide assistance on how to improve inter-sectoral coordination for all sectors.

There is a need to assist the authorities in introducing the agreed system of coordination.

Donors Coordination Forum is a good example to follow. The practice of the meetings with donors should be continued

There is a need to provide assistance to the sector authorities to help them to assume their new responsibilities for donors' coordination on sector level.

IPA II Programming process should support creating Sector Working Groups and supporting the relevant authorities in sector and donor coordination processes.

SPECIAL RECOMMENDATIONS for Bosnia and Herzegovina

Potential for developing country-wide strategies

It was asked to provide additional recommendations on the potential for developing country-wide strategies in Bosnia and Herzegovina. Considering all the findings and information obtained the following recommendations can be made:

The legal administrative structure in Bosnia and Herzegovina needs to be taken into account, when proposing to or requesting from the Bosnia and Herzegovina authorities presence of a country-wide strategy. The recent experience of the Envis project and its in-depth legal analysis concluded that the way forward to respect Bosnia and Herzegovina legal administrative structures it to propose a package of strategies which will constitute a sector approach and which will have strategies on a country level and appropriate actions plans at relevant entities level based on those strategies. Therefore, it is recommended that EC will define what is meant by a country-wide strategy in the case of Bosnia and Herzegovina in order to minimize the potential of rejection/ blockage from the entities level.

An important issue for further work on developing country-wide strategies is the agreement on the understanding of coordinating role of the state level authorities. Once the roles and responsibilities in relation to coordination are cleared, the process on further development of country-wide strategies can continue.

For the sector strategies which are driven by the EU Accession Process it is recommended to adopt approach to developing a package of strategies. The requirements to transpose relevant EU legislation are with the state level institutions and therefore such strategy could be developed by state level, but it has to be accompanied by a parallel process of developing implementing strategic documents for entities level.

For the sector strategies developed based on the actual state of the sector on the groups e.g. social inclusion sector, it is recommended to follow an approach where on the state level the overall objectives and indicators are developed and the way of implementing and achieving the overall objectives is stipulated in the entities strategic documents.

Recommendations on follow up activities of the Twinning Project on Strengthening the National Planning Process in BiH

Considering all the findings and information received the following recommendations are made: The project could follow up with providing assistance on implementing the coordination agreement in practice: developing sector coordination manuals, or supporting authorities in organizing sector coordination meetings. The project could follow up with providing specific assistance on “how” sector approach could be introduced. This report provides recommendations on “what” has to be done.

It is recommended that the Twinning project will differ its activities depending on the maturity of the sector and other ongoing support projects. The table below presents the possible priority sectors for the twinning project work:

Sector	Comment	Priority for Twinning project
Public Administration Reform	Sector is mature for sector approach There is an on-going GIZ assistance to the sector	Low priority
Justice	Sector is mature for sector approach	Low priority ¹⁴
Home Affairs	Sector is not in the progress towards the sector approach There are no plans to have a country-wide strategy	Low priority
Transport	Sector is not in the progress towards the sector approach There was a recent twinning project concluded.	Medium priority Potential to support the implementation of the recommendations by a previous twinning project
Environment	Sector is at early stage of development for sector approach There is an on-going IPA project on a comprehensive assistance to strategic planning.	Low priority
Social Sector	Sector is immature. Significant needs on capacity building on strategic planning identified	High priority

¹⁴ According to the comments received in February, the Justice sector would like to be involved in the Twinning project activities in order to strengthen the capacities of the institutions in the sector. According to the comments received HJPC is the only institution that has the capacities to lead and coordinate activities for the whole judiciary in BiH.

Private Sector Development	Sector is immature. Significant needs on capacity building on strategic planning identified	High priority
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- Activities of the Twinning project could follow up on:
 - How to improve inter-sector coordination? Support in identification of relevant sectors and players in other sectors;
 - How to better link PAR Strategy with other sectors?
 - Assistance to the state level administration on how to conduct a successful sector and donors coordination;
 - Support in establishing the links between the budgeting of the strategy activities and sector budgeting;
 - Support in establishing reporting systems in the sectors, gathering information from the entities;
 - Identifying and passing the best practices and lessons learnt from the most advanced sectors.
 - Assistance to clarifying understanding of coordination in the specific Bosnia and Herzegovina context.
 - Assisting in defining what constitutes and qualifies as country wide sector strategy in the specific Bosnia and Herzegovina conditions.

4.4. KOSOVO

Kosovo	
Agriculture and Rural Development	Category 1: ready for sector approach with some improvements
Energy Sector	Category 2: in progress towards sector approach
Home Affairs Sector	
Environment Sector	
Justice Sector	Category 3: Not ready for sector approach

Table 4.4. Level of Maturity of sectors for SA Kosovo

Note: For detailed scoring per criteria and sub-criteria see Annexes 3

Category 1: Recommendations for sectors that are ready for Sector Approach with some improvements

Sector: Agriculture and rural development

Criteria 1: National sector strategies and budget appropriation

As a **key short term priority** recommendation MAFRD should take immediate actions to enhance monitoring efficiency by improving monitoring tools and mechanisms linking data sources from available registers and databases and investing in monitoring logistics, staff and skills; ; Cooperation between ADA, Local Government Units and end-users on data collection needs to be strengthened;

As **key short term priority** recommendation, MAFRD efforts should be focused on strengthening the link between strategic planning and central budget, through developing results based oriented budgeting mechanisms;

Criteria 2: Institutional setting, leadership, capacity and performance framework

As **key short term priority** to fill the MAFRD vacancies in both central and regional institutions with skilled staff.

Even though MAFRD staff capacities in centre have been improved over years, more capacity building actions are required in the **short/medium term** to anticipate for future EU processes and enable development strategies and IPA programming.

Criteria 3: Sector and donor coordination

As a **key short term priority**, the DEIPC role should be increased toward results driven donor's coordination activities in close cooperation with the implementation bodies. E, efforts should be focused diversification of tasks including marketing and sales of the ARDP interventions/projects to Donor's Organizations, Financial Institutions and/or Private institutions;

Category 2: Recommendations for sectors in progress towards sector approach

Sector: Energy

Criteria 1: National sector strategies and budget appropriation

As a **key short term priority** recommendation, planning capacities needs to strengthen especially related to setting realistic timelines for APs measures/Investment projects linked with d central budget and other financing sources

In the **short/medium term**, the interaction between stakeholders should strengthen and should be better coordinated in the programming process based on the legally set timelines in order to give sufficient time various actors to comment;

Considering Kosovo budget limitations, using PPP agreements in particular related to renewable energy projects as well as co-financing arrangements with international organizations to support /promote implementation of EE measures is highly recommended..

Criteria 2: Institutional setting, leadership, capacity and performance framework

As a **key short term priority**, to fill the KEEA vacancies should be considered in order to achieve the energy efficiency strategic targets;

In the **medium term**, capacity building in strategic planning, programming and sector approach should be considered horizontally, subject to the whole institutions involved in order to support efficient implementation, monitoring and reporting of the respective Implementation Programs.

Criteria 3: Sector and donor coordination

As **key short term priority**, the DEIPC should enhance the effectiveness of Donor's Coordination function and role to a more result oriented, measured by efforts and Donor's financial support committed.

The DEIPC should diversify services and cooperation with technical directorates to sell the AP's pipelines investment projects to interested Donor's; Financial Institutions and PPP in the Energy Efficiency and Renewable Energy area.

Sector: Home Affairs

Criteria 1: National sector strategies and budget appropriation

As **key short term priority** recommendation, to draft of a new Long Term National Strategy of Security Sector addressing EU 2020 Security goals should be a priority matter for Kosovo authorities., This strategy should be led by the highest policy level institution and developed through a highly transparent and inclusive process. The new sector strategic document should be based on data evidence and situation analysis provided by all related stakeholder institutions, content of the different subsector strategies as well as reports, surveys and other important need assessments studies;

As **short term priority**, the new strategy should define realistic, achievable and measurable strategic goals and objectives (short, medium and long term). On the other side, a comprehensive sector strategic framework should give coherence to all components / priority axis to be financed;

Strategic planning drafting capacities in both PMO Level (OSP) and sector level (DEIPC, NCO Secretariat and NCO's) should be increased in the **short term** focusing on technicalities for needs assessments, SWOT analysis, problem definition, identification of priorities, setting goals and objectives and designing effective monitoring systems based on output/result oriented.

Criteria 2: Institutional setting, leadership, capacity and performance framework

As **key short term priority** recommendation, the MIA should explore with the MoJ all potential synergies and complementarities regarding a common approach towards the JHA sector strategy;

In the **short term**, the MIA strategic planning system should evolve towards a more sector oriented approach by strengthening the DEIPC as a central unit in charge of strategic planning assuming responsibilities for developing sector/subsector analysis, initiating studies, survey assessments and Donor's Coordination.

In the **short term**, Capacity strengthening related to strategic planning should be addressed towards a specific Training Program following TNA. This is also applicable to the whole strategic planning structures from OSP and MEI to be implemented in close cooperation with Kosovo Institute of Public Administration – KIPA. Training of Trainers should be used extensively to assure sustainability of delivery and ownership.

In the **short/medium term**, under the framework of future operations of the Working Group for Chapter 24, should be envisaged the establishment of an integrated reporting and monitoring platform (sector based and long term approach) including systems, instruments, OVI's, instructions for implementation.

Criteria 3: Sector and donor coordination

As **key short term priority** DEIPC should ensure that strategic planning follow the legally set timelines in order to give sufficient time to various actors to contribute with their comments and feedback;

In the **short/medium term** DEIPC should strengthen interaction between stakeholders through better coordination in the strategic planning process;

Sector: Environment

Criteria 1: National sector strategies and budget appropriation

As a **key short term priority recommendation**, the ECS should be revised to address the “7th Environment Action Program (EAP)” priority policies ;

In the **short/medium term**, the MESP should carry out immediate actions on improvement monitoring implementation by establishing the necessary infrastructure, increasing number of monitoring staff (inspectors), and train them accordingly on data collection, analysis, reporting;

In the **short/medium term**, the MESP should enhance capacities and skills in drafting realistic AP's related timelines and budget by strengthening the link between strategic planning and central budget (MF)

In order to accelerate identified gaps in terms of legal approximation with EU acquis, the Environmental sector should promote utilisation of TA or TAIEX instrument

Criteria 2: Institutional setting, leadership, capacity and performance framework

As **key short term priority** recommendation, the MESP should take immediate actions to increase monitoring capacities in both infrastructure and human; Strengthening capacities of Kosovo Environment Protection Agency should be addressed as a matter of priority in both establishment of monitoring infrastructure, staff, monitoring procedures and methodologies;

In the **short/medium term**, MESP/PIU capacities should be enhanced to enable handling the NEAP implementation based on a TNA and demand driven training program

Criteria 3: Sector and donor coordination

As **key short term priority** recommendation, The MESP should centralise strategic planning activities to the DEIPC instead of doing so through fragmented technical departments. The DEIPC should accordingly ensure coordination with technical departments during the different strategy drafting phases.

In the **short/medium term**, The DEIPC should play a proactive role towards donor's coordination. In close cooperation with the PIU, they should focus efforts on marketing and selling the NEAP Investment projects to Donors, Financial Institutions and Private institutions. Public private partnership co-financing should be considered as a priority approach

Category 3: Recommendations for sectors not yet in progress towards sector Approach and not ready at all

Sector: Justice

Criteria 1: National sector strategies and budget appropriation

Drafting of a consolidated Justice Sector reform should be a **key short term priority** in assuring coherent strategic framework for the sector. It would be recommendable the new Strategy for Justice Reform to be articulated within the framework of the seven years perspective (2014-2020);

In the **short term**, a Rule of law strategy should be also considered to correlate the synergies and complementarities with the Security/Home Affairs sector, in particular if the approach is to consider JHA as a whole.

In the **short/medium term**, Strategies should be accompanied by well-defined short and medium term APs addressing priorities through relevant measures, institutions in charge, timelines and financial support;

Criteria 2: Institutional setting, leadership, capacity and performance framework

As a **key short term priority** recommendation, MoJ should be formalised as the Lead Institution for the Justice Sector reform and take actions on drafting an integrated Justice Sector reform strategy through the sector Working Group;

In the **short term**, the inter institutional coordination mechanisms should be established to assure effective cooperation in both strategic planning and M&R; An integrated Justice Sector reform

Monitoring platform should be recommended to establish to enable translating results of the individual subsector strategies into a sector wide follow up approach;

The MoJ should reinforce in the **short/medium term**, the staff strategic development and programming skills by building the necessary capacities based on TNA and specific Training Programs. This is recommendable to be applied to the whole strategic planning structures in close cooperation with Kosovo Institute of Public Administration – KIPA. Training of Trainers should be used extensively to assure sustainability of delivery and ownership.

Criteria 3: Sector and donor coordination

As a **key short term priority** recommendation, MoJ should clarify the deficiency in its mandate and embrace leadership in strategic planning and its related arrangements for implementation;

In the **short term**, a new Justice Sector Reform strategy should be promoted as a JHA sector framework strategy trying to identify priority axis and measures linked with the Security sector

4.5. TURKEY

TURKEY	
Transport Sector	Category 1: ready for sector approach with some improvements
Employment, HRD, Education, Social Policies	
Agriculture and Rural Development	
Environment Sector	
Justice Sector	Category 2: towards sector approach
Security and Home Affairs Sector	
Civil Society and Fundamental Rights	
Energy Sector	

Table 4.5.. Level of Maturity of sectors for SA Turkey

Note: For detailed scoring per criteria and sub-criteria see Annexes 3

Category 1: Recommendations for sectors that are ready for Sector Approach with some improvements

Sector: TRANSPORT

Criteria 1: National sector strategies and budget appropriation

In **medium-term** as a **key priority** recommendation an AP as a basis for monitoring and following its implementation for the Turkey's Transport and Communication Strategy 2023 has to be prepared. . The Action Plans related to each of the subsectors and their priorities should be also developed.

In **medium-term** Sub strategies should be separated from institutional strategic plans and should only focus on sub sector.

In **short-term**, the list of selected projects gathered within the strategy as defined goals should be prioritized based on a multi criteria analysis such as degree of maturity, having as a key requirement

the source of financing approved and in particular the public private partnership and co-financing rates.

Criteria 2: Institutional setting, leadership, capacity and performance framework

Besides the Transport Maritime and Communication Council, support to improving coordination and consultation mechanisms with key stakeholder institutions is needed be established in **short-term**

The monitoring mechanisms set up within the OP Transport 2007-2013 for the MoTMC should be reinforced in order in a first phase to consolidated experience in monitoring priorities and measures (including effective tools with target and results indicators) to further expand in the long-term towards a complete sector coherent follow up.

Given that the strategic planning process formalized with the PFMC Law which establishes strategic planning departments in each ministry, it is recommended – as with other sectors- to particularly strengthen coordination between those strategic planning departments at ministry level and the Department of EU Affairs or the IPA Operational Structures, and formalize such procedures of coordination to the extent possible in the **medium term**.

Criteria 3: Sector and donor coordination.

In **medium-term**, to improve the Working Groups with high level participation; in order to better coordinate the programming, implementing and monitoring & evaluation process

The overall sector coordination mechanism should be consolidated in **short-term**, taking into account all lower level coordination platforms, hence ensuring that micro/sub level coordination mechanisms relate well to the overall sectorial coordination mechanisms and including with International Financial Institutions in areas where physical investments are involved.

Sector: Employment, HRD, Education and Social Policies

Criteria 1: National sector strategies and budget appropriation

Revise, update and adopt the National Employment Strategy (NES) in the **short term** in accordance with priorities under HRD OP 2014-2023, to provide a strategic framework endorsed at the highest level with an accompanying Action Plan to be prepared in the medium term. In revising the document, ensure better formulation of objectives and linked indicators, time-frames and costing of national action plans, enhance coherence with sub-sectors in order to cover some sub-fields which have not been included as well as ensure wide consultations with a more inclusive participation of non-governmental actors.

Conduct ex-post evaluation of outdated strategies in the short to medium term. Mid-term evaluations of those ongoing should also be considered.

Conduct an overall quality and consistency check for all strategies and Action Plans in the sector and sub-sectors with a view to ensure that standard information on clear objectives, outcome and impact indicators, precise costing and budget as well as M&E are included

Criteria 2: Institutional setting, leadership, capacity and performance framework

Enhance capacities among stakeholder participating institutions for strategic planning and M&E on the basis of strategies and ensure better coordination between the Strategic Planning Departments and the thematic departments involved in the medium term.

In the **short run**, enhance capacities among stakeholder participating institutions for strategic planning and M&E as well as for data collection and processing as per indicators.

Criteria 3: Sector and donor coordination

Bolster existing coordination mechanisms and upgrade them to a sectoral basis and improve the performance of these mechanisms, through inter alia developing ground rules, procedures, manuals etc. and ensuring high level participation as well as establishing working groups in the short to medium term.

Sector coordination mechanisms and Working Groups should be formalized and endorsed at higher political levels in the short term.

Sector: AGRICULTURE AND RURAL DEVELOPMENT

Criteria 1: National sector strategies and budget appropriation

As a **key Short-term priority** recommendation, the main Rural Development Strategy requires updating and requires to be extended in time covering at least the period up to 2020.

In **medium-term**, Action Plans should be prepared including a prioritization of selected projects gathered within the measures/priorities identified, in which financial allocations should be established more at the level of measures/operations than as a simple sum of budget/ cost investments per projects.

Also, in **medium-term**, there is need for subsector strategies which should be in coherence with the strategic framework given at the Rural Development Strategy, each sub strategies and its related APs should be in line with the main development strategy matching the corresponding needs.

Criteria 2: Institutional setting, leadership, capacity and performance framework

As a **short term priority**, technical know-how and capacity needs strengthening, together with capacity building on strategic planning

In **short term**, support to improving coordination and consultation mechanisms with key stakeholder institutions is recommended;

In **medium-term**, separate departments should be in charge of Implementation and Monitoring & Evaluation respectively.

Given that the strategic planning process formalized with the PFMC Law which establishes strategic planning departments in each ministry, it is recommended to particularly strengthen coordination between those strategic planning departments at ministry level and the Department of EU Affairs or the IPA Operational Structures, and formalize such procedures of coordination to the extent possible in the **medium term**.

Criteria 3: Sector and donor coordination

In **medium-term**, sector-based coordination should move from a project basis towards a more strategic scope. A Sector Working Group should be formally appointed in order to better coordinate the programming, implementing and monitoring & evaluation process

In **short-term**, the sector coordination mechanism should be consolidated to take into account all lower level coordination platforms, hence ensuring that micro/sub level mechanisms relate well to overall sectorial mechanisms.

Sector: ENVIRONMENT

Criteria 1: National sector strategies and budget appropriation

In **short-term**, improving collaboration among Ministry of Environment and Urbanization and Ministry of Forestry and Water Affairs is needed.

As a **key-medium-term priority** recommendation, the sector requires an overall framework relevant for both Ministries and it should go together with an AP as a basis for monitoring and following up its implementation.

As a **key medium-term priority**, there is need for an overall AP for the Environment Sector, that includes financial allocations that should be established at the level of measures/operations, besides the Approximation Strategy and Institutional Strategic Plan.

In medium-term, improving the prioritization of actions/measures and the quality of the subsector APs by building them more as a sector programme implementing and monitoring tool and not as a cumulative list of projects per core content/components

Criteria 2: Institutional setting, leadership, capacity and performance framework

As **key Short-term priority**, more clearly defined relations and collaborative working among Ministry of Environment and Urbanization and Ministry of Forestry and Water Affairs are needed.

In **short-term**, the Ministry of Environment and Urbanization should stabilize the non-permanent staff and set up the necessary steps to retain the skilled working force.

Coordination capacities of the Ministry of Environment and Urbanization with all stakeholders need support, and key stakeholders such as CSOs involved should also be provided increased technical capacity for sectorial planning.

Given that the strategic planning process formalized with the PFMC Law which establishes strategic planning departments in each ministry, it is recommended to particularly strengthen coordination between those strategic planning departments at ministry level and the Department of EU Affairs or the IPA Operational Structures, and formalize such procedures of coordination to the extent possible in the **medium term**.

Criteria 3: Sector and donor coordination

Sector-based coordination should move from programme basis towards a more strategic scope thus increasing ownership of key institutions involved, including with International Financial Institutions in areas where physical investments are involved.

Internal capacities of the representatives of the Sector Working Group in terms of guidance and preparation of the Programming and strategic planning needs to be consolidated

Category 2: Recommendations for sectors in progress towards sector approach

Sector: Justice and Human rights

Criteria 1: National sector strategies and budget appropriation

A **key short term priority** recommendation is to conduct an ex-post evaluation of the expired Judicial Reform Strategy to provide a basis for the new JRS.

The new JRS should consider seeking further complementarity with other sub-sectoral issues such as fight against corruption (at least judicial aspects) as well as identifying complementarities with the HRAP in the short term.

The new JRS in the short term should improve its content in terms of including key information on: clear and SMART objectives, output, and result and impact indicators; and consider drafting an AP which includes proper indicators, costed actions, and a specific chapter on M&E in the medium term.

Criteria 2: Institutional setting, leadership, capacity and performance framework

For strategic planning, there is a need for stronger coordination between the EU Project Implementation Division of the DG for EU Affairs and the Strategic Planning Department to be better defined in the **short term**.

Similarly, coordination mechanisms with implicated institutions should be strengthened in the sector as well as sub-sectoral areas such as improving coordination in the field of fight against corruption with key institutions is necessary.

The capacity of the DG for EU Affairs of the MoJ would need to be strengthened especially in terms of skills on M&E as well as the capacities of other judicial institutions implicated in the sector in the medium term. M&E capacities among secondary institutions that will be strongly involved in the sectorial approach (such as High Council of Judges and Prosecutors and in the area of fight against corruption the Prime Ministry Inspection Board) would need particular attention.

Criteria 3: Sector and donor coordination

Coordination mechanisms with and among key stakeholders- including means of involving non-state actors- should be consolidated, formalised and manuals and procedures developed that lay out the principles, methods of coordination, cooperation and implementation will take place in a sector-based programme for the justice sector should be developed in the short term.

Develop in the short to **medium term** a database of donors and establish donor coordination mechanisms specific to the sector.

Sector: Security and Home Affairs

Criteria 1: National sector strategies and budget appropriation

A **key short term priority** recommendation is to update those strategies and Action Plans which have expired or are outdated which will allow more direct alignment for co-financing implementation of national strategies and action plans in coming years. In the short, medium to long term, in order to improve coherence among the sub-strategies, any updates should ensure that strategies include minimum information such as: situation analysis, presentation of baseline data, needs assessment, stakeholder analysis, SWOT, overall objectives, specific objectives, priorities, measures, indicators for measuring achievements and specific measures for M&E.

A **key short to medium term priority** is to develop an overall overall strategic framework to be fed into a multi-annual Sector Planning Document in the IPA context and building on priorities and areas of action identified in national strategies and APs which have been adopted or are under preparation This is deemed necessary so as to provide coherence to all sub-strategies which are numerous for the sector and would benefit from improved complementarity and multi-annual planning in the context of IPA II.

A short, **medium and long term priority** covering all existing and upcoming APs is to (some of which will be updated and/or prepared as of 2014) include basic information, namely strategic objective; Action; specific target date; Activities and specific dates for those; Indicators of Achievement; sources of verification; Responsible institutions; Resources; Costs per measure and per activity/output. The APs should also include M&E as well as identify sequentially.

It is recommended to conduct evaluations of the strategies at various stages (ex-ante, mid-term and ex-post).

Criteria 2: Institutional setting, leadership, capacity and performance framework

In the **short term**, it would benefit both the lead institution and secondary institutions for the sector to organise in-service trainings on strategic planning and implementation, including a focus on strategy and result based M&E.

Consideration should be given to formalising coordination structures for the sector in the **short to medium term**. This could also provide a platform for monitoring and reporting on the strategy level for the sector overall. For this purpose, technical support may be necessary to formalise procedures and processes for the WGs.

Given that the strategic planning process formalized with the PFMC Law which establishes strategic planning departments in each ministry, it is recommended – as with other sectors- to particularly strengthen coordination between those strategic planning departments at ministry level and the Department of EU Affairs, and formalize such procedures of coordination to the extent possible in the **medium term**.

Criteria 3: Sector and donor coordination

The overall sector coordination mechanism should be consolidated to take into account all lower level coordination platforms, hence ensuring that micro/sub level coordination mechanisms relate well to overall sectorial coordination mechanisms in the **medium term**.

Donor coordination- although the main donor remains the EU in the field- would need to be established through moving towards a more systematized mechanism of coordinating donors on the sectoral level in the **medium term**.

Sector: Civil society and fundamental rights

Criteria 1: National sector strategies and budget appropriation

In the **short term** provide support to the MoFSP for the improvement of monitoring indicators and templates for the Gender Equality Action Plan and the NAPVAW, as well as providing technical assistance and support to the Board on Assessing and Monitoring Child's Rights to develop monitoring mechanisms and reporting on a sector basis. Training on ROM and sector-based planning and M&E would be highly useful.

In the **short to medium term**, explore possibilities of enhancing monitoring related data, including baseline data such as statistics (e.g. consider coordination with TUIK- Turkish Statistical Institute for the collection of related data).

A **key medium term priority** is to, with leadership from the MEUA, to empower and include the CDC and other key stakeholders in developing a civil society strategy which includes fundamental rights in order to have a comprehensive, coherent and enabling monitoring framework for the sector. Such a strategy would have to be prepared in a highly participatory approach and take into consideration the gamut of assessments and analyses already conducted and require high-level political commitment, namely approval on the TGNA or Council of Ministers level. Consider provision of support under IPA II alongside other actions, to allocate resources for the development of such a strategy in an inclusive and participatory manner.

Criteria 2: Institutional setting, leadership, capacity and performance framework

In the **short term**, the good reporting mechanisms established on the project level should be enhanced and transformed so as to be able to adopt a macro level perspective for the sector rather than overview on a project level. It is strongly recommended to develop capacities of the CDC (including structuring mechanisms of consultation, establishing a work plan and formalising the structure) for it to assume a more policy development and strategic guidance role which would be relevant to any development of a strategic framework for the civil society and fundamental rights sector.

There is a clear need for increasing skills in strategic planning within institutions, especially for those mechanisms and structures that oversee the implementation of strategies.

In the **medium term**, given the high number of key stakeholders and secondary stakeholders in this sector, recruitment or allocation of staff specifically dedicated to coordinating strategic planning and oversight may be advisable.

Criteria 3: Sector and donor coordination

A **key short term priority** recommendation is to establish, formalize and bolster coordination at

the lead ministry level for the sector overall.

In the **short to medium term** improvement would be necessary to have a more inclusive coordination mechanism on a sectorial basis. A specific mechanism dedicated to coordination would be necessary given the high number and range of actors for this sector. This mechanism should be endorsed also on the ministerial level and develop manuals and procedures for effective coordination. The mechanism is highly advisable to be developed, in consultation with CSOs.

Sector: ENERGY

Criteria 1: National sector strategies and budget appropriation

In **short term**, coherence between the sub-strategies should be improved.

In **medium-term**, APs should be prepared including a prioritization of selected projects gathered within the measures/priorities identified. The prioritization could be based on a multi criteria analysis having as a key requirement the source of financing approved.

Better definition of priorities and measures updating its list of “strategic projects” list and reviewing the new needs to be defined based on the updated European concepts of energy efficiency and renewal source of Energy.

Criteria 2: Institutional setting, leadership, capacity and performance framework

In **short-term**, technical know-how and capacity needs to be strengthened especially for the General Directorate of Foreign Affairs and EU on sector-based programming, with particular emphasis on the development of indicators;

In **short-term**, the strategic planning and programming coordination capacities require to be strengthened substantially at central level. Especially, coordination capacities with all stakeholders need support.

Given that the strategic planning process formalized with the PFMC Law which establishes strategic planning departments in each ministry, it is recommended to particularly strengthen coordination between those strategic planning departments at ministry level and the Department of EU Affairs, and formalize such procedures of coordination to the extent possible in the **medium term**.

Criteria 3: Sector and donor coordination

In **short-term**, a Sector Working Group should be formally appointed in order to better coordinate the programming, implementing and monitoring & evaluation process

In **medium- term**, sector-based coordination should move from a project/programme basis towards a more strategic scope thus increasing ownership of key institutions involved.

4.6. ALBANIA

ALBANIA	
HRD	Category 1: ready for sector approach with some improvements
Transport Sector	
Private Sector Development Competitiveness	
Environment	Category 2: in progress towards sector approach
Public Administration Reform	

Category 1: Recommendations for sectors that are ready for Sector Approach with some improvements

Sector: HRD

Criteria 1: National sector strategies and budget appropriation

As a **Key short term priority** recommendation, to strengthen Monitoring Unit by increasing the number of staff, ensuring efficient Monitoring through desk monitoring and field monitoring visits; strengthening cooperation with NES and other beneficiaries; using CSO monitoring as benchmark;

Considering that the majority of HRD sector strategies will expire by 2015, their updating process in the **short term** should be built upon best experience of ESS, developed in a very structured and guided process, with clear instructions and mechanism and addressing ESS Goals and objectives to ensuring thus greater coherence and complementarities within the sector.

In the **short/medium term**, MoWY should improve the visibility of HRD reforms implementation to Government and public through result indicators;

Criteria 2: Institutional setting, leadership, capacity and performance framework

A **key short term priority recommendation is to** establish a strategic planning unit for the HRD sector considering the numerous strategies and sub strategies, implementing bodies and stakeholders.

In the medium term, it is recommended to further enhance the strategic planning capacities within the sector.

Criteria 3: Sector and donor coordination

In the **short term**, the HRD Sector coordination mechanisms should be enhanced to assure greater participation of groups of interest and CSO's.

Sector: Transport

Criteria 1: National sector strategies and budget appropriation

As a **key short term priority** recommendation, Strategic planning system and mechanisms needs to strengthen through effective stakeholders' participation in definition and formulation of goals and objectives. The MTI role should be enhanced in guaranteeing the coherence and complementarity between different transport modes and definition of priorities at sector level based on multi criteria analyses. Further improvements are required to better integrate the TSS with MTBP and PAM indicators, to ensure consistency between the targets and indicators used in the NSDI/sector strategy and MTBP;

Criteria 2: Institutional setting, leadership, capacity and performance framework

As **key short term priority** recommendation, the MTI should establish a separate strategic department/unit in charge of strategic planning, assuming the required responsibilities for detecting and analysing the sector needs, establishing the key strategic priorities for the short, medium and long term and coordinating the programming together with its relevant competent institutional partner bodies.

The programming and monitoring mechanisms set up within the OP RD 2012-2013 should be consolidated through continuous training;

Criteria 3: Sector and donor coordination

In the short term, the Sector Working Group should be enhanced in terms of better guidance on monitoring and reporting according CoM Order and Methodology;

Sector: Competitiveness

Criteria 1: National sector strategies and budget appropriation

As **key short term priority** recommendation, the BDIS strategic goal needs to reformulated using BITS model; The same AP should be revised using BITC model of integrating Institutional strengthening measures with PSD and competitiveness measures and actions proposed geared with Monitoring mechanisms and tools

In order to achieve higher impact degree, actions/measures related to the PSD and competitiveness sector should be expanded to other priority sectors as indicated within the NSDI and CSP (Tourism, agriculture);

Criteria 2: Institutional setting, leadership, capacity and performance framework

As **key short term priority recommendation**, Government should adopt effective High Level policy instruments and mechanism to lead BDIS and BITS and assure their effective implementation; The MoTE staff capacities and skills needs to further improve related SBA.

The BDIS and BITS implementing structures and capacities need to strengthen in **short/medium term** by motivating the performing staff, filling vacancies with skilled and continuous training

Criteria 3: Sector and donor coordination

The Competitiveness and PSD's Sector Coordination Mechanisms best practice and experience should be replicated as a very good model to other Western Balkans and Turkey administrations;

Category 2: Recommendations for sectors in progress towards sector approach

Sector: Environment

Criteria 1: National sector strategies and budget appropriation

As a **key short term priority** recommendation, the ECS needs to revise the goal design and formulation to better address the overall sector purpose and results to be achieved by 2025; This Goal should ensure coherence of the MoE role (policy guidance), purpose (environment protection, nature preservation, efficiency etc), national development perspective and EU reference (environment policies, standards);

As a **key short term priority** recommendation, an AP for the ECS should be developed to monitor overall sector progress implementation and evidence of each sector contribution to the achievement of the ECS goal. The ECS AP should provide a coherent framework by subsectors, priorities, components (measures and investment projects), clear deadlines, responsibilities, costs and indicators. Furthermore, detailed APs should be developed for each of the relevant subsector strategies;

In the **short/medium term**, the ECS monitoring system should be improved by forming a coherent and integrated framework linking objectives, indicators and responsible institutions with the AP;

In the **short/medium term**, the MoE and MTI should strengthen efforts to increase funds through enhanced cooperation based on common operational plans and strategic funding approaches that will ensure efficient implementation of infrastructure projects; Operational plans should provide a list of

selected pipeline projects by objective and measures, prioritized based on a multi criteria methodology having as key requirement the approved financing source and in particular the public private partnership and co-financing rates.

Significant improvements needed to enhance effectiveness of Working Group's operations aiming to assure stakeholders commitment and quality contribution through improving Government Guidelines especially related roles and responsibilities of parties in crosscutting sectors; Consultation process should involving a wide range of stakeholders including CSOs, media and public related associations..

Criteria 2: Institutional setting, leadership, capacity and performance framework

In the **short term**, the MoE should address as a priority increasing the staff number and strengthening capacities through a well-designed TNA and Training Delivery Programme.

In the **short/medium term** the monitoring mechanisms should be consolidated through better administrative guidelines and instructions, increasing investments in monitoring logistics and capacity building through trainings and coaching;

The TA delivery approach should change towards knowledge transfer to national authorities by ensuring thus sustainability and to empowerment of National capacities.

Criteria 3: Sector and donor coordination

In the **short/medium term**, significant improvements needs be made on strengthening Environment Cross cutting Coordination mechanisms to assure effective participation and contribution of each of stakeholders;

Administrative Instructions on Inter Institutional Working Groups Government needs to improve to address clearly stakeholder's responsibilities; Coordination mechanisms and approaches should ensure high level participation of citizens in Environment related policy making

Sector: PAR

Criteria 1: National sector strategies and budget appropriation

In the **short term**, the AP PARS should be revised to clearly align objectives, measures, actions, expected results, indicators, responsibilities, timeframes, costs

In the short term, the PARS needs to redrafted based on a participative process of needs assessment and lessons learned and formulation of new goal and specific objectives to fully address the PAR dimension related to "cost efficient PA", "salary reform", "performance and career", "merit based" recruitment, "local government and decentralisation";

In the **short/medium term** The PARS Monitoring section should revise to adopt creative output/result oriented indicators which should be further benchmarked with the findings of other civil society organisations and media, public information independent monitoring;

The PFM Strategy, AP and Monitoring system are recommended to be used as a good strategy model for PARS and DAS

Criteria 2: Institutional setting, leadership, capacity and performance framework

As a **Key short term priority recommendation**, Formalisation of MIPA new structures should ensure retaining trained DoPA and DEAIPC staff and recruitment of new staff with specific PAR qualifications and skills;

In the **short term**, the MIPA PAR sector strategic planning structure and functionality need to be clearly defined. The best alternative would be establishing a strategic planning unit at MIPA to guarantee the institutional leadership and coherence with the PAR sector institutions;

In the **short term**, MIPA should establish the EU Programming structure to manage European Integration and IPA Programming. A SPO needs also to be appointed.

In the **short term**, a separate monitoring unit/ section should be established under the MIPA to carry out monitoring of PAR sector strategies independently from strategic planning based on output/result oriented indicators

Criteria 3: Sector and donor coordination

As a **Key short term priority**, Sector coordination mechanisms and Donor coordination mechanisms should be clearly defined to address the PAR institutional changes based on previous best practice and lessons learned.

Sector: Justice

Criteria 1: National sector strategies and budget appropriation

As a **Key short term priority** recommendation, the new strategic planning document for the Justice Reform should identify a limited number of priorities, well addressing the critical key issues for the sector and well establishing a logic link between the needs assessment, the problem analysis and the related rationale and objectives defined.

The new Strategy for Rule of law should clearly show in the **short term**, the interrelation, synergies and complementarities with the Security/Home Affairs sector, in particular in actions related to fight against organized crime and police investigations.

Apart from the judiciary institutions, the consultation process should continue in **medium term** involving as much as possible different actors from the civil society, national lawyer associations and professionals from the sector

Adequate budget allocations should be foreseen for the sector as a JHA whole.

Criteria 2: Institutional setting, leadership, capacity and performance framework

As a **key short term priority** recommendation, the MoJ should reinforce its strategic development capacities by setting up an independent unit in charge of strategic planning and programming. Separate departments should be in charge of Implementation and Monitoring & Evaluation respectively.

In the **short term**, the MoJ should evolve towards a more sector oriented approach by consolidating a strategic department/directorate as a key unit in charge of assuming the required responsibilities for detecting and analysing the sector needs, establishing the key strategic priorities for the short, medium and long term and coordinating the programming with its relevant competent partner institutional bodies.

In the **medium term**, better trained monitoring structures should be in charge of the overall monitoring sector follow up based on a long term vision articulated under a set of coherent objectives. Monitoring mechanisms should include tools based on output/result and impact indicators in order to be able to set up an analysis targeting a much more result-oriented approach

Criteria 3: Sector and donor coordination

As a **key short term priority** recommendation, a Sector Working Group should be officially established in order to ensure better coordination and participation from all relevant different entities from the Justice sector.

In the **short/medium term**, clear donor coordination mechanisms for the Justice sector should be established, the MoJ capitalize all the experience acquired so far.

4.7 OVERALL HORIZONTAL RECOMMENDATIONS

A sector approach requires an overall national strategic reference framework, specific sectoral and sub-sectoral strategies and associated action plans, medium term financial framework, monitoring mechanisms and appropriate institutional structures to ensure effective supervision and management. The Commission Services, as the driving force behind the establishment of the SA, has an important role to play in ensuring that these structures and documents are in place and functioning. The horizontal recommendations outlined below therefore focus on targeting EC political and financial support to those areas of weakness that have been identified in the assessment of strategies.

Overall horizontal Recommendations

- 1- In order to enhance the adoption of the SA for the sectors which are not ready, the EC should support through TA sectors in Category 2 (in progress towards sector approach) for preparation of well formulated sector strategies up to 2020.
- 2- The move towards a SA should be driven by the national authorities and supported by EC funds. Therefore, the Commission Services should invite the national authorities, where they have not done so, to formulate their priorities for sectors that should move towards a SA, including appropriate supporting evidence.
- 3- In order to enhance the adoption of the SA for the sectors which are not ready, the EC should support through TA sectors in Category 2 (in progress towards sector approach) for preparation of good quality Action Plans for the implementation of existing strategies.
- 4- In order to enhance the adoption of the SA for the sectors which are not ready, the EC should support sectors in Category 2 (in progress towards sector approach) through TA for the development of monitoring systems to provide oversight for the implementation of the Action Plans of Strategies.
- 5- Based on existing best practice (in countries such as the former Yugoslav Republic of Macedonia and Albania) the EC should promote common monitoring procedures and mechanisms that should be introduced to all sectors moving towards a SA.
- 6- For those countries and sectors lacking a relevant main strategic reference framework or a strategy not adopted or out of date, EC services should finance the strategic planning studies through TA or twinning contracts to guarantee a sector reference view towards the 2020 horizon.
- 7- For those strategies covering main sectoral priorities a coming to an end in the next two or three years, it might be relevant to focus more on updating the Action Plans until the end of their strategic period of implementation more than redoing the strategies. Monitoring committees in charge of supervising the actions to be implemented should be responsible for these tasks.
- 8- The EC should continue to support through TA reforms of national Public Finance Management systems to promote the introduction of programme based budgeting in order to strengthen the links between the State budgets and the practical implementation of the action plans of the strategies.

- 9- EC should provide technical assistance to the sector working groups to consolidate different coordination platforms in a particular sector and to better integrate them in order to benefit from synergies created with the other national and EU support programmes.
- 10- The EC should develop Sector Planning Documents for the sectors which have coherent sector strategies, strategic planning structure in place, mechanisms for monitoring. In most of the cases it is in the following sectors Transport, Environment, HRD, and Agriculture.
- 11- The EC should develop Sector Planning Documents also in sectors that are considered as key priority and have good strategies and good planning and monitoring structures (in some cases SME/Competitiveness sector).
- 12 The EC assistance should be based on individual projects in the following sectors: PAR, Justice, and Home Affairs. It makes sense also to continue the individual projects in the Energy sector.