

Evaluation of European Union's Cooperation with Montenegro 2012-2019

Learning brief #1: Evaluation Conclusions and Recommendations

Montenegro is one of seven countries on the path to European Union membership. The EU is providing assistance in the form of policy dialogue, technical expertise and financial support, to enable Montenegro to meet the conditions for membership. In 2020, the European Commission engaged a team of experts to assess the effectiveness and performance of its assistance to Montenegro from 2012 to 2019. In this period, the EU allocated EUR 384 million of national level assistance, plus additional financial assistance through regional Western Balkans programmes. The evaluation drew on in-depth studies of interventions in Public Administration Reform, Rule of Law, and Environment sectors, the Economic Reform Programme dialogue and overall funds management process.

This learning brief highlights some of the key findings, conclusions and recommendations from the evaluation.

More strategic assistance

EU-Montenegro policy dialogue made a clear contribution to strengthening and clarifying Montenegro's policy goals. This in turn established the framework for programming financial assistance under the Instruments for Pre-accession Assistance (IPA I 2007-2013, IPA II 2014-2020).

Assistance under IPA II was more strategic and more focused on accession priorities such as Rule of Law, economic governance and public administration reform (known as the 'Fundamentals First' agenda) compared to assistance under IPA I. Programming allocations were less fragmented, and contributed to larger interventions with more chance of impact and sustainability.

The Sector Budget Support modality provided larger, longer-term financial support and was effective in being more aligned to the government's reform agenda. It generated greater ownership, and encouraged sector-wide cooperation within the national administration.

Overcoming structural constraints

Montenegro delayed adoption of a sector approach for planning its own reforms and aligning with IPA support. There was also a long timeframe between identification of funding needs to implementation of IPA-funded actions. Both factors reduced the relevance of the IPA instrument.

National processes of policy-making and planning were structurally and temporally separated from processes of programming EU financial assistance. Consequently, assistance provided in the form of projects was not always aligned with national policy. Modalities such as Sector Budget Support and Operational Programmes partially overcame this issue and

were able to provide greater coherence and integration between national strategies and IPA assistance.

Montenegro's small size – ranking with EU states populations created challenges with achieving sufficient critical mass in public administration to sustain the degree of specialist skills needed, particularly for managing EU funds.

Contributions to capacity and performance change

EU cooperation – policy dialogue, technical and financial assistance – contributed to a significant level of change in legislation and institutional capacity. It was harder to identify changes in institutional performance. This was in part because monitoring frameworks and data were focused on measurable outputs and lower-level outcomes, and there were fewer mechanisms to define and measure performance change.

Added value

EU cooperation brought a high added value. In addition to setting direction, policy dialogue also brought new ideas, particularly those being currently discussed within the EU. Good working relationships with line DGs (e.g. DG REGIO, DG AGRI, DG ECFIN, etc.) were valuable for developing policy capacities. The transition from IPA I to IPA II weakened these relationships by removing line DGs' direct engagement with Operational Programmes, except in agriculture.

Conclusions and Recommendations

The trident of accession framework, policy dialogue and financial assistance is an influential and supportive mechanism for encouraging national reforms and investment. Challenges remain, although there are opportunities for increasing the effectiveness and impact of EU cooperation.

 Conclusions	 Recommendations
Shorter IPA timeframes and more flexibility	
The long time delay between identification of a policy issue reduces both the attractiveness of IPA as a funding solution and the relevance of funded actions.	Reduce the <i>overall timeframes</i> required for taking an IPA-funded intervention from conception through to implementation. Look at each step to shorten or remove.
Sector Budget Support	
Sector Budget Support is ideal for supporting system wide reform. Lessons learned suggest ways in which SBS can be further improved.	Identify other areas for SBS support. Focus on outcomes and performance improvements and ensure robust and credible monitoring against policy and performance indicators.
Closer links between dialogue and programming	
While dialogue drives the direction of policy, structure and process constraints limit the extent to which IPA programming directly follows.	Enhance sector planning and IPA programming by engaging wider range of stakeholders in revitalised Sector Working Groups. Strategy development needs to tie in with timing of IPA allocations and programming. Policy dialogue to identify more opportunities for IPA funded actions.
Parliament and democracy	
IPA programming did not take into account of the importance of parliamentary oversight in strengthening the performance of the executive.	Establish an inter-institutional forum to identify IPA support for strengthening Parliament's oversight capacities.
Strengthening the policy eco-system	
A policy 'eco-system' is needed to drive creation, testing and evaluation of policy innovation. Think tanks, academics and civil society as well as public officials are all part of this eco-system. Line DGs play a critical role in stimulating and sharing policy knowledge.	Invest in policy research and development across the Western Balkans and between enlargement countries and Member States. Encourage more direct involvement of public officials in Montenegro in EU policy fora, and involvement of line DGs in IPA programming.
Monitoring, evaluation and learning	
MEL coverage is fragmented and not strategic. It concentrates more on deliverables than achievement of policy goals. Learning culture needs strengthening.	Create a strategic MEL framework for the 2021-2027 budget period, including enhanced performance indicators, adoption of theory of change approaches and building national MEL capacities.