



Mid-term evaluation of cross border cooperation programmes between IPA II beneficiaries

Synthesis Report
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***The opinions expressed in this document represent the authors'
points of view
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List of Acronyms and Abbreviations

AIR	Annual Implementation Report
AL	Albania
BA/BiH	Bosnia and Herzegovina
CBC	Cross Border Co-operation
CBIB+	Cross Border Institution Building
CFCU	Central Finance and Contract Unit
DG NEAR	Directorate-General for Neighbourhood and Enlargement Negotiations
DG REGIO	Directorate-General for Regional and Urban Policy
EC	European Commission
EU	European Union
EUD	EU Delegation
IPA	Instrument for Pre-Accession Assistance
JC	Judgement criterion
JMC	Joint Monitoring Committee
JTS	Joint Technical Secretariat
KS	Kosovo*
ME	Montenegro
MFF	Multiannual Financial Framework
MK	North Macedonia
MTE	Mid-Term Evaluation
NIPAC	National IPA Coordinators
ROM	Results Orientated Monitoring
RS	Serbia
SWOT	Strengths, Weaknesses, Opportunities, and Threats
TA	Technical Assistance
TL	Team leader
WBIF	Western Balkans Infrastructure Facility

* This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence.

1 Abstract

1.1 Abstract EN

The mid-term evaluation of the IPA CBC Programme between IPA II beneficiaries is intended to provide an assessment of the performance of the nine 2014-2020 programmes, identification of good practices and lessons learned and recommendations to guide the design of IPA CBC programmes between IPA II beneficiaries for the following financing period. It was a desk-based assessment using a mixture of programme results measurement and monitoring secondary sources complemented by surveys of grantees, applicants and local authorities and interviews with key stakeholders. The evaluation found that programmes were relevant to the needs of the border regions and likely to contribute to wider objectives, particularly in areas of socio-economic development. Administrative capacity issues in implementing authorities and beneficiaries have made fund mobilization longer than expected and raised concerns over the quality of applications in a number of programmes. Although some partnerships are being made, sustainability remains largely reliant on future EU financing. Future IPA CBC programmes would benefit from greater complementarity with other EU financed programmes in the Western Balkans region, particularly for infrastructure investments, and increasing engagement with local authorities. Following programmes could be more clearly focused on cross border challenges, with enhancing ownership at all levels key to ensuring effective implementation.

1.2 Abstract FR

L'examen à mi-parcours du programme IAP de CTF entre les bénéficiaires de l'IAP II entend fournir une évaluation de la performance des neuf programmes 2014-2020, identifier les bonnes pratiques, tirer des enseignements et formuler des recommandations pour orienter la conception des programmes IAP de CTF entre les bénéficiaires de l'IAP II pour la prochaine période de financement. Il s'agit d'une évaluation documentaire utilisant une combinaison de mesures des résultats des programmes et de sources secondaires de suivi, complétés par des enquêtes auprès des bénéficiaires des subventions, des candidats et des autorités locales, et par des entretiens avec les principales parties prenantes. L'évaluation a conclu que les programmes répondaient aux besoins des régions frontalières et sont susceptibles de contribuer à des objectifs plus larges, en particulier dans les domaines relatifs au développement socio-économique. Les problèmes liés aux capacités administratives relevés auprès des autorités chargées de la mise en œuvre et des bénéficiaires ont rendu la mobilisation des fonds plus longue que prévu et ont soulevé des inquiétudes quant à la qualité des candidatures dans un certain nombre de programmes. Bien que certains partenariats aient été instaurés, leur durabilité dépend encore largement du futur financement de l'UE. Les prochains programmes IAP de CTF tireraient bénéfice d'une meilleure complémentarité avec d'autres programmes financés par l'UE dans la région des Balkans occidentaux, en particulier pour les investissements dans les infrastructures, et d'une meilleure collaboration avec les autorités locales. Les prochains programmes pourraient être plus clairement axés sur les défis transfrontaliers, le renforcement de l'appropriation à tous les niveaux étant essentiel pour garantir une mise en œuvre efficace.

2 Executive Summary

Scope of evaluation

The purpose of this mid-term evaluation is to provide both an assessment of whether the 2014-2020 IPA II CBC and its constituent nine programmes are on the right track, but also a forward-looking perspective to support the successful implementation of the next financing perspective (2021-2027).

The general objectives of this evaluation are to:

- Assess the performance of CBC Programmes between IPA II Beneficiaries during 2014-2019, the cut off date for the evaluation is 31 December 2019;
- Identify good practices and lessons learned;
- Provide recommendations to improve the implementation of CBC Programmes between IPA II Beneficiaries;
- Produce recommendations for future programming and policy purposes for territorial cooperation in the context of the next Multiannual Financial Framework (MFF) and in particular the Commission proposal for the 2021-2027 Instrument for Pre-Accession Assistance (IPA III).

The evaluation included all nine ongoing IPA CBC Programmes between IPA II Beneficiaries, amounting to a total budget of €83.3m financial contribution from the European Commission. A total of €27.029m had been contracted through 13 completed calls for proposals across eight of the nine programmes.

Summary approach

The MTE is a theory based evaluation. It has started with the reconstruction of the overall theory of change and assessed performance against nine evaluation questions. Evidence was collected from documentary sources, interviews and a series of surveys of applicants, grantees and local authorities in the programme area.

Nine individual IPA CBC Programme Reviews have been produced through analysis at both the programme level and for the 80 operations contracted at the cut off date for this report creating a series of stand alone assessments of the individual programmes, with accompanying conclusions and recommendations. The key findings from these Programme Reviews have been triangulated with available documentary information and validated through interviews with key stakeholders as well as in internal discussions between the evaluation team members prior to being consolidated into this synthesis report. The conclusions and recommendations provided in this report are targeted at systemic issues which occur in or affect most, if not all, programmes.

Summary Findings Conclusions and Recommendations at IPA CBC level

Findings

The intervention logic of the CBC Programmes between IPA II Beneficiaries remains relevant to the needs of the border areas. There has been comprehensive and inclusive programming by the national authorities within the broad framework defined by the European Commission. This has led to a focus on socio-economic development, which meets the needs of the border regions, with strengthening of cross border relationships and capacity building for EU Integration being addressed more indirectly through programme implementation than directly by operations.

CBC Programmes between IPA II Beneficiaries are most effective in meeting the overall programme objectives in *socio-economic development* and *cross border co-operation*, with administrative capacity limiting the achievement of objectives in *EU Integration*. Centralised advisory support has been critical to the programming, implementation and monitoring.

Whilst the programme structures are established in line with the IPA II Regulation¹ 231/2014, administrative capacity issues at all levels are compromising the efficiency of the administrative function of many stakeholders. However, monitoring systems are well embedded and provide robust management support and reporting at operation and increasingly at programme level.

The very long time to contracting and lack of local input in operation selection indicates that the procurement process could be improved, although some of the early delays are starting to be overcome.

Once contracted, operations are generally implemented on time with good support from the structures managing implementation. Outputs are largely delivered as expected.

Little progress can be reported on impact due to the early stage in implementation for most programmes.

The pre-conditions for sustainability are in general not in place across many of the IPA CBC Programmes. Sustaining both partnerships and operation results is often reliant on subsequent IPA CBC Programme financing and limitations in administrative capacity negatively affects both central and local institutions. There are however good examples where capacity is being built and sustained.

Systems are in place to ensure coherence with other IPA CBC Programmes but less so with other programmes where complementarities are not systematically sought to strengthen the sustainability of the IPA CBC.

The IPA CBC Programme has generated good visibility amongst institutional partners and direct beneficiaries in the border regions.

Conclusions and Recommendations

Relevance

All programmes emphasize socio-economic development with a less robust link to improving cross border relations and EU integration capacity building. The overall assessment of all programmes is positive as the individual programmes target local needs and the internal theory of change is sound. However, the IPA CBC is designed and implemented under a largely common approach in very differing local contexts. Local implementing authorities attempt to tailor individual programmes to local needs and capacities but there are limitations on the extent that this can be achieved within the operating parameters established by the programme. This lack of flexibility is leading to programmes with lower administrative and absorption capacity being reduced to a focus on infrastructure and away from the softer interventions needed for longer term capacity building in the border region.

¹ Regulation COM 231/2014 of the European Parliament and of the Council establishing an Instrument for Pre-accession Assistance (IPA II).

The IPA CBC Programme should be formally adopted by the partner governments to establish a framework for cross border relations.

The number of indicators measured should be reduced to make the programmes more focused and to reduce the effort needed to monitor performance.

Effectiveness

The IPA CBC is targeted towards the immediate socio-economic needs of the citizens of the border region, but is not expected to be particularly effective at the thematic priority level because funding is too low and still too fragmented. The use of NGOs and some larger municipalities where they can provide appropriate staffing is starting to build capacity. Small scale infrastructure components have complemented capacity building to deliver practical outcomes particularly in socio-economic development and environment operations.

Investment has an important role particularly at the small scale in support of broader operation objectives but should only be used at the larger scale to unblock specific physical challenges to cross border collaboration.

Efficiency

Necessarily complicated administrative processes have in some cases taken a long time to embed, but there are a number of challenges with both institutional structures and systems which have proven difficult to resolve. Although variable across the programmes, the quality of proposals remains a significant problem despite training and review processes for unsuccessful applicants after the signature of grant contracts stemming from the calls'.

On a more positive note, despite the challenges in both institutional structures and applicants, once contracted the very high level of management oversight from Operating Structures, Contracting Authorities and Joint Technical Secretariat largely ensures the delivery of outputs. Good progress has been made with the establishment of a comprehensive monitoring system that is improving operation and increasingly programme management.

Systemic operational challenges for key institutions in the IPA CBC need to be addressed.

For the IPA CBC to be a capacity building programme rather than a generic small grant programme, it needs to target different procurement processes onto applicants of different capacities.

Impact

The limited number of operations completed by the time of the evaluation means objective assessment of impact cannot be made. There are a number of factors that can be expected to limit the impact generated from the programme, including the size of interventions, lack of integration into broader development agendas and limited focus on specific cross border challenges as well lack of administrative capacity and financing to continue operations within recipient municipalities. Given the dearth of alternative financing for development, local level impact particularly of socio-economic and environmental interventions has the potential to be quite significant.

Sustainability

Sustainability is likely to be limited because operations are generally ad hoc and not integrated into broader development strategies. Local and central institutions capacity building is

happening – especially with the use of indirect management - but remains vulnerable and the programme has not put in place mechanisms to deal with this feature.

Partnerships are largely limited to opportunistic collaborations for particular funding rounds rather than sustained relationships, which is not unreasonable at this relatively early stage of cross border programmes. There are examples of longer term partnerships being created between counterpart municipalities, albeit for the purposes of applying for funding at this stage.

Good progress has been made in improving the focus on sustainability but this now needs to be formally integrated into programme monitoring.

Coherence and complementarity

There is a clear process at both programming and contracting to effectively consult with other stakeholders and this is likely to be sufficient to ensure overlaps are avoided with other IPA programmes. Peer to peer collaboration appears strong and is a testament to the dedication of individual staff.

There is limited complementarity with other thematic or geographic programmes, including those of the EU, which is perhaps understandable given the already complicated and heavily delayed procurement processes, but given the issues around sufficiency of funding it would significantly enhance the effectiveness, impact and sustainability of the IPA CBC Programme.

With its focus on socio-economic interventions, the effectiveness, impact and sustainability of the IPA CBC Programme is substantially reliant on being part of a broader development agenda. It should be better integrated into sectoral planning and synchronised with the tools and systems being developed by DG REGIO.

Visibility

Visibility actions appear to be having some effect in reaching stakeholders to engage with the programme and are important in communicating messages related to operations to local citizens. A broader strategy or policy of engagement between partners across the border would be necessary to craft a communication approach for enhancing cross border collaboration rather than the current focus on supporting implementation of the grant scheme.

Visibility is crucial to both effective engagement in operations and broader understanding of the EU Integration and cross border message but takes much management attention and should be streamlined where possible.

3 Note de synthèse

Champ de l'évaluation

Cette évaluation à mi-parcours vise à évaluer si l'IAP de CTF 2014-2020 et ses neuf programmes constitutifs sont sur la bonne voie et à proposer une perspective destinée à soutenir la bonne mise en œuvre du prochain cadre de financement (2021-2027).

Les objectifs généraux de cette évaluation consistent à :

- évaluer la performance des programmes de CTF entre les bénéficiaires de l'IAP II au cours de la période 2014-2019, les programmes pris en compte pour l'évaluation étant ceux s'étant achevés avant le 31 décembre 2019;
- identifier les bonnes pratiques et les enseignements tirés;
- formuler des recommandations afin d'améliorer la mise en œuvre des programmes de CTF entre les bénéficiaires de l'IAP II;
- formuler des recommandations pour la programmation et les objectifs politiques futurs de la coopération territoriale dans le contexte du prochain cadre financier pluriannuel (CFP), et en particulier la proposition de la Commission relative à l'instrument d'aide de préadhésion IAP III 2021-2027.

L'évaluation a compris les neuf programmes IAP de CTF actuellement mis en œuvre entre les bénéficiaires de l'IAP II, représentant un budget total de 83,3 millions d'euros de contribution financière de la part de la Commission européenne. Un montant total de 27,029 millions d'euros a été contracté par le biais de 13 appels à proposition terminés pour huit des neuf programmes.

Approche synthétique

L'évaluation à mi-parcours est une évaluation basée sur la théorie du changement (méthodologie de planification stratégique visant à définir la mission ultime de l'organisation qui y a recours). Elle a débuté par la reconstitution de la théorie du changement et a évalué la performance en répondant à neuf questions. Les données ont été recueillies à partir de sources documentaires, d'entretiens et d'une série d'enquêtes réalisées auprès des candidats, des bénéficiaires et des autorités locales dans la zone éligible des programmes.

Neuf évaluations individuelles des programmes IAP de CTF individuels ont été réalisées en recourant à une analyse de chaque programme et des 80 opérations contractées à la date butoir du présent rapport, créant ainsi une série d'évaluations indépendantes des programmes individuels, assorties de conclusions et de recommandations. Les principales conclusions de ces évaluations des programmes ont été triangulées avec les informations documentaires disponibles et ont été validées par des entretiens avec les principales parties prenantes et des discussions internes entre les membres de l'équipe chargée de l'évaluation, avant d'être consolidées dans ce rapport de synthèse. Les conclusions et les recommandations formulées dans le présent rapport visent des problèmes systémiques qui surviennent dans la plupart des programmes, voire tous, ou qui les affectent.

Conclusions des constatations de la synthèse et recommandations au niveau de l'IAP de CTF

Constatations

La logique d'intervention des programmes de CTF entre les bénéficiaires de l'IAP II est toujours adaptée aux besoins des zones frontalières. Les autorités nationales ont mis en place une programmation globale et inclusive dans le cadre général défini par la Commission européenne. Elle a permis de cibler le développement socio-économique, ce qui répond aux besoins des régions frontalières, et d'aborder la consolidation des relations transfrontalières

et le renforcement des capacités en vue de l'intégration européenne de manière plus indirecte grâce à la mise en œuvre des programmes plutôt que de manière directe par des subventions individuelles.

Les programmes de CTF entre les bénéficiaires de l'IAP II sont le plus efficace quand il s'agit d'atteindre les objectifs généraux des programmes en termes de *développement socio-économique* et de *coopération transfrontalière*, alors que les faibles capacités administratives limitent la réalisation des objectifs d'*intégration européenne*. Le soutien consultatif centralisé, apporté par le projet CBIB+, a joué un rôle essentiel dans la programmation, la mise en œuvre et le suivi.

Bien que les structures des programmes soient établies conformément au règlement² IAP II 231/2014, les problèmes liés aux capacités administratives constatés à tous les niveaux compromettent l'efficacité de la fonction administrative de nombreuses parties prenantes. Toutefois, les systèmes de suivi sont bien intégrés, apportent un soutien considérable à la gestion et contribuent à l'établissement de rapports détaillés au niveau des opérations et de plus en plus au niveau des programmes.

Le très long délai pour la contractualisation et le manque de contribution au niveau local dans la sélection des opérations montrent que le processus de passation de marchés est susceptible d'être amélioré, bien qu'une partie des retards initiaux commencent à être rattrapés.

Une fois contractées, les opérations sont généralement mises en œuvre dans le délai imparti avec un bon soutien des structures en charge de la mise en œuvre. Les résultats prévus sont largement atteints.

Peu d'avancées sur l'impact peuvent être rapportées car la plupart des programmes n'en sont qu'à leur phase initiale de mise en œuvre.

Les conditions préalables pour la durabilité ne sont en général pas mises en place dans de nombreux programmes IAP de CTF. Le maintien des partenariats et des résultats des opérations après leur achèvement dépend souvent de financements ultérieurs du programme IAP de CTF et les limites des capacités administratives affectent négativement les institutions centrales et locales. Il existe toutefois de bons exemples où les capacités sont créées et maintenues.

Des systèmes sont mis en place pour assurer la cohérence avec les autres programmes IAP de CTF et, dans une moindre mesure, avec d'autres programmes où les complémentarités ne sont pas systématiquement recherchées pour renforcer la durabilité de l'IAP de CTF.

Le programme IAP de CTF a eu une bonne visibilité parmi les partenaires institutionnels et les bénéficiaires directs dans les régions frontalières.

Conclusions et recommandations

Pertinence

Tous les programmes mettent l'accent sur le développement socio-économique avec au second plan l'amélioration des relations transfrontalières et le renforcement des capacités dans le processus d'intégration européenne. L'évaluation globale de tous les programmes est positive étant donné que les programmes individuels ciblent les besoins locaux et que la théorie interne du changement est solide. Toutefois, l'IAP de CTF est conçu et mis en œuvre

² Règlement COM 231/2014 du Parlement européen et du Conseil instituant un instrument d'aide de préadhésion (IAP II).

en suivant une approche unique dans des contextes locaux très divergents. Les autorités locales en charge de la mise en œuvre tentent d'adapter les programmes individuels aux capacités et aux besoins locaux, mais cette adaptation est limitée par les paramètres opérationnels établis par ceux-ci. Ce manque de flexibilité a pour conséquence que des programmes disposant de moins de capacités administratives et d'absorption sont réduits à se concentrer sur les infrastructures et qu'ils s'éloignent des interventions plus flexibles nécessaires au renforcement à plus long terme des capacités dans la région frontalière.

Chaque programme IAP de CTF devrait être officiellement adopté par les gouvernements partenaires en vue d'établir un cadre pour les relations transfrontalières.

Le nombre d'indicateurs mesurés devrait être réduit pour rendre les programmes plus ciblés et réduire les efforts nécessaires pour assurer le suivi de la performance.

Efficacité

L'IAP de CTF cible les besoins socio-économiques immédiats des citoyens de la région transfrontalière, mais ne devrait pas résulter particulièrement efficace au niveau des priorités thématiques, car le financement est insuffisant et encore trop fragmenté. Le recours à des ONG et à certaines municipalités plus importantes susceptibles de fournir le personnel qualifié permet de commencer à renforcer les capacités. Des éléments d'infrastructures à petite échelle ont complété le renforcement des capacités pour atteindre des résultats concrets notamment dans le développement socio-économique et les opérations environnementales.

Les investissements ont joué un rôle important notamment à petite échelle pour soutenir les objectifs opérationnels plus larges, mais ils ne devraient être utilisés qu'à plus large échelle pour franchir des obstacles physiques spécifiques à la collaboration transfrontalière.

Efficience

Dans certains cas, il a fallu beaucoup de temps pour intégrer des processus administratifs forcément compliqués, mais certains défis liés aux structures et aux systèmes institutionnels se sont avérés difficiles à surmonter. Bien que variable selon les programmes, la qualité des propositions reste un problème de taille malgré la formation et les processus d'évaluation pour les candidats non retenus après la signature des contrats de subvention découlant des appels.

Sur une note plus positive : malgré les défis relatifs aux structures institutionnelles et aux candidats à subvention, une fois les opérations contractées, le très haut niveau de contrôle de la gestion exercé par les structures opérationnelles, les autorités contractantes et le secrétariat technique conjoint garantit largement la fourniture des résultats. De bonnes avancées ont été réalisées avec la mise en place d'un système global de suivi qui améliore la gestion des opérations et, de plus en plus, la gestion des programmes.

Les défis opérationnels systémiques des principales institutions dans l'IAP de CTF doivent être relevés.

Pour que l'IAP de CTF soit un programme de renforcement des capacités plutôt qu'un programme générique de petites subventions, il doit cibler différents processus de passation de marchés en fonction de candidats disposant de capacités différentes.

Impact

Le nombre limité d'opérations achevées au moment de l'évaluation ne permet pas de réaliser une évaluation objective de l'impact. Certains facteurs pourraient limiter l'impact généré par

les programmes, comme la taille des interventions, le manque d'intégration dans des programmes de développement plus larges et l'attention limitée portée à des défis transfrontaliers spécifiques, sans oublier le manque de capacités administratives et de financement pour poursuivre les opérations au sein des municipalités bénéficiaires. Le manque de financement alternatif pour le développement peut avoir un impact assez considérable au niveau local, en particulier pour les interventions socio-économiques et environnementales.

Durabilité

La durabilité des opérations devrait être limitée, car elles sont généralement ponctuelles et non intégrées à des stratégies de développement plus larges. Le renforcement des capacités des institutions centrales et locales se concrétise – en particulier en recourant à la gestion indirecte – mais reste vulnérable, et le programme n'a pas mis en place les mécanismes permettant d'y faire face.

Les partenariats se limitent essentiellement à des collaborations opportunistes pour des cycles de financement précis plutôt qu'à des relations durables, ce qui n'est pas déraisonnable à ce stade relativement précoce des programmes transfrontaliers. Il existe quelques exemples de partenariats à plus long terme établis entre des municipalités homologues, bien qu'ils aient été établis au départ dans le but de solliciter un financement.

De bonnes avancées ont été réalisées pour améliorer l'attention portée à la durabilité, mais elles doivent désormais être intégrées officiellement au suivi des programmes.

Cohérence et complémentarité

Le processus est clair au niveau de la programmation et de la contractualisation afin de consulter efficacement les autres parties prenantes, et il devrait suffire pour éviter les chevauchements avec d'autres programmes IAP. La collaboration entre pairs semble solide et témoigne du dévouement des membres du personnel.

La complémentarité est limitée avec d'autres programmes thématiques ou géographiques, y compris ceux de l'UE, ce qui peut se comprendre étant donné les processus déjà compliqués et fortement retardés des passations de marchés, mais, en raison des problèmes liés à la suffisance du financement, elle améliorerait considérablement l'efficacité, l'impact et la durabilité du programme IAP de CTF.

Avec son attention portée aux interventions socio-économiques, l'efficacité, l'impact et la durabilité du programme IAP de CTF dépendent considérablement de son intégration dans des programmes de développement plus larges. Elle devrait être mieux intégrée à une planification sectorielle et synchronisée avec les outils et les systèmes développés par la DG REGIO.

Visibilité

Les actions de visibilité semblent jouer un rôle pour convaincre les parties prenantes de participer au programme et sont importantes pour communiquer aux citoyens locaux des messages liés aux opérations. Il serait judicieux de mettre en place une stratégie plus large ou une politique d'engagement entre les partenaires de chaque côté de la frontière pour élaborer une approche de communication destinée à améliorer la collaboration transfrontalière par rapport à la priorité actuelle visant à soutenir la mise en œuvre du programme de subventions.

La visibilité est essentielle à une participation efficace aux opérations et à une meilleure compréhension de l'intégration européenne et du message transfrontalier, mais elle nécessite d'accorder une grande attention à la gestion et devrait être rationalisée dans la mesure du possible.

4 Objectives and methodology

4.1 Objectives of the mid term evaluation

This is a mid-term evaluation (MTE) and therefore the purpose is to provide both an assessment of whether the IPA CBC and its constituent nine programmes are on the right track, but also a forward-looking perspective to support the successful implementation of the next financing perspective.

The general objectives of this evaluation are to:

- Assess the performance of CBC Programmes between IPA II Beneficiaries during 2014-2019;
- Identify good practices and lessons learned;
- Provide recommendations to improve the implementation of CBC Programmes between IPA II Beneficiaries;
- Produce recommendations for future programming and policy purposes for territorial cooperation in the context of the next Multiannual Financial Framework (MFF) and in particular the Commission proposal for the Instrument for Pre-Accession III.

4.2 Methodological Approach

The MTE is a theory based evaluation. It has started with the reconstruction of the overall theory of change for the IPA CBC, found in annex 1, which identified the actual logic flows from inputs to impact. A series of nine evaluation questions based around the OECD DAC3 evaluation criteria as well as complementarity and visibility were developed from the initial evaluation questions given in the Terms of Reference (ToR). From this, an evaluation matrix was developed with judgement criteria and indicators based on the theory of change and including indicators and data collection methods. The evaluation matrix was updated following the desk phase and can be found in annex 2.

This synthesis report provides an overview of the IPA CBC Programme at the cut off date of 31st December 2019, although some pertinent information from 2020 is also included where it materially affects the findings (such as corrective actions already applied and the consequences of the Covid-19 pandemic).

4.3 Analysis at programme and operations level

The MTE has been divided into two streams of analysis – at the programme level, which considers how each of the nine individual programmes were designed and implemented; and at the operations level, which considers how individual operations within these programmes are being implemented and their actual or expected contribution to the performance of the IPA CBC. Findings and recommendations are provided at the level of each IPA CBC Programme and consolidated at the level of the objectives of IPA CBC.

In addition, surveys were undertaken during the field phase with applicants, grantees and local authorities and the findings were consolidated into the final IPA CBC programme reviews and the IPA CBC MTE.

The programme level review gathers evidence of how the IPA CBC operates, principally at the level of the implementing structures. 20 of 23 judgement criteria in the evaluation matrix require information at this level, covering all evaluation criteria. A guide was created identifying the specific information that should be collected for each indicator and the documents to be

³ Organisation of Economic Co-operation and Development – Development Assistance Committee.

consulted. For each indicator, a red/amber/green rating was applied along a definition of the rating and a descriptive explanation and link to supporting evidence for the rating given.

By the end of 2019, the IPA CBC had contracted 80 operations over eight of the nine ongoing IPA CBC programmes, of which 78 were either ongoing or completed with two cancelled. The review of operations was based on a mixture of existing Results Orientated Monitoring (ROM) reports (for 51 operations) and extracting information from monitoring reports and other operation documents by the evaluation team (for the remaining 27). An assessment methodology was developed in order to extract common information from these two different information sources. This linked individual indicators from the evaluation matrix with specific elements of the source reports. For each indicator a red/amber/green rating was applied along with a descriptive narrative supporting the rating given. Where information was unclear or lacking in the monitoring or ROM reports, the original operation contract and reporting documents were consulted.

4.3.1 Information sources

The information sources for the indicators identified in the evaluation matrix include programme documents⁴, questionnaire surveys, interviews with key stakeholders and additional analytical information produced by third parties. The latter is principally generated by the technical assistance contractor to the IPA CBC programme, CBIB+, who have created a series of individual pieces of analysis since 2014 at both the individual IPA CBC Programme level but also at the IPA CBC level and the Results Orientated Monitoring (ROM) contractor to the European Commission. Data and evidence was collected in the desk and field phases. The desk phase concentrated on extracting information from documentary evidence and preliminary analysis whilst the field phase, which was held remotely because of the travel restrictions imposed to counter the Covid-19 pandemic, validated hypotheses and further elaborated recommendations through analysis and interviews.

The MTE has also used a series of three on-line surveys with applicants, grantees and local authorities to investigate key aspects of programme design, procurement and implementation. These surveys, which were available in all local languages, consisted of short series of open and closed questions, with answers where possible disaggregated to the individual programme level.

4.3.2 Synthesis of findings

Nine individual IPA CBC Programme Reviews have been produced through analysis at both the programme level and for the 80 operations contracted at the cut off date for this report (31st Dec 2019), creating a series of stand alone assessments of the individual programmes, with accompanying conclusions and recommendations. The key findings from these Reviews have been triangulated with available documentary information and validated through interviews with key stakeholders as well as in internal discussions between the evaluation team members prior to being consolidated into this synthesis report. The conclusions and recommendations provided in this report are targeted at systemic issues which occur in or affect most, if not all, programmes.

4.4 Methodology limitations

The MTE has used on-line surveys to reach potential respondents, but was limited in its ability to reach out to specific parties by the requirements of the General Data Protection Regulation. The evaluation was not able to directly contact respondents. This might have reduced the response rate, but as the overall population of potential respondents is not known, this cannot

⁴ Documents are referenced in the individual IPA CBC Programme reviews and include IPA CBC 2014-2020 programmes, calls for proposals, grant agreements, operation interim reports, JTS monitoring reports and risk assessment reports and Annual Implementation Reports.

be verified. To address this, the evaluation engaged with intermediary institutions (national authorities, JTS and DEU) to widely promote the survey.

The assessment of the effectiveness of visibility amongst the local population has been addressed through a survey targeting local authorities as a proxy for local citizens. Whilst giving a useful summary of perceptions from these institutions, a more comprehensive direct survey of citizens would have given a more comprehensive picture.

5 Summary of the IPA CBC Programmes 2014-2020

Summary Objectives

Good neighbourly relations and regional cooperation are essential for lasting peace in the Western Balkans⁵. In this region, borders were also regions of conflict and social and cultural fracture points for communities as the former Yugoslavia disintegrated during the 1990s. The IPA CBC has the broader objectives to promote good neighbourly relations, foster EU integration and promote socio-economic development in border areas between countries through joint local and regional initiatives combining both external aid and economic and social cohesion objectives⁶. It is complementary to other regional and multi-beneficiary funding initiatives of the EU including under the IPA and other programmes managed by DG REGIO such as Interreg IPA CBC programmes with Member States (CBC and Transnational) Programmes and EU Macro-regional Strategies. All IPA CBC beneficiaries also benefit from these other programmes, dependent mostly on their geographies – the Republic of Serbia for example has access to three IPA-IPA CBC programmes, but also to six other EU CBC programmes.

Programme design overview

In line with the move towards a more results focused approach for IPA II, the 2014-2020 programming period has seen a concentration of its IPA CBC effort onto a more limited range of intervention areas. Regulation 231/2014 outlines eight thematic priorities, of which the joint programming taskforces⁷ for each IPA CBC Programme selected three. The thematic priorities of the IPA-IPA CBC and the IPA CBC programmes with Member States are aligned as they are drawn from the same IPA Regulation. Individual calls for proposals offer the opportunity to further focus the programmes onto specific objectives. The programming process includes an inclusive consultation process with citizens, institutions and representative of civil society across the eligible border region, coupled with a situational analysis to identify key local challenges and needs and define the programme priorities.

The 2014-2020 IPA CBC consists of nine programmes with a total budget of €83.3m. Four are implemented under direct management by the European Union Delegation and five under indirect management by the national authorities. 10% of programme budgets are allocated for technical assistance to support the implementation of the programme. Grants are distributed to partnerships of local authorities and non-profit organisations following either open or restricted procurement using standard EU PRAG⁸ rules. Grantees provide co-financing of a minimum of 15%.

Table 1 IPA CBC Programme mapping and budgets

Programme	Thematic priorities & budget
IPA-CBC Programme Albania-Kosovo 2014-2020 <i>Overall objective:</i> To strengthen good neighbourly relations and foster environmentally friendly and socially inclusive economic development of the bordering regions, through the promotion of their touristic potential and respect of its common cultural and natural heritage. <i>Total allocated budget:</i> €8.4m ⁹	TP 1: Protecting the environment, promoting climate change adaptation and mitigation, risk prevention and management - €2.52m
	TP 2: Encouraging tourism, culture and natural heritage - €2.52m
	TP 3: Investing in youth, education and skills - €2.52m

⁵ Strategy for the Western Balkans, European Commission 2018.

⁶ A Quick Guide to IPA II programming, European Commission.

⁷ Formed by representatives from both sides of the border.

⁸ PRAG – the Practical Guide to contract procedures for EU external actions.

⁹ Allocated budgets include 10% for technical assistance.

Programme	Thematic priorities & budget
IPA-CBC Programme Bosnia and Herzegovina-Montenegro 2014-2020 <i>Overall objective:</i> To promote sustainable development in the cross-border area by the implementation of common actions based on an efficient use of the comparative advantages of the programme area. <i>Total allocated budget:</i> €8.4m	TP 1: Promoting employment, labour mobility, social and cultural inclusion across the border - €2.1m
	TP 2: Protecting environment, promoting climate change adaptation and mitigation, risk prevention and management - €2.94m
	TP 3: Encouraging tourism, culture and natural heritage - €2.52m
IPA-CBC Programme Montenegro-Albania 2014-2020 <i>Overall objective:</i> To promote joint cross-border initiatives and actions seeking to improve the economy of the border areas in a socially and environmentally sustainable way. <i>Total allocated budget:</i> €11.9m	TP 1: Encouraging tourism, culture and natural heritage - €4.17m
	TP 2: Protecting the environment, promoting climate change adaptation and mitigation, risk prevention and management - €3.57m
	TP 3: Promoting employment, labour mobility and social and cultural inclusion across the border - €2.98m
IPA-CBC Programme Montenegro-Kosovo 2014-2020 <i>Overall objective:</i> To improve the standard and quality of living of the people in the programme area through the environmentally sustainable and socially inclusive economic development of the region, with respect for its common cultural and natural heritage. <i>Total allocated budget:</i> €8.4m	TP 1: Promoting employment, labour mobility and social and cultural inclusion across the border - €2.1m
	TP 2: Protecting the environment, promoting climate change adaptation and mitigation, risk prevention and management - €2.52m
	TP 3: Encouraging tourism, culture and natural heritage - €2.94m
IPA-CBC Programme North Macedonia-Albania 2014-2020 <i>Overall objective:</i> To stimulate a more balanced, inclusive and sustainable socio-economic development in the border area. <i>Total allocated budget:</i> €11.9m	TP 1: Encouraging tourism and cultural and natural heritage - €3.75m
	TP 2: Enhancing competitiveness, business, trade and investment - €3.75m
	TP 3: Protecting environment, promoting climate change adaptation and mitigation, risk prevention and management - €3.21m
IPA-CBC Programme Serbia-Bosnia and Herzegovina 2014-2020 <i>Overall objective:</i> To enhance the socio-economic development in the area through the implementation of targeted and concrete actions, based on comparative advantages of the programme area and the joint, efficient use of resources. <i>Total allocated budget:</i> €14m	TP 1: Promoting employment, labour mobility, social and cultural inclusion across the border - €3.5m
	TP 2: Protecting environment, promoting climate change adaptation and mitigation, risk prevention and management - €4.9m
	TP 3: Encouraging tourism, culture and natural heritage - €4.2m
IPA-CBC Programme Serbia-Montenegro 2014-2020 <i>Overall objective:</i> To continue the economic, social and territorial development of the programme area by fostering integration, joint development and use of potentials and opportunities to make the area attractive to live and work <i>Total allocated budget:</i> €8.4m	TP 1: Promoting employment, labour mobility and social and cultural inclusion across the border - €2.1m
	TP 2: Protecting the environment, promoting climate change adaptation and mitigation, risk prevention and management - €3.36m
	TP 3: Encouraging tourism, culture and natural heritage - €2.1m

Programme	Thematic priorities & budget
IPA-CBC Programme Serbia-North Macedonia 2014-2020 <i>Overall objective:</i> To strengthen good neighbourly relations, establish partnerships and to contribute to the development of a vibrant programme area by connecting its people and resources in a sustainable way. <i>Total allocated budget:</i> €3.5m	TP 1: Promoting employment, labour mobility, social and cultural inclusion across the border - €1.23m
	TP 2: Encouraging tourism and cultural and natural heritage - €1.93m
IPA-CBC Programme Kosovo-North Macedonia 2014-2020 <i>Overall objective:</i> To foster cooperation among institutions and organisations within the cross-border region to support sustainable economic growth and strengthen social cohesion. <i>Total allocated budget:</i> €8.4m	TP 1: Enhancing competitiveness, business, trade and investment - €2.35m
	TP 2: Encouraging tourism, culture and natural heritage - €2.86m
	TP 3: Protecting the environment, promoting climate change adaptation and mitigation, risk prevention and management - €2.35m

Summary of management structures

IPA CBC programmes are jointly managed by the operating structures of the two participating countries or Beneficiaries involved but the CBC operations are chiefly implemented through grant contracts signed between the contracting authority of the programme and a legal entity named 'coordinator', which played the role of lead applicant in the call for proposals.

Under *direct management*, the local Delegation of the European Union (DEU)¹⁰ retains contractual responsibility for all aspects of the programme, launches calls for proposals and oversees the proposals' evaluation and programme management functions. They are assisted by the Joint Technical Secretariat (JTS) which consists of an office in the country where the contracting authority is located and an antenna office in the other participating country with operational, financial and communication officers and paid from the programme's technical assistance budget. The Operating Structures (OS) are the lead institution charged with designing the programme and providing operational oversight through contracting the JTS and establishing the Joint Monitoring Committee (JMC). The JMC brings together all the institutional stakeholders from both participating countries or Beneficiaries and provides annual oversight of the programme implementation.

Under *indirect management*, contractual responsibility is delegated to the lead partner through a Central Contracts and Finance Unit (CFCU) with ex ante control by the DEU. Other operational and programme management roles remain the same.

Technical assistance at the IPA CBC level is provided through an external consultant, CBIB+, contracted by DG NEAR.

Summary of progress to date

The nine IPA CBC programmes contained a total of 80 different operations at 31 December 2019. The Republic of Serbia-Republic of North Macedonia IPA CBC programme has yet to contract any operations as it started two years later than the others, while the Republic of North Macedonia - Republic of Albania IPA CBC programme has the largest number contracted at fourteen and also the highest proportion of the EU budget contracted at just over 50% by the end of 2019. Budgets per programme run from 3.5 m euros in the early stage and later starting

¹⁰ European Union Office in Kosovo.

Serbia - North Macedonia IPA CBC programme to 14m euros in the Serbia- Bosnia and Herzegovina IPA CBC programme, with five programmes having a budget of 8.4 m euros.

Table 2 Summary overview of the IPA CBC Programme contracting to date

IPA CBC Programme	Mgmt Mode	Call	Open / Restricted	Amount Allocated	Amount contracted	Funds contracted (%)	No. of Operations
Albania – Kosovo	Direct	1	Restricted	2.040	1.794	87	5
		2	Open	2.040	1.625	80	2
Bosnia and Herzegovina – Montenegro	Direct	1	Restricted	3.240	0.880	27	3
		2	Restricted	4.399	3.655	83	10
Kosovo- North Macedonia	Direct	1	Restricted	2.040	1.670	82	9
		2	Open	0.350	0.284	81	1
		3	Restricted	2.040	1.129	55	3
Montenegro - Albania	Indirect	1	Restricted	2.890	2.752	96	8
		2	Open		-	-	0
Montenegro – Kosovo	Indirect	1	Restricted	2.040	2.020	99	7
		2	Open			-	0
North Macedonia – Albania	Direct	1	Restricted	2.890	2.864	99	9
		2	Restricted	2.890	2.652	91	5
Serbia – Bosnia and Herzegovina	Indirect	1	Restricted	5.400	3.856	71	9
		2	Open	4.774	-	-	0
Serbia – Montenegro	Indirect	1	Restricted	2.040	1.848	90	9
		2	Open	3.260	-	-	0
Serbia - North Macedonia	Indirect	1	Restricted	1.260	-	-	0

There is a clear thematic focus around three key areas – tourism, environment and employment.

Table 3 Thematic concentration at the IPA CBC level

Thematic Priority	Number of Operations	Number of Programmes	Number of Calls	Total Grants €M
Tourism	34	8	11	11.780
Environment	25	8	9	10.275
Employment	11	4	4	2.618
Competitiveness	7	2	2	1.724
Youth	3	1	1	0.985

Eight of the nine programmes were launched in December 2014, with RS-MK following two years later at the end of 2016. The following table outlines the main timelines to the cut off date for the evaluation.

Table 4 Implementation timelines

	(1)	(2)		(3)		(4)		(5)	
Progr	Adopt of progr	Launch of 1 st call	Time between (1) and (2)	Start of contract	Time between (2) and (3)	Launch of 2 nd call	Time between (3) and (4)	Start of contract	Time between (4) and (5)
AL-KS	December 2014	11 January 2017	24 months	January 2018	12 months	3 May 2019	16 months	15 January 2020	8 months
BA-ME	December 2014	17 October 2016	21 months	January 2018	14 months	7 December 2018	11 months	September 2019	9 months
KS-MK	December 2014	13 June 2017	29 months	January 2018	7 months	29 March 2019	13 months	01 February 2020	10 months
ME-AL	December 2014	15 July 2016	18 months	April 2018	22 months	26 February 2019	10 months	N/A	9 months (under evaluation)
ME-KS	December 2014	10 March 2017	26 months	November 2018	20 months	15 January 2019	2 months	N/A	11 months (under evaluation)
MK-AL	December 2014	16 September 2016	20 months	November 2017	14 months	23 November 2018	12 months	November 2019	11 months
RS-BA	December 2014	2 October 2017	33 months	January 2019	15 months	14 November 2019	11 months	N/A	1 month (under submission)
RS-ME	December 2014	15 November 2017	35 months	January 2019	14 months	12 September 2019	9 months	N/A	3 months (under submission)
RS-MK	December 2016	25 July 2019	31 months	N/A	4 months (under evaluation)				

6 Evaluation question findings and answers

This chapter summarises the evidence and provides findings from programme and operations level research during the desk and field phase, including surveys. The elaborated evidence by IPA CBC Programme is provided separately in the nine individual IPA CBC Programme Reviews. The synthesis report uses the following broad ratings categories:

	Good and on track
	Some concerns and could be better
	Significant concerns and needs corrective actions

6.1 Evaluation Question 1: The intervention logic of the CBC Programmes between IPA II Beneficiaries remains relevant to the needs of the border areas

Key Findings

- Comprehensive and inclusive programming by the national authorities within the broad framework defined by the European Commission has led to a focus on socio-economic development, which meets the needs of the border regions;
- Strengthening of cross border relationships and capacity building for EU Integration are addressed more indirectly through programme implementation than directly by operations;
- There is well developed intervention logic at the programme level, although there is insufficient clarity connecting individual calls to the overall objectives of the IPA CBC.

6.1.1 Relevance of the Programmes

AL-KS	BA-ME	KS-MK	MK-AL	ME-AL	ME-KS	RS-BA	RS-ME	RS-MK
Key Findings <ul style="list-style-type: none"> • All Programme Reviews found that the intervention logic remained relevant to the needs of the border areas, with the only concerns due to the general lack of broader strategic or thematic planning for the border regions. Needs analysis for IPA III CBC undertaken in late 2020 confirmed similar local priorities across the nine programmes 								

The IPA CBC design process is characterised by a top down identification by the EU of IPA CBC objectives and definition of eight possible thematic priorities¹¹ and a bottom up programming aligned to the three thematic priorities selected by the national authorities. Whilst the EU broadly views the IPA CBC as a mechanism for capacity building¹², the national authorities see it as one of their few sources of local investment funds. This has led to a significant concentration on the three thematic priorities of tourism, employment and environment across the nine programmes¹³.

The 2014-2020 programme design has been based on situational analysis and stakeholder consultation that, whilst it varies slightly between programmes, provides a comprehensive understanding of needs in the eligible border regions. The process engages local citizens on both sides of the border in consultation exercises. This is principally done independently on

¹¹ IPA Regulation 231/2014 provides for a maximum of four thematic priorities, but all nine programmes were guided by the European Commission to limit their selection to three as part of the process of concentrating funding into a more limited scope to improve effectiveness.

¹² IPA Regulation 231/2014 includes (Art 2, para 1b) seven objectives for economic, social and territorial development of which one includes infrastructure and the remainder on capacity building and policy reform; of the eight thematic priorities in Annex III, all cover capacity building with two including infrastructure.

¹³ See Chapter 2.

each side of the border for practical and cost reasons rather than bringing people together to form a joint understanding of mutual needs. The general lack of thematic, local or cross border level strategic planning documents was noted by some stakeholders as making interventions sometimes *ad hoc*.

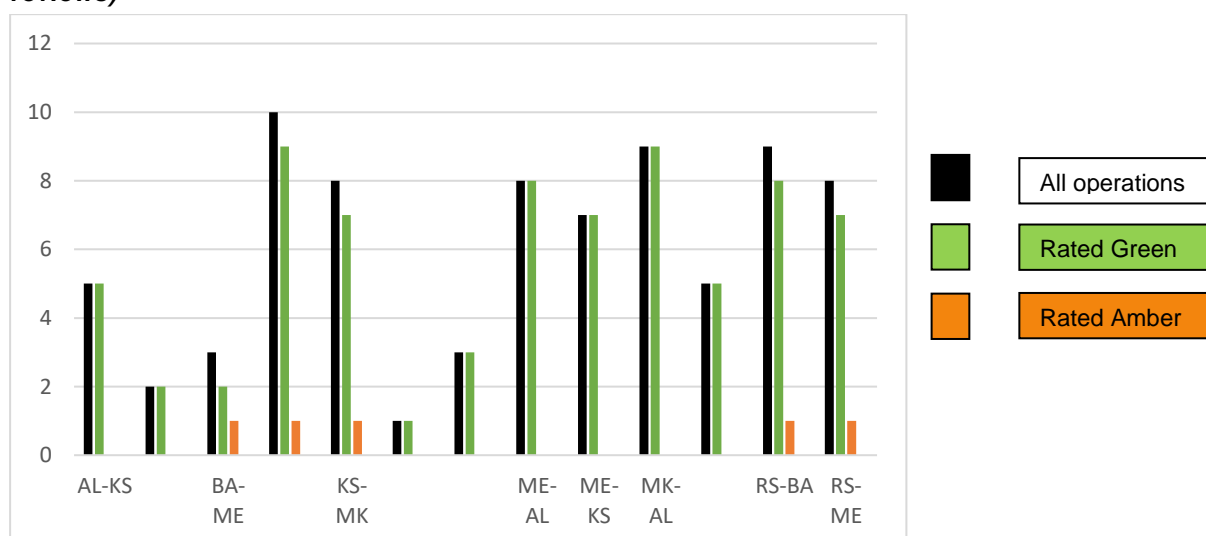
The design of the IPA CBC programmes, including the operations selected to date, are directly relevant primarily to the overall IPA CBC objectives of socio-economic development, but more indirectly to the objectives of the promotion of good neighbourly relations and fostering EU integration.

The assessment of the intervention logics for all nine IPA CBC programmes was that the causality and logic is generally clear from the specific objectives, expected outcomes and expected outputs. Some limited and specific weaknesses were identified within individual IPA CBC programmes, including the inclusion of a wide range of support measures and target groups which reduced the focus of the programme (AL-KS, ME-AL, ME-KS, RS-BA), linking of activities to objectives rather than to results which makes the intervention logic less clear (BA-ME, KS-MK) and an insufficient number of specific objectives per thematic priority (ME-AL), all of which weaken the cause-effect linkages in their respective programmes.

Information on indicators has been more challenging to collect due to the ongoing process led by CBIB+ to review and revise logframes and indicators as these changes were not reflected in operation level documentation made available to the evaluation team. Many of the originally selected indicators have been removed from overall IPA CBC reporting to the central monitoring system but will be retained for the purposes of management reporting at the IPA CBC Programme level. The process of reviewing logframes and indicators is, however, very useful in developing a simplified series of streamlined indicators that will form the basis for the introduction of common indicators under IPA III.

The Results Orientated Monitoring reports (see Figure 1) considered whether the intervention meets the current needs of the target groups/end beneficiaries. The overwhelming majority of operations (94%) have been based on a preparatory process (e.g. needs assessment or stakeholder consultation) to understand the end beneficiaries and their needs.

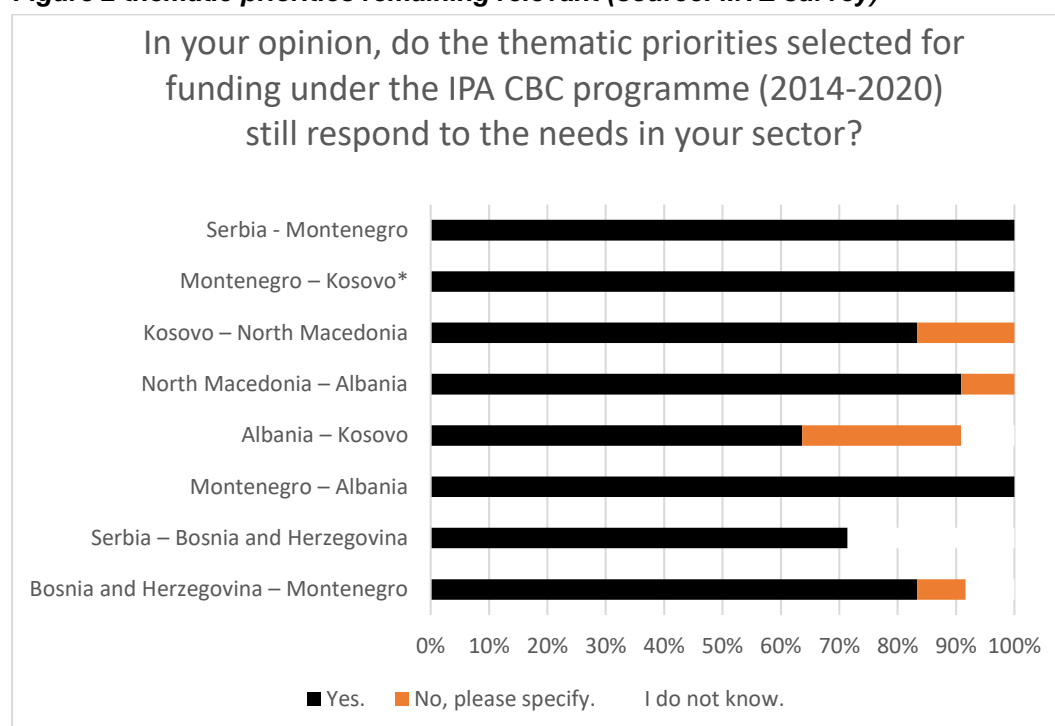
Figure 1 JC 1.1 Needs assessment and consultation rating by call for proposals (source: ROM reviews)



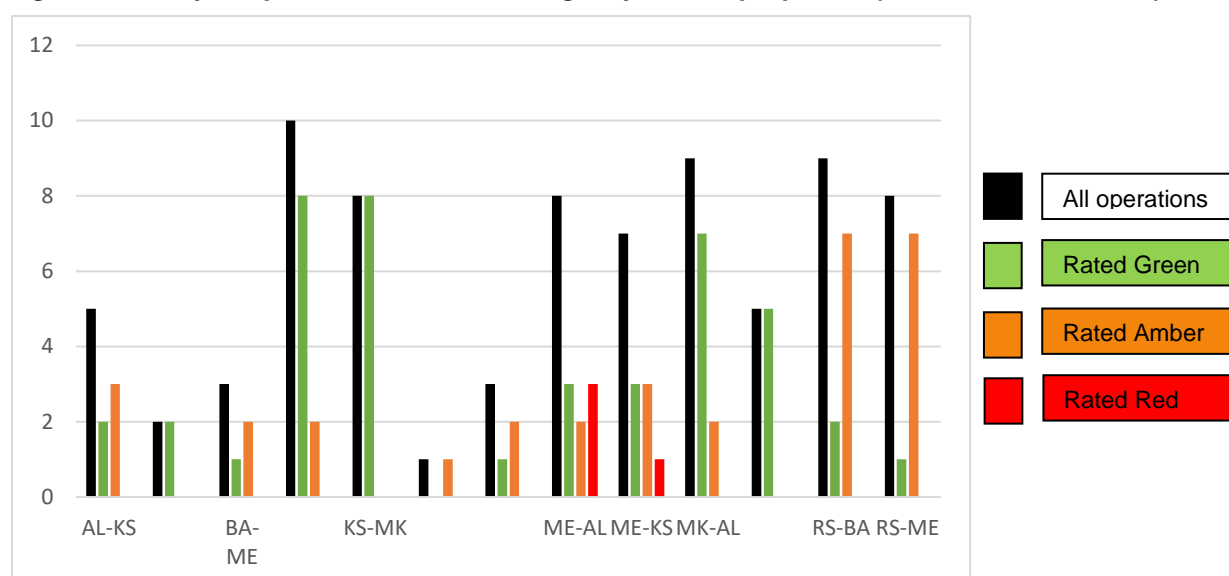
The programmes involving Bosnia and Herzegovina, Montenegro and the Republic of Serbia and those involving the Republic of Albania, Kosovo, Montenegro and the Republic of North Macedonia were developed in a collaborative, multi-border manner to ensure that individual operations do not overlap. Calls for proposals are in most cases revised based on the results of those preceding in other calls where this information is available. This has been used to change thematic priorities or include additional target groups.

In the survey of grantees of the programmes (see Figure 2), the overwhelming majority of respondents agreed that the priorities of the programme matched the needs of the regions.

Figure 2 thematic priorities remaining relevant (source: MTE survey)



At the operations level (see Figure 3), 60% were considered to have good intervention logic, with specific concerns around particularly operations in RS-BA and RS-ME which between them gathered half of the amber ratings for this assessment criteria. 26 operations from the first call in their respective IPA CBC Programme were rated as amber. There is not enough information on the performance of subsequent calls across the IPA CBC Programmes to make a judgement on whether it is improving.

Figure 3 Quality of operation intervention logic by call for proposals (source: ROM reviews)

At the thematic priority level, there are specific concerns around the quality of operation intervention logic for employment with 7 of 10 operations rated amber. Tourism and environment also exhibit relatively high proportions of operations scoring amber.

Table 5 Quality of operation intervention logic by thematic priority (source ROM reviews)

Thematic Priority	Total Operations	Rating TP		
		Green	Amber	Red
Investing in youth	3	1	2	-
Encouraging tourism	31	18	12	1
Protecting environment	28	17	11	-
Promoting employment	10	2	6	2
Enhancing competitiveness	6	5	1	-
Total	78	43	32	3
Percentage		55	41	4

6.1.2 Participation in design

AL-KS	BA-ME	KS-MK	MK-AL	ME-AL	ME-KS	RS-BA	RS-ME	RS-MK
Key Findings <ul style="list-style-type: none"> All programmes follow a common design approach, which focuses on participation and empowerment of local actors; Calls for proposals are substantially drafted during initial programming and whilst they are not disseminated for further public consultation before launch, they are reviewed by the CBC institutional stakeholders of the JMC; With the programme focusing on socio-economic development, it would improve relevance to find a way to give a greater role to the private sector. 								

The calls for proposals are directly extracted from the overarching IPA CBC programme documents, which were themselves developed through a participatory approach and it can therefore be considered that the individual calls have been based on a public consultation. They are consulted with the JMC - which can provide minor amendments to a restricted

number of features of the guidelines for applicants - but not more broadly with the public, potential applicants and final beneficiaries. Public consultation is undertaken in the EU for CBC programmes but interviews with contracting authorities broadly rejected this in part because substantive changes would require the lengthy administrative process of amendment of the programme as a whole. Contracting authorities interviewed also considered that the additional time needed for more consultations, the broad scope of IPA CBC Programme design and the lack of real change in needs on the ground over time limited the expected additional contribution from citizens. They were also concerned about the potential for conflict of interest with potential applicants. Although by the time of the second call it is five years since citizens were consulted on their opinions, the needs assessments undertaken in the context of IPA III confirmed that perceptions of need had not changed over this period.

A stakeholder group that is however most often missing as eligible applicants are the private sector actors who are included in only a limited manner in AL-KS and MK-AL programmes where they are eligible in general only where it will not bring direct revenues to the private sector. Their inclusion is especially important for the IPA CBC given the focus of so many programmes on socio-economic development, for which the private sector is a key interlocutor.

6.1.3 Changes in the programme

AL-KS	BA-ME	KS-MK	MK-AL	ME-AL	ME-KS	RS-BA	RS-ME	RS-MK
<p>Key Finding</p> <ul style="list-style-type: none"> Changes are made to improve the relevance of all programmes through a review process during the design of the call for proposals. 								

All calls have a review process between programming and launch to select the key objectives and the eligible applicants. This review generally takes the form of a proposal drafted by the lead partner OS in the IPA CBC Programme and is discussed at the (closed) JMC forum. This exercise has some positive effects on improving the relevance of the programme by better targeting the call onto specific beneficiaries. Beyond this, there are no substantive changes in the design of the calls possible because as mentioned earlier this would require an amendment to the main programme document. There is evidence that the performance of earlier calls either in the same programme or in thematic subject areas under other calls has led to changes in the design.

The Contracting Authority in a number of programmes (including KS-MK, MK-AL and AL-KS) has refocused the respective programmes towards larger, investment based operations. More broadly, the IPA CBC programme as a whole has gradually moved away from implementation by mostly non-local NGOs (which act essentially as consultants) and towards municipalities with a view to improving sustainability. These changes will improve the relevance of the programme for beneficiaries through ensuring better engagement of local implementing partners and targeting locally perceived investment needs on infrastructure. They are also intended to respond to challenges with the low quality of proposals submitted under calls for 'softer' capacity building grants which have a high proportion of their budgets allocated to expert fees and operational expenses. These interventions frequently have lower levels of local ownership and as they are not embedded into broader development plans, address clear cross border challenges or have funding to continue after the IPA CBC financing is completed, they frequently have limited potential for sustainability. Investments are seen as having a greater physical benefit to local populations and therefore greater ownership from local stakeholders which presents a better chance of them being sustained. As will be elaborated below, the MTE finds that there is a role for both large and small infrastructure investments in specific contexts, but it is important the CBC effect is maintained.

A number of programmes have also, as part of the review process, undertaken surveys to understand the challenges faced by applicants. This has led not only to changes to the design of the subsequent calls for proposals, but training and information events for potential applicants to improve their ability to prepare proposals.

6.1.4 Design of the calls for proposals

AL-KS	BA-ME	KS-MK	MK-AL	ME-AL	ME-KS	RS-BA	RS-ME	RS-MK
<p>Key Findings</p> <ul style="list-style-type: none"> All programmes had well developed intervention logic and included a broad range of target groups; There is insufficient clarity connecting individual calls with all of the overall programme objectives. 								

All programmes contain well designed calls for proposals which identify in the guidelines the thematic priorities, the specific objectives, the expected results, impact, outcome and output indicators and the types of activities that are eligible. The intervention logic is clear and regulated through the application assessment process. The list of target groups included is broad and is reviewed by the JMC prior to publication, with other potential groups identified and their inclusion discussed.

All programmes elaborated in detail the understanding of cross border interventions under the definition of eligible actions¹⁴ but this was only rarely (for ME-KS and ME-AL in the second call for proposals) included as a compliance or selection criteria. It is not clear how it was used to influence the selection process, with some contracting authorities noting that it formed an element of relevance, but the issue has been included as a mandatory requirement in the standard evaluation grids for the more recent 3rd call for proposals which were approved in late 2020.

Individual calls for proposals contain reference to the three overarching objectives of the IPA CBC Programme in their titles but there is in general not enough clarity connecting individual calls with these objectives. Most calls focus on socio-economic objectives and these can be linked to this IPA CBC objective, but there are generally no indicators used to measure the wider objectives of enhanced cross border collaboration or EU integration. These are generally expected to be achieved indirectly but should still be able to be measured even if the main objective is around socio-economic development. It is as a result more difficult to find evidence that programmes address all the three overarching objectives.

6.1.5 Link to IPA CBC objectives

AL-KS	BA-ME	KS-MK	MK-AL	ME-AL	ME-KS	RS-BA	RS-ME	RS-MK ¹⁵
<p>Key Findings</p> <ul style="list-style-type: none"> Measuring the contribution of operations to all the overall IPA CBC objectives is more difficult due to the lack of indicators at this level but in general there are clear qualitative links that can be made. 								

¹⁴ The summary of the definition in the Call for Proposals is: Operations selected shall deliver clear cross-border impacts and benefits, and they must take place in the specific programme area. They must foresee cooperation of the cross-border applicant and co-applicant(s) in both joint development and joint implementation. They must carry out most of the project activities together and not as independent, unrelated, mechanically reproduced and country-bound initiatives.

¹⁵ No operations have been contracted from RS-MK, hence no rating is provided for judgement criteria at the operations level.

There are no common indicators at the IPA CBC objectives level (socio-economic development, good neighbourly relations and EU integration) that would enable a clear link to be made with the intervention logic of individual programmes. However, it has been possible to make some broad statements of qualitative contribution (see Table 6) and to assess individual operations for their potential to make at least some contribution to these broader objectives. Individual operations have good linkages from activities to outputs and programme Specific Objectives and from this to Thematic Priorities. Links between the Thematic Priorities and overall IPA CBC objectives is strongest for the socio-economic objective given the principle focus of investment in operations on this thematic priority. Evidence for enhancement of cross border relations¹⁶ and especially EU Integration ¹⁷is more difficult to find. It can be expected that programmes have a cross border benefit through the engagement of parties on both sides of the border in the design and management of operations and EU Integration is enhanced simply by the experience gained from successful implementation of operations. However, this could be more clearly identified throughout the programme design with appropriate indicators and targets. This would also ensure that implementing partners included greater consideration of cross border relations and EU integration in programme design to identify real cross border challenges rather than interventions that can have benefit.

Table 6 Causal links between IPA CBC objectives and top three thematic priorities

IPA CBC Objectives	TP. Promoting employment, labour mobility, social and cultural inclusion across the border	TP. Protecting environment, promoting climate change adaptation and mitigation, risk prevention and management	TP. Encouraging tourism, culture and natural heritage
Socio-economic development	Strong – contributes to improved incomes, livelihoods and society	Medium – contributes to improved living conditions	Strong - contributes to improved incomes, livelihoods and society
Good neighbourly relations	Medium/low – contributes to exchanges of experience but not employment	Strong – where there is a specific focus on improved transboundary environment	Strong – contributes to common cultural heritage & tourism development
EU Integration	Low – no direct contribution	Medium – contributes to preparation for the environment acquis	Low – no direct contribution

¹⁶ For *cross border relations*, the evaluation is looking for evidence of both operational level collaboration between IPA CBC Programme stakeholders in the border regions as well as collaboration between central programming authorities.

¹⁷ For EU Integration, the evaluation is looking for evidence of preparation to implement structural funds – at the national level by implementing under indirect management mode and at local level by training local stakeholders and potential grant applicants to prepare and manage projects under structural funds in the future.

6.2 Evaluation Question 2: CBC Programmes between IPA II Beneficiaries are most effective in meeting socio-economic and cross border co-operation objectives with administrative capacity limiting the achievement of objectives in EU

Key findings

- Socio-economic interventions including those with infrastructure components are making useful, if limited, contributions to local development;
- Effects on cross border co-operation have been positive through the collaborative efforts to design and manage programmes and engagement of citizens during implementation;
- Local authorities and institutions are gaining important access to each other across the border, but building competency to apply for and manage funding is compromised by limited administrative capacity;
- Centralised advisory support has been critical to the programming, implementation and monitoring of the IPA CBC Programmes to date.

Integration

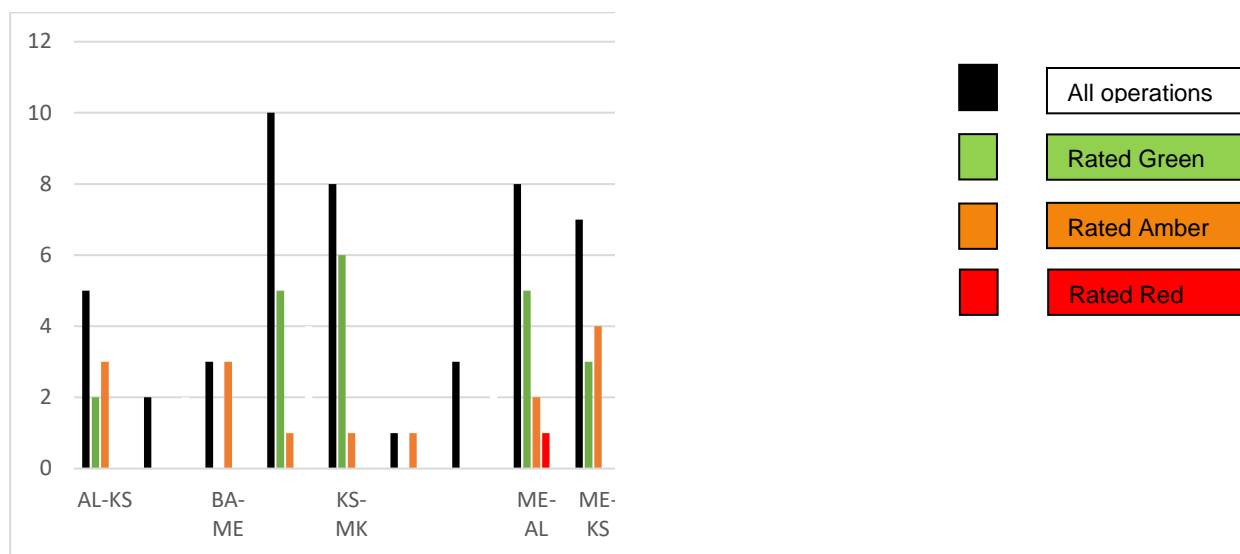
6.2.1 Contribution to the overall CBC objectives

AL-KS	BA-ME	KS-MK	MK-AL	ME-AL	ME-KS	RS-BA	RS-ME	RS-MK
Key Findings <ul style="list-style-type: none"> • Contribution is likely to be mostly on socio-economic objectives where funding is concentrated, with some interventions generating direct cross border effects; • The scale of funding will limit the contribution that individual operations can make to the overall objectives; • EU Integration effects are achieved, although more indirectly. 								

The assessment at the operations level is based on secondary information sources (ROM reports and monitoring reports) to generate a perspective on effectiveness. It did not directly review outputs and outcomes at the individual operation level.

Based on the ROM-reviews (see Figure 4), 58% of operations reviewed are considered to have made, or expected to make, a contribution to one of the three IPA CBC objectives. In one third of operations reviewed there is some concern that either outcomes will not be achieved as planned or they will not ultimately target the overall IPA CBC objectives. In some programmes this was linked to the early phase of operations and the lack of substantial outputs upon which to make a judgement. All programmes are facing these challenges in a broadly similar proportion (see Table 7 below).

Figure 4 Operations likely to contribute to IPA CBC objectives by call for proposal (source: ROM reviews)



The distribution of operations with lower expectations of meeting the IPA CBC objectives is not sector specific, with a similar spread of results across the thematic priorities.

Table 7 Distribution of likely effects on IPA CBC objectives, by thematic priority (source ROM reviews)

Thematic Priority	Total Operations	Rating TP			
		Green	Amber	Red	n/a
Investing in youth	3	1	2	-	-
Encouraging tourism	31	15	9	1	6
Protecting environment	28	18	6	-	4
Promoting employment	10	4	6	-	-
Enhancing competitiveness	6	4	1	1	-
Total	78	42	24	2	10
Percentage		54%	28%	1%	13%

The majority of the thematic priorities selected under the IPA CBC Programme are directed towards **socio-economic development**, particularly in tourism, which is seen as one of the areas where the border regions can base an economic development strategy. Although small operations can have significant benefits locally and can develop and test scalable innovations, the small amount of funding available at the programme and CBC level limit the socio-economic benefits that can credibly be generated. IPA CBC Programmes recognise these limitations in their aspirations with for example, the MK-AL Programme document including in its preamble 'Realistically the Programme Area cannot expect to grow fast though it looks forward to a more balanced, inclusive and sustainable socio-economic development through testing new instruments and solution, learning from other regions and mobilisation and exploitation of endogenous potential. This could lead to higher standards of living, self-confidence and social security.'

Positive contributions to **good neighbourly relations** across borders are being achieved through greater collaboration between local and central public administrations during

implementation of the programme, improved understanding between citizens and physical collaboration between non-government institutions and enterprises. All programmes have seen effective engagement and further strengthening of operational relationships between institutions in the two partner countries as well as more broadly across the region as a result of their engagement on the IPA CBC. There have been good levels of cross border collaboration between implementing partners at the operation level. Whilst operations are often limited to activities on each side of the border rather than joint activities, there has been specific support to bringing citizens physically across borders for training and other activities.

There is limited evidence on the effectiveness of the IPA CBC Programme for **improving EU Integration**. Central authorities in some programmes are enhancing their capacity for managing EU funds, especially in some countries under indirect management, but administrative capacity issues at all levels question whether capacity has been built as a result of implementing IPA CBC Programmes. Whilst local authorities are being increasingly targeted to lead implementation of operations, programming and programme management is still driven by national level actors supported by contractors (CBIB+). The quality of applications in most programmes remains low and implementation needs comprehensive management oversight from the Contracting Authority and JTS.

6.2.2 Strengthening the capacity of local actors

AL-KS	BA-ME	KS-MK	MK-AL	ME-AL	ME-KS	RS-BA	RS-ME	RS-MK
<p>Key Findings</p> <ul style="list-style-type: none"> Programmes have had mixed results in strengthening local capacity to respond to common border challenges. This is due principally to the extent to which local actors are engaged in the implementation of programmes, which varies across the portfolio. 								

Capacity building of national and local authorities under the IPA CBC Programme is principally achieved indirectly through the implementation of the programme, rather than directly through operation activities. This is complemented by specific training to applicants and grantees in both operation design and management. The objective of capacity building, be it direct or indirect, is to improve the ability of local stakeholders to access and manage EU assistance and therefore it contributes to the wider IPA CBC objective of EU Integration.

There is an implicit expectation that there will be a transfer of management capacity from more experienced NGOs to partner municipalities so that the latter can take on an increasing leadership role in the future. Interviews have questioned the extent to which this actually happens and also noted that capacity issues result in NGO partners or consultants de facto leading implementation when the main contractor is a municipality. This is perhaps a practical reflection of reality for programmes where local institutions have particularly low capacity, but it negatively impacts on capacity building, the achievement of outcomes and sustainability. Interviews with JTS and Contracting Authorities noted that municipalities often found it difficult to recruit technical staff to accompany NGO or consultant partners or existing staff felt that this demanding function was in addition to their normal duties and justified additional payment which was often not available. Operation outcomes and sustainability usually need the ongoing engagement of the partner municipalities as operation implementation periods are relatively short. However, if there has been minimal engagement during implementation this is unlikely to materialise in practice.

In terms of building capacity, 40% of grantees responding to the MTE survey had implemented two or more operations (with almost a quarter on their third). This is a sign that there is a core cohort of implementing partners who are now able to prepare successful applications for CBC operations. There has been concern that this also indicates a select group of organisations

who have become adept at writing attractive proposals for EU financing. Whilst this is likely to be true¹⁸, the IPA CBC programmes are also able to bring in new partners to broaden the potential capacity building. Overall, a little under one third of lead partners were new to the IPA CBC programmes and 60% of surveyed grantees were implementing their first operation (although it is likely that in both cases they have also engaged in similar IPA grant schemes).

All programmes note problems with the quality of applications. In the MTE survey of applicants, half of the challenging factors in applying to the call for proposals were either preparing the concept note or the budget. This suggests that capacity building in applying for funding still needs further support. 89% of those attending training workshops found the information useful or very useful, indicating that training remains a high need.

In a positive lesson learned, both the RS-ME and RS-BA programmes have included a requirement in the evaluation grid of the 2nd call to (positively) whether in-house staff rather than external contractors are being used for project management and technical expertise. This would create opportunities for improving the capacity building at the institution level by ensuring that core staff members are engaged in implementation. In the area of sustaining capacity, more than half of those municipalities responding to the MTE survey stated that they had a department specifically charged with applying for, or supporting others working with, EU funding. 41 of 44 municipality respondents were of the opinion that the IPA CBC was positive or strongly positive for building the capacity of local authorities to manage structural funds.

Within individual partnership implementing operations, there are almost always technical partners who can be expected to remain engaged in the sector in the future, with only 1% of operations responding to a survey for the MTE expected to have little to no sustainability and 60% rated as having good sustainability prospects (see EQ 7 on sustainability below). There are examples of implementing partners who have worked together on previous operations either on new initiatives or continuation of existing ones, but interviews with JTS suggested these relationships were substantially based on applying for EU funding opportunities rather than pursuing a broader collaboration. Again, this is perhaps not an unreasonable first step in a relationship.

Historically in the 2007-13 IPA CBC programmes, only 24% of all project beneficiaries were local government units, due variously to a lack of capacity to prepare proposals, an unwillingness to collaborate with more talented NGOs and in some cases lack of co-financing and easier access to national funding sources. Under IPA II, local authorities were lead partners in a fifth of operations under the first call and just under half of the second call and interviews with contracting authorities and JTS confirmed this increasing focus. This shows that municipalities are increasingly becoming the focus of implementation, which should contribute to capacity building in the future.

¹⁸ In MK-AL 1st call for example, 95% of applicants had applied previously to the IPA CBC programme. In a training needs survey for AL-KS 2nd Call, 57% had applied before and at a PCM training for the KS-MK, 53% had.

6.2.3 Meeting infrastructure needs in the border areas

AL-KS	BA-ME	KS-MK	MK-AL	ME-AL	ME-KS	RS-BA	RS-ME ¹⁹	RS-MK
Key Findings <ul style="list-style-type: none"> Most programmes note challenges with the effectiveness of infrastructure in IPA CBC, due to the limited scale of funding and the ad hoc nature of interventions; Despite this, the intervention approach is increasingly popular in a number of programmes as it leaves more tangible evidence of EU funding compared to investing in 'soft' operations. 								

With programming focusing on socio-economic development, there is a significant proportion of operations with an infrastructure element. The call for proposals proposes the inclusion of infrastructure investments either as small scale works to support other broader (usually socio economic) efforts such as tourism development or developing markets or as more substantial components of between 40 and 70% of the budget for infrastructure and/or equipment. Using overall rating from the operations level review, the performance of these operations can be summarised:

Table 8 Small and larger scale²⁰ infrastructure operations' contracting and performance (source ROM reviews)

Scale	No. of operations (out of 80)	Infrastructure element budget	Operation budget	Rating	
				Green	Amber
All infrastructure	30	€6.474m	€13.586m	16	14
Large scale	19	€5.616m	€9.617m	13	7
Small scale	11	€0.857m	€3.969m	3	7

Overall, the overall performance of half of the operations containing infrastructure elements are rated positively. One third are however in their early stages of implementation. The overall performance of two thirds of large scale operations are rated good against less than a third of the small scale operations. Larger works contracts are based on comprehensive design and review processes and likely to be subject to greater oversight during implementation than the smaller scale interventions.

At a more granular level, all but two of the 30 operations scored highly for meeting the needs of the beneficiaries, which is in general not surprising given the investment needs of the region. There are also high expectations that these operations will be coherent with other investments in the local region. The main challenges for infrastructure operations are whether these investments will address the problems in the border regions. Again, this is unsurprising given the issues of scale of budgets and the lack of broader investment strategies noted above.

One third of the operations (both small and large scale) are considered to have issues with sustainability, which is surprising as it is this factor that is driving contracting authorities towards prioritising them over 'soft' capacity building operations. Here the issues include NGOs driving the implementation, lack of financial resources to maintain results and unclear roles for partners in maintaining results after the operation has finished.

¹⁹ For RS-ME there were no infrastructure based operations included in the programme.

²⁰ Following the use in the call for proposals, 'small scale' infrastructure is defined as limited works to support broader institution building and typically have budgets of less than €200,000 with 'large scale' infrastructure having budgets above this figure.

Whilst it is clear that underdeveloped and under invested border regions would benefit from infrastructure development, the 2014-2020 programming exercise in general does not identify specific investment priorities or targets. In some cases, investment needs have been identified in programme design documents. Applicants identify specific investment needs and define the scope of works to be completed in their applications. Programme design is undertaken in coherence with both local and regional development plans where they exist, but the scale of investment is too small to be considered an important part of broader development planning.

Larger strategic projects are eligible, but have to be defined at programming stage and there were none included in the IPA CBC 2014-2020 programmes – although there are efforts to elaborate some for the following financing period. Whilst time consuming, strategic projects offer the potential to improve the effectiveness of IPA CBC funding by concentrating more substantial budgets to unblock larger physical bottlenecks, such as opening secondary border crossing points, that would not attract direct funding from other sources. Strategic projects are also co-created with the national institutions rather than tendered, enabling the Contracting Authority to exercise more control over design. However, this does risk removing implementation from local and regional authorities and the challenges of implementing large investment projects themselves still remain.

The organisational infrastructure to supervise works is fundamentally in place. Funds are potentially available in the IPA CBC Programme TA budget for the recruitment of construction advisors if necessary, however no evidence of this was found during the evaluation. Individual operation budgets include works supervision and statutory authorities provide any necessary permits and approvals. Operationally, the IPA CBC programmes require relevant construction permissions before signing contracts, meaning that only already well developed proposals should be proposed. However, the lack of funds for this preparatory work under the IPA CBC means that the development of proposals especially for larger infrastructure can be lengthy.

Many institution and capacity building operations require some element of infrastructure or investment, such as signage or building of paths to support a tourist initiative. As a tool to facilitate this capacity building therefore, the inclusion of a works or supply element can be effective. However, due to the scale of funding available, the current IPA CBC programmes are not an effective tool for addressing larger scale infrastructure needs. Other mechanisms, including the IPA National Programmes and national budgets are likely to be more appropriate. As noted above, there does also remain a special case of the strategic operation to address specific, pre-identified, infrastructure challenges that are impeding wider cross border collaboration.

Despite these challenges, the IPA CBC Programmes are becoming increasingly focused on infrastructure, with interviews with contracting authorities identifying the reasons for this as a desire to leave behind some tangible evidence of EU funding and to meet the needs of local stakeholders who prefer infrastructure investment over softer capacity building.

6.2.4 CBIB+ providing capacity building and co-ordination

AL-KS	BA-ME	KS-MK	MK-AL	ME-AL	ME-KS	RS-BA	RS-ME	RS-MK
<p>Key Findings</p> <ul style="list-style-type: none"> • CBIB+ is universally seen as crucial to the effective implementation of the IPA CBC Programmes through regional coordination, harmonisation, exchange and transfer of good practice; • Collaboration with institutional partners is less good in some programmes due to the status of the CBIB+ as an external advisor. 								

In total 153 training events implemented by CBIB+ at national, CBC programme and regional level for 2,763 participants from both public administration and implementing partners can be identified. An unknown number of additional training events will have been held by the JTS and other OS and Contracting Authority staff who benefited from and replicated this training. Training covered a wide range of subject areas directly related to implementation and for more general project management competencies. In addition, the CBIB+ advisors prepared a series of handbooks, manuals, template and toolkits in response to requests from stakeholders and after undertaking needs analysis. Questionnaires and surveys have been developed to respond to specific broader challenges and to generate feedback on training, information sessions and events. By any measure, CBIB+ has delivered a very large number of outputs that if effectively utilised will increase the capacity in both the public administration managing the IPA CBC programmes and those implementing partners delivering operations.

The effectiveness of this capacity building can be seen principally in the strong implementing performance of the JTSs (see next section) and the function of the programme monitoring system where both individuals and institutional structures have improved their effectiveness. The effectiveness of training provided to implementing partners is more difficult to assess, although there are signs that a cohort of competent partners is emerging (see above). The broadening of the programme to include new partners means that much of the training of individuals may be effective only during implementation of the associated operation. Developing implementing manuals and clarifying processes has improved the operating capacity of institutions across the IPA CBC Programmes, although further support might be needed for tackling specific challenges such as the transition to indirect management.

The levels of collaboration between particularly institutional partners of CBIB+ appears to vary, at least in part because the advisors are seen as contractors rather than as institutional partners²¹. Consequences of this include lower than expected levels of collaboration, slow responses to information requests and a refusal to use outputs.

CBIB+ leading efforts at regional coordination and exchange of good practices has contributed to improving the overall performance of the programmes. It has built a measurement system that should enable improvement in management in the future by feeding information back into both operations and programme management. Identifying implementation challenges and proposing solutions to DG NEAR and other institutional partners will contribute to improving overall programme efficiency and effectiveness if those changes are put into place. The annual IPA CBC Regional Consultative Forum has been particularly well received by stakeholders who note that longer duration or more frequent events would enhance mentoring amongst themselves.

The overall effects of this capacity building will however be negatively impacted by staff turnover in IPA CBC management structures across the region. Whilst this support has been

²¹ Unlike, for example, Interact, which fulfils a similar advisory function to the European Regional Development Fund (ERDF).

essential, it to some extent masks systemic challenges in administrative management at the individual IPA CBC programme level that have not been addressed.

6.3 Evaluation Question 3: Whilst the programme structures are established in line with the Regulation 231/2014, administrative capacity issues at all levels are compromising the efficiency of the administrative function of many stakeholders

Key findings

- Key institutional structures are affected by administrative and operational issues which threaten to undermine programme performance;
- Monitoring systems are well embedded and provide robust management support and reporting at operation and increasingly at programme level, but more clarity in roles and responsibilities would improve efficiency.

6.3.1 Functioning of CBC management structures

AL-KS	BA-ME	KS-MK	MK-AL	ME-AL	ME-KS	RS-BA	RS-ME	RS-MK
Key Finding <ul style="list-style-type: none"> • Significant and sustained challenges to the efficient functioning of management structures occur across the portfolio. 								

Almost all programmes have operational issues with implementing institutions which have negatively affected the efficiency of implementation, including variously with JTS, JMC, OS and Contracting Authority.

Contractual relations between the OS and the JTS are often fraught, with very short term contracts and late payments an issue. Challenges exist in some programmes where JTS staff are paid salaries lower than public servants whilst not enjoying similar employment benefits and being physically located in remote areas. This has led to staff turnover and has made recruitment at an appropriate level difficult. Some JTSs (such as AL-KS) have spent periods of time without senior staff, others have relocated offices or antenna from the border region (KS-MK, AL-KS) or attempted to (BA-ME). There is sometimes a lack of clarity on the roles of the various partners which leaves the JTS in a difficult political position between the Contracting Authority, the OS and the grantees. Despite this, the JTSs have proved resilient and many include staff who have been in post for many years, which makes a significant contribution to the success of individual operations. Joint JTS supporting two IPA CBC programme led by Serbia and Montenegro have proved efficient and effective. A useful lesson learned in Montenegro has been bringing new antenna staff to the JTS for six months and allocating monitoring responsibility by operation not by country so the staff member has a complete picture of the issues on both sides of the border.

There have been changes over time to key decision making institutions. Following a system audit by the European Commission, the JMC was removed from the decision making process in procurement and is now limited to making suggestions to the head of the Contracting Authority on operation selection. Implementation of this decision has required the anonymising of applications which makes it more difficult for the JMC to give informed analysis. The effect of this has been to substantially remove any decision making function of the JMC. The logical consequence is that senior staff from contributing line institutions, busy with their own Accession agenda and facing their own administrative capacity issues, frequently no longer attend the meetings of the JMC.

A number of OS face administrative capacity issues due to broader challenges of civil service remuneration and the politicisation of recruitment to these institutions. The CBIB+ survey on

measures to speed up launching calls identified having sufficient staff in the OS and Contracting Authorities as a key issue. The recruitment of enough assessors is the most popular of a list of potential corrective administrative actions to improve the functioning of the CBC management structures.

The launching of the IPA CBC programmes from the approval of eight of nine programmes in late 2014 to subsequent preparation of the Calls for Proposals and signing contracts has been excessively lengthy²². It took more than 24 months from contract signature to launching the call for six of nine programmes and more than 12 months (and up to 24) for signing contracts in seven of eight programmes. The time between signing contracts on the first call and launching the second call is around a year, which indicates a significant improvement as implementing authorities transitioned staff from the preceding programme and sought guidance and staff training on new rules. CBIB+ launched a survey to surface reasons for these delays, which were identified as being partially due to engagement with the preceding 2007-13 programmes and the transition of some IPA CBC Programmes to indirect management, but also caused by issues that have yet to be resolved. It noted that systemic challenges remain on the quality and availability of assessors and subsequent rejection of evaluation reports, selection of operations to be funded, approvals procedures and the ability of grantees to respond to administrative pre-contract formalities.

AIRs are consistently approved on time and generally without comment as the JTS are becoming proficient at following the template. There are variations in quality between different JTS, which is natural given the ranges of experience. The AIR are principally a reporting tool of activities and outputs over the preceding year and whilst they can raise issues affecting the implementation of the programme, they are not used to drive resolution by proposing solutions that could be discussed at forthcoming JMC meeting for example. There is a clear progress in the quality of the AIRs over time, with an evolving template and additional information – the use of the CBIB+ monitoring system to generate quantitative reports on indicator progress creates a visually appealing document. There are regular JMC meetings in all programmes to review and approve the report, define the scope and eligible applicants for the Call for Proposals and perform other programme related decision making tasks.

The AIRs track recruitment issues for the JTS as these have contracted external management staff but make no mention of administrative capacity in OS, JMC or EUD. Given the contractual relationship between the JTS and the OS, this is not surprising but it does mean that an opportunity for objective assessment of a key management challenge is missed. The use of grant agreements for the JTS offers greater flexibility than the former service contract.

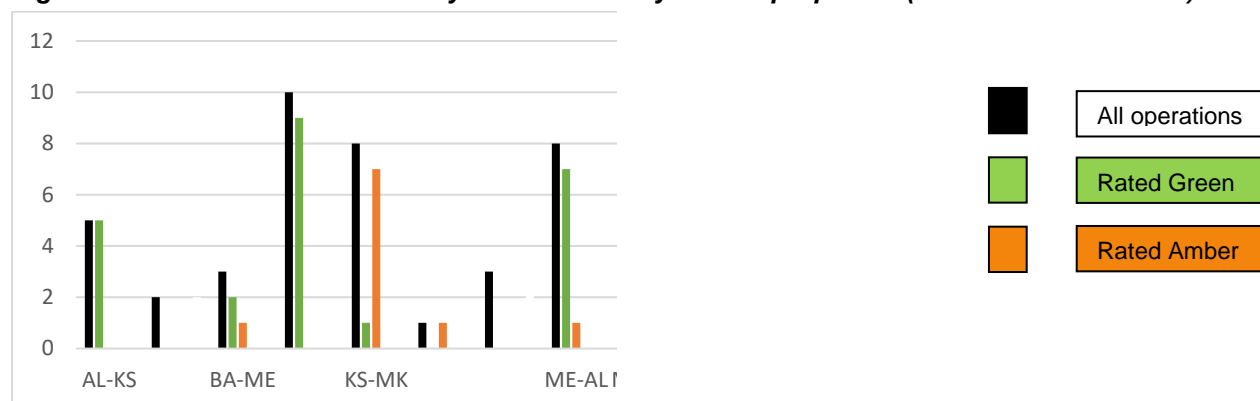
The removal of the JTS from the tender evaluation process, again to improve issues of transparency and impartiality, has raised some concerns that there is now no local knowledge in the tender evaluation process. This is valid, especially given the challenges of finding suitably experienced local assessors. However, it does enable the JTS to concentrate on capacity building and information dissemination which is arguably a more important role. It would also allow the JTS to expand its function into providing much more proactive support to applicants in proposal preparation.

The move to indirect management has proved challenging in Serbia, but not in Montenegro, due principally to national recruitment issues. As noted elsewhere in this report, staffing at the CFCU in Serbia has been an issue due to turnover and a freeze on recruitment, whilst there have been lengthy discussions with the OS on interpretation of rules and procedures. Under direct management, the programmes are effectively driven by the EUD in some instances due to the low administrative capacity of the Operating Structures.

²² For details see chapter 2 of this report.

In addition to institutional challenges to implementation, the evaluation also considered the extent to which implementing partners were able to provide adequate resourcing for the implementation of operations. 59% of the operations reviewed by the ROM (see Figure 5) were rated as good for the sufficiency or timeliness of the resources being provided to achieve the objectives. Three IPA CBC Programmes exhibited weaknesses in this regard – KS-MK 1st Call (7 of 8 operations scoring amber), MK-AL 1st Call (4 of 9) and RS-BA 1st Call (4 of 9). These issues were principally caused by difficulties within the institutional structures, for example in the delay in making timely advance payments or challenges with administering VAT.

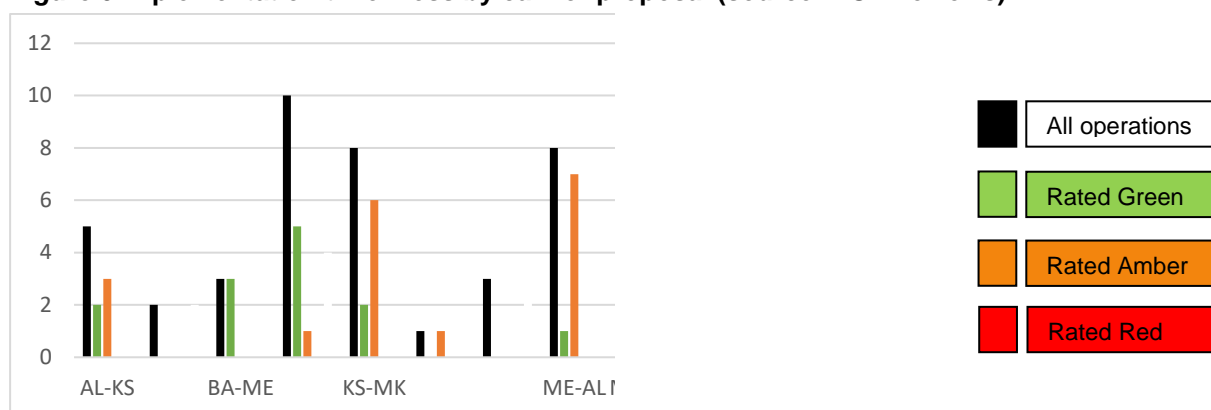
Figure 5 Timeliness and sufficiency of resources by call for proposals (source: ROM reviews)



There is no evidence of operations having insufficient funding to deliver their expected outputs, but there are 22 cases where disbursements have been delayed or reimbursement of VAT is difficult (the latter particularly in Albania, where proposed solutions do not work in practice). This is starting to have negative effects on the programmes as anecdotal information from the JTS indicates that applicants are moving the investments components of operations away from Albania and to the partner country or Beneficiary where VAT reimbursement is in operation.

Two operations have been terminated early and one is suspended at the cut off date for this evaluation²³. Of the remainder, the majority (55%) are experiencing some challenges with timely implementation (see Figure 6). Two of the 16 completed operations required minor (3 month) no cost extensions, but this is likely to increase as operations come towards their conclusion and the Covid-19 pandemic during 2020 is also expected to lead to delays that require extensions. Time extensions are not common as delays appear to be dealt with within the operational duration there are some reports of activities being concentrated in the latter stages of implementation due to earlier delays. This makes the verification of progress towards the achievement of results by the JTS difficult as outputs are not delivered before their monitoring mandate comes to an end. There are no patterns of delays by thematic priority, with all areas showing roughly half of their operations with some implementation challenges. 12% of the portfolio has not progressed far enough to be able to make a judgement.

²³ Both were terminated by the Contracting Authority following legal judgements against a partner in unrelated cases.

Figure 6 Implementation timeliness by call for proposal (source: ROM reviews)

The MTE survey of applicants found that 49 out of 56 respondents thought that the Guidelines for Applicants were sufficiently clear and detailed, indicating that the design of the programmes has reached a point where the market understands what is needed of it. Of course, those who struggled with the Guidelines are also likely to have not attempted to engage further with the programmes, including with the MTE survey. Only 15 found the application process easy or very easy, with 29 finding it difficult or very difficult –the biggest challenge was in finding a partner across the border closely followed by preparing (drafting) the budget and the concept note.

6.3.2 CBC programmes monitoring and reporting systems

AL-KS	BA-ME	KS-MK	MK-AL	ME-AL	ME-KS	RS-BA	RS-MK	RS-MK
Key Findings <ul style="list-style-type: none"> The majority of programmes have well functioning monitoring and reporting systems, but there are areas facing principally administrative capacity challenges. 								

The MTE has faced a number of challenges with reviewing indicators due to the ongoing process of updating and improving both operation and programme level indicators. There has been criticism in the past over the quality of monitoring, particularly of results, which has led to the development of a regional monitoring system by CBIB+. Indicators are being revised either before or (more commonly) after contracting in order to improve quality and to try to align individual operation and programme level indicators through the results chain with IPA CBC objectives. All parties are involved in this clarification process – JTS, CBIB+, CA and grantee. The indicators in the first call for Montenegrin managed programmes ME-KS and ME-AL were not revised by the CBIB+ following consultation with the EUD. However they were revised for technical monitoring although not in contract addenda. KS-MK also did not respond to comments provided. This suggests that there are some acceptance issues for the CBIB+ services within some IPA CBC Programmes (see also 4.2.4 above).

The monitoring system has been established by CBIB+ and training has been provided to institutional stakeholders. The process for revising indicators to a more limited number with more measurability is ongoing and data is started to be extracted. CBIB+ has produced annual analytical reports for 2019 for AL-KS, BA-ME and MK-AL that contributed to the development of the respective AIRs. These reports contain highly disaggregated, granular details especially at the output level and useful analysis by CBIB+. As expected at this stage of programme implementation, information on outcomes and impact is limited. Across the programme, data from 80% of operations' reports are uploaded to the system directly by the grantees with data validated by the JTS after submission. The JTS support grantees with report preparation and validate output information, but additional analysis (funded through the TA budget) will be

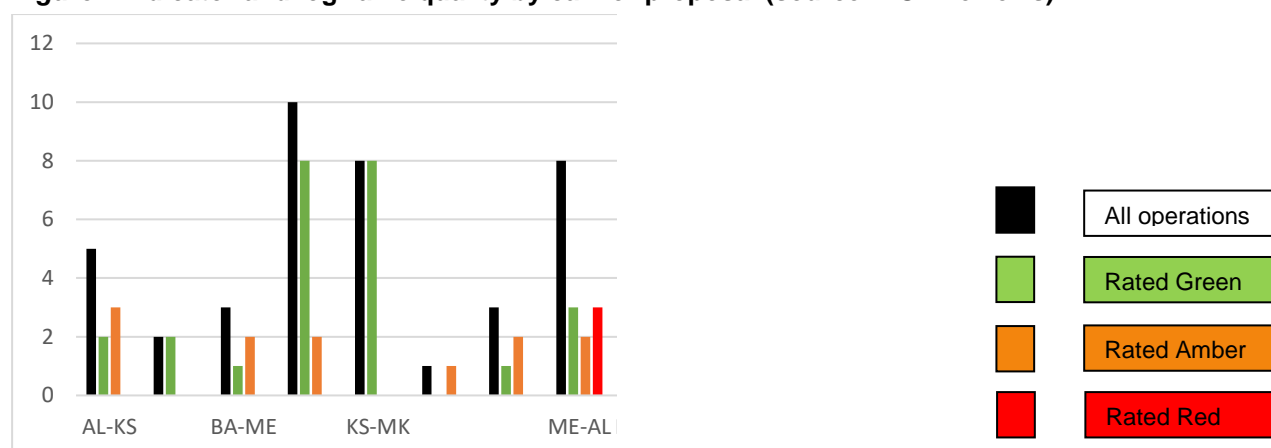
needed to validate outcomes from 2021 onwards. The monitoring system will eventually be owned and maintained by the implementing structures of the IPA CBC (although the specific details of how this will occur have yet to be worked out). Users have started to directly access the system in late 2020 after training from CBIB+.

It should be noted that the level of detail in operation level performance required to be measured and reported is significant and almost certainly excessive. Many of these indicators are now considered 'private' after the review by CBIB+ and not collected at the central level but used for operations management.

The monitoring system represents a significant progress towards the establishment of a transparent performance monitoring system for the IPA CBC. The exercise in updating indicators to align them with thematic objectives is an important step to the creation of common indicators at the IPA CBC and individual programme levels. This would allow aggregation and comparison across IPA CBC programmes and potentially across the IPA more broadly.

A review of indicators (see Figure 7) at the operational level notes that only half of the operations reviewed (55%) were rated as good. Design was noticeably weaker in RS-BA and RS-ME, including issues such as too many indicators (one example of 60 for a results chain with one overall objective, one specific objective and four outputs), lack of qualitative indicators, indicators and impact/outcome statements at the wrong level and lack of clarity. In general, however, the logframes were fit for purpose.

Figure 7 Indicator and logframe quality by call for proposal (source: ROM reviews)



At a thematic priority level there are design challenges in the areas of employment (6 of 10 rated amber and 2 of 10 rated red) and tourism (12 of 31 rated amber and 1 rated red).

Table 9 Design challenges by thematic priority

Thematic Priority	Total Operations	Rating TP			n/a
		Green	Amber	Red	
Investing in youth	3	2	1	-	-
Encouraging tourism	31	18	12	1	-
Protecting environment	28	17	11	-	-
Promoting employment	10	2	6	2	-
Enhancing competitiveness	6	5	1	-	-
Total	78	43	32	3	0
Percentage		55%	41%	4%	0%

The monitoring system requires quarterly interim reports to be prepared by grantees which confirms that a mechanism is in place to identify actual and potential challenges in a timely manner. However, the large number of indicators needing to be measured raises the question of whether the process is as efficient as it could be. The use of digital reporting and online uploading of data has made an important contribution to efficiency in the reporting process for all parties. All JTSs have a comprehensive schedule to ensure that all operations are visited at least annually, which is reasonable given the number of ongoing operations that have to be supervised. Although they follow a common template, the quality of the monitoring reports produced by these missions vary, with some providing a comprehensive overview and other more of a compliance checklist. Risk assessments form part of the monitoring visit reporting but it is not always clear whether these assessments are always updated on each monitoring cycle. Some IPA CBC Programmes (such as KS-MK and RS-ME) report risks in detail in their Annual Implementation Report, but this is not consistent across the IPA CBC Programmes.

6.3.3 Support of technical assistance priority

AL-KS	BA-ME	KS-MK	MK-AL	ME-AL	ME-KS	RS-BA	RS-ME	RS-MK
Key Findings <ul style="list-style-type: none"> Despite significant and sustained administrative management issues that reduce efficiency in half of the portfolio, technical assistance has in most cases provided timely and cost effective support to all programme implementing partners across the IPA CBC Programmes. 								

For the directly managed contracts, the technical assistance is currently limited to the provision of management services in the form of the JTS, but additional scope of work such as the measurement of outcomes could be included in due course. The mechanism for implementation of this assistance has changed over time, from grant agreements to service agreements and now back to grant agreements. There is no common approach or terms of service between IPA CBC Programmes, with staff fee rates varying widely between them. There is ongoing pressure in some programmes for the consultant staff to be remunerated at equivalent rates to civil servants, which is quite unreasonable and causes lengthy and distracting negotiations between key stakeholders.

There have been other administrative challenges with examples of staff not being paid in a timely manner although this has only been reported thus far in MK-AL where the respective OS have significant administrative capacity issues. Staff turnover has been an issue in most programmes and will likely remain so given the remuneration level and to some extent organisational issues – although it is interesting to note that some key staff have been retained over the longer term despite the challenges. In general, the administrative issues between the JTS and the OS have negative consequences in terms of the ability of the JTS to effectively support local grantees and potential applicants. A number of interviewees have noted

challenges with the quality of applications and this is at least partially due to JTS training and information provision, especially on issues of administrative non-compliance. This issue has been exacerbated in cases where the Contracting Authority disagreed with the (non-binding) manuals produced by CBIB+, leaving the JTS in a difficult position in the middle. This suggests that although training is being provided (34 MTE survey respondents attended a training event, with 26 finding it useful or very useful) much more is still needed. Applicants are still finding the application process challenging. Grantees are also being targeted with programme management training by JTS and CBIB+ with 80% finding it useful or very useful, which indicates both high satisfaction but also high need. The JTS have also been highly rated by the grantees in the delivery of assistance – in terms of challenges to implementation, the lack of timely guidance from the JTS was found in a little over 1% of responses.

All stakeholders found the role and function of the JTS essential to the programme, being able to support both the procurement but also the implementation process. A number of JTS and contracting authorities noted a lack of clarity in the role of the JTS between the various institutional partners but they have for the most part been effective at engaging at a number of different levels.

The JTS also implement annual visibility plans, which generally consist of the design and maintenance of IPA CBC Programme websites, printed materials for events, maintaining databases of potential applicants and disseminating information as requested, maintaining social media and engaging with more traditional media through events etc. The websites across the IPA CBC Programme do not follow a common style. Two (AL-KS and KS-MK) were not working at the cut off date for this report. The JTSs play an important role in ensuring that the individual grantees comply with the EU visibility requirements. This requires a significant amount of effort by all parties and may be a role than can be more efficiently implemented centrally.

6.4 Evaluation Question 4: The very long time to contracting, challenges with assessors and lack of local input in operation selection indicates that the procurement process could be improved

Key findings

- Delays in launching the first call for proposals are starting to be overcome, but the procurement process remains excessively long;
- High rejection rates for applications indicate that the procurement process selects the best quality applications submitted;
- The removal of the JTS and the JMC from the selection process and the use of non-local assessors means that there is no-one in the evaluation from the border regions.

6.4.1 Management of calls for proposals

AL-KS	BA-ME	KS-MK	MK-AL	ME-AL	ME-KS	RS-BA	RS-ME	RS-MK
Key Findings <ul style="list-style-type: none"> • The procurement process has been, and to a lesser extent remains, too long across the IPA CBC Programmes. Particular challenges are seen in programmes managed by Serbia with the transition to indirect management and administrative capacity issues being key factors. 								

There were large differences in the amount of time needed for mobilising funding between IPA IICBC Programmes managed in direct and indirect management modes. Contracting the first call in the case of programmes managed by Serbia took an average of 33 months and for

Montenegrin led, 23 months. On average, in the case of directly managed IPA CBC Programmes, it took 23.5 months from approval of the programme to signing contracts. The picture for the second call is quite different, with Serbia taking on average 10 months and Montenegro six²⁴, while directly managed IPA II CBC Programmes taking 13 months. It took indirectly managed IPA CBC Programmes some time to establish their systems but once they had done so, they were faster to replicate the administrative process of designing and launching calls. Launching of these second calls was also driven by the contracting deadline of the end of 2020 for some programmes. As noted in the CBIB+ study referenced above, the reasons for these delays are varied and numerous.

There are principally two approaches for launching calls for proposals, open and restricted. The default approach for all EU grant schemes is the restricted call, which includes a two stage application of a concept note followed by a full proposal for those that pass a minimum threshold. The open call, where applicants directly submit a concept note and a full proposal, is used in more focused calls where there are expected to be a smaller number of applicants who have capacity to develop proposals. Of the 18 calls that have started to date (see annex 3), six are in the form of open calls of which two have concluded. Restricted competitions (with 11 completed) have an average 82% commitment rate and open 89.5%, although for the latter the sample is small and therefore meaningful comparison between the two cannot be made. Success rate in applications is anyway difficult to compare between restricted and open competitions due to the filtering effect of the shortlisting concept notes and the limited number of open competitions that have been completed²⁵. The average time between launching the call and contracting is 13.5 months for restricted calls and 7 months for open calls, however as noted above the sample is small for open calls and one was intended to absorb a small amount of remaining funds from an earlier call and so not representative.

It was not possible to make an objective assessment of the quality of proposals without comparing scores that are thus far confidential. Average commitment rates between direct and indirectly managed IPA CBC Programmes are similar at 81 and 89% respectively. Uncommitted funding in a call is rolled into subsequent calls and there are no reports of loss of funding due to lower than expected commitment.

Although there are no systematic attempts to follow up on challenges experienced by applicants in the development of their proposals, *ad hoc* surveys have been deployed principally by the JTS to collect feedback. Data from these surveys is not comparable across the IPA CBC, but has been useful in guiding the development of additional training by the JTS and CBIB+ (for example, the challenges identified by unsuccessful applicants in two post application project clinics under ME-AL in 2018). A number of interviews with both Contracting Authorities and JTS noted that successful applicants were often those best able to write persuasive proposals – usually through the recruitment of consultants - rather than the local authorities and other institutions from the border regions who were the real targets of the programme. Applicants surveyed by the MTE identified finding a partner, completing the concept note and the budget as significant challenges, but the application process, meeting the deadlines and providing supporting documents were not difficult.

Finding a good partner with common goals and sufficient capacity is clearly essential for a successful IPA CBC operation. Whilst this was the biggest challenge, a little under half of the applicants responding to the MTE survey already had one when they started the process. 40% of applicants attended a partner search, but 20% didn't know about such events, which means they either were not held or were not sufficiently well communicated. Clearly, an ongoing process of matchmaking and information is needed so that potential applicants can find partners and determine a collaborative arrangement in advance of calls being launched.

²⁴ This does not however capture preparatory work done before publishing the call.

²⁵ Include one (KS-MK 2nd CfP) for €350,000 using remaining funding from the first call which attracted 15 applications of which only two were evaluated.

Extensive information is available on training provided to both management structures and applicants by CBIB+ which is reported in the AIR and summarised by CBIB+. Other mechanisms such as the development of common guidelines and approaches have been developed by CBIB+ to assist with developing consistent understanding and approaches, but the extent to which they have been embraced by stakeholders varies.

Evaluation grids follow a substantially common format, but sometimes with minor variations introduced. The grids are refined periodically to address issues arising from implementation – for example, the evaluation grid for the more recent calls includes a scoring for the cross border quality of the proposals.

The availability and capacity of assessors who are recruited by the contracting authority to assist in evaluating concept notes and proposals has been identified as an issue in some of the programmes managed by Serbia due to the very large number of applications received. This has been complicated by the late start in recruiting the assessors, a focus on sector experience instead of assessment experience and the limited number of suitable candidates available. Recruitment of assessors is undertaken through local advertisement and whilst training is provided, finding consultants with sector, PRAG and experience of the local region is sometimes challenging. This was exacerbated in Serbia due to the unexpectedly large number of applications but is not considered to be a substantial problem in other programmes.

6.5 Evaluation Question 5: Once contracted, operations are generally implemented on time with good support from the structures managing implementation

Key findings

- Close operational support from the Contracting Authority and the JTS has been effective in ensuring that most operations either have, or are expected to, deliver their planned outputs on time;
- Management and monitoring structures need both clarity of processes and reinforcement in a number of programmes;
- Despite facing administrative challenges in some instances, the JTSs have performed well across the IPA CBC Programmes

6.5.1 Timeliness of implementation

AL-KS	BA-ME	KS-MK	MK-AL	ME-AL	ME-KS	RS-BA	RS-ME	RS-MK
Key Findings <ul style="list-style-type: none"> • Once contracted, operations are generally implemented on time and deliver the outputs planned. 								

Of the 16 operations that have been closed at the cut off date of this evaluation, only two were terminated, and one was suspended due to poor implementation performance and force majeure. Two of the completed operations required extensions of at least six months. Higher delays are expected due to the Covid-19 pandemic during 2020-21.

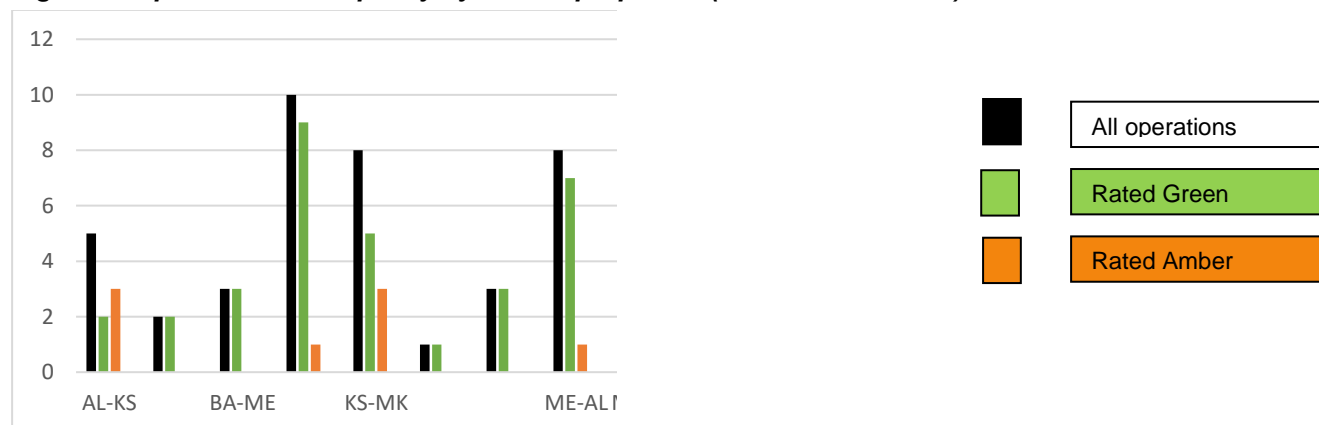
None of the 78 operations reviewed by the MTE identified problems with the sufficiency of funding. For further information, see JC 3.1 above. However, a review of the operations shows that there are examples²⁶ of certain partners not fulfilling their roles as expected due to staff

²⁶ Including for example: MNE-071, one partner withdrew, KS-MK C-395188 & C-394751, delayed transfers, C-394562 suspended construction after changing the design.

changes, lack of funds or insufficient project management capacity, but the consequences appear to be minor and most operational monitoring reporting by the JTS presents a positive picture of partner engagement.

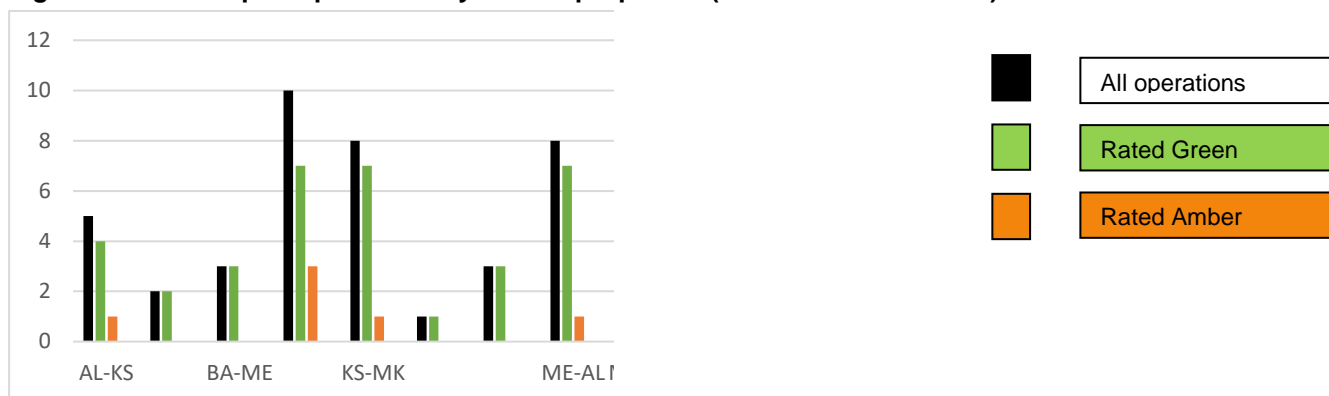
The following table (Figure 8) shows the extent to which operations are implemented on time and have the necessary resources. Most operations, have adequate resources and can be expected to complete implementation on time.

Figure 8 Implementation capacity by call for proposals (from ROM reviews)



A broader issue emerging from discussions is the extent to which particularly local authority led operations are actually being led and driven by these institutions. This tends to vary across the portfolio, with stronger municipality structures in Serbia and Montenegro and more concern reported from Albania, Kosovo and North Macedonia although there are also variations within these IPA beneficiaries.

The Results Orientated Monitoring reports (see Figure 9) consider ownership as the extent to which an operation is part of a strategy and contributes to the implementation of an action plan. It looks at the participation of the design process and the extent to which actors have remained engaged during implementation. The MTE also considered the extent to which implementing partners engaged in the implementation of the operation. Most programmes have a strong level of ownership with only one call approaching half with an amber rating and six calls have consistently strong ownership.

Figure 9 Ownership of operations by call for proposals (source: ROM reviews)

6.5.2 Quality of internal operation monitoring

AL-KS	BA-ME	KS-MK	MK-AL	ME-AL	ME-KS	RS-BA	RS-ME	RS-MK

Key Findings

- Whilst the institutional structures for internal monitoring are in place, the division of responsibility in practice is often unclear to some or all actors. Capacity to monitor, especially at the programme level, is a limiting factor in a number of programmes.

The operation level internal monitoring system is well supported by manuals, guides, templates, trainings. A critical mass of individuals were trained by the CBIB+ project. There is a clear division of responsibilities between actors, which has evolved over time to fit the needs of the programme, for example the removal of the JTS from the operation selection process to enable them to focus, amongst other functions, on operational monitoring. However, as noted above, the JTS themselves report that there is sometimes a lack of clarity and understanding of their role both from the side of beneficiaries and from institutional partners. This is because whilst they have a clearly described advisory role they have to fulfil a range of functions for different partners which often extends outside of their formal mandate. For example, they assist implementing partners on quality control of reports but do not approve them and they often provide administrative services for the OS that are not strictly within their mandate.

Operations are required to report on a very wide range of indicators quarterly²⁷ as described in their contracts and this is closely followed by the JTS and the Contracting Authority. A long list of possible indicators are provided in the Call for Proposals guidelines from which applicants select those most appropriate prior to those most appropriate in their proposals'. This appears to lead to the adoption of a very large number of output or process indicators for each operation. Much of the measurement information for these indicators will come from operational activities and therefore whilst it is probably excessive for management purposes, it is not unduly burdensome to gather. The indicator review process by the CBIB+ has removed the need to report on most of these indicators for the central monitoring system but they are still retained for activity and output monitoring by the local contracting authority for management purposes.

The JTSs report that around three quarters of the interim reports are of acceptable quality although there is clearly a variation across the portfolio and as they are part of this process their perceptions may not be completely objective. In the survey to the JTS there is no reported correlation in the poor quality reports with experience as both those new to IPA CBC and those experienced produced sub-standard reports. As noted above, the data from 80% of these reports are uploaded in the central monitoring database where they can be validated by the

²⁷ With the exception of the 1st call in RS.

JTS. The regular completion of risk assessment reports by the JTS is working well at tracking of issues and the mitigation measures designed to address them.

Many outcome level indicators are aggregated automatically by the monitoring system through operation reporting. Others are expected to be measured through additional advisory support as operations will be substantially completed by the time they become visible. To date²⁸, there is limited data for outcome indicators started to be reported in the CBIB+ monitoring system. Individual stakeholders (contracting authorities, JTS & OS) within the programme monitoring system are now able to access the database and perform their own analysis. The ongoing maintenance and management of the central database beyond the CBIB+ project remains unclear.

6.5.3 Support provided by the JTS

AL-KS	BA-ME	KS-MK	MK-AL	ME-AL	ME-KS	RS-BA	RS-ME	RS-MK
<p>Key Findings</p> <ul style="list-style-type: none"> Despite administrative and in some cases operational challenges for a number of JTSs, they provide effective monitoring and capacity building support for the successful implementation of operations. 								

Another key area of JTS support is in the application stage. Here they have a crucial role to play in advertising the programme and informing potential applicants, supporting partner seeking across the border and training on rules and procedures. Although the IPA CBC has been ongoing in the region for more than a decade, new organisations and individuals regularly appear making ongoing training crucial.

There are well established training structures and capacity at both national and regional level through the JTS and the CBIB+. Grantees have been provided with appropriate training in procurement and management procedures in the early stages of operation implementation. There is no evidence of procurement or management irregularities although there have been a small number of operations that are not delivering as expected.

Despite staff turnover issues at some JTS, monitoring has consistently been undertaken as expected. On those occasions when staff have been missing (such as AL-KS), other parties such as the EUD and CBIB+ have stepped in to provide critical management support. Levels of staffing are based on workload analysis by CBIB+ and all of the JTS interviewed confirmed that, when all posts were filled, there were sufficient management resources.

The JTS work closely with the EUD especially in direct management to provide hands on advisory support during the period of implementation and this working relationship appears to be very effective in ensuring that most operations are implemented as expected.

6.6 Evaluation Question 6: Little progress can be reported on impact due to the early stage in implementation for most programmes

With only 15 of 80 operations completed, there is understandably no progress yet reported on impact. Some programmes (such as AL-KS) have undertaken implementation reviews which have generated lessons learned, but principally on process rather than results. Others (such as MK-AL) are currently planning to undertake assessments of the sustainability and impact of operations from the preceding 2007-13 programme, which gives some indication of the likely timelines for generating similar sustainability and impact data for the 2014-2020 Programme.

²⁸ Late 2020.

There are no indications yet of the planning for impact assessments by the OS – indeed, JMC meetings have noted the need for action to be taken to ensure independent validation of results to enable the data to be available for any subsequent impact measurement.

Surveyed grantees are substantially positive over the outcomes delivered or expected to be delivered by the programme, with only 20% of respondents stating that outcomes were, or were expected to be, less than expected. Of 68 respondents, almost half stated that the operation had improved relations between local authorities on both sides and improved the environment but very few (5%) noted improvements in the socio-economic environment.

CBIB+ has defined a more limited number of indicators for each of the main objectives covered by the programme as well as general indicators which cut across the programmes. Taking into consideration the amount of funding expected to be mobilised in support of the thematic objectives, realistic targets of expected impact have been calculated²⁹. It is not clear whether the OS or the Contracting Authority will be charged with collecting this information, but funds should be available from the TA budget.

Operations developed individual impact level indicators based on the scope of the proposal and whilst this has been guided by the inclusion of a catalogue of indicators for applicants to choose from for the 2nd calls for proposals, there were still a wide range of indicators for similar expected impacts. Measuring employment for example considered variously ‘empowering people for employment’ and ‘number of jobs created’. Other indicators are at the wrong level, unmeasurable or not sufficiently specific. It is likely that sources of information given in logframes will be either difficult to use or not available³⁰.

6.7 Evaluation Question 7: The pre-conditions for sustainability are in general not in place across many of the IPA CBC Programmes

Key findings

- Sustaining both partnership and operation results is reliant on subsequent IPA CBC Programme financing as implementing partners lack resources;
- Indirect management has contributed to sustaining capacity building in central institutions but only where there has been sufficient administrative capacity to absorb training;
- Similarly, capacity building of local institutions through implementation of operations is compromised by staff turnover in particular.

²⁹ For example, for MK-AL, with a budget of €3.7m has a general target indicator for the TP on environment of 12,000 people reached and a specific indicator target of 20% of the population reached by an information campaign.

³⁰ For example, regional GDP figures and other regional statistical data are often not available; third party actors who are not part of operation implementation; and sources that are not related to the indicator.

6.7.1 The capacity building from indirect management

AL-KS	BA-ME	KS-MK	MK-AL	ME-AL	ME-KS	RS-BA	RS-ME	RS-MK
Key Findings <ul style="list-style-type: none"> There have been markedly different experiences between the two lead partners implementing the indirect management mode, due principally to their abilities to provide adequate administrative capacity 								

The success of building of capacity to manage structural funds in programmes under indirect management has been markedly different, with a strongly positive performance in Montenegro, but with significant operational and recruitment issues affecting Serbia, particularly the CFCU. In all programmes where it has occurred, the transition from direct to indirect management has caused lengthy discussions on the development of new processes and interpretation of rules. This has led to operational delays in some cases. It was unfortunate that the establishment of the institutional structures for RS-MK some two years after the other programmes did not appear to benefit from experience and lessons learned from the other programmes.

Other aspects of IPA CBC Programme management, including the OS, have been negatively affected by institutional re-organisations, but this is a normal part of government business and largely unavoidable. Most OS staff also engage across a number of IPA-IPA and IPA- EU MS CBC Programmes which contributes to building experience. Retention in key posts has been good, with some staff in post for many years.

The EUD retains an important level of ex ante control over operational decision making. At times this generates delays as lengthy discussions are held on interpretation of rules. However, it is expected that this management oversight will be gradually withdrawn as national institutions prove their competence.

6.7.2 Building the capacity of local authorities to manage structural funds

AL-KS	BA-ME	KS-MK	MK-AL	ME-AL	ME-KS	RS-BA	RS-ME	RS-MK
Key Findings <ul style="list-style-type: none"> Larger and more developed local authorities have been able to build capacity due to engagement in IPA CBC Programmes, with others more reliant on external contractors for implementation. 								

Local authorities – meaning principally municipalities, but also local offices of publicly owned utilities – have important functions throughout the programme cycle. They are crucial local collaborators with the national authorities in the identification and definition of local needs, which will become an increasingly important function for the absorption of structural funds. Two thirds of the 44 municipalities responding to the MTE survey had been consulted during the design of the 2014-2020 IPA CBC Programmes. Contributing to programming and designing and implementing specific operations brings capacity building in all aspects of project cycle management, including the provision of matching funding and financial management. This is expected to be further supported through decentralised investment planning and implementation under IPA III as the European Commission seeks to build capacity at local level. Further direct support to municipalities is also included in some IPA National programmes. As local level interlocutors, municipalities are also key partners of IPA CBC interventions even where they are not implementing partners. They have an important role to ensure that operations are integrated into local development, receive the political support that they need to achieve their outcomes and become embedded into local development strategies to ensure sustainability.

The approach to building capacity under the IPA CBC has been principally indirect through the engagement of municipalities in the implementation of operations. Partnering with local NGOs, experience is expected to be shared during implementation. The extent to which this has happened varies across the IPA region. In some programmes, notably those in Serbia and Montenegro, larger and more experienced municipalities are able to more effectively engage with their implementing partners. In others, low levels of administrative capacity mean that municipalities can offer little operational collaboration. Other municipalities, such as Gjilane in Kosovo (which has been awarded three operations under the IPA CBC and more under other IPA grant schemes), recruit consultants to implement on their behalf. Of the 69 grantees responding to the MTE survey, only 70% had full collaboration between all partners throughout the design and implementation phases, which reinforces the perception that partnerships are not as engaged as they could be.

Despite these challenges, there is an increasing emphasis across the IPA CBC region on the engagement of municipalities as lead implementing partners. This is principally due to their presence in the region and mandate to provide services to citizens, which will improve both sustainability and impact. With almost all NGO advisory partners not being physically based in the border regions, focusing on the municipalities is appropriate, but the length of time necessary to build sustained management capacity means the approach to capacity building may need to be fine-tuned.

6.7.3 Sustaining CBC partnerships and project results

AL-KS	BA-ME ³¹	KS-MK	MK-AL	ME-AL	ME-KS	RS-BA	RS-ME	RS-MK
<p>Key Findings</p> <ul style="list-style-type: none"> Concerns over the depth of collaboration and the need for ongoing financing to support both partnerships and relationships lead to a generally less positive rating for sustainability across the programmes; Perspectives at the operations level are more positive and there are good examples of sustained partnerships, even if they are at this stage largely set for exploiting EU funds. 								

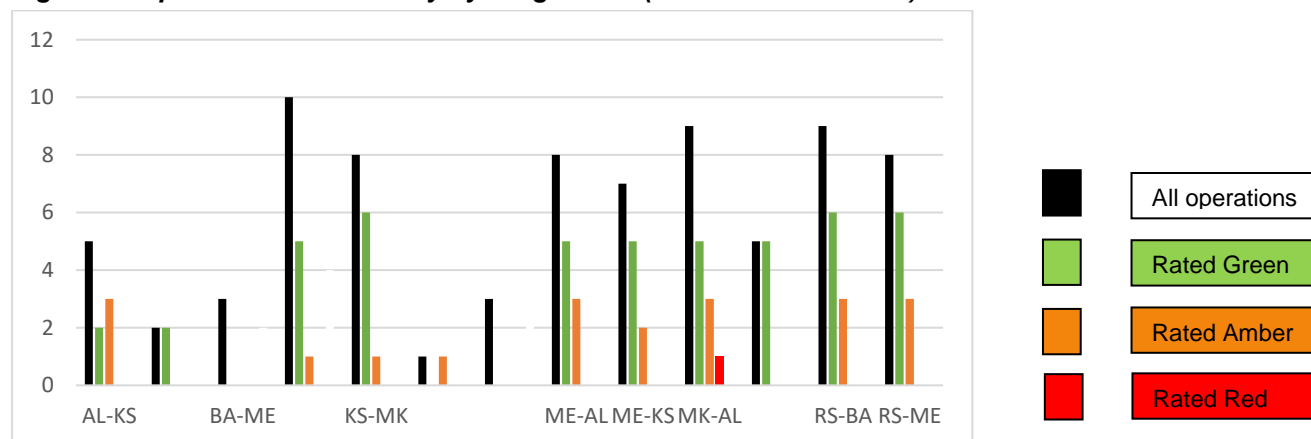
CBC partnerships and operation results are more likely to last if the implementing partners are located in the border regions and the activities undertaken during the operation form part of the day to day business of the partners. In an environment where there is limited local capacity, national level organisations with good, but generic project management competencies are being drawn to the region for the purposes of implementing the funding and then leave. Partnerships are for the most part still opportunistic and focused on applying for EU funding.

However, the experience has been positive for most grantees who responded to the MTE survey. Over 80% of the 69 responses were satisfied or highly satisfied with the partnership and only three unsatisfied. 90% expected the partnership to continue in the future but, for about half of these, this will be dependent on additional funds being secured. There are examples of partnerships established by the IPA CBC Programmes evolving into more formal twinning relationships between municipalities. Having a clear longer term evidence of relationships between partners across the border would be useful in identifying applicants with a real agenda to engage. Some calls for proposals guidelines require applicants to be physically located in the border region as an eligibility criterion in the evaluation. Whilst this will help to concentrate funding on local organisations, this needs to recognise capacity constraints and be accompanied with both sufficient advisory support and mechanisms to ensure that externally engaged partners do not take over implementation.

³¹ 10 of 13 Operations started just before the cut off date for the evaluation and therefore it is not possible to make an overall judgement.

The majority (60%) of operations (see Figure 10) are expected to be able to sustain their results, with 13% in the very early stages of implementation and therefore unable to be assessed. Of the 60%, two thirds are still under implementation and so the overall assessment could change by the time activities are completed.

Figure 10 Operation sustainability by Programme (source: ROM review)



Again, there are no specific characteristics of sustainability by thematic priority with weaker operations distributed largely proportionately – with the exception of promoting employment for which six of 10 operations have a lower potential to be sustained.

Perceptions of sustainability from the JTS are overwhelmingly positive, but there is no evidence that municipality led operations are more likely to be sustained than NGO led operations. Of the 70 operations rated, 49 were rated as 'high', 11 as 'medium' and six as 'low' expectations for the results of the operation to be sustained with the remainder not scored. Of the 'low' rated operations, four were implemented by NGOs as the lead partner and two by municipalities. 20 of the 70 operations rated are led by municipalities or public entities and of these, 13 are rated 'high' for sustainability two are rated as 'medium', two are rated as 'low' and three were too early to make a judgement. Of the 50 operations implemented by NGOs in the lead, 36 were rated 'high' for sustainability, nine for 'medium' and four for 'low'.

It is also not possible to conclude that physical proximity through partnerships between municipalities that are physically contiguous have a greater likelihood to be sustained. 39 of 70 operations are between partners in municipalities that are contiguous, of which 28 (72%) are considered by the JTS to have a 'high' sustainability. 31 operations are not contiguous of which 21 (68%) are rated as 'high'. A more objective source of assessing sustainability could provide greater clarity.

Mitigating measures for sustainability being put into place include signing memoranda of understanding with local authorities to commit to taking over results at the end of the operation where this has not been built into operation design (AL-KS), but again it is too early to determine the extent to which this is done and its effects on sustainability. Merely handing over assets is very different to outputs and outcomes continuing to be delivered. However, where implementing partners are not located in the border regions or where they do not have the funds to continue maintaining the outputs of operations, engaging with local authorities to transfer assets and intellectual property can be an appropriate solution. Sustainability at the design stage is also considered differently between IPA CBC programmes and even between calls – In the evaluation grids, KS-MK 1st call does not consider it at all, the 2nd call covers it extremely well and the 3rd call again does not cover it at all. The introduction of the standard application process in late 2020 will bring a uniform understanding to sustainability.

6.8 Evaluation Question 8: Systems are in place to ensure coherence with other IPA CBC Programmes but less so with other programmes

Key findings

- Programming processes ensure good coherence particularly with other IPA CBC and National Programmes and the avoidance of overlaps;
- Complementarities are not systematically sought to strengthen the sustainability of the programmes;
- There is no evidence of overlaps at the operation level, but co-ordination could be improved with other interventions at the operation, programme and thematic levels.

AL-KS	BA-ME	KS-MK	MK-AL	ME-AL	ME-KS	RS-BA	RS-ME	RS-MK
Key Findings <ul style="list-style-type: none"> • With systems in place to ensure good coherence, concerns are principally around the extent to which complementarities can be achieved without a more proactive process during both programming and implementation. 								

There is a clear and comprehensive process to engage with national and regional stakeholders during the programming process. Extensive consultation at national level in both IPA beneficiaries ensures overlaps are avoided with individual government and national IPA priorities. Programming documents provide detailed lists of meetings held where the contents of the draft programme were discussed. All programmes give extensive lists of the other programmes and documents that were consulted in the design phase. However, evidence of mapping or other analysis that identifies coherence or where complementarities are achieved is not included. Internal consultation in programming and in some cases operation management by sector specialists within the EUD, especially under indirect management, is likely to ensure good complementarity. Similarly, the OS have oversight of all the IPA CBC Programmes as well as EU transnational programmes, although both the capacity limitations and the scale of these latter programmes suggest that substantive review with the IPA CBC is limited.

The JMC – which is made up of relevant line institutions at national level - has the responsibility to ensure coherence of the IPA CBC Programme and the operations funded within it. In most cases, the engagement of this institution is lower than intended due to the lack of operational authority invested in it. Particularly in the validation of shortlisted operations prior to contracting, the anonymising of applicant information and the lack of decision making role means that the JMC essentially rubber stamps decisions made by the evaluation committee.

The CBIB+ project facilitates formal and informal exchange of information and lessons learned between individual IPA CBC Programmes, but principally on issues of process. There is for example no analysis undertaken on a thematic or technical level that could identify where coherence and complementarity could be improved in the future. As mentioned before, the annual IPA CBC forum has consistently rated highly by stakeholders across the programme, with the comment that a longer or more regular session would enable collaboration and communication to be enhanced.

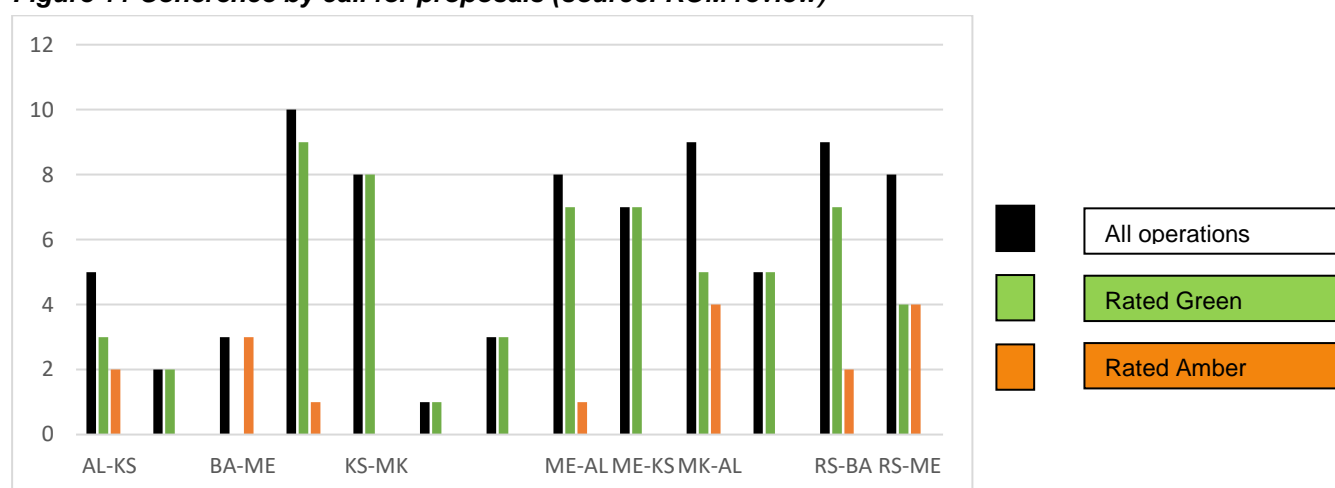
The extent of collaboration and information exchange between IPA-IPA and EU MS-IPA Programmes appears to be limited to central management authorities (Operating Structures and CFCU in indirect management) who are responsible for implementing both type of Programmes. Some partners hold their own conferences between IPA and EU MS OS. There is increasing collaboration between advisory support of CBIB+ and INTERACT to exploit the

potential for common research and systems development (for example in thematic areas funded under both programmes, even though the funding mechanisms are different) and the exchange of best practices from the EU MS to the Western Balkans.

There does, however, appear to be greater potential for collaboration and lesson learning from the much larger and more developed CBC structures and systems developed under INTERREG by DG REGIO. This includes rationalisation of management structures between IPA-IPA and IPA-INTERREG CBC programmes and greater synchronisation between the programmes including the use of larger INTERREG resources for training, strategic planning and project design for IPA-IPA CBC programmes. The transposition of tools and approaches, such as the simplification of procedures under the new European Territorial Co-operation regulations, would reduce complexity and the resources needed to manage operations as well as speed up procurement processes.

All operations (see Figure 11) were reviewed by the MTE for examples of coherence and complementarity with 78% showing either no evidence of overlap or evidence of other assistance that the operation had taken note of in its design or implementation.

Figure 11 Coherence by call for proposals (source: ROM review)



One possible area of weakness was in the thematic priority of employment where half of the operations had some concerns raised on their complementarity or coherence. These included not integrating good practices from previous connected operations and not sufficiently engaging with other ongoing projects or initiatives in areas allied to the operation.

Table 10 Complementarity by thematic priority

Thematic Priority	Total Operations	Rating TP		
		Green	Amber	Red
Investing in youth	3	2	1	-
Encouraging tourism	31	25	6	-
Protecting environment	28	25	3	-
Promoting employment	10	5	5	-
Enhancing competitiveness	6	4	2	-
Total	78	61	17	0
Percentage		78	22	0

6.9 Evaluation Question 9: The IPA CBC Programme has generated good visibility amongst institutional partners and direct beneficiaries in the border regions

Key findings

- A multi-level approach ensures that there is good visibility amongst key stakeholders in the border regions;
- The comprehensive procedures and development of common approaches across IPA CBC Programmes may not be the most efficient approach to delivering visibility;
- Visibility measures have been effective at reaching local communities.

The IPA CBC Programme includes a comprehensive approach to visibility, aimed at both improving the general visibility of the EU, Enlargement and the CBC programme and specific messaging around individual Call for Proposals to encourage applications and disseminate operation experiences, lessons learned and results. Each programme has a multi-component, multi-media communications and visibility plan implemented by the JTS that is reported on through the AIR. Within each operation there are visibility actions supported by both training undertaken together with CBIB+ and a manual³² that translates EU rules into practical approaches for the IPA CBC. Events are frequently supported by senior officials of local authorities, OS/JMC and the EUD. There is an extensive production of communication items such as pens and bags for launch and training events.

There is no common brand for IPA CBC Programmes as there is for example with INTERREG. Visibility rules are taken extremely seriously by the Contracting Authorities leading to sometimes lengthy approvals processes and perhaps an over zealotness when for example developing brands for local initiatives. Significant time and effort is dedicated to developing brands and information products at the programme and operation level and it might be more efficient to have these activities centralised. The effectiveness of providing large amounts of consumables during events could be questioned given that everyone attending will have already heard of the IPA CBC Programme. Addressing this, some programmes are engaging in more mass reach messaging, such as videos, which can be readily distributed widely and regularly updated. All programmes have well established websites, most of which are operational, containing comprehensive information on the programme and the IPA CBC procedures.

The JTS considered that 53 (68%) operations had been effective in raising awareness locally of the IPA CBC Programme through visibility efforts. 12 were considered to have 'somewhat' raised awareness and only two found to have not raised awareness at all. In a survey of grantees, 63 of 70 respondents thought that visibility measure are very important as engaging with the local population was critical for the success of the operation.

³² Also developed by CBIB+.

In the MTE survey responded to by local authorities, all 44 had heard of the IPA CBC programme. Three quarters of the responses indicated that these local authorities had heard of the IPA CBC programme from visibility measures deployed by the programme through social media, programme websites, advertisements and through traditional media. The remaining quarter heard from the programme from their institutional structures or from another municipality across the border reaching out to them to make a partnership.

Almost all respondents stated that the IPA CBC programme was either positive or strongly positive in the building of capacity within their institutions. Only 21% of respondents thought that the IPA CBC was very important to their local area, which is not unreasonable given the size of investments available. 66% of respondents were consulted during the design of the 2014-2020 programme, which shows that this process does have some room for improvement. The same proportion (66%) of respondents noted that their local authority had a unit specifically charged with the design and management of EU projects. Almost all respondents thought that the programme was addressing the current needs of the region.

7 Conclusions and Recommendations

7.1 Conclusions

7.1.1 Relevance

All programmes emphasize socio-economic development with a less robust link to improving cross border relations and EU integration capacity building. The overall assessment of all programmes is positive as the individual programmes target local needs and the internal theory of change is sound.

However, the IPA II CBC is designed and implemented under a largely common approach in very differing local contexts. Local implementing authorities attempt to tailor individual programmes to local needs and capacities but there are limitations on the extent that this can be achieved. This lack of flexibility is leading to programmes with lower administrative and absorption capacity being reduced to a focus on infrastructure and away from the softer interventions needed for longer term capacity building in the border region.

7.1.2 Effectiveness

The IPA CBC is targeted towards the immediate socio-economic needs of the citizens of the border region, but is not expected to be particularly effective at the thematic priority level because funding is too low and still too fragmented. The drive to concentrate programming onto an ever smaller thematic focus in an environment where applicants still have low capacity to develop proposals has led already to a small number of larger contracts. Funding, however, is still too small to be effective at the thematic priority level and is losing the spread and diversity needed to address capacity issues in the border region.

Whilst the underlying ethos of the CBC programme of soft capacity building projects that begin to address challenges in cross border collaboration is increasingly hard to hear since the previous IPA CBC Programme, there have been some effects. The use of NGOs and some larger municipalities where they can provide appropriate staffing is starting to build capacity. Some partnerships are showing potential to be sustained even though they are substantially reliant on subsequent funding. Small scale infrastructure components have complemented capacity building to deliver practical outcomes particularly in socio-economic development and environment operations because the facilities they provide stimulate engagement from local stakeholders.

7.1.3 Efficiency

Programmes have had variable scoring on efficiency, with those implemented in partnership with Montenegro particularly performing generally well and offering a number of good practices that could be mainstreamed throughout the IPA CBC.

Administrative processes for both procurement and management are complicated and require multiple institutional actors. It is unsurprising that it has taken a long time for these systems to embed, but there are a number of challenges with both institutional structures and systems which have proven difficult to resolve. This is fundamentally due to ownership. Stakeholders in the border region have little to no role in programme management and the programme itself has only a vague connection to the Enlargement process, the principal focus of central administration. Co-financing is low and mostly provided by grantees although central funding has been provided in some programmes. The management costs of the programme are almost entirely covered by the EC financing. With JMC structures effectively emasculated, it is unsurprising that institutions with other pressing Accession facing responsibilities are unwilling to commit key senior staff. OS that are not housed in powerful central institutions will struggle to engender cross government support for the programme.

Although variable across the programmes, the quality of proposals remains a significant problem despite training and review processes for applicants after the tenders. Whilst this could improve over time, taking a learning by doing approach risks concentrating implementation in the hands of a limited number of experienced partners and wasting resources on large numbers of less successful operations.

On a more positive note, despite the challenges in both institutional structures and applicants, once contracted the very high level of management oversight from OS, Contracting Authorities and JTS largely ensures the delivery of outputs. Good progress has been made with the establishment of a comprehensive monitoring system that is improving operation and increasingly programme management. Opportunities for efficiencies particularly with the JTS exist at a number of levels through both administration and operational changes.

7.1.4 Impact

The limited number of operations completed by the time of the evaluation means objective assessment of impact cannot be made. There are a number of factors that can be expected to limit the impact generated from the programme, including the size of interventions, lack of integration into broader development agendas and limited focus on specific cross border challenges as well lack of administrative capacity and financing to continue operations within recipient municipalities. Given the dearth of alternative financing for development, local level impact particularly of socio-economic and environmental interventions has the potential to be quite significant.

7.1.5 Sustainability

Sustainability is likely to be limited because operations are generally ad hoc and not integrated into broader development strategies. This is not unreasonable for operations where the main benefit is intended to be the establishment of initial contacts across borders and learning by doing. But the aspirations of the 2014-2020 programme are, at least on paper, greater than this. This does not yet appear to have completely filtered through to the management mentality of the Programme.

Local and central institutions capacity building is happening – especially with the use of indirect management - but remains vulnerable and the programme has not put in place mechanisms to deal with this feature.

Partnerships are largely limited to opportunistic collaborations for particular funding rounds rather than sustained relationships, which is not unreasonable at this relatively early stage of cross border programmes. There are examples of longer term partnerships being created between counterpart municipalities, albeit for the purposes of applying for funding at this stage. Almost all NGO implementing partners are located outside of the border regions and therefore less likely to be maintaining relationships without additional funding.

7.1.6 Coherence and complementarity

The majority of programmes are rated as less satisfactory for ensuring the coherence and complementarity of IPA CBC funding, largely due to the lack of clear complementarity. More positively, there was no evidence of overlap with other interventions.

There is a clear process at both programming and contracting to effectively consult with other stakeholders and this is likely to be sufficient to ensure overlaps are avoided with other IPA programmes. Peer to peer collaboration appears strong and is a testament to the dedication of individual staff. Structures at the OS and the JMC should ensure coherence with national funds. Although there is no coherence assessment with EU transnational funds, the scale and scope of these makes this anyway impractical.

There is limited complementarity with other thematic or geographic programmes which is perhaps understandable given the already complicated and heavily delayed procurement processes. Given the issues around sufficiency of funding it would significantly enhance the effectiveness, impact and sustainability of the IPA CBC Programme if more proactive synchronisation and collaboration could be engendered with IPA-INTERREG CBC Programmes.

7.1.7 Visibility

Visibility actions appear to be having some effect in reaching stakeholders to engage with the programme and are important in communicating messages related to operations to local citizens. A broader strategy or policy of engagement between partners across the border would be necessary to craft a communication approach for enhancing cross border collaboration rather than the current focus on supporting implementation of the grant scheme.

8 Recommendations

In line with the requirement of the ToR to provide recommendations for future programming as well as for improving the performance of the current IPA CBC Programme, recommendations are provided in two sub-chapters: one of them gathers all recommendations that target systemic issues as well as those that should be considered when programming IPA III, and the other one deals with individual programmes.

8.1 Recommendations for the current programme

The following recommendations are both systemic for all programmes and specific for individual programmes. The latter are extracted from the programme reviews which are published as annexes to this synthesis report.

8.1.1 Relevance

<i>Formal adoption of the IPA CBC Programme by the partner governments would establish a framework for cross border relations.</i>	
Main implementation responsibility: Partner governments.	
What works and should continue?	
Programming is based on inclusive needs assessments and largely targets the needs of the people living in the eligible regions, even if it operates outside of a regional or national development agenda.	
The cross border co-operation dimension has been formally included in the standard evaluation grid.	
What should be strengthened?	How should this be done?
Nationally led programming drives design towards socio-economic objectives and limits actions targeting EU Integration or cross border challenges. The IPA CBC programme should target cross border challenges rather than just economic development needs.	1. Future calls for proposals should explicitly define the cross border challenge that is being addressed; 2. Future programming should identify these challenges at a strategic level and focus on a limited number of them.
The IPA CBC Programme should be better integrated into national and local development strategies.	3. Adoption of the IPA CBC Programme document by the partner governments at the central level would increase ownership across government.
Proposals that truly address cross border challenges are complex and time consuming to prepare and will likely need additional support.	4. Future programming should include – where there is a need – a project preparation facility that can be used to develop proposal concepts.
The SWOT and needs analysis for IPA III identified similar needs to IPA II which suggests that a clear picture has emerged of general needs but this remains very broad.	5. Future programming should focus on in-depth analysis at the thematic priority level rather than more general community consultation.

<i>The number of indicators measured should be reduced</i>	
Main implementation responsibility: JMC	
What works and should continue? Contracting Authorities for current operations; CBIB+ for future operations.	
The CBIB+ has engaged in an ongoing process to review both operation design and indicators prior to contracting to improve quality with only a more limited set of indicators measured at central level. A very large number of 'private' indicators continue to be measured at the programme level.	
What should be strengthened?	How should this be done?
The excessive number of action indicators at activity and output levels should be substantially reduced.	6. The contracting authorities together with the JTS should select a very limited number of indicators to continue measuring, principally at output and outcome level.
The use of common indicators is essential for aggregation and value for money assessments.	7. CBIB+ should develop a proposal for common indicators for IPA III.

8.1.2 Effectiveness

<i>Investment has an important role particularly at the small scale in support of broader operation objectives but should only be used at the larger scale to unblock specific physical challenges to cross border collaboration.</i>	
Main implementation responsibility: DG NEAR in Headquarters	
What works and should continue?	
The inclusion of small scale works within larger institution building or economic development operations (such as tourism) can be essential to deliver a comprehensive solution and should continue.	
The use of co-generated strategic projects to unblock specific infrastructure challenges can be an effective way of stimulating cross border development and should continue where specific needs are identified in strategic planning exercises.	
What should be strengthened?	How should this be done?
Investment is in some programmes seen as the most practical and visible use of IPA CBC funds, but this risks excluding softer capacity and collaboration building operations.	8. There should be greater clarity from EC Headquarters on the extent to which infrastructure can be included in IPA CBC programming.
Including larger investments in grant programmes without identifying the specific areas that should be financed in programming documents risks both the waste of significant resources in the development of non-financed operations but also the financing of less critical investments.	9. The inclusion of larger investments should be done through the development of strategic projects; 10. If this is not possible, investments should be clearly focused on specific bottlenecks to cross border collaboration identified in programming documents rather than simply useful infrastructure investment in border regions; 11. A Project Preparation Facility at the regional level should be created to identify and develop strategic projects for individual IPA III CBC programmes.
The inclusion of large investment operations risks concentrating funding on a limited number of beneficiaries	12. Where investment is included in programmes, there should also be included elements for smaller grants that can be distributed over a wider number of grantees to support capacity building.

For the IPA CBC to be a capacity building programme rather than a generic small grant programme, it needs to target different procurement processes onto applicants of different capacities.

Main implementation responsibility: DG NEAR in consultation with CBIB+ and OS.

What works and should continue?

Changes in the role of the JTS since the previous IPA CBC Programme have been effective in clarifying their role and enabling them to provide greater support to local partners.

Partnering between more experienced NGOs and less experienced local institutions and organisations has the potential to be effective in knowledge transfer if managed appropriately.

Some IPA National programme are already starting to provide direct capacity building support to local authorities.

What should be strengthened?	How should this be done?
Large investment operations take substantial effort and resources to develop and manage.	13. Investment focused interventions should be co-generated in the form of strategic projects.
Low administrative capacity applicants should be excluded early in the procurement process.	14. Restricted tenders for grants should establish minimum capacity standards for applicants.
Smaller or less capable potential beneficiaries often do not have sufficient capacity to be able to compete for IPA CBC funding.	15. Broader direct capacity building assistance or specific preparatory support should be targeted to potential partners through IPA National funding or through funding from the Beneficiary itself;
	16. The JTS should be enhanced with additional staff and given a broader advisory mandate to assist applicants in the drafting of proposals;
	17. The procurement process needs to become better at identifying poorly drafted but local initiatives that have a greater potential to be sustained as an ongoing activity in the region. CBIB+ should explore whether revising evaluation guidance and training to introduce more qualitative aspects is possible within the existing framework of PRAG.
Grant application and management is dependent on knowledge of English which is limited in most institutions in the border regions	18. IPA III should include the provision for small grant schemes in local languages, which should be initiated through third party fund managers.
	19. IPA III should consider the development of local language information and application packages, even if applications and reporting remain in English for oversight purposes.

<i>The CBIB+ should evolve its functions as the IPA CBC programme matures</i>	
Main implementation responsibility: CBIB+ with DG NEAR	
What works and should continue?	
CBIB+ has proved crucial to the effective management of the programme to date and its central role in providing tools and guidance should continue.	
JTS have an increasing competence in the delivery of local capacity building, assessment and post competition analysis.	
What should be strengthened?	How should this be done?
The decentralisation of capacity building to local JTS, OS and JMC partners should be strengthened.	20. CBIB+ should support local actors in a training of trainers function.
CBIB+ should have an increasingly analytical and research role.	21. The mandate of the CBIB+ should evolve in the next programme to provide performance analysis and management feedback.
JTS should take greater ownership of extracting monitoring information for the monitoring information system.	22. CBIB+ should no longer engage directly with grantees on queries but operate through the JTS, who should be the focal point for validating reported performance metrics by grantees.

8.1.3 Efficiency

Systemic operational challenges for key institutions in the IPA CBC need to be addressed	
Main implementation responsibility: DG NEAR together with OS and NIPAC on the JMC process and with the OS in those programmes that are facing administrative issues with JTS.	
What works and should continue?	
The JTS have been released from their earlier role in procurement and this has enabled them to focus on the provision of information and advice to grantees.	
Despite facing administrative challenges and managing complex relationships at the centre of the implementation of programmes, the JTS have in most cases managed to retain key staff.	
Good practice of bringing antenna staff for long term training in the main JTS office and distributing management responsibilities by operation rather than by geography bring important benefits and should be replicated more widely.	
JTS staffing is in general sufficient for the operational requirements.	
The use of joint JTSs has been efficient and effective and should continue.	
Locating JTSs outside of the border regions in small countries makes sense when there are recruitment issues in the border regions and most of the JTS communication is with central line institutions and should be continued.	
The JMC have become well established in operation architecture and are the key institution to drive ownership across government of the IPA CBC programme and its outcomes.	
What should be strengthened?	How should this be done?
The JMC has effectively lost its operational mandate in most programmes and this is leading to lower engagement from line institutions across government.	23. DG NEAR should lead the thinking on rebooting the JMC process to find a way to give the JMC an effective function in programme decision making.
The administrative challenges facing a number of JTS in terms of contract duration and conditions should be resolved immediately.	24. The OS should ensure that JTS staff are offered long duration, credible fee rate contracts. Failing this, the appropriate contracting authority should establish mandated contractual conditions and impose them upon the OS.
Smaller countries have already started to locate JTSs in central locations where they are close to the border regions. This could be deepened to concentrate more JTSs in a single institutional structure with regionally located antennas.	25. The OS should consider whether to establish a single centrally located JTS with if necessary regional antennas in both countries to improve the efficiency, effectiveness, impact and sustainability of the IPA CBC Programme.
There is a very comprehensive supervision of implementation which could be streamlined especially with site visits to grantees.	26. All parties should consider how to streamline monitoring activities, to prevent overlap / confusion and monitoring fatigue among grantees.
JTSs often find themselves in the middle of difficult management structures with differing (formal and informal) functions towards Contracting Authorities, OS, grantees and the wider stakeholders of potential applicants and partners.	27. Each EUD should engage with the JTS on a programme by programme to ensure that there is clear understanding on expectations of their role.
The inability to resolve administrative issues such as the VAT reimbursement in Albania is negatively affecting one third of the IPA CBC Programmes and probably also IPA National programmes, transnational and IPA-INTERREG	28. DG NEAR should engage with the Albanian Ministry of Finance at a sufficiently senior level to elicit a favourable solution to the VAT problem.

Matching funding should be provided by central government to improve ownership

Main implementation responsibility: DG NEAR to negotiate the approach with the countries or Beneficiaries of the IPA CBC.	
What works and should continue?	
The provision of matching funds increases ownership of the national authorities and removes a major impediment to attracting applications from local partners.	
Interest free loans to implementing partners due to fund raising or administrative complications have allowed already limited duration operations to start in a timely fashion.	
What should be strengthened?	How should this be done?
There is insufficient financial investment by most recipient governments of the IPA CBC Programme.	29. All countries in the IPA CBC programme should be required to provide co-financing funding from central government resources, as is done in Montenegro and North Macedonia.
	30. Infrastructure co-financing rates under the IPA CBC should be brought into line with those in other areas of the IPA Programme.

8.1.4 Sustainability

<i>Good progress has been made in improving the focus on sustainability but this now needs to be formally integrated into programme monitoring</i>	
Main implementation responsibility: DG NEAR to define role and function changes together with CBIB+ and programme OS.	
What works and should continue?	
JTS should continue to monitor operation implementation.	
The evaluation matrix in the updated application package now has a common standard on sustainability.	
Significant focus has been placed on defining and assessing sustainability in operations design.	
What should be strengthened?	How should this be done?
The provision of oversight and reporting on whether operations have been sustained needs to be institutionalised on existing IPA CBC monitoring structures.	31. JTS should develop follow up and reporting mechanisms for operations immediately after they have finished to both ensure that sustainability has been achieved and to highlight to national or local authorities where additional input is needed to ensure that sustainability is more likely to occur.
	32. Ongoing reporting of completed operations should be maintained in Annual Implementation Reports.
Greater consideration of sustainability is needed in the application assessment process, with a clear vision of how outcomes will be continued and financed. This should include evidence that the outcomes are a fundamental part of the ongoing activities of the recipient institution and there are credible expectations of sufficient budgets.	33. CBIB+ should review the current evaluation guidance for sustainability and propose updates to improve the robustness with which this element is considered in the evaluation process. These changes should be implemented into both applicant information and training and the training of assessors.

8.1.5 Coherence and complementarity

<i>With its focus on socio-economic interventions, the effectiveness, impact and sustainability of the IPA CBC Programme is substantially reliant on being part of a broader development</i>

agenda. It should be better integrated into sectoral planning, including with the substantial IPA-INTERREG CBC programmes.

Main implementation responsibility: JMC should identify and distribute responsibilities to line institutions depending on the thematic priorities selected. In case of Indirect management, the Contracting Authority should take an oversight role.

What works and should continue?

The formal and informal information exchange between stakeholders has been sufficient to ensure overlaps are avoided.

The CBIB+ instigated annual Regional Consultative Forum for IPA CBC institutional partners is very well received.

Ongoing efforts to align procedures and processes with INTERREG.

What should be strengthened?	How should this be done?
There should be greater inclusion of the IPA CBC programme and its operations in other regionally funded initiatives.	34. The JMC should annually review both the IPA CBC Programme and the operations funded under it for coherence and complementarity with other IPA and nationally funded interventions to validate how this has been achieved.
Although line ministries are included within the JMC this provides insufficient opportunities for complementarities.	35. There should be greater engagement with line ministries where their competencies overlap with the thematic priorities selected for individual IPA CBC Programmes.
The Regional Consultative Forum is perceived as too short.	36. More time should be included for information exchange, discussion of lessons learned and relationship building. More regular exchange could be considered along with offering possibilities for online exchange.
Innovative structures, tools and systems established by DG REGIO under the new European Territorial Cooperation offer off the shelf solutions that would improve efficiency and effectiveness of IPA CBC Programmes.	37. DG NEAR in headquarters should review the simplifications offered by the ETC and the potential for greater synergies with IPA-INTERREG CBC to determine their relevance to IPA-IPA CBC.

8.1.6 Visibility

Visibility is crucial to both effective engagement in operations and broader understanding of the EU Integration and cross border message but takes much management attention and should be streamlined where possible	
Main implementation responsibility: DG NEAR and CBIB+, together with all OS for consultation	
What works and should continue?	
Centralised advisory support in the form of manuals and training through CBIB+ should be continued in the near term.	
Comprehensive oversight of visibility rules has been provided by Contracting Authorities and this should be maintained.	
What should be strengthened?	How should this be done?
Some of the visibility tasks including the preparation of common visibility outputs for all programmes to improve both cost and management time at the programme and operation level.	38. DG NEAR should explore together with CBIB+ the possibilities for centralising the production of common outputs such as websites and other digital and printed communication materials.
Tasking individual operations with implementing visibility actions uses significant resources to ensure that the comprehensive guidelines are followed.	39. DG NEAR should consider whether visibility actions at the operation level would be more efficiently implemented if they were centralised on the JTS, with an appropriate increase in resources, rather than being undertaken by the operation staff.
There should be a common CBC branding for all programmes, with templates for various visibility products.	40. CBIB+ should be tasked with developing and rolling out a common brand and templates.
Annual Visibility Planning for individual IPA CBC Programmes should include communication to the general public on the CBC message, not just for engaging in competitions.	41. CBIB+ should develop a common methodology for community level visibility which offers a suite of options for individual programmes to adopt.

8.2 Recommendations for individual programmes

The individual IPA CBC Programme Reviews informed the systemic level recommendations above, but there are some recommendations that are more Programme specific:

8.2.1 Albania – Kosovo

Effectiveness

- Environmental operations in particular need to ensure that they have a very clear link to a cross border challenge that will be addressed by the investment to ensure that they are in line with the overall objectives of the IPA CBC Programme.

Efficiency

- The EUD should engage with the National Authorities to resolve the issues of VAT that are negatively impacting all Albanian legal entities across the IPA CBC Programme.

Impact

- Evaluations by the OS at the thematic level, including both IPA funded assistance as well as other actors, would both assess the performance of the IPA CBC but also identify areas to be focused on in the future.

8.2.2 Bosnia and Herzegovina – Montenegro

Relevance

The CBC programme is clearly contributing to the thematic priorities as described in the EU Regulation 231/2014 Annex III. However, part of the thematic priorities are not contributing to the overall objectives of IPA CBC as described in the EU Regulation 231/2014 Article 4(4): Environmental protection is one of the thematic priorities but this is not covered by the overall objective of good neighbourly relations, socio economic development and EU integration. It is recommended to the EC to ensure that in IPA III environmental issues are also covered by the overall objectives.

Efficiency

- There are delays in the approval procedures although this partially improved in the second call. It is recommended to identify how obstacles in keeping the indicative planning of the call for proposals can be solved;
- To ensure a good effectiveness it is recommended that the indicators of the operations are linked to the indicators of the programmes and well verified. For example, the result that “*4 persons with disabilities start a new or develop existing independent business activities through start-up assistance*”, can be linked to the programme indicator “*Number of new business development and employment generation initiatives supported.*” It is recommended that the indicators that are inserted in the monitoring database will be verified to ensure a consistent approach. E.g. will the above be counted as one initiative or as four initiatives?

Visibility

The OS should particularly target stakeholders who have not successfully received financing from the IPA CBC Programme to understand any specific challenges that they may face which can be addressed in future calls.

8.2.3 Kosovo - North Macedonia

Relevance

Sufficiently politically powerful institutions should be charged with the role of the OS – it is more important to be able to engage across government than at the local government level. If necessary, the OS should be a unit established with more than one institutional partner or with formal oversight of the Prime Minister’s Office.

Individual representatives for the JMC should be interviewed by the OS to ensure that they have sufficient interest, seniority, competence and time to effectively engage.

Larger, investment focused operations need to be more clearly integrated into national and regional development plans both for operational reasons (technical oversight and administrative ownership by competent institutions), sustainability (provision of longer term maintenance budgets) and complementarity (inclusion in broader development planning).

8.2.4 Montenegro – Albania

Relevance

- The current overall IPA CBC objective does not cover environmental protection. Consider for IPA III CBC to have overall objectives that cover the main topics of CBC programmes, especially considering the focus of Green Deal;
- Consider strengthening the cause-effect linkage between specific objective 2 and expected result 2.1 as the result of the specific objective is foreseen to be broader than the current result 2.1 *Awareness of the sustainable use of environmental resources in lake and alpine areas is advanced* and addresses just one of the identified needs in the sector.

Effectiveness

- It is recommended that the Contracting Authority to pay attention to cross-border effects not only in the application process but also during the implementation. As a minimum there should be mutual learning and exchange and having cross-border products (when drafting a publication in a cross-border region, focus not only on one side of the border);
- It is recommended that the applicants are able to show expertise in the sector they foresee working in.

Efficiency

- The OS should engage with the Albanian authorities to ensure that the VAT issue will be resolved in Albania as this is seriously impacting the implementation of operations;
- The European Commission should ensure that the Albanian control body is able to perform their tasks in a timely manner and is responding to requests;
- The OS should ensure that the application procedure has a realistic time-frame and analyse how delays in the application process can be avoided.

8.2.5 Montenegro – Kosovo

Effectiveness

- The EUD should use the cross-border cooperation programme only for small scale investments as the budget for the IPA CBC is limited;
- It is recommended that the Contracting Authority pays attention to cross-border effects not only in the application process but also during the implementation. As a minimum there should be mutual learning and exchange and having cross-border products (when drafting a publication in a cross-border region, focus not only on one side of the border).

Efficiency

- It is recommended that IPA III will be set up in a way that the start of the programme is not losing time on having to re-establish structures such as antenna office and JTS and CBIB+;
- Operations especially in the field of tourism should ensure that products delivered are useful. For example, a user would like to be able to find the results on one location instead of having to visit individual operations websites. When maps/publications of hiking trails are developed a user would like to be able to download/print the map/publication. In EU funded operations the focus is on nice products at the end of the operation, but the end-user is not so much interested in the project but rather in having access to the hiking trails, being able to find and use them, also after the operation ended.

8.2.6 North Macedonia – Albania

Relevance

Any interventions in the environment sector must contain very clear objectives around enhancing cross border relations (such as cross border watershed or resource management) or specific capacity building for EU integration (such as specific compliance issues for the environment acquis or capacity building with a direct link to future funding applications).

Selected operations should clearly target a cross border challenge or issue that integrates into local development planning needs and for infrastructure increase the co-financing rate to that closer to 30% to engender ownership at both local and national level.

Efficiency

- The EUD should engage with the Albanian authorities to ensure that the VAT issue will be resolved in Albania as this is seriously impacting the implementation of operations.

8.2.7 Serbia – Bosnia and Herzegovina

Efficiency

- Sufficient administrative capacity should be ensured in crucial central contracting authority institutions. The CFCU requires specific ongoing support in capacity building which may be available from IPA National funds for preparing national institutions for EU funds management or could potentially be tasked to CBIB+ for CBC aspects, based in Belgrade;
- A number of management issues require further improvements, including preparation of a manual containing planning for publication, assessing and contracting, an effective budget clearing process and review of log frames prior to contract signature;
- Regular communication on the implementation of the IPA CBC Programmes between CFCU and EUD to support efficient management –this is already being discussed, including support in efficient application of the procedures;
- Training needs assessment among applicants to inform more (continuous) training and possibly support in preparing applications, adapted to level of applicants;
- DG NEAR to address national authorities to ensure sufficient capacity of contracting authority and other CBC bodies.

8.2.8 Serbia – Montenegro

Efficiency

- CBIB+ training to support institution and capacity building of CFCU specifically for CBC aspects should continue as necessary. The CBIB+ is based in Belgrade so it should be easy to follow up and provide more tailored support;
- Programme management requires further improvements, including preparation of a practical manual for CFCU, including planning for publication, assessing and contracting, including an effective budget clearing process and review of log frames prior to contract signature;
- Regular communication on the implementation of the IPA CBC Programmes between CFCU and EUD to support efficient management –this is already being discussed, including support in efficient application of the procedures;
- Training needs assessment among potential applicants to inform more (continuous) training and possibly support in preparing applications for instance by the JTS, adapted to the level of applicants;
- DG NEAR to address national authorities to ensure the system audits are effective in ensuring sufficient capacity of contracting authority and other CBC bodies.

8.2.9 Serbia – North Macedonia

Relevance

- Ensure that all parties are fully engaged in the programming process and evidence of this is communicated to all programming stakeholders;
- Develop clear cause-effect relations between objectives, results, indicators and activities for the Tourism priority.

Efficiency

- With staff turnover, management issues particularly at the CFCU require further improvements, including training on planning for publication, assessing applications and contracting;
- There should be regular communication on the implementation of the IPA CBC Programmes between CFCU and the EUD including advice on efficient application of the procedures. The modality and scope of this collaboration is already being discussed between the EUD and the CFCU;
- CBIB+ should take advantage of its location in Belgrade to provide tailor made training to support institution and capacity building of the CFCU to support them in administering the programme efficiently. CBIB+ support, covering specifically CBC aspects, should be additional to capacity building support already provided to the CFCU through other projects. Empowering the CFCU in Belgrade as a centre of excellence in CBC fund management will complement the existing competence of the OS to provide a longer term mentoring role towards other countries in the region moving towards indirect management;
- DG NEAR should address National Authorities to ensure sufficient capacity of contracting authority (under indirect management) and other CBC bodies (in both indirect and direct management).

About Ecorys

Ecorys is a leading international research and consultancy company, addressing society's key challenges. With world-class research-based consultancy, we help public and private clients make and implement informed decisions leading to positive impact on society. We support our clients with sound analysis and inspiring ideas, practical solutions and delivery of projects for complex market, policy and management issues.

In 1929, businessmen from what is now Erasmus University Rotterdam founded the Netherlands Economic Institute (NEI). Its goal was to bridge the opposing worlds of economic research and business – in 2000, this much respected Institute became Ecorys.

Throughout the years, Ecorys expanded across the globe, with offices in Europe, Africa, the Middle East and Asia. Our staff originates from many different cultural backgrounds and areas of expertise because we believe in the power that different perspectives bring to our organisation and our clients.

Ecorys excels in seven areas of expertise:

- Economic growth;
- Social policy;
- Natural resources;
- Regions & Cities;
- Transport & Infrastructure;
- Public sector reform;
- Security & Justice.

Ecorys offers a clear set of products and services:

- preparation and formulation of policies;
- programme management;
- communications;
- capacity building;
- monitoring and evaluation.

We value our independence, our integrity and our partners. We care about the environment in which we work and live. We have an active Corporate Social Responsibility policy, which aims to create shared value that benefits society and business. We are ISO 14001 certified, supported by all our staff.