

EVALUATION ROADMAP			
TITLE OF THE EVALUATION	Evaluation of Sector approach under IPA II assistance		
LEAD DG RESPONSIBLE UNIT	DG NEAR A3 (EVALUATION SECTOR)	DATE OF THIS ROADMAP	10/2016
TYPE OF EVALUATION	Interim Evaluation	PLANNED START DATE	Q2/2017
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		PLANNING CALENDAR	http://ec.europa.eu/smart-regulation/evaluation/index_en.htm
This indicative roadmap is provided for information purposes only and is subject to change.			

A. Purpose
(A.1) Purpose
<p>DG NEAR will undertake the Evaluation of Sector approach under IPA II¹ assistance. The evaluation is aimed at providing assessment and evidence on the use and scope of sector approach² in planning, programming and implementation processes under IPA II, while also considering the evolution of the sector approach since the launch of the idea in the Conference on Effective Support for Enlargement held in Brussels in October 2009.</p> <p>This evaluation will also feed to the extent possible the finalisation of the Staff Working Document related to the IPA II Mid Term Review (to be finalised in the third quarter of 2017). The specific objectives are:</p> <ol style="list-style-type: none"> 1. To provide an assessment in both qualitative and quantitative terms on the performance of EU pre-accession assistance in its sectorial approach, particularly its relevance, efficiency, effectiveness and added value as regards the achievement by candidate and potential candidate countries of their commitments for EU membership. 2. To provide to the Commission lessons learnt and recommendations to improve the Sector Approach uptake under IPA II.
(A.2) Justification
In light of current pre-accession assistance, it is considered useful to extract some lessons that could be used both by the EU and by candidate and potential candidate countries.

B. Content and subject of the evaluation
(B.1) Subject area
EU pre-accession assistance (Instrument for Pre-accession Assistance I ³ and II ⁴) aims at supporting candidate countries and potential candidates in their progressive alignment with the standards and policies of the European Union, including where appropriate the <i>EU acquis</i> , in the perspective of EU membership.

¹ REGULATION (EU) No 231/2014 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 11 March 2014

² For the purpose of the present evaluation, sector approach is defined as a process which aims to broaden government and national ownership over public sector policy and decisions on resource allocation within the Sector, thereby increasing the coherence between sector policy, government spending and the achievement of results.

Sector Approach characteristics include:

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

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

³ Council Regulation (EC) No 1085/2006 of 17 July 2006

⁴ REGULATION (EU) No 231/2014 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 11 March 2014

The benefits of the sector approach for enlargement countries were first discussed in conferences (Brussels 2008, Tirana 2009) held by the European Commission and partners on donor coordination and enlargement in the Western Balkans and Turkey. The conference held in 2009 in Brussels concluded that a move to a sector-wide approach would improve the effectiveness and efficiency of partners' financial assistance. A number of evaluations also highlighted the frequent lack of strategic focus of the project-based programming approach underpinning IPA and concluded that this was weakening the prospects for achieving any planned impact.

In the later years of IPA I, specific tools were introduced to support annual programming of financial assistance to cover the sectors identified in the Multiannual Indicative Planning Documents (MIPDs), i.e. Sector Identification Fiches (SIF), which included an assessment of the potential for developing a Sector Approach and aimed at demonstrating the consistency between the MIPD and the programmes. Detailed interventions were then itemised during the Formulation Phase in Sector Fiches (SF). For programming of IPA II, the main elements of IPA I previous fiches are merged into one single Sector Planning Document, to be used mainly for so-called Sector Oriented Actions; i.e. Actions not fulfilling all the necessary criteria for a fully-fledged sector approach (for which an existing national Sector Programme would be the main reference document) but aiming towards it.

(B.2) Original objectives of the intervention

The objective of programming for the period 2014-2020 is to strengthen the ownership and impact of financial assistance by focussing assistance on the achievement of national sector policy objectives and results which are relevant for accession.

The shift toward a Sector Approach is politically relevant, as budget constraints faced by Member States and International financial institutions contribute to making the case for a more efficient, sustainable and results oriented pre-accession assistance: a strategy-based approach to programming focusing on the countries' needs and strengths can contribute to more effective results. Moreover, while ensuring greater ownership of national authorities over the programmes, the Sector Approach is aimed at maximising the potential for complementarity and leverage between different modes of support. It also helps rationalise it through an appropriate division of labour. To be more precise, a Sector Approach is aimed at:

- promoting/reinforcing sector policy dialogue and structural reforms, while empowering national authorities and enabling tighter links between Enlargement policy objectives and financial assistance;
- allowing to move towards more targeted and focused assistance - a Sector Approach can help lever large scale reforms and achieve more ambitious policy outcomes and better value for money than through isolated projects;
- granting better focus on prioritising and sequencing, based on serious needs assessment and risk analysis;
- allowing to better demonstrate the impact and results of limited financial resources (added value of IPA) – i.e. in a world of scarce resources, the EU need to concentrate assistance where it has an added value and where it can reach greater results and impact;
- helping build the capacities at national level for the 5 pillars underpinning the Sector Approach: a) policy development and strategic planning i.e. ability to set medium to long term priorities consistent with EU integration objectives to achieve smart, sustainable and inclusive growth; b) ensuring that line ministries have the administrative capacity to lead and efficiently implement policies and programmes; c) improving public financial management and national budgeting systems (including a closer link between activity and budget planning by developing medium-term budget frameworks); d) improving monitoring and evaluation capacity, as well as encouraging a focus on results-based programming; e) strengthening capacity to manage donors.

(B.3) How the objectives were to be achieved

In terms of the process dealing with the decision to use a sector approach, the steps are the following:

The first step for sector identification for the IPA II Beneficiary is to identify which Sectors/Sub-Sectors from those identified in the Indicative Strategy Paper are suitable for a Sector Approach. The European Commission has defined a list of the (Primary) Sectors to be used for planning (i.e. indicative Country Strategy Papers) and programming (Action Programmes).

The following Sectors have been agreed as the overarching Sectors under which priorities for IPA II interventions should be defined in the indicative Country Strategy Papers:

1. Democracy and governance
2. Rule of Law and fundamental rights
3. Environment and climate action
4. Transport
5. Energy
6. Competitiveness and innovation
7. Education, employment and social policies
8. Agriculture and rural development
9. Regional and territorial cooperation

The next step in order to determine the Beneficiary's readiness to adopt a Sector Approach for IPA II programming is the Sector Approach Assessment. This is a crucial exercise to be carried out in the very early stages of the planning and programming process. It is also continuous process which needs to be carried out all through the programming cycle, as the development of Sector Approaches is an iterative process.

The analysis of the Sector through the 'Sector Approach assessment criteria' will also determine the level of preparedness of the Sector, ranging from a Sector where all the 7 assessment criteria are met to a Sector where only the key criteria are met (or in the process of being met).

Five key criteria need to be assessed:

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

Two additional criteria related to the overall context influencing the sector programmes should also be considered, particularly (although not only) in cases where Sector Budget Support will be the chosen financing method. These are:

1. Public finance management (PFM) system⁵ (efficiency, effectiveness, transparency) in place or under implementation;
2. Existing and projected macro-economic framework in which sector policies will be implemented.

Negative assessments for some or all of the key criteria do not necessarily prevent the adoption of a Sector Approach. On the contrary, they should be seen as indications of the areas where further work and capacity-building are required.

IPA II (2014-2020) is aimed at being more strategic and result-oriented, ensuring more sustainable results in improving the readiness of the countries for membership. In its Article 4, the IPA II Regulation stipulates that 'Assistance shall be targeted and adjusted to the specific situation of the beneficiaries listed in Annex I, taking into account further efforts needed to meet the membership criteria as well as the capacities of those beneficiaries. Assistance shall be differentiated in scope and intensity according to needs, commitment to reforms and progress in implementing those reforms. It shall mainly be directed towards helping the beneficiaries listed in Annex I to design and implement sector reforms. Sector policies and strategies shall be comprehensive and shall contribute to the attainment of the specific objectives set out in Article 2(1)'.

The Sector Approach, though not formally mentioned as such, is therefore a central element of the IPA II programming exercise. As a tool to promote sector policy dialogue and structural reforms, it aims at bringing relevant sectors up to European standards and reaching sector results that will facilitate EU membership

⁵ The development of an efficient, effective and transparent PFM framework should be a priority for every country irrespective on whether the assistance is provided through Sector Budget Support or not.

C. Scope of the evaluation

(C.1) Topics covered

The evaluation will analyse sector approach assessments and programming tools, as well as their effective use and uptake by both the Commission and the beneficiaries. In terms of sectors, both i) Democracy and governance and ii) Rule of Law and fundamental rights, directly linked to the fundamentals, are covered in all candidate and potential candidate countries. The remaining seven sectors are not covered in each and every country. This explains why one of the evaluation questions will explicitly cover solely the first two sectors, while more transversal EQs will cover actions regardless of their sectors.

The thematic scope under these two sectors will be further detailed with the finalisation of the Evaluation questions, for which a proposal is set out here below, and with the consequent identification of case studies.

The analysis of the evolution of the sector approach will consider the late part of the previous (2007-2013), but the main focus will be on the current (2014-2020) programming period. The actual uptake and implementation will mainly cover the current programming period.

(C.2) Issues to be examined

In line with the Better Regulation guidelines on evaluations introduced by the Commission in 2015 and with DG NEAR Guidelines on linking planning/programming, monitoring and evaluation⁶, the main evaluation criteria are: relevance, efficiency, effectiveness, impact, sustainability, coherence and EU added value. It should be noted that the impact and sustainability criteria will not be covered to the same extent as the other criteria since Sector Approach implementation is still in its incipient stage in most of the countries.

Evaluation questions to be further developed at the inception stage are:

1. To what extent have Sector Approach assessment and programming tools been conceived in such a way that reflect the current state of play and readiness of beneficiaries and ease their effective use/uptake?
2. To what extent has the Sector Approach contributed to an improved pre-accession assistance programming (both at country and sector levels)?
3. To what extent is the Sector Approach perceived by stakeholders at candidate and potential candidate countries' Governments and EU (HQs, Delegations/offices) levels as an effective tool to achieve national sector policy objectives and results which are relevant for EU accession?
4. To what extent has the use of the Sector Approach, in the two sectors of i) Democracy and governance and ii) Rule of Law and fundamental rights, started contributing to the improvement of sector policy reforms?
5. To what extent development of sector approaches is taking place in a way that ensures coherence with other modalities of policy dialogue and assistance of the different players?
6. To what extent is the Sector Approach adding value to what other support actions do?

(C.3) Other tasks

None

D. Evidence base

(D.1) Evidence from monitoring

Sector Planning Documents, Programming documents, programme statements, action documents, annual reports, Results Oriented Monitoring and available evaluations, etc.

(D.2) Previous evaluations and other reports

First Mid-term meta evaluation of IPA I

http://ec.europa.eu/enlargement/pdf/financial_assistance/phare/evaluation/20110912_meta_eval_final.pdf

Second Interim evaluation of IPA I

http://ec.europa.eu/enlargement/pdf/financial_assistance/phare/evaluation/2013/ipa_interim_meta_evaluation_report.pdf

Third Interim evaluation of IPA I assistance

⁶ Refer to http://ec.europa.eu/enlargement/news_corner/monitoring-and-evaluation/index_en.htm.

<p>http://ec.europa.eu/enlargement/news_corner/key-documents/index_en.htm?key_document=08012624887c0cc9</p> <p>Evaluation to support the preparation of pre-accession financial instruments beyond 2013 http://ec.europa.eu/enlargement/pdf/financial_assistance/phare/evaluation/20110912_final_report.pdf</p> <p>The Interim Evaluations of IPA Component I (2011) in Albania, Bosnia and Herzegovina, Serbia, Montenegro, Kosovo. The Mid-term Meta Evaluation IPA, Internal Audit IPA Programming (2012)</p> <p>Mapping of Sector Strategies - final report 28.02.2014 (EC commissioned evaluation no. 2013/3018972)</p> <p>- Other relevant studies, evaluations, related to IPA performance : http://ec.europa.eu/enlargement/index_en.htm</p> <p>- Annual Enlargement packages http://ec.europa.eu/enlargement/index_en.htm</p> <p>- Annual and special reports of the EU Court of Auditors http://www.eca.europa.eu/en/Pages/AuditReportsOpinions.aspx</p>
(D.3) Evidence from assessing the implementation and application of legislation (complaints, infringement procedures)
Not applicable
(D.4) Consultation
<p>The main objectives of the consultation activities will be to gather data, opinions and test hypotheses. The main stakeholders to be consulted during the entire evaluation exercise from inception to final/reporting phase, (either via interviews and/or surveys) include:</p> <ul style="list-style-type: none"> • In candidate and potential candidate countries: National IPA Coordinators (NIPACs), authorities and structures responsible for design, implementation, monitoring and reporting the assistance, beneficiaries of pre-accession assistance and other national stakeholders, such as civil society organisations, • EU Member States, European financial institutions. • Non EU stakeholders: non EU Financial Institutions.
(D.5) Further evidence to be gathered
Further evidence may be obtained through field trip visits.

E. Other relevant information/ remarks

<p>Given that there will be an overarching evaluation of the Instrument for Pre-accession Assistance II which this evaluation will feed in, the better regulation guidelines will not fully apply to this evaluation. In particular:</p> <ul style="list-style-type: none"> - instead of a 12-week open public consultation, there will be targeted consultations as outlined in section D above; - at the end of the process, instead of a Staff Working Document, there will be a management response to the final evaluation report and a short summary of the evaluation in the Annual Activity Report.
