

## **European Commission**

### **DG ELARG**

Ad-hoc evaluation of the CARDS regional programmes in the Western Balkans

Final Report – December 2008

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## LIST OF ABBREVIATIONS

<b>CAFAO</b>	Customs and Fiscal Assistance Programme
<b>CARDS</b>	Community Assistance for Reconstruction, Development and Stabilisation
<b>CBC</b>	Cross-border Cooperation
<b>CEFTA</b>	Central European Free Trade Agreement
<b>CEN</b>	European Committee for Standardisation
<b>CLC</b>	Centre for Legal Competence
<b>CoE</b>	Council of Europe
<b>DACU</b>	“Sector for Programming and Management of EU Funds and Development Assistance” of the Ministry of Finance of Serbia
<b>DG ELARG</b>	Directorate General for Enlargement of the European Commission
<b>DG REGIO</b>	Directorate General for Regional Policy of the European Commission
<b>DIS</b>	Decentralised Implementation System
<b>DRC</b>	Danish Refugee Council
<b>EAR</b>	European Agency for Reconstruction
<b>ECD</b>	European Commission Delegation
<b>EDIS</b>	Extended Decentralised Implementation System
<b>EIA</b>	Environmental Impact Assessment
<b>EIB</b>	European Investment Bank
<b>EIOP</b>	European Investor Outreach Program
<b>ERDF</b>	European Regional Development Fund
<b>ESF</b>	European Social Fund
<b>ETF</b>	European Training Foundation
<b>EuropeAid</b>	European Commission Cooperation Office
<b>FDI</b>	Foreign Direct Investment
<b>FISCALIS</b>	Community programme for improvement of the operation of taxation systems in the internal market
<b>GIS</b>	Generation Investment Study
<b>HRD</b>	Human Resources Development
<b>IBM</b>	Integrated Border Management
<b>ICPDR</b>	International Commission for the Protection of the Danube River
<b>IDP</b>	Internally Displaced Persons
<b>IFI</b>	International Financing Institutions
<b>IPA</b>	Instrument for pre-accession
<b>IPARD</b>	Instrument for Pre-Accession Assistance for Rural Development
<b>IRP</b>	Integrated Return Programme
<b>ISPA</b>	Instrument for Structural Policy for Pre-Accession

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<b>MAP</b>	Multiannual Plan
<b>MIER</b>	Ministry of International and Economic Relations
<b>MIFF</b>	Multi-annual Indicative Financial Framework
<b>MIGA</b>	Multilateral Investment Guarantee Agency
<b>MIP</b>	Multiannual Indicative Programme
<b>MIPD</b>	Multi-annual indicative Programming Document
<b>MISP</b>	Municipal Infrastructure Support Project
<b>MONIS</b>	Monitoring Information System of the European Neighbourhood and Partnership countries, Western Balkans/Turkey and Central Asia Monitoring Programme
<b>NAC</b>	National Aid Coordinator
<b>NACE</b>	Nomenclature Générale des Activités Économiques dans les Communautés Européennes
<b>NAO</b>	National Authorising Officer
<b>NIP</b>	National Investment Plan
<b>NIPAC</b>	National IPA Coordinator
<b>OECD</b>	Organisation for Economic Cooperation and Development
<b>OSCE</b>	Organisation for security and Cooperation in Europe
<b>OTR</b>	Occupancy and Tenancy Rights
<b>PCC</b>	Potential Candidate Country
<b>PHARE</b>	Pologne, Hongrie Assistance à la Reconstruction des Economies = Poland and Hungary Assistance for Economic Restructuring Programme
<b>PPF</b>	Project Preparation Facility
<b>PWP</b>	Project Work Plan
<b>RBM</b>	River Basin Management
<b>RCC</b>	Regional Cooperation Council
<b>REBIS</b>	Regional Balkans Infrastructure Studies
<b>ROM</b>	Result Oriented Monitoring
<b>RSP</b>	Regional Strategy Paper
<b>RP</b>	Regional Programme
<b>SAA</b>	Stabilisation and Association Agreements
<b>SAP</b>	Stabilisation and Association Process
<b>SAPARD</b>	Special Accession Programme for Agriculture and Rural Development
<b>SEETO</b>	South East Europe Transport Observatory
<b>SEIO</b>	Serbian European Integration Office
<b>SIDA</b>	Swedish International Development Cooperation Agency
<b>TACIS</b>	Technical Assistance Commonwealth of Independent States
<b>TAEIX</b>	Technical Assistance Information Exchange Office
<b>TAXUD</b>	Directorate-General for Taxation and Customs Union
<b>TEN-T networks</b>	Trans-European Network for Transport
<b>TNA</b>	Training Needs Analysis
<b>UNDP</b>	United Nations Development Programme
<b>UNHCR</b>	United Nations High Commissioner for Refugees

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<b>UNMIK</b>	United Nations Interim Administration in Kosovo
<b>USAID</b>	United States Agency for International Development
<b>WFD</b>	Water Framework Directive



## 1 EXECUTIVE SUMMARY

**The programme.** CARDS stands for “Community Assistance for Reconstruction, Development and Stabilisation” and is a key element of the strategy that the European Union has developed towards the Western Balkans, after the wars that disturbed the region in the previous decade. The scope of this evaluation is restricted to the regional programmes implemented under CARDS. The CARDS regional programmes deal with strengthening the administrative capacity and fostering a joint approach towards socio-economic development in the region. The programme was managed jointly by DG AIDCO and DG RELEX until early 2005 when DG ELARG took over. In 2007 CARDS was replaced by IPA that marks the shift of the EU focus towards the region from a reconstruction perspective to a pre-accession approach. The CARDS programme was endowed with an **overall budget** of more than 4.65 billion euro<sup>1</sup>, but only 6% of this amount was directed towards regional cooperation in the period 2002-2006. 197 million euro were allocated by the Regional Strategy paper 2002-04, and additional 85 million euro were allocated by the MIP 2005-06. The budget was managed at the central level by the Commission headquarters in Brussels<sup>2</sup>.

### 1.1 Key evaluation findings

#### Management and learning process

**DG ELARG adopted a more participative and coordinated approach to designing the regional programmes**, following the recommendations from the previous evaluation (2004). The beneficiary countries were not consulted in depth when the programme was designed and the first projects were selected. This reduced the sense of ownership on the side of the countries. However, regular multilateral meetings with the EC, EC Delegations and stakeholders are now held, especially in the context of programming. This consultation process has been further strengthened in the new financial period and the Multi-annual Indicative Programming (MIPD) as foreseen by the new pre-accession financial instrument IPA. Countries are now taking part in a participatory way in the preparatory work and are discussing their priorities in a regional environment. DG ELARG has also launched procedures for having the countries draft the project fiches that are returned later to the Commission. In addition to the multi-beneficiary meetings held every five to six months, countries give inputs on the programme on a continuous basis, through NIPAC/NAC office inputs into the regional programming process on the national level, which has successfully been established.

**The CARDS regional programmes can perhaps be described as a learning process on both sides:** the Commission has started involving countries more in its decision making process and to identify the hindrances that prevent countries from fully exploiting the support provided, such as inadequate absorption capacity due to the concentration of key reforms over a short period. Countries have also realised that tackling problems under the regional framework has its advantages. This learning process is still ongoing and in some areas the regional programmes are still seen as a second-best solution compared to the national programmes.

**The CARDS regional programmes have to strike a balance between different degrees of administrative capacity:** while some of the countries-entities involved can rely on well-shaped and long-standing institutions, in other countries-entities the institutional framework is still extremely weak. Instruments like TAIEX can play a positive role in addressing specific training needs and to build up administration skills in countries-entities lagging behind others.

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<sup>1</sup> Regional Strategy Paper 2002-2006

<sup>2</sup> With the exception of Cross Border Cooperation that was managed by the EC Delegations and the EAR

## Relevance

**The relevance of the CARDS regional programmes and added value stemming from a truly regional approach is undisputed** by the stakeholders and in line with the European Commission strategy for stability in the region. The design of the programme and the needs identified therein - mostly realised by DG AIDCO - is generally deemed adequate. However, the programme suffered initially from (i) the lack of participatory approach, which led to some alienation of stakeholders in the beneficiary countries-entities and (ii) sometimes weak projects in terms of over-ambitious or not consistent objectives. The first gap was filled by the consultation culture adopted by the management of the regional programme unit of DG ELARG, while the second gap had to be corrected, whenever possible, on a project-by-project basis.

## Efficiency

**The regional programme entails, for its specific and intrinsic nature, a higher degree of complexity which is reflected in the field by higher coordination costs.** So - other things being equal - a project undertaken under the regional programme umbrella will always be less “efficient” than a similar programme carried out in a national framework. This is compensated by a value added that is unique to the regional programme: the effect of building bridges with former foes and reconstructing the dialogue at the national administration level. The level of trust and mutual confidence established as a result represents a typical example of an intangible asset. Intangible assets like cooperation produce a positive externality on the beneficiary countries that take advantage of the process of knowledge-sharing. This is a more suitable benchmark for efficiency.

## Effectiveness

**The effectiveness of the CARDS regional programme and of the projects included therein has in general met expectations.** In terms of effectiveness the programme can be seen as a long learning process, for the European Commission as well as the beneficiary countries. The former has acquired a deeper understanding of the regional problems and of the good contribution that beneficiary countries can provide if consulted in time. The latter have understood that some problems have to be tackled regionally, and have developed an adequate sense of ownership. The design of the programme by DG AIDCO was appropriate for meeting the socio-economic development objectives of the region. Transferring the CARDS programme to DG ELARG was beneficial for its regional component. This was in fact moved under a management philosophy that was familiar with dialogue and with regional programmes after the experience of PHARE matured by DG ELARG. The increased coordination that followed played a crucial role in ensuring the effectiveness of the programme.

## Impact

**Impacts are in line with the objectives of the CARDS regional programme, but the countries are not yet ready to fully cooperate regionally without assistance.** The magnitude of the impacts generated by the CARDS regional programmes varies throughout the different areas of intervention and throughout the projects; in areas where the need for cooperation is immediately perceived by the countries-entities (such as infrastructure facilities and private sector development) the regional programmes’ progress has been smooth. Training sessions delivered for institution building and for facilitating the uptake of the *acquis communautaire* have in general been well attended by beneficiaries. However, the high rate of government personnel turnover has sometimes jeopardised the efforts. In the field of Justice and Home Affairs the impact was limited, as laws prepared at administrative level with support from the regional programme were not always passed by parliament, or faced opposition in the implementation process and were not enforced.

**CARDS regional programmes contributed to create a regional perspective towards cooperation** and led to a process of participatory identification of priorities and needs. This does not exclude lively debates when selecting the areas of intervention, but the ability to discuss certain development priorities at the regional level is a major achievement.

## Sustainability

**Sustainability of the projects is still regarded as a weak aspect** of the programme by interviewees: however the sustainability has improved since the last evaluation. Some projects, like SEETO have managed to outlive the end of European funding, whilst some others could be scrapped without the national administration suffering that much, as they have developed the skills and implementation capacity needed for continuing the projects on a independent basis.

## Monitoring

**Monitoring** of the projects was made through ROM that provides a good set of indicators and follows up regularly the projects it covers. However, ROM covers only projects above 1 million euro and assesses projects below this threshold only on specific request. The EC delegations do not monitor the regional programmes, so that small grants not covered by ROM are monitored only from Brussels.

## Visibility

**EU visibility remains a problem in the region.** Communication with stakeholders/beneficiaries certainly is not reflected in visibility of the projects. During this evaluation survey some stakeholders were not even aware of the fact that their project was financed by EU money. This risk is present especially in projects implemented by strong and well-established international institutions where the EU visibility is absent. This lack of information and risk of alienation also affects citizens and the Commission should take into account that public awareness is an important matter, particularly in view of accession of the countries of the region to the EU.

## 1.2 Main conclusions

Our main conclusions are:

- CARDS regional programmes were and remain relevant for the socio-economic development of the region;
- Stakeholders in the beneficiary countries were involved only to a limited extent in the needs assessment phase and as a result contributed little to the design of the projects. This has dramatically changed since a dedicated DG ELARG unit took over from DG AIDCO;
- Absorption capacity varies greatly across the different countries-entities of the region and across areas of intervention, and national administrations often struggle to deal with all the reforms undertaken;
- CARDS regional programmes have generally complemented the national programmes;
- The outputs of the projects have generally been produced at a fair cost and have been delivered in time or with acceptable delays;
- The results achieved provide good value-for-money, taking into account the intrinsic coordination costs of the regional programmes;
- The adoption of open tendering procedures could increase cost-efficiency;
- The operational objectives of the programmes and projects have been achieved to different degrees according to the area and the projects themselves;
- Regional ownership and cooperation has improved and regional solutions are in the process of being developed;

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- Networking and the share of best practices have an impact on the national administrations of the region, especially on the weakest ones;
- Trainings and seminars are actively building up the administration capacity in the region. The project design capacity is also being strengthened;
- Sustainability is still rather weak but is improving. An exit strategy from the assistance logic is needed in those areas where countries are deemed able by the Commission to stand on their own feet.

### **1.3 Recommendations**

Our key recommendations for future action are:

- Improve visibility of the EU as an actor in the region;
- Continue the efforts to involve the countries in the identification of the development needs and to strengthen their participation in the projects;
- Provide more feedback towards contractors, beneficiaries, stakeholders on monitoring and evaluation;
- Involve more the task managers from the EC Delegations in the regional programme;
- Expand monitoring capacity;
- Define a clear exit strategy in line with the accession aspirations of the beneficiary countries and entities;
- Include additional countries in the projects, when relevant.

## **2 INTRODUCTION**

The contract for the “Ad-hoc evaluation of CARDS regional programmes in the Western Balkans” was signed by the European Commission and Deloitte on 24 April 2008. The inception report was delivered on 30 May 2008 and subsequently approved by the evaluation unit of DG ELARG.

The purpose of this evaluation is to strengthen the relevance, efficiency, effectiveness, impact and sustainability of the CARDS regional programmes in Western Balkans in the context of the Stabilisation and Association process. This evaluation provides the Commission with an independent assessment of the assistance strategy under CARDS regional programmes and its evolution within its wider political setting, both in the context of the Stabilisation and Association process and the changing situation in the partner countries themselves.

The evaluation takes into account the changing situation brought by the opening of the European perspective and the need to strengthen the strategic guidance for implementing the programmes. It also covers the main changes in internal EC management provoked by the transfer from DG AIDCO to DG ELARG of the CARDS programme. This evaluation looked at three main sets of criteria:

- The relevance and design of the programme;
- Its effectiveness and efficiency;
- Impact and sustainability.

The evaluation was carried out according to the triangulation method of information gathering. Triangulation is a common evaluation method that brings together different sources of data and tools for data collection, embedded in a structured approach. It was based on the following research methods:

- Case studies;
- Interviews with EC officials, contractors and stakeholders;
- Survey of contractors and beneficiaries;
- Desk research;
- Participation in two multi-beneficiary meetings in Istanbul and Sarajevo.

This approach took into account different points of view on the same subject. When we refer to interviewees in the text, we always refer to more than one source and we deem the statement credible. An exception is made for case studies in Annex 3. In this case our judgement is drawn on a limited number of interviews, so we refer also to single interviewees.

The evaluator provided the following reports:

- an Inception Report 4 weeks after the kick-off meeting;
- a Draft Final Report;
- a Final Report.

In addition to these, two power-point presentations were delivered at the two multi-beneficiary meetings attended by the evaluators.

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This Final Report contains:

- an overall description of the context and methodology of the evaluation (section 3);
- the answers to the evaluation questions, assessed criterion by criterion (section 4);
- a section on cross-cutting issues from a horizontal point of view (section 5);
- a section that deals with the four specific areas identified and presents the findings from our case studies (section 6);
- conclusions and recommendations (section 7).

The description of data gathering and data analysis, the overall planning of the evaluation and difficulties encountered and limitations is annexed to the report, together with the evaluation plan, the statistical analysis of the web survey, list of interviewees, list of projects, list of selected projects for in-depth analysis and the list of documents consulted for desk research.

### 3 CONTEXT AND BACKGROUND

#### 3.1 Historical background

The Western Balkans (WB) is the term used by the European Union for the sub-region comprising Albania, Bosnia and Herzegovina, Croatia, the former Yugoslav Republic of Macedonia, Serbia, Montenegro, and Kosovo (under UNSCR 1244/99). Kosovo declared its independence in February 2008 and has until now - 14 October 2008 - been formally/informally recognized by 51 out of 192 United Nations (UN) members – including 22 EU Member States. With the exception of Albania, the countries of the Western Balkans were all formerly constituent republics of the old Socialist Federal Republic of Yugoslavia (SFRY).

The 1990s were a turbulent decade in the Western Balkans, as the SFRY broke-up and new countries were created. The armed confrontations affected all the countries of the region, either directly or indirectly, exacting a high price. Many thousands died, many more thousands were displaced and economies were devastated by hostilities. The disruption delayed the process of reform and transition from command to market economies which other former Communist states in Central and Eastern Europe underwent during that decade.

The Western Balkans today face unresolved conflict issues, serious post-conflict problems such as the prevalence of organised crime, and the challenge of constructing societies based on respect for human rights and the rule of law. Perhaps the greatest long term threat to stability is posed by economic underdevelopment, with persistently low levels of foreign investment and high rates of unemployment.

#### 3.2 The background and the context of the evaluation

The Stabilisation and Association process (SAP), is the EU's overall policy framework for the Western Balkan countries. An important pillar in the process is the conclusion of individual Stabilisation and Association Agreements (SAA) with the Western Balkan countries. The Western Balkan countries first have to meet certain conditions in order to sign Stabilisation and Association Agreements (SAA) with the EU, to become candidate countries and to start the accession process. The SAA was signed by: Croatia and former Yugoslav Republic of Macedonia in 2001, Albania in 2006 Montenegro in 2007, Serbia and Bosnia & Herzegovina in 2008. All the countries in the region have signed a SAA with the EU, with the exception of Kosovo (under UNSCR 1244/99).

The SAAs set out the common values and principles governing the relationship between the EU and each country. The main elements of the Agreements are:

- promotion of the free movement of goods;
- creation of efficient institutions;
- development of a market economy; reducing crime and corruption;
- promotion of higher education reform;
- developing democracy, human rights, and an independent media and;
- improving the region's transport infrastructure.

Regional co-operation is an essential element of the Stabilisation and Association process, started in the late 1990s. This was confirmed in the Thessaloniki Agenda for the Western Balkans, endorsed at the Thessaloniki European Council of June 2003 and enriched with elements from the enlargement process, as the countries move from stabilisation and reconstruction to sustainable economic and social development, association and integration into European structures. The capacity and readiness of an individual Western Balkan country to fully and constructively engage in regional co-operation is a key indicator of its ability to cope with European obligations and is part of its path to accede to the EU. The Thessaloniki Agenda sets down a number of areas in which regional cooperation should continue its development.



The European Partnerships with the Western Balkan countries, adopted in 2004, set the reform agenda for the countries of the region to prepare them for the greater integration with the EU and indicated the main priority areas in which concrete steps needed to be taken, especially in the context of the regional cooperation. The EU decided to apply to these countries the same methodology as that followed for the new Member States that joined in 2004, i.e. an assistance scheme composed by national programmes, complemented by a regional programme.

Croatia was given the status of a candidate country in June 2004. On 3 October 2005 the Council decided to open accession negotiations with Croatia on the basis that Croatia met the Copenhagen political criteria. The former Yugoslav Republic of Macedonia also has a candidate status but negotiations have not yet started.

The stabilisation conditions in the SAP focus on the regional co-operation and compliance with the Dayton peace agreements. Regional co-operation among the WB countries is one of the main elements in the SAP and is recognised as closely connected with European integration. The WB countries are expected to learn how to co-operate with each other, as a means of reconciliation and good neighbourly relations, before they can integrate in the European family of nations. Regional co-operation is also expected to achieve tangible results in certain areas of crucial importance for the stability and economic development of the region. In this regard, the regional co-operation programmes should complement national assistance programmes, and bring additional value to common problems that are addressed therein.

### **3.3 Overview of the CARDS regional programme**

The national and regional assistance programmes supporting the SAP are financed under the CARDS Council Regulation No 2666/2000 (Community Assistance for Reconstruction, Development and Stabilisation). Altogether € 282 million have been directed to the regional programmes during the years 2000 – 2006 (incl. € 40 million to its precursors in 2000 - 2001 and € 52 million in Cross-Border Cooperation/ Neighbourhood Programmes in 2004 - 2006).

The objectives of regional cooperation as specified in the first Strategy Paper were to promote direct cooperation between the beneficiary countries in tackling common threats (crime and trafficking), to build networks of contractual relationships between them in certain areas and to reintegrate them in the European infrastructure networks. The second MIP further developed a number of sector priority areas and aimed at strengthening the strategic guidance for implementing the programmes.

As with other regional or multi-beneficiary programmes, the regional programmes for WB, with some exceptions, are managed directly by the Commission (centralised direct management).

During most of their implementation, the regional programmes were managed jointly by DG RELEX and DG AIDCO. In the beginning of 2005, DG ELARG took over responsibility for the management of the programmes from the other two Directorates-General. In order to manage the CARDS regional programmes, the Commission consults regularly with the governments of the WB countries, civil society and other stakeholders and donors (Council of Europe, UN, OSCE, bilateral donors, IFIs, Stability Pact now RCC).

In the new financing period, as Candidate Countries (CC) or Potential Candidate Countries (PCC), the WB countries benefit from the new Instrument for Pre-Accession (IPA) which was launched in 2007. This new instrument has replaced CARDS, PHARE and other pre-accession aid instruments.

#### **3.3.1 OVERALL PERFORMANCE OF CARDS AND PROGRESS MADE SINCE CARDS 2004 EVALUATION**

This evaluation assessed the performance of CARDS regional programmes and analysed the effects of the change from CARDS regional programmes to the IPA Multi-beneficiary programme, taking into account the shift of responsibility from DG AIDCO to DG Enlargement. This change in management



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is underpinned by a change in priorities and by the greater importance given to strengthening strategic guidance for implementing the programmes. The sectors covered by MIPD 2005-2006 offer more support to private sector development and support to building regional networks and institutions for regionally aligned infrastructure development. An example of this is the assistance for infrastructure in terms of development through regional institutions/secretariats that ensure alignment to common priorities for the region by a joint selection of infrastructure projects to be financed

In the previous evaluation the implementation rates of CARDS regional programmes were compared with the national ones. In 2004 only 44.8% of the funds had been contracted and 15.2% disbursed, which was low compared to the national contracted rates. However, certain areas had higher contracting rates.

By the time of this evaluation, the implementation rates of the regional programme had increased when looking at the contracted and disbursed assistance:

**Table 1 - Regional CARDS allocations for the years covered by the scope of this evaluation: 2003, 2005 and 2006. (updated to 13 October 2008).**

Programme	Allocated	Contracted	% Contracted	Paid	% Paid
	in € million	in € million		in € million	
CARDS Regional 2003	30.27	29.39	97.09%	27.5	90.85%
CARDS Regional 2005	47.9	41.48	86.60%	22.89	47.79%
CARDS Regional 2006	31.8	25.02	78.68%	13.66	42.96%
<b>Total</b>	<b>109.97</b>	<b>95.89</b>	<b>87.20%</b>	<b>64.05</b>	<b>58.24%</b>

Source: European Commission, DG ELARG

The figures in the table show relatively high contracting and disbursement rates of the regional programmes, particularly when it is taken into account that CARDS 2005 and 2006 projects are still ongoing.

### 3.3.2 THE EVALUATION QUESTIONS

The evaluation was structured and conducted on the basis of the evaluation questions identified in ToR. The following are the criteria and questions posed to achieve the purpose of the evaluation:

**Relevance and design:** To what extent do the programmes/projects address the needs and priorities identified in the SA agreements, Regional strategy paper, Regional Multi-annual Indicative Programmes? To what extent the programmes were designed in a manner relevant to the needs and problems identified in the WB region? To what extent have the stakeholders in Western Balkans and in the line DGs been involved in the needs assessments and contributed to the design of the programmes/projects? To what extent have the beneficiaries been ready to absorb the CARDS funding and the pre-conditions for implementing the projects been in place?

**Efficiency:** To what extent have the outputs of the projects been produced, to which costs have they been produced and have they been produced in time as planned? Were the tools such as twinning, TAIEX, SIGMA, technical assistance, grants, etc. appropriate for the programme implementation and

have the resources in each tool been well used? Did the RSP of Western Balkans provide sufficient orientation and effective guidance on planning documents? Could similar results have been achieved at a lower cost or more results to the same costs (value-for-money)?

**Effectiveness:** To what extent have the operational objectives of the programmes/projects been achieved or are in the process of being achieved? Have the structures, systems and resources in the beneficiary countries been improved and resulted in increased performance and regional cooperation between them? Have the infrastructures in the fields of energy, transport and environment been successfully modernised and reintegrated (or will they be in the long term) into European infrastructures?

**Impacts:** The extent to which the impacts have contributed to the achievements of the objectives. The evaluation will assess the results or immediate impacts (the short-term or initial effects of an intervention), the intermediate impacts (short-to-medium term effects on both direct and indirect beneficiaries) and socio-economic or global impacts (the longer-term effects usually expressed in terms of broad socio-economic consequences).

**Sustainability:** The extent of the CARDS actions and the aims of sectors (regional co-operation, regional cooperation in the JHA sector and integrated border management democratic stabilisation and development of civil society, private sector development, development of the regional infrastructure). are likely to continue after the EU funding ends?

Also, the evaluation shall address the cross-cutting issues which are mentioned in the programme and project fiches such as gender equality, inclusion of minorities, and protection of the environment and complementarities with other donors.

### 3.4 Limitations of the present study

During the evaluation certain obstacles emerged which limited our ability to follow an ideal approach.

These are:

- The high turnover of personnel working in relevant positions in the region resulted in difficulty of contacting beneficiaries of the funded projects. This was significantly reflected in the results of the web survey;
- Evaluation was mostly focused on projects with a value above 1 million euro which were included in the ROM/MONIS analysis in order to cover a large portion on the overall budget for CARDS 2003, 2005 and 2006. This obviously did not allow us to look at small projects not covered by ROM. However an analysis of all projects covered by MONIS is depicted in Annex 6.

### 3.5 Scope of the evaluation

The evaluation covers programmes and projects from CARDS 2003, 2005 and 2006 (as the scope of the evaluation excluded CARDS 2004 Neighbourhood Programme and CBC project under CARDS 2005 and 2006 regional programmes), with a total budget allocation of around EUR 110 million, all part of the 2001-2006 CARDS regional assistance for the Western Balkans.

The scope of this evaluation covers the whole regional programmes' strategy in the period 2003-06, through:

- a horizontal part related to the general evaluation of the intervention logic and on the management of the regional programmes by the relevant actors;

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- an evaluation of projects that were undertaken in the framework of the Regional programmes<sup>3</sup>;
- analysis and recommendations on how to increase the potential impact of Regional programmes (recommendations).

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<sup>3</sup> We covered via a web-survey all the projects contained in the list provided to us by the Commission (see Annex 4).

## 4 EVALUATION QUESTIONS AND THE OVERALL PERFORMANCE OF THE CARDS REGIONAL PROGRAMME

### 4.1 Relevance and design

#### Overall assessment

**The relevance of the CARDS regional programmes and added value stemming from a truly regional approach is undisputed** by the stakeholders and in line with the European Commission strategy for stability in the region. The design of the programme and the needs identified therein - mostly realised by DG AIDCO - is generally deemed adequate. However, the programme suffered initially from (i) the lack of participatory approach, which led to some alienation of stakeholders in the beneficiary countries and (ii) sometimes weak projects in terms of over-ambitious or not consistent objectives. The first gap was filled by the consultation culture adopted by the management of the regional programme unit of DG ELARG, while the second gap had to be corrected, whenever possible, on a project-by-project basis. The allocation of expenditure to CARDS regional programmes was lower than expected, with only €85 million allocated in the MIPD 2005-6.

#### Introduction

This section on relevance and design will answer the evaluation question concerning the extent to which the CARDS regional programmes and the projects implemented within its framework were well focused and in line with the SAP and the pre-accession strategy of the European Commission towards the Western Balkan countries. Our approach to this question has been twofold: on the one hand we have assessed whether the programme was in line with the European Commission's strategy papers for the Western Balkans and with the needs of socio-economic development identified therein; on the other hand we have analysed the quality of the projects' design and the degree of involvement of stakeholders in the process of designing the programme together with the overall quality of the programme conceived.

In answering these questions we have triangulated the information provided by survey, by interviews with relevant stakeholders both at the central level and in the beneficiary countries concerned and the desk research undertaken, with particular regard to the result-oriented monitoring system put in place by the European Commission.

#### Key findings

**As far as relevance is concerned the CARDS regional programmes and the projects analysed are overall consistent with the needs and priorities identified in the SA agreements, Regional strategy papers and Regional Multi-annual Indicative Programmes.** Differentiation has to be made between regional and national needs and priorities. Without any exception interviewees stated that the regional CARDS programmes and relevant projects were overall consistent with the needs and priorities of the region. On the national level the development priorities set by governments were occasionally differing (e.g. Pilot River Basin Sava River project) from the European priorities as national governments tend sometimes to focus more on country-specific development needs.

**The expenditure allocated for the CARDS regional programmes did not reach the threshold of 10% that had been identified in the Regional Strategy Paper of 2002.** The actual expenditure on the regional programmes sums up to €282 million so far and represents 6% of the total CARDS expenditure. This reduction of the allocated expenditure is probably due to the not optimal start of the regional programmes, as indicated in the mid-term evaluation of CARDS.

**The programme and projects were designed in a manner relevant to the needs and problems identified in the Western Balkans region.** The questions asked to interviewees and survey respondents leave little space to doubt that the design of the programme has been judged as adequate by the stakeholders. Stakeholders from the beneficiary countries have reported that they were not

sufficiently involved in the design of the priorities of the programme. This has fairly improved since DG ELARG took over the CARDS programme from DG AIDCO in 2005. Since 2007 NACs and NIPACs have been involved in the process extensively since then and have taken part in the coordination meetings organised by the regional programmes' unit of DG ELARG every four to six months.

**The stakeholders in Western Balkans have not been extensively involved in the needs assessments and contributed to the design of the programme/projects.** This was due to the lack of a mechanism of consultation that was introduced lately by DG ELARG. In the first years of CARDS the EAR was perceived as the main point of reference for the regional programme in the countries under the EAR mandate). This has been duly pointed out by the evaluation realised in 2004. The level of involvement of the EC Delegations in designing the regional programme was very low or non-existent. The level of involvement of stakeholders in the region has been subject to criticism by the interviewees who were opposing the top-down approach adopted by DG AIDCO at the outset of the programme. Line DGs were involved to a different extent according to the projects: sometimes they have played an active role and have been involved in drafting the terms of reference for projects, whilst in smaller projects their intervention was rather limited. The approach adopted for IPA is seen as much more participatory and has managed to involve the national administration in a fruitful and cooperative way according to interviewees and NIPACs.

**The beneficiaries have been to a large extent ready to take part in the CARDS regional programmes and have activated their national administrations accordingly.** However, the absorption capacity varies greatly throughout countries and areas of expertise, sometimes delaying projects' implementation. Kosovo's and Bosnia and Herzegovina's absorption capacity is affected by the weak institutional framework, but absorption difficulties can be reported for most countries in the Justice and Home Affairs area due to the amount of reforms undertaken in this area (see section 6 for more details). The beneficiary countries have been very much responsive to the regional programme and have in general cooperated actively in steering groups<sup>4</sup>. At the beginning of the CARDS programme countries tended to be more interested in the national programmes and discovered the value added of the regional programme only later during the process. Task managers have reported an atmosphere of goodwill in almost all the steering groups, as the political tensions that affected the region had hardly any impact on the workings of the programmes. The level of technical expertise the countries are endowed with, varies greatly across sectors and countries themselves, but is generally fair with some exceptions for countries where the national administrations are in the process of being fully established. The high level of personnel turnover has been a serious obstacle for some of the projects. This is due to the retention challenges that characterise public administrations in the regions and to a heavy spoil system used by politicians. The cooperation reached between national administrations is definitely a major achievement of the programme and in line with the Commission's strategy for the region.

**The RSP of Western Balkans provided sufficient orientation and effective guidance through planning documents,** but sometimes it overlooked the reality in the field and the pre-conditions in place as beneficiaries and local stakeholders were not properly consulted. However, as revealed by the field research, this improved over time to the satisfaction of the parties concerned. The challenge when defining priorities and the content of the programme is twofold: not only does each country have its own priorities and is not necessarily interested in the specific programmes; but the level of administration development and absorption capacity also varies across countries. However, it is now clear that the SAp implies cooperation between countries and those countries are assessed also against their capability of cooperating with each other. This is considered a key condition for accession to the EU.

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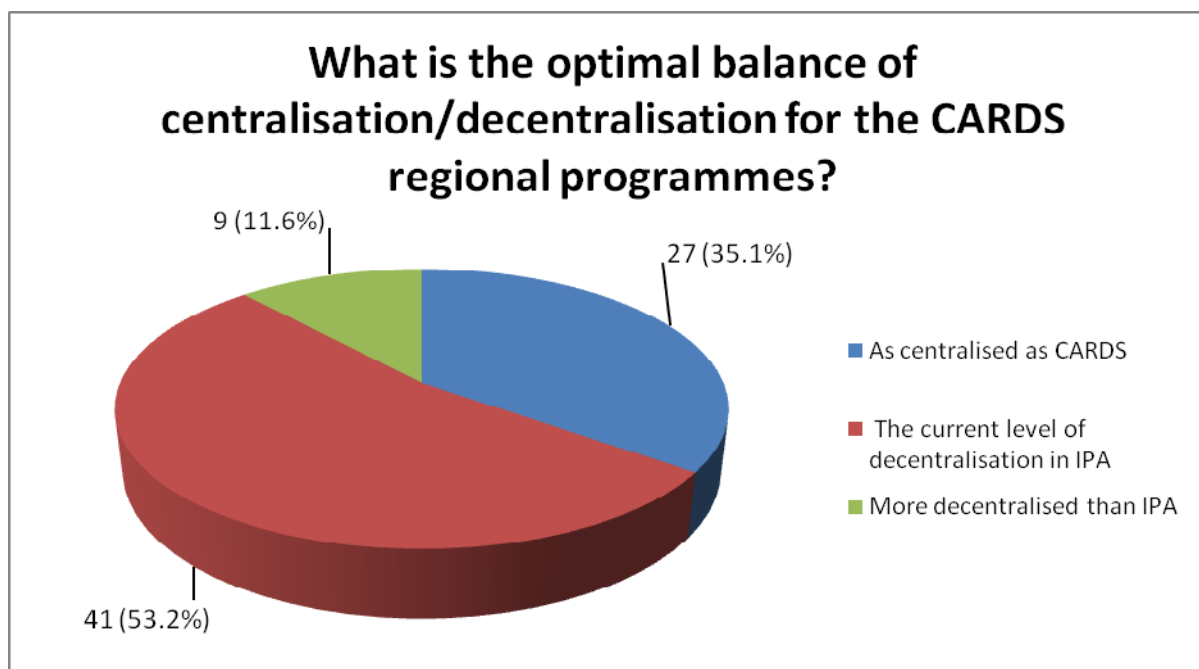
<sup>4</sup> Steering Committees (or groups) are established with a monitoring and supervisory role. A Steering Committee involves the main project partners who provide the project with much needed coherence and credibility, to tackle e.g. a complex regional situation and ambitious project benchmarks. It can also provide an interface with the political platform (ref. the REBIS steering group and the Athens Process).

**Too many projects fail to produce and use an adequate Log Frame (LF).** The log frame is a vehicle to capture all the major steps in the life cycle of a project and to ensure that they each are logically connected. Its use is not only valuable in designing a project but also in the implementation and, later on, evaluation as it explains clearly and simply what a project is intended to achieve and how each step contributes or contributed to that achievement. The monitoring reports have recommended repeatedly on several projects to construct the LF, unfortunately without results. This might be an indicator that the reports, or at least the relevant recommendations, have not been transmitted to the contractor or that the contractor is not responding to recommendations of the task manager. Mitigation of this issue is rather simple; the LF could be a mandatory part of the delivered project documentation prior to the financing agreement.

**Communication and visibility of the programme are not always optimal.** Communication to stakeholders has not been optimal throughout the programme. This has been reported by several interviewees. Beneficiaries have reported to have been informed on projects or on decisions made only at the last minute or not consulted at all. In several cases this has delayed the effective start up of the project activities and in at least one case DG ELARG was requested by the beneficiary to intervene at the contractor to adjust and restore communication. Visibility of the programme in the beneficiary countries is reportedly low. The projects are not immediately perceived as being financed by the European Commission. This is more often the case for projects whose contractor is an international organisation or IFI already well-known in the region. In this case the name of the EC is overshadowed by the name of the contractor.

**The degree of centralisation of the CARDS regional programme was perceived as too high by beneficiaries.** Interviewees have reported that when CARDS was conceived, its approach was too centralistic. This perception is probably accentuated by the lack of consultation that characterised the programme in the early days. Indeed the current IPA programme is also a centralised programme, but the stakeholders feel more involved. This explains the difference in the perception of the centralisation level. In the early CARDS phase, the beneficiary countries were communicating mainly with the EAR according to interviewees and for the countries concerned by EAR action. The EAR - though based in Thessaloniki - had several offices in the region (in four of the countries) and was seen as a closer actor, capable of understanding the countries' needs and of mediating with contractors if necessary. The respondents to the web survey demonstrated to appreciate the current level of decentralisation granted by the IPA programme. The figure below synthesises their response.

Figure 1 – Responses to the optimal level of centralisation





## 4.2 Efficiency

### Overall assessment

When evaluating efficiency, it is important to underline that the regional programme entails, for its specific and intrinsic nature, a higher degree of complexity which is reflected in the field by higher coordination costs. So - other things being equal - a project undertaken under the regional programme umbrella will always be less “efficient” than a similar programme carried out in a national framework. This is compensated by a value added that is unique to the regional programme: the effect of building bridges with former foes and reconstructing the dialogue at the national administration level. The level of trust and mutual confidence established as a result represents a typical example of an intangible asset. Intangible assets like cooperation produce a positive externality on the beneficiary countries that take advantage of the process of knowledge-sharing. This is a more suitable benchmark for efficiency.

### Introduction

The efficiency of the CARDS regional programme concerns the extent to which the outputs of the projects were produced at reasonable cost and whether they were produced in time as planned. Before exposing our findings related to this section it is worth underlining that the national programmes do not represent a significant benchmark against which the regional programme can be assessed.

### Key findings

The results and outputs delivered by the projects have normally been produced at a reasonable cost, considering the peculiar aspects of the regional programme. Interviewees and respondents to the web survey agree that the projects were delivered at a good value-for-money rate. Again, any comparison with national projects’ cost structure would be misleading owing to travel costs and other coordination costs (translations etc.). The consistency of the expenditure is rather easy to be kept under control for large projects subject to ROM monitoring and internal audit procedures. This becomes cumbersome for small projects which are not monitored and for which the contractor is solely responsible.

Delays affected some of the projects due to different reasons. However, the programme itself did not suffer from general delays, the changeover from DG AIDCO to DG ELARG being managed quite in an efficient way. When delays occurred they were caused by procurement procedures lengthier than expected or by contractors that sometimes struggled to hire the human resources needed for the project or that did not manage to stick to the deadlines agreed with the Commission. The table below provides an overlook on the minimal delays that affected the projects we looked at in detail.

Table 2 – Implementation starting dates for projects analysed in detail

Title	Contractor's signature date	Expiry date	Implementation starting date	Remark
Pilot River Basin Plan for Sava River - Croatia, Bosnia and Herzegovina, Serbia and Montenegro	1.10.2004	2.10.2004	2.10.2004	
Establishment of an independent, reliable and functioning judiciary, and the enhancing of the judicial co-operation in the Western Balkans	30.4.2004	1.5.2004	1.5.2004	

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<b>Title</b>	<b>Contractor's signature date</b>	<b>Expiry date</b>	<b>Implementation starting date</b>	<b>Remark</b>
"Social Institutions Support Programme"	25.8.2004	26.8.2004	26.8.2004	
Regional Transport Observatory ( SEETO )	23.8.2004	24.8.2004	24.8.2004	
Defining and Strengthening Sector Specific Sources of competitiveness in the Western Balkans Region.	31.5.2007	1.6.2007	1.6.2007	
Quality Infrastructure	4.5.2007	5.5.2007	5.5.2007	
Technical assistance to the Western Balkans countries in the fields of customs and taxation - Kosovo contract 116621	27.6.2005	1.1.2006	1.4.2006	ROM report 10/06
	27.6.2005	1.7.2007	1.7.2007	ROM report 09/07
Technical assistance to the Western Balkans countries in the fields of customs and taxation - Montenegro contract 116590	5.7.2005	1.1.2006	1.4.2006	ROM report 10/06
	5.7.2005	1.7.2007	1.7.2007	ROM report 09/07
Technical assistance to the Western Balkans countries in the fields of customs and taxation -Albania contract 1165598	15.11.2005	1.1.2006	1.4.2006	ROM report 10/06
	15.11.2005	1.7.2007	1.7.2007	ROM report 09/07
Technical assistance to the Western Balkans countries in the fields of customs and taxation - Serbia contract 116600	30.7.2004	1.1.2006	1.4.2006	ROM report 10/06
	30.7.2004	1.7.2007	1.7.2007	ROM report 09/07
Technical assistance to the Western Balkans countries in the fields of customs and taxation - Bosnia and Herzegovina contract 116618	25.7.2005	1.1.2006	1.4.2006	ROM report 10/06
	25.7.2005	1.7.2007	1.7.2007	ROM report 09/07
Technical assistance to the Western Balkans countries in the fields of customs and taxation -Macedonia contract 116602	5.7.2005	1.1.2006	1.4.2006	ROM report 10/06
	5.7.2005	1.7.2007	1.7.2007	ROM report 11/07
Regional Refugee return in the Western Balkans - support to the 3x3 Initiative	30.6.2006	1.7.2006	1.7.2006	
Regional Refugee return in the Western Balkans	30.6.2007	1.7.2007	1.7.2007	



The fact that projects' log frames were often missing or incomplete also hindered time efficiency. Some of the interviewees have pointed out that large international organisations acting as contractors tend to be less efficient than smaller organisations as they have a more agile structure that makes it easier to hire personnel, to implement decisions or to send invoices. Major delays have occurred in at least one of the projects assessed in detail (SISP) due to time-consuming internal procedures that make it difficult to hire additional resources when needed or to release payments and invoices in due time. However, this happened in sporadic manner and most projects were delivered in time.

In the case of the Technical Assistance to the Western Balkans Countries in the fields of Customs and Taxation (CAFAO) it was noted that the ROM monitoring made specific distinction between Phase I and II. Initial delays were due to the political sensitivity of the environment. During the preparatory activities it was sometimes very difficult to reach MoU's. Certain politicised administrations were not facilitating a smooth start up and development of the activities. Also to be noted is that some governments had changed recently and causing a flow of changes in human resources putting a considerable mortgage on previous trainings meant as a preparation for this programme with reorientation and retraining as consequence. The appointment of the Head of Mission was as late as November 2006, and time gaps in training occurred due to the absence of adequate expertise. All resulted in a successful replacement of the Head of Mission in mid-July 2007.

**Instruments like TAIEX or Twinning have contributed to increase the efficiency of the programme and have the potential to contribute more to efficiency at the project level.**

Interviewees in beneficiary countries have a positive view of TAIEX as a means for intervening on specific problems of their national administrations. TAIEX has made an effort to increase the awareness within public administrations in the regions of the range of services it can provide. This was done by establishing a network of TAIEX people and by organising at least two missions per country to instruct beneficiaries on how to submit application for TAIEX support. The main potential of TAIEX lies in its flexibility as countries can ask for support also on an individual basis; and its database of experts that should be used to address specific trainings requests from national administrations. This could create good synergies with the new IPA multi-beneficiary programme, as sometimes trainings have to be organised for only one of the countries that is lagging seriously behind in a given area. Procedures for applying for a TAIEX event appear to run smoothly. Some interviewees in the evaluation have raised the issue of delays in receiving an answer; however the majority do receive a quick response, with an average time for the formal answer of one month according to figures from the TAIEXD unit.

**Cost-efficiency could be improved by containing travel-related costs.** Interviewees and respondents to the web survey have pointed out that a better cost-efficiency could be reached by limiting the amount of travelling outside the region that has been rather high for some projects. Indeed per diems in the region are generally higher than in the rest of Europe, considering purchasing power parity, with the exception of Bosnia and Herzegovina.

**Table 3 – Examples of per diems in the region in euro, July 2008**

EU country	Per diem	WB country	Per diem
<b>Belgium</b>	232	Albania	238
<b>Germany</b>	208	Bosnia – H.	98
<b>Slovenia</b>	180	Croatia	221
<b>Sweden</b>	257	Serbia	231

Organising conferences and seminars outside the region usually entails higher travelling costs and higher per diems to be paid. Respondents to the web survey have proposed to reduce per diems in order to allow more people to take part in events, while maintaining the same budget. Another shortcoming of activities organised outside the region is the “conference tourism” that sometimes takes place. Interviewees have reported that sometimes countries tend to send representations with

high-hierarchy officials and not the natural recipients of the trainings. Contractors are not generally able to intervene in this.

**Interviewees from beneficiary countries have pleaded for a more extensive use of local companies as project partners, but this is not always advisable, especially in fragile institutional contexts.** Interviewees from the beneficiary countries have pointed out how involving more local companies and staff as project partners would bring value added to the countries in terms of knowledge development. This would also mean lower staff costs. This is certainly true and the value of developing a local consulting capacity should not be underestimated. However, the number of suitable local contractors was limited and sometimes local partners had neither the experience nor the skills required to manage the project. This is especially true for weaker institutional contexts such as Kosovo or Bosnia Herzegovina.

**Interviewees from both beneficiaries' and contractors' side ask for feedback upon monitoring / evaluation.** The fact that stakeholders provide comments and requests to the monitors or evaluators is generally commented in the reporting. However there is a communication disruption after the delivery of the reports to the system and/or task managers in the sense that no feedback is provided to these stakeholders. It leaves them with the question if their comments/ requests have been delivered at all hand or whether the recipient just refrained from any action, whereas positive feedback would strengthen them in their action and negative feedback would help them in steering or adjusting it.

**Beneficiaries expressed a favourable opinion on the overall efficiency of the projects they were involved in and provided inputs aimed at increasing the efficiency of the programme.** The questions included under this criterion provide us with an overview of the respondents' perception of efficiency of the projects they were taking part in. Efficiency is intended here as cost efficiency, but also as management efficiency. The average mean of the efficiency-related questions was 4.13, higher than the results for relevance and design, while the average standard deviation was 0.69, in line with data from the previous section.

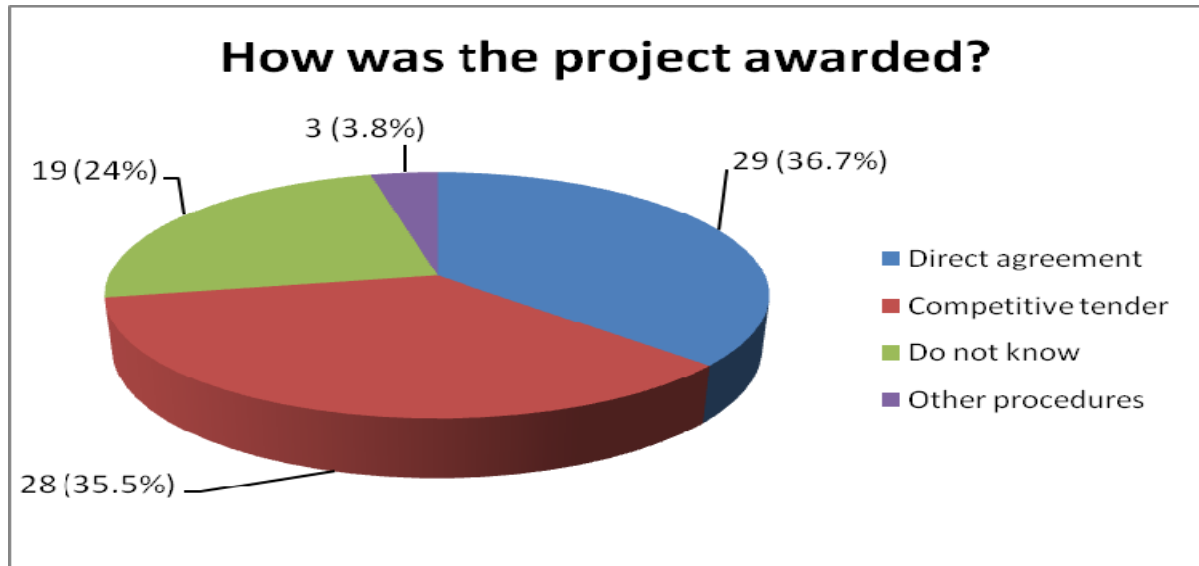
The “closed questions” were flanked by open questions concerning:

- The way projects have been assigned to contractors;
- The administrative and red-tape burden to efficiency;
- lessons learned on cost-efficiency;
- possible measures to increase the management efficiency of the RP projects;
- possible measures to increase the cost efficiency of the RP projects;
- suggestions for centralising/decentralising more the new IPA programme.

Although it was not compulsory to answer the open questions most stakeholders took the opportunity to have their say. The comments added in the open field are somehow more critical than the qualitative judgements expressed in the “closed” questions and are included in the general findings above.

**Most projects are still not awarded by competitive tenders. This is perceived as a lack of transparency by stakeholders in the beneficiary countries and may undermine cost efficiency.** The first open question concerned the way in which the contractor was awarded the contract. The results show an even distribution between direct agreements and competitive tender procedures. This result has to be assessed with great care as some projects have multiple respondents and others have none. The projects not represented in the survey are small projects which are more likely to be awarded through direct agreement, so that this form of contracting is probably more common than competitive tenders. This is perceived as a factor that contributes to undermine cost efficiency especially when there are several contractors potentially available to take part in the competition. The figure below presents the data in a graphical form.

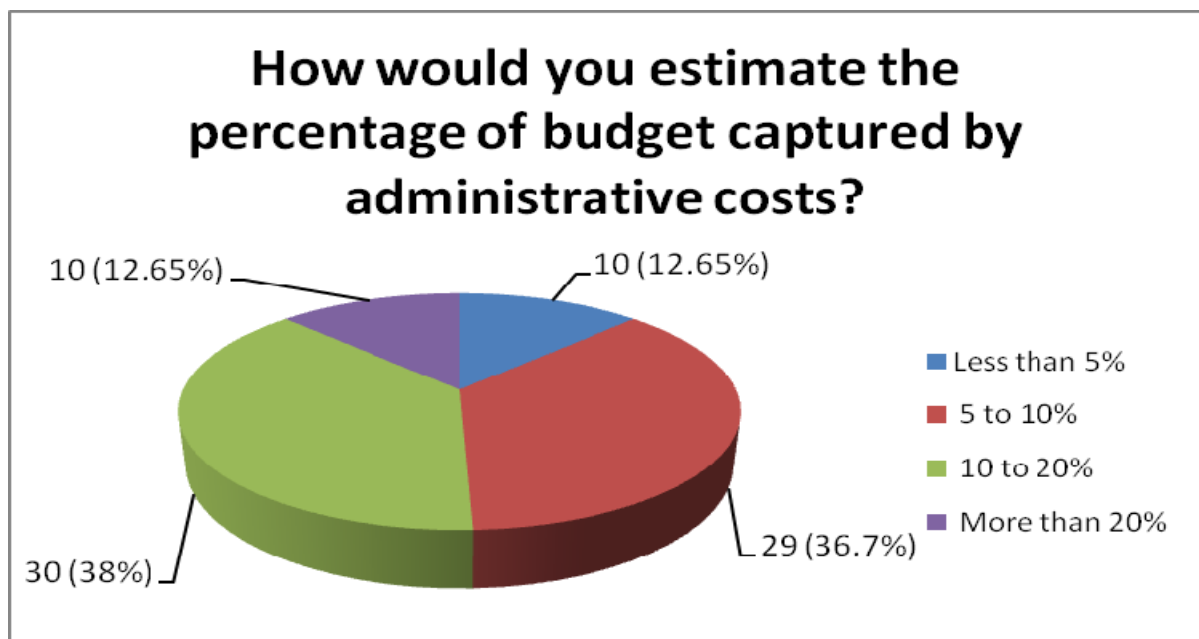
Figure 2 - Responses concerning the project awarding schemes



Several respondents have pointed out how efficiency would increase with closer links between the contractors and the EC delegations. The need for involving more the EC delegations in the management of the CARDS regional programme has been mentioned by interviewees and respondents to the web survey. According to some of them the EC delegations have matured a higher sense of ownership for the national programmes.

The administrative burden is seen as a time-consuming factor hindering efficiency. The interviewees have pointed out that red tape associated with European Commission funded projects is seen as a heavy component of the process in the region. Procurement procedures and reporting frequency are often indicated as deterring factors. From the interviews, a certain sense of “evaluation weariness” emerges from the stakeholders, especially those who recently underwent a monitoring exercise. The figure below synthesises the answers to the open question on the administrative burden on these projects included in the web survey. Although only 12% of the respondents states that red tape amounts for more than 20% of the budget, the perception is that huge administrative costs are associated with European projects.

Figure 3 – Responses concerning the incidence of administration burden



### 4.3 Effectiveness

#### Overall assessment

**The effectiveness of the CARDS regional programme and of the projects included therein has in general met expectations.** In terms of effectiveness the programme can be seen as a long learning process, for the European Commission as well as the beneficiary countries. The former has acquired a deeper understanding of the regional problems and of the good contribution that beneficiary countries can provide if consulted in time. The latter have understood that some problems have to be tackled regionally, and have developed an adequate sense of ownership. The design of the programme by DG AIDCO was appropriate for meeting the socio-economic development objectives of the region. Transferring the CARDS programme to DG ELARG was beneficial for its regional component. This was in fact moved under a management philosophy that was familiar with dialogue and with regional programmes after the experience of PHARE matured by DG ELARG. The increased coordination that followed played a crucial role in ensuring the effectiveness of the programme.

#### Introduction

This section concerns the extent to which the project's results or their potential benefits achieved the project purpose and whether the objectives were achieved. It is of course extremely difficult to draw a general conclusion for the effectiveness of a programme formed by so many projects in so different areas of activity. However some common insights can certainly be analysed.

#### Key findings

**The outputs delivered by the programme are in line with the overall objective of the European Union strategy for the region. The programme has contributed to shifting the EU focus from a reconstruction perspective to an institution building and pre-accession one. Project effectiveness was sometimes lowered by over-ambitious initial objectives.** The beneficiary countries are aware of the special attention that the European Commission pays to their ability to cooperate for achieving common objectives. The programme has been generally effective in pooling together the knowledge and the expertise of the national administrations and has contributed to restore a collaborative atmosphere among participants. The outputs delivered by the single projects were overall in line with the specifications and contractors respected the terms of reference, (albeit the lack of logframes precludes the correspondence between objectives and indicators) but sometimes the objectives had to be re-designed during the inception phase as the original objectives were over-ambitious. Some projects, like the Social Institutions Support Programme (see annex 3 below) had to be re-oriented as the initial objectives were judged over-ambitious. Other exceptions are justified by the fact that some of the issues tackled by the programme (e.g. refugee return) are still considered an extremely sensitive political problem by participants. In this sense, the overall good level of collaboration in steering groups and national administrations was not always reflected at the political level. The fact that several projects (including all projects above 1 million euro) were subject to ROM monitoring constituted another incentive for the effective implementation of the projects. Project managers were normally chosen by the lead contractor and had the right level of experience, although some exceptions occurred and some managers had to be replaced during the process.

**The regional programme under CARDS suffered from a general lack of ownership that affected its effectiveness at the beginning.** The past lack of ownership was due to several factors: on the Commission side it must be said that the directorate that was previously in charge of the CARDS programme in DG AIDCO was also responsible for TACIS which was at that time a much bigger programme, and human resources were allocated accordingly. As a result task managers for CARDS were changing often, or did not have time to attend steering groups.

On the recipients' side, countries did not understand the need for a cooperation programme at the beginning. Although they were evaluated also against their capacity and willingness to cooperate regionally, it took a long time for them to understand the value added from a regional programme. The fact that the programme was managed centrally did not help at this stage. Today stakeholders agree that the level of awareness is much higher and that both programming and implementation proceed

generally smoothly. The turning point was the establishment of a periodical mechanism of consultation with the countries. The meetings that took place from 2005 onwards, the first one being in Skopje, have been very successful in involving the national authorities in the programming stage and to discuss the possible programmes to be launched.

**Greater responsibilities borne by beneficiaries would increase ownership and build capacity.** The new IPA programme has made an effort in this sense and has realised that beneficiary countries should be able to identify their needs and to draft projects accordingly. The interviewees appreciate the fact that they have now to prepare a draft outline for the projects and then send it back to Brussels for review. This exercise is deemed fruitful for building project competences and for identifying priorities and needs. However, it would be better to have more than two weeks for drafting the outline as the human resources are not always sufficient. This process has also been strengthened by the organization of two workshops aiming at teaching how to prepare a project fiche; the task managers have understood the need for involving the beneficiaries in the project design phase and to empower the national authorities to do that themselves.

**High personnel turnover has hindered the effectiveness of some of the projects.** Turnover is still a problem in the region and the national administrations are often run and represented by contract staff and young people who speak foreign languages. In countries with the weakest institutional architecture, donors and international organisations are still *de facto* running the administration in some areas. Most countries have endowed themselves with laws that forbid the change of personnel in the national administration due to the spoil system below a certain managerial level, but cases of massive layoffs and dismissal are still occurring. This hampers the effectiveness of the programme as leavers have no knowledge formalisation scheme. The lack of codes of conduct applicable to civil service is also regarded as a cause for corruption or incorrect practices.

**Frequent steering group meetings facilitated the achievement of results.** DG ELARG has pushed to have steering groups meetings held more often than initially foreseen for certain projects. This has fostered effectiveness and has increased ownership. Moreover, it is an instrument of flexibility as eventual modifications to be made to the action plan can be promptly discussed by the stakeholders. The inclusion of Delegations in the steering groups would have enhanced the consistency of the regional programme vis-à-vis the national programme and contribute to increase the visibility of the regional programme.

**The legislative and administrative structures, systems and resources of the beneficiary countries have been in most cases enhanced and strengthened as a result of the regional approach.** The regional programme has strengthened the administrative structure of the countries of the region according to interviewees. This is especially true for those administrations that have been recently created and that have benefited the most by the knowledge shared with other countries. Western Balkans countries have similar legal and legislative traditions, but the administrative capacities are heterogeneous. Training the human resources is important for strengthening these institutions, but they often struggle to retain their most capable officials. On the other hand situations where the donors and international run the public administrations on a durable basis must be avoided at all costs.

**In the field of energy** the REBIS component (Regional Balkans Infrastructure Studies) focused on *progress review of the regional electricity market and the development of a regional action plan*. The GIS (Generation Investment Study) component identified a priority list of regional investments with the international stakeholders. Both project components were carried out as part of a larger political framework, the Athens Process, and the establishment of an integrated regional electricity market in South East Europe. The project established working relations with the political platforms supporting these goals. The ratification of the Energy Treaty (Treaty establishing the Energy Community) was signed in Athens on 25 October 2005. In October 2006, the iECS provided technical assistance to all the Contracting Parties that requested it for the preparation of Action Plans; these were Albania, Bosnia and Herzegovina, Croatia, the former Yugoslav Republic of Macedonia, Serbia and UNMIK. The Action Plans were part of the package presented at the Ministerial Council meeting on 17 November 2006 in Skopje. These represent not only a commitment by the Contracting Parties to undertake the measures required in order to be able to open the energy markets at the deadlines



foreseen by the Treaty, but also a tool for the Energy Community Secretariat to review the proper implementation by the Parties of their obligations under the Treaty. The Ministerial Council approved Energy Community procedures for the establishment and implementation of budget, auditing and inspection, for which the interim Energy Community Secretariat (iECS) was responsible. This formed part of the programme to transform iECS into an international organisation. This included a headquarter agreement with Austria. The Secretariat is one of the main institutions of the Treaty and the only one that is independent of the parties of the Treaty. It generated early impact on the project “Facilitating and implementing the energy community in south east europe”, in that the contracting partners were legally obliged to meet specific commitments, by specific deadlines<sup>5</sup>. The potential impact of this project is huge, and extends well beyond the boundaries of the countries and territories immediately concerned.

**In the field of transport** the programme has helped to develop the pathway to modern infrastructures in the field of energy, transport and environment. A wide scope of pre-investment documentation in the form of economic studies and tender documents for construction works to be selected by the IFI’s operating in the region was completed and thereby contributed to the development of the pathway to modern infrastructures. (e.g. The Zezelj Bridge project was handed over to the authorities of the City of Novi-Sad, but were used in their negotiations with the EIB (move to clause below on transport?). The programme supported the establishment of the South Eastern Europe Transport Observatory resulted in a regional secretariat which by now has been institutionalised. The programme assisted in drafting Multi Annual Plans (MAPs) and building capacity to produce these MAPs in the future (e.g. 2009-2013). Information resources have been put in place and enhanced through the programme in delivering a Geographic Information System and relevant operation platform. The ASATC (Aviation Safety and Traffic Control) supported the development of a highly effective and efficient Civil Aviation Authority in each of the five participating CARDS countries, capable of fulfilling international, regional and national responsibilities of these States.

**In the field of environment** the programme achieved a strengthened environmental implementation and enforcement in the SEE countries forming part of the stabilisation and association process, supporting the activities of the ‘Balkan Environmental Regulatory Compliance and Enforcement Network’ (BERCEN). Regional co-operation was enhanced through the Regional Environmental Reconstruction Programme for South Eastern Europe (REREP) and the support for the REREP task force secretariat.

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<sup>5</sup> It obliges full members of Energy Community to implement national legislation in accordance with Directives 2003/54/EC (electricity), 2003/55/EC (gas), 85/337/EEC (environmental impact assessment) 1999/32/EC (reduction of sulphur content of fuels) and 2001/80/EC (Large Combustion Plants).

## 4.4 Impact

### Overall assessment

**Impacts are in line with the objectives of the CARDS regional programme, but the countries are not yet ready to fully cooperate regionally without assistance.** The magnitude of the impacts generated by the CARDS regional programmes varies throughout the different areas of intervention and throughout the projects; in areas where the need for cooperation is immediately perceived by the countries (such as infrastructure facilities and private sector development) the regional programmes' progress has been smooth. Training sessions delivered for institution building and for facilitating the uptake of the *acquis communautaire* have in general been well attended by beneficiaries. However, the high rate of government personnel turnover has sometimes jeopardised the efforts. In the field of Justice and Home Affairs the impact was limited, as laws prepared at administrative level with support from the regional programme were not always passed by parliament, or faced opposition in the implementation process and were not enforced.

### Introduction

This section concerns the extent to which the project's results had an impact on the area of intervention and how they are contributing to the socio-economic development of the region in line with the objectives of the CARDS regional programme and with the RSP and SAp. Impacts considered under this section include short term, intermediate and long-term impacts. It is worth reminding that most of the projects under the scope of this evaluation (CARDS , 2003, 2005 and 2006) are not stand-alone projects. They are part of a long term endeavour of the EU in the region and often a technical continuation of previous contracts. As such, it is extremely difficult to distil the impacts of specific grants. The findings reported below will therefore refer to the state of play of the projects irrespective of the procurement technicalities.

### Key findings

**The short-term and intermediate impacts of the interventions have been overall satisfactory.** The projects contributed to establish an atmosphere of cooperation amongst the countries of the region. In some cases this has been a real breakthrough after years of tension. In this respect the "soft power" influence of the European Commission has been extremely helpful. Results have been delivered, though sometimes new needs emerged during the execution of the projects. The main challenge of the regional programme has been to conciliate the different levels of competence of national administrations with the provision of added value to all the participants. This objective was not easy to reach but has been made possible by the commitment of all the parts and by the good level of the technical education in the region. Indeed, normally what are missing are the tools. However, there are cases where the technical level of some countries was so low that they could not take full advantage of the project. In these cases parallel instruments like TAIEX or SIGMA can make a difference and change the course of the project for these administrations. Several projects managed to create the basis for further and deeper cooperation: some of them generated "spin-off" projects that were funded under the CARDS umbrella; others gave inputs for bilateral or multilateral initiatives.

**The long term impact on the socio-economic development of the region will be positive provided that an exit strategy from assistance is defined and explained to beneficiary countries-entities.** The CARDS regional programme has acquired an identity throughout these years in the region. Several respondents to the web survey have commented that the regional programme provides a higher value added for the socio-economic development of the region than the national programme. This is so because of the common approach to problem resolution. Of course there are several obstacles to this process that still prevent full cooperation. The weakness of the Bosnian federal government, the uncertain status of Kosovo and the tension still existing at the political level will not disappear soon. However, it is important that the Commission is active in steering the process and to put a limit to assistance as support cannot be dragged on and has to be linked to the needs. The projects have to

include an exit strategy from assistance, with indicators that, once met, preclude further initiatives. There is a clear conflict with the contractors and the beneficiary countries in this, which have an interest in perpetuating assistance. However, it must be clear that the final objective of this programme is to develop capacity, not to assist institutions. This concerns also the sustainability of the programme (see section below).

**CARDS regional support strengthened cooperation among institutions in the field of JHA, although the projects did not always manage to have their achievements transposed in legislation.** This field is seen as politically very sensitive by the countries which are jealous of their prerogatives in terms of home affairs. The lack of ownership amongst the beneficiaries was significant, especially at the beginning due to mutual diffidence between former foes and to the feeling of the regional programmes as something imposed by Brussels. The problem is that the achievements reached at the administration level have not always been reflected at the political level. The process of harmonization of the legal bodies to the *acquis communautaire* has proven to be extremely cumbersome and time consuming. It is worth underlining that Western Balkan countries have different starting levels in term of comprehensiveness of their body of laws and judiciary system. This lowered the overall impact of the CARDS regional programme in this area. Some projects did not go beyond the network creation due to the sensitiveness of the topics discussed. A deeper EC political commitment is recommended in this area to make sure that the results achieved by the projects are transposed into laws and effectively implemented. This did not impede some of the projects to be successful and to set the ground for further collaboration, which is still needed in this area.

**CARDS regional support strengthened the democratic stabilisation and development of civil society.** The programme's support to the civil society development and networking (BCSDN - Balkan Civil Society Development Network) is likely to have an impact on its wider environment. Throughout the WB the trend is favourable to strengthen civil society and there is no reason to believe that – in the long run - the wider impact will be jeopardised by external factors. The programme delivered the potential for development of one of the few successful regional initiatives. This is mostly because this network is an indigenous phenomenon; driven by the problems, needs *and* priorities of its membership and not necessarily by those of external stakeholders, such as the EC. The network also receives policy support from various countries; it will soon be engaged in a cooperation project facilitating know-how transfer from Croatia to Macedonia and Montenegro on establishing and operating a Governmental agency for CSD<sup>6</sup> and can therefore be considered a contributing element in strengthening the democratic stabilisation process.

**CARDS regional support strengthened private sector development most in an indirect way.** The number of initiatives in this area has not been as high as in other areas, but the relevant budget allocation was rather limited. The rationale behind a regional approach to competitiveness and economic efficiency is that the countries in the Western Balkans are seen by potential investors like a single market, thus cooperation is important for strengthening the competitive base of the region. The aim of the CARDS regional programmes is not to provide direct support to enterprises, but to lift the barriers (both interregional trade barriers and technical barriers) that hinder trade and that are still present in the region. In this respect, the lack of modern infrastructure is a key factor and the weak institutional and political framework makes the legal environment uncertain for potential investors. Shortage of adequate skills for high added-value jobs is also a problem. The European Commission is trying to define a strategy to tackle all this, but it is still too early to see the impacts.

**CARDS regional support strengthened the development of regional infrastructure.** This is an area where results are generally visible and countries are extremely keen to work together. Interviewees have recognised the added value of regional cooperation in this sector, promoting economies of scope. In the case of road transport and infrastructure they have managed to cooperate together and establish regional priorities. Our research has also revealed that sometimes the expectations of the national authorities are not fully aligned to those of the European Commission. For

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<sup>6</sup> In Montenegro, this role is played by Office of the Government of Montenegro for cooperation with NGOs.



instance this is the case for railway freight transport which is seen in the region as a secondary priority after the road network. (The SEETO road traffic analysis has provided a systematic basis upon which to predict the location of road bottlenecks. This has been done in MAP 2008-2012 by defining a level of service using the guidelines of the internationally accepted US Highway Capacity Manual. There is currently 531 km (9%) of roads with category D<sup>7</sup> level of service or worse – meaning a stable flow with high volumes but where the operation of individual users becomes significantly affected by interaction with each other they will become prone to delays. By 2012, the length of roads experiencing a level of service of category D or worse will be 1,377 km or 22% of the Core Network.). The development of air transport infrastructure has not been tackled under the RP, which at this stage supported soft measures in this field under the Air Safety and Air Traffic Control Programme (Phase I and II). The inter region connection needs improvement, but its development has next to specific economic interests some political implications.(there are no direct flights from and to major capitals, Zagreb and Belgrade, and Pristina is more connected to Swiss airports than all other airports in the region together). On the other hand specific airport development plans are conceived and implemented on national levels (Belgrade is building the biggest air cargo terminal in SEE). That expectations of the national authorities are not fully aligned to those of the European Commission is also true in the field of environment where preservation of natural resources can sometimes be penalised by the countries for the sake of providing services to the population. Likewise, in the energy sector, renewables are the main Commission priority, but countries prefer to build up their capacity by traditional energy sources.

**CARDS regional support strengthened institution building across the region and contributed actively to the dissemination of best practices.** Institution building is one of the areas where the impacts of the CARDS regional programme have been most obvious. Institutions are a critical element for democracy to prevail, for the socio-economic development of the region and for the economic competitiveness of the region. Institution building includes a wide range of means for support –from a stricter sense of the meaning where it covers development of technical skills in the area, by knowledge transfer, introduction of EU body of law and practice to establishment of new regional infrastructures –see 7.1.4. The fact of establishing a link between the national administration of the beneficiary countries and to start a cooperative process towards the adoption of European standards and procedures is already an indisputable success. The national administrations of the countries of the region have to be modernised or in some cases built basically from scratch. The contractors have played a pivotal role in fostering the spirit of collaboration between the countries and the informal networks that have thus been established have a considerable impact on the region. Some areas of institution building have not been addressed (like competition policy).

**The impact of CARDS regional programme in terms of EU visibility in the region is still rather limited.** This finding emerges from the interviews realized in the region as well as from the web survey. Ordinary citizens have an idea of the EU as a distant entity. This is well synthesized by one of the respondents: *“Generally speaking, "ordinary" citizens tend to perceive the EU and everything about it as something complicated and above their comprehension. They maybe heard about CARDS RP but they do not have any clear idea what it is. Put simply, it would go like this: "Yes, I know EU gives big money, but I don't know to whom or why or for what. It's some other people, not me who benefit from that".* The programme is of course well known within the national administrations, but national administrations are still perceived as very opaque institutions in most of the countries of the region. A communication campaign focusing on the citizens through mass-media, showing the results of the EU action in the region should be foreseen to build awareness in the population.

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<sup>7</sup> Category D are small rural roads with or without center lane markings

## 4.5 Sustainability

### Overall assessment

**Sustainability of the projects is still regarded as a weak aspect** of the programme by interviewees: however the sustainability has improved since the last evaluation. Some projects, like SEETO have managed to outlive the end of European funding, whilst some others could be scrapped without the national administration suffering that much, as they have developed the skills and implementation capacity needed for continuing the projects on a independent basis.

### Introduction

Sustainability of the CARDS regional programme means that the projects implemented under this umbrella are supposed to be both financially and operationally viable after the intervention is over. Sustainability is a key issue for CARDS as it is a benchmark against which socio-economic development of the region is measured. Sustainability has to be financial, meaning that the beneficiary countries should at a certain time contribute to projects, but is also operational meaning that national public administrations should acquire the skills for bringing these activities on without external support. Some of the projects are one-off initiatives, especially in the area of civil society development, but the great majority is continued.

### Key findings

**The results and impacts of the programmes/projects are likely to continue after EU funding only to a limited extent: however as countries are becoming more aware of the value added of regional cooperation, sustainability is likely to increase.** The sustainability of these projects is judged generally low by interviewees. It is primarily a question of funding as the projects under the CARDS regional programme are often very expensive and include a large logistical component. Furthermore several countries do not have the know-how to organise and run those large-scale programmes. Technical assistance is aimed at filling this gap as is teaching project management skills, but in most areas this is still a long way ahead. At the moment the management capacity is still low and several countries do not go beyond programming at the national level. However, in some projects the countries have already started to contribute financially to the initiative to make them less dependent on EU money.

**Initiatives such as the infrastructure project facilities that aim at developing the project management skills of national administration play a positive role for granting operational sustainability.** Once the countries are able to identify their needs correctly they have often to face a lack of project design and project management skills. The European Commission has recently launched projects like the IPF or the ReSPA that aim at building up these skills. This will decrease the country dependence on EC projects, as the beneficiary entities will be able to attract funds from other donors and sources. Furthermore they should also become able to design projects that foresee only a limited European funding (co-financing). The structure of the IPF includes a secretariat that will be hosted by the European Commission and a Steering Committee that includes stakeholders from DG ELARG, other DGs and IFIs. The IPF has been designed to foster ownership from the national, regional and local entities that are eligible for IPF assistance.

## 5 CROSS-CUTTING FINDINGS

### 5.1 The role of ROM/MONIS

Results Oriented Monitoring is a “Regular, independent, external reporting mechanism”, a facilitator for good project management, designed as an information and early warning system for stakeholders, giving an overview of implementation.

It provides a concise view of the project performance, strengths & weaknesses through assessment of: (i) Quality of project design, (ii) Efficiency of implementation, (iii) Effectiveness, (iv) Impact prospects and (v) Potential sustainability.

The ROM/MONIS process is described as a sequence of field visits followed by a debriefing, where the monitor presents findings, preliminary conclusions and recommendations to the EC Delegation, followed by drafting of MRs / BCS (Background Conclusion Sheet), quality control and finally submission of MRs / BCS to the ECD and upload into CRIS (Current Research Information System).

MONIS has multiple functionalities, aiming at addressing the needs of different user groups. Besides being a daily management tool, a data storage device and a statistical tool, MONIS aims at being a communication platform. ROM should be delivering a service and an early warning system for all stakeholders, but it delivers feedback only to the EC, its institutions, DGs, ECDs and task managers as the stakeholders. ROM/MONIS therefore focuses on debriefing at the EC level, but not for project, programme stakeholders. Interviewees from the contractor, project partner and beneficiary side complain that there was an absence of feedback to them after a monitoring mission. Positive feedback would underline and support ownership while negative feedback would help in steering and adjusting implementation where necessary and possible. This feedback is clearly not defined as a task of the ROM, but it should at least be performed by the task managers..

**The overall assessment of the 8 selected projects is considered as good (MONIS) and satisfactory (Beneficiaries).** Beneficiaries consider the design of their project as relevant, that operational objectives have been achieved and that generally the outputs of the projects have been produced at a fair cost and have been delivered in time or with minimal delays while matching the initial objectives. This also confirms our findings across the desk research and the analysis of MONIS.

ROM scores prove to be reliable and mostly in line with our findings. Sometimes ROM scores are more optimistic than the scores given by the beneficiaries in the survey or than the scores given by the evaluators in annex 3, but the difference is not significant.

**Table 4 - Indicators on beneficiary interviews versus MONIS appreciation**

	Regional Transport Observatory (SEETO)	Pilot River Basin plan for Sava River	TA to the WB countries in the field of Customs and taxation	Social Institutions Support Programme	Quality infrastructure	Defining and Strengthening Sector Specific Sources of competitiveness in the Western Balkans Region	Regional Refugee return in Western Balkans	Establishment of an independent, reliable and functioning judiciary, and the enhancing of the judicial co-operation in the Western Balkans	Overall values
Relevance and design	2,00	2,70	3,00	2,00	2,60	3,00	3,30	2,70	2,66

**Ad-hoc evaluation of the CARDS regional programmes in the Western Balkans – December 2008**

Number of interviewed beneficiaries considering the RP as relevant / total number of interviewed benef.	100%	100%	100%	100%	100%	100%	100%	100%	100%
Number of interviewed beneficiaries considering national and local stakeholders as involved / total number of interviewed benef.	75%	25%	0%	0%	100%	67%	43%	67%	47%
<b>Effectiveness</b>	2,20	3,20	2,67	2,80	3,60	3,00	2,60	2,80	2,86
Number of interviewed beneficiaries considering operational objectives to be achieved / total number of interviewed benef.	100%	100%	100%	33%	100%	100%	100%	67%	91%
Number of interviewed beneficiaries considering output matching initial objectives and forecast/ total number of interviewed benef.	100%	75%	100%	33%	100%	100%	100%	67%	94%
<b>Efficiency</b>	2,40	3,55	2,79	2,45	2,55	3,00	2,00	3,00	2,72
Number of interviewed beneficiaries considering the RP results as satisfactory / total number of interviewed benef.	100%	100%	100%	100%	100%	100%	100%	33%	94%
Number of interviewed beneficiaries indicating lower cost opportunities to achieve the same output / total number of interviewed benef.	0%	100%	100%	33%	50%	67%	0%	0%	41%
<b>Impact</b>	3,00	3,55	2,83	2,00	3,50	3,00	2,50	3,00	2,92
Number of interviewed beneficiaries indicating a developed mutual trust environment among parts / total number of interviewed benef.	100%	75%	100%	67%	75%	100%	100%	100%	91%
Number of interviewed beneficiaries indicating a community added value from the RP / total number of interviewed benef.	0%	50%	25%	67%	50%	33%	100%	33%	50%
<b>Sustainability</b>	2,57	2,71	2,47	2,62	2,70	3,00	2,37	3,00	2,68
Number of interviewed beneficiaries indicating the programme viable without further EU support / total number of interviewed benef.	100%	75%	100%	67%	100%	67%	0%	0%	59%
Number of projects/programmes continued by stakeholders within 3 months after closing the project / total number of interviewed projects	values not valid (not all projects completed)								
<b>Relevance and design, effectiveness, efficiency aggregated</b>	2,20	3,15	2,82	2,42	2,92	3,00	2,63	2,83	2,75
<b>Impact and sustainability aggregated</b>	2,79	3,13	2,65	2,31	3,10	3,00	2,44	3,00	2,80

Legend

beneficiary interview values

ROM/MONIS values



94% consider the results of regional programming as satisfactory, 91% emphasizes that a mutual trust environment was developed through their project, but only 50% state identified Community added value. Remarks were given to the level of involvement in the design. 69% of the beneficiaries indicated that they were not involved at all in designing their project. For 41% of the beneficiaries believe the same results could have been achieved at a lower cost. On the issue of sustainability 59% of the beneficiaries believed that the activities and development would continue after closure of the project. Only justice reform and refugee assistance interviewees had a different view. None of them believed that the activities were sustainable. An overview is given in the table 6 above.

## 5.2 The involvement of civil society in setting priorities

**Civil society (CS)** is composed of the totality of voluntary civic and social organizations and institutions that form the basis of a functioning society, as opposed to the force-backed government structures of a state (regardless of that state's political system) and commercial institutions (private market).

The Commission's services have held a series of meetings with representatives of civil society organisations, both at Headquarters level and locally in the countries of the region prior to the establishment of the MIP 2005-2006. Civil society organisations also transmitted contributions to the formulation of the programme. Furthermore, in the framework of the South Eastern Europe Co-operation Process, ministers have made commitments to actively inform and involve civil society on policies and measures in the fields of fighting organized crime and corruption.

**There are many reasons for involving civil society more closely in the process of policy planning, implementation and evaluation.** Consultation and dialogue with civil society and other stakeholders, even in the policy shaping phase, helps to improve the policy outcome and enhance stakeholders' involvement. Civil society frequently looks upon the EU as a distant entity. Moreover, they often lack the infrastructure and knowledge to be active at European level. Nevertheless, civil society often bears considerable responsibility for implementing at local level the sort of actions that are set out by the EU.

**There is a great variety amongst civil society actors in any given field.** This diversity should be acknowledged when building structures for consulting civil society. Civil society is often divided along philosophical, ideological, religious, moral and scientific lines and any further steps in involving civil society at EU programming level imply choices about whom to include in the process and about the nature of the contribution they can make.

The Commission has in general a long tradition of consultation and dialogue with civil society and has developed many ways for doing this in the EU member countries but seems less successful to do in the CARDS programme in the Western Balkans.

**Civil society unhappy with the consultation and support by EU so far.** Under IPA, the European Commission and respective Delegations have launched the consultation process for projects planned, but this was not the case for CARDS. On the national level, meetings were organized in both countries by the Governments and the EC Delegations, the regional consultation was organized through written communication. Both Macedonian and Bosnian civil society representatives were disappointed to find out, that the presented projects are in the final stage of programming without much possibility to change these, although the EC/Delegations remained open for written feedback by end of May. (The Macedonian Centre for International Cooperation (MCIC) together with 8 CSOs has submitted written comments<sup>8</sup> on 29 May. The OneWorld SEE service Bosnia - Herzegovina offers further information

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<sup>8</sup>Joint comments to the list of projects national IPA 2008 component I as presented on a meeting with civil society organization on 15th may, 2008

on Bosnia - Herzegovina progress<sup>9</sup> on consultations. BCSDN has also submitted its comments<sup>10</sup> to the Multi-beneficiary IPA 2008 list of projects (Component I).

CS projects in WB under Regional CARDS have booked different successes until now (See II.1 ROM/MONIS data Analysis Table 2). Focus has, successfully, been mainly on refugees and minorities in a long lasting assistance through different phases (from OBNOVA to CARDS and now the MIPD).

Next to some unsuccessful or ill-oriented experiences there is success but only one project is supporting an indigenous Civil Society Organisation (CSO), located in the Western Balkans (WB)/ South Eastern Europe (SEE) – the *Balkan Civic Society Development Network* (BCSDN), a dynamic network of CSO and ecumenical Organisations, established in 2003.

Under the present evaluation CS involvement could not be demonstrated in the field.

### **5.3 Regional programme and regional solutions**

#### **Setting up projects at the right level: national programme and regional programme**

Much of the area of South-East Europe is characterised by small states with rather small territories and low economic strength. Regional co-operation would deliver obvious advantages in trade, transport, infrastructure development and energy policy. Political (democratic) consolidation remains a necessary precondition of full co-operation at the regional level<sup>11</sup>. Europeanisation can produce both convergence and divergence, but divergence or not, regional programmes increase planning on the national levels simply to meet the demands defined by the EU<sup>12</sup>. Regional disparities between different parts of the Western Balkans as well as the overall speed of reforms can still be considered as problematic<sup>13</sup>.

**The rationale for addressing socio-economic development need is not always clear.** Interviewees have expressed some concern about the lack of a clear method for tackling certain socio-economic development needs at the regional or at the national level. A good level of coordination between the national programme and the regional programme is needed for a positive outcome of the programmes. The problem is twofold and concerns:

- The identification of the right framework for project implementation;
- The coordination between national programmes and regional programme at the project level.

The first is a problem of “subsidiarity” similar to the principle that regulates the division of tasks between the European Union and the Member States. The second problem stems from the different management systems (directly- centralized versus indirectly-centralized) that characterizes the two programmes.

**Projects affecting only one or two countries have sometimes been implemented under the regional programmes’ framework while other projects, which could be tackled at the regional level are left at the national level or not implemented.** For having a regional programme at least three countries should be involved, but in practice some projects targeted only two countries. In

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<sup>9</sup> <http://www.oneworldsee.org/article/view/150984>

<sup>10</sup> BCSDN letter to DGELARG, Skopje 30 May 2008

<sup>11</sup> South East Europe Review 2007.

<sup>12</sup> Phase II, Organising for EU Enlargement; research project 2003

<sup>13</sup> Regional Cooperation in the Western Balkans, Chaillot Paper 104, July 2007, European Institute for Security Studies



principle policy needs should be addressed by the regional programmes where cross-border aspects and if:

- significant positive externalities are produced; (for instance when a joint research programme produces knowledge spillovers on all the participants). This condition is often met in the field of research, standardization, skills development and transport.
- negative externalities are reduced; (for instance when cooperation in environmental issues avoid the possibility of “beggar-thy-neighbour” policies). This condition is often met for health, environment and trade.
- economies of scale are produced, by sharing fixed costs on more participants. (for instance a joint custom management system or a strategy for overcoming animal diseases.) This condition is often met in the fields such as energy, security and defence, and can also be fulfilled in areas such as health or transport.

When one of these conditions is met, the regional programme is the right framework for a project. However, this principle is not transmitted directly to areas of intervention: for instance in the area of environment monitoring pollution in a river basin shared by several countries has clearly to be tackled at the regional level, while building a water treatment plan is normally the task of national programmes.

The national programmes should take the lead where the intervention affects only one of the countries in the region and does not produce significant effects on the region as a whole. Tackling an issue at the regional level produces extra costs in terms of coordination and logistical costs and this has to be taken into account in the analysis.

In the specific context of the Western Balkan, countries that are now in the process of pre-accession, several of the projects implemented have the final objective of approximation to the *acquis communautaire*. This explains the allocation of several institution building projects at the regional level. However, sometimes the regional programmes have to be complemented by strong intervention at the national level in areas such as JHA and taxation where national legislation is very specific.

**Regional programmes should plan comprehensively for the future, but priorities should be established. Countries should start with the highest priorities and with what existing capacity and available resources on the national levels allow.** The absorption capacity of different national administrations hampers speedier regional development. The feeling is that sometimes excessive development speeds are imposed on the countries. In the field of Justice and Home Affairs for instance, reforms at the state level need translation to the end-user level (public officer) who at this moment is confronted with a constant flow of new regulations and directives even before the previous changes have been developed and finalised in practical procedures. In the regional objective data exchange is a key issue in all priority sectors but the preconditions for such an exchange (mainly ICT issues) must be fulfilled on the national level prior to develop or even “to be dragged into” regional exchange systems or processes.

**Coordination between the national and the regional programmes has improved since the last evaluation, but room for improvement still persists.** Interviewees from beneficiary countries have acknowledged the efforts done by the regional programmes unit for getting a higher level of coordination between the national and regional programmes, but say that the coordination is sometimes still loose. This is due to the different nature of the management systems of the two programmes. The EC delegations have a very good picture of the national programme, but sometimes lack the necessary knowledge of the regional programme which is a centralised “Brussels” programme. NIPACs have a picture of both programmes but they are not always familiar with all the projects identified or being implemented. The EC delegations attend the multi-beneficiary coordination meeting under IPA. As the EC delegations are also liaising with other IFIs and donor, their involvement should be enhanced by appointing a person responsible for liaising with the regional programme in the delegations. Furthermore there is a need for someone able to monitor the regional

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projects and the incidental budgets that are not under ROM-MONIS from the region, as task managers in Brussels are only briefed on those by the contractors at present. This of course calls for more resources, at a moment where four ex-EAR delegations are also under pressure as they will take over the monitoring burden that was formerly assured the EAR.



## 6 SPECIFIC THEMATIC SECTIONS

In this section we present our findings concerning the four thematic areas we focused on.

- Justice and Home Affairs<sup>14</sup>;
- Private sector development;
- Infrastructure development;
- Institution building;

We selected two projects per area that were analysed in more detail by ad-hoc interviews and field visits. Our assessment, scoring and findings from these eight projects are reported in annex 3. The qualitative results analysis and semi-structured interviews are depicted in the following narrative sections. For all projects findings from the beneficiaries' interviews have been compared to the relevant last available ROM/MONIS data (see annex 1).

### 6.1 Justice and Home Affairs

#### Introduction

The Thessaloniki Agenda sets the basis for regional cooperation in the field of Justice and Home Affairs. The priorities established at the EU-Western Balkans Summit of Thessaloniki in June 2003) focus on a joint effort to fight organized crime and tackle corruption, by endowing the region with a well function judiciary and legal system. The projects in this are focused on fighting all forms of trafficking and smuggling. The transnational nature of these activities justifies the choice of the regional programmes as the most adequate framework for intervention. For the scope of this evaluation this section also includes projects concerning the return of refugees and civil society at large. This area is also transnational and is still very sensitive for the countries involved. The sector objectives as identified by the European Commission are to: (i) bring existing national mechanisms in the law enforcement services into compliance with EU *acquis*, standards and best practices and (ii) to create national capacities according to the EU standards and best practices to create regional coherence.

#### Findings

**Several reforms have taken place, but effective implementation is still not at an adequate level as obstacles remain.** This area has launched several reforms in the past years under pressure from the international community. Several projects under the CARDS regional framework have dealt with development needs. The outcome of these projects is generally mixed. The projects have managed to bring people together in what is still perceived as a very sensitive area in the region, where national prerogatives are jealously preserved. However, some of the countries lack the absorption capacity to cope with such a massive wave of reforms and struggle to implement them.

**The main challenge in this area is to increase the capacity that these countries have to implement legislation.** The main obstacles manifest themselves once the pieces of legislation agreed upon at the administrative level in the projects have to be passed into law. At this stage, the proposed measures face the pressure of well established lobbying groups that oppose reforms<sup>15</sup>. As a result, it can be

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<sup>14</sup> See annex 3 for the projects analysed in detail within these areas

<sup>15</sup> This was the case for instance for the Croatian branch of the project “*Establishment of an independent, reliable and functioning judiciary and the enhancing of the judicial co-operation in the Western Balkans*”

months or years before laws are passed by Parliament; while other suggestions are simply dropped. Sometimes laws are passed only to please the European Commission or other donors and they are not applied at all or only in a minimal part according to what interviewees and respondents to the survey have reported. This creates a gap between the judiciary system in place and the actual enforcement in the field which is perceived as lax by interviewees, especially in the countries where the institutional context is uncertain such as Albania, Bosnia – Herzegovina and Kosovo.

**The outputs of the projects in this area have been delivered often with delays and contractors did not always manage to engage the beneficiary countries.** Interviewees have remarked how the outputs have not always been optimal due to slow response in the national administrations and that the performance of the contractors has been often not sufficient. Projects where the contractor was a national administration of a Member States or a company with a specific sectoral background were in general more effective than projects contracted to international organisations, as the latter tend to have an approach too much academic towards the region<sup>16</sup>. In this case international organisation should be flanked by local companies or by expert living in the region. The outcome of some projects is mostly formed by publications or the creation of websites that can hardly be seen as sustainable. As an example, the project concerning the coordination of prison strategy was ridden with delays that stemmed from two main sources: organisation and political nature<sup>17</sup>. The design of the project did not include the beneficiary countries (some of which did not have a prison strategy at all); and generated a basic objective mismatch. Several objectives were therefore impossible to achieve and the budget could not be spent entirely. Similar difficulties characterised another project on police cooperation.

**The fact that the design was sometimes not realistic and that laws were passed only partially did not prevent some projects from delivering:** seminars and workshops were attended by participants from the beneficiary countries and projects managed to train trainers (for instance to teach penitentiary personnel how to run a modern prison system and how to cope with detainees<sup>18</sup>). Trainings are extremely important for police and security workers, but the results of the trainings were sometimes cancelled by massive rounds of layoffs that are executed after elections.

**DG ELARG has driven the process in the right direction.** The continuous process of consultation that has been launched and fostered by DG ELARG prevent from setting wrong objectives and encourages ownership from beneficiary countries as involves them from the beginning. Some interviewees have pointed out that is also important for contractors to invest more on the quality of personnel working on the projects especially at senior level.

**Use of twinning in JHA is held to be a key to successful implementation.** As regards the implementation of projects in the JHA sector, it is very important to stress that the majority of the projects are implemented more efficiently by the twinning partners, i.e. experts from the JHA institutions of other Member States than with any contractor and TA. The reason for this is that this sector is so specific that it is normally extremely cumbersome to find the right experts outside the relevant institutions. The approach of the CLC was to take the twinning partners on board and to involve them deeply in the implementation of the projects, in order to take advantage of their sector-specific knowledge and expertise. This implementation tool enhanced ownership.

## **Overall assessment**

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<sup>16</sup> Several interviewees appreciated the theoretical background of the Austrian ministry responsible for *Establishment of an independent, reliable and functioning judiciary and the enhancing of the judicial co-operation in the Western Balkans*.

<sup>17</sup> This is the case for the delays that affected the projects on the regional return of refugees.

<sup>18</sup> This is a project on the development of a modern prison strategy in the Western Balkans. Although the project is not in the scope of the present evaluation it represents a good example of a train-the- trainers project

We conclude that:

- The results obtained by the specific projects are not totally satisfactory. However, the political sensitiveness intrinsic to this area and the lack of absorption capacity determined by the number of reforms implemented in the judicial sector provide a partial justification to this. The human capital within the national authorities was not always sufficient to deal with the workload and it will take years to incorporate all the reforms in daily administrative tasks.
- The European Commission should make sure that impacts are produced by an adequate stick-and-carrot policy. The European Commission should exercise political pressure to make sure that results are translated into impacts by the beneficiary countries. This should happen through quicker parliamentary procedure and actual enforcement of laws. A fast track procedure for EU acquis might be an option, but this depends on the political decisions taken by the Western Balkans' countries.
- The fact of having former foes sitting together and discussing themes that are so politically sensitive in the region already constitutes a good success for the European strategy of reconciliation, although the positions are still distant on refugee returns and other issues related to security and legal obligations.

### **The projects we analysed in detail**

In this area we analysed the following two projects:

- One of the projects we have analysed in detail in this area is CARDS 2003 "Establishment of an independent, reliable and functioning judiciary and the enhancing of the judicial co-operation in the Western Balkans". This project was fairly successful in terms of collaboration between the national administrations and produced two spin-off projects: *the 2006 CARDS Regional project "Support to the Prosecutors' Network" (€1.5 million) and the 2006 CARDS Regional project "Development of monitoring instruments for the JHA institutions of the Western Balkan region"*.
- The other project that we have analysed in detail is the CARDS 2003 Regional Refugee return in the Western Balkans - support to the 3x3 Initiative that expired in 2007 and was replaced by Regional Refugee return in the Western Balkans 3x4, which includes Montenegro.

## **6.2 Private sector development**

### **Introduction**

The assistance under CARDS regional programmes for private sector development has been based for the period 2002-06 mainly on the project concerning quality infrastructure. This is a key pillar for the competitiveness of the region and to ensure that the products of the Western Balkans meet the same standards of the EU and can therefore be freely imported by the Member States. After the MIPD 2005-2006 was presented; the scope of this area was widened towards trade and competitiveness. The enhancement of the scope in this area of intervention finds its basis in the Communication: "The Western Balkans on the road to the EU: consolidating stability and raising prosperity" issued by the European Commission in January 2006. The Communication states that the removal of barriers to trade and the promotion of investment in the region is key driver for the economic development of the Western Balkans.

### **Findings**

**Trade restrictions are perceived as an obstacle to regional competitiveness.** Several interviewees have reported that albeit trade with the EU has become significantly easier for enterprises in the region, great obstacles still undermine trade within the region. The European Commission has tried to

tackle this issue by financing studies and projects that design a single strategy for competitiveness of the region as a whole.

**Interviewees agree that the countries in the Western Balkans suffer from a business-unfriendly institutional environment** that creates tricky compliance procedures and by a general shortage of skills needed for attracting high-value added jobs. The difficult access to visa often prevents young people from having work experience abroad. Another major obstacle for foreign companies is the uncertain legal environment in terms of company law and competition law that still affects some of the countries in the region.

**The region enjoys a comparative advantage** in costs compared to the surrounding countries and has a privileged access to the EU market, favoured by geographic proximity. Once transport infrastructure will be improved and barriers to trade lifted this advantage will be exploited to the full.

**Private sector development is a clear priority for the countries in the region.** Both the contractors have reported that quality infrastructure and the competitiveness of region in terms of Foreign Direct Investments are perceived as a clear political priority by the beneficiary countries. This sped up the process and allowed the projects to deliver on time.

**Progress in this area has progressed smoothly** as the signature of Stabilization and Association Agreements with all the countries in the region (except Kosovo) has paved the way to the full deployment of the Autonomous Trade Measures, making it possible for nearly all the regional exports to enter the Union free of duties and any quantitative limits.

**The level of development of quality infrastructure in the region varies through the countries,** although lagging behind countries are making clear efforts to catch up. The process of approximation to EU standards is still long as some of the countries have not adopted EU technical regulations and are struggling to implement them.

## **Overall assessment**

We conclude that:

- The fact that countries in the region are well aware of the importance of private sector development facilitates co-operation and has played a key role in the successful outcome of the projects implemented in this area.
- The projects in this area have delivered concrete outputs in terms of people trained and events attended. The high personnel turnover that some of the laboratories or the investment promotion agencies experience did not interrupt the transfer of knowledge at the local level.

## **Projects we analysed in detail**

In this area we analyzed the following two projects:

- the “Quality Infrastructure” project which received 1 million euro from CARDS (under CARDS 2006, the follow up to the project under CARDS 2002) and
- the project “Defining and Strengthening Sector Specific Sources of competitiveness in the Western Balkans Region” launched under CARDS 2005 and endowed with a grant of 1 million euro.

### 6.3 Infrastructure development

#### Introduction

The strategy of the EU in this area has its foundations in the Thessaloniki Declaration of June 2003, where the countries of the Western Balkans recognised “the importance of developing modern networks and infrastructures in energy, transport and telecommunications in the region”. This has driven collaboration since then in an area that is crucial for socio-economic development. Recently the EC has released COM 2008 (127) entitled “Western Balkans: Enhancing the European perspective” that updates a former strategy document of January 2006 on the Western Balkans<sup>19</sup> The two communications emphasise the role of cooperation in infrastructure and state that additional progress is critical for regional advancement towards “*sustained stability and prosperity*”.

The main objective of the European policy in this area is to develop a modern and well functioning infrastructure that is needed to foster the economic development of the region. The transnational nature of the actions to be taken in this field is straightforward for the sectors mentioned above. The CARDS regional programmes have contributed to this objective with studies, and have promoted joint activities for common identification of projects and prioritization of needs at the regional level.

The Infrastructure Steering group for the South Eastern Europe is the hub for coordinated action between the commission and the IFIs.

#### Findings

**Infrastructure is perceived as a priority by the beneficiary countries.** Cooperation in this area is perceived as a priority by the beneficiary countries. Infrastructure gap constitutes a bottleneck that hinders the socio-economic development of the region. DG ELARG has tried to increase the (i) capability of the countries concerned to identify their priorities on a regional scale and (ii) their capacity to prepare projects. The first objective has been pursued by projects aiming at pooling resources and setting regional priorities. SEETO and the SEE energy community are an example of this. Although interviewees are in general aware of the value added of regional cooperation in this field, they acknowledge that infrastructures plans are particularly subject to political influence and that volatility of commitment generated by political swings is not uncommon. The second objective is reached by training and by the newly created IPF that aims at building project design capacity in the region.

**While countries are generally able to identify their needs, they still often lack the skills required for preparing the projects.** The lack of country responsibilities in the project identification and design phase was pointed out by the Court of Auditors report in 2007. DG ELARG took action and is now influencing positively these aspects as countries have now the possibility to prepare the project fiches and send them to the European Commission for approval. This process started with some difficulties, due to the lack of familiarity with the European procedures, but countries have been keen to be involved and to learn. Interviewees from the beneficiary countries have judged this process in a positive way, pointing out that the time they are given (15 to 30 days) to prepare project fiches is not always sufficient.

**Projects aiming at developing infrastructure capacity are generally supported by the countries, while some hindrances remain when determining priorities.** The European Commission has tried to create an environment favourable to infrastructure investment, especially in association with other IFIs present in the region, having in mind prioritisation at the regional level. Projects in this area have almost always received very strong support from the countries’ national authorities, according to interviewees. The commitment of the countries has enabled co-financing for some projects and total financing for SEETO (see annex 3). The obstacles met by this endeavour relate to weak administration

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<sup>19</sup> Communication from the Commission "The Western Balkans on the road to the EU: consolidating stability and raising prosperity" COM(2006) 27 final, 17 January 2006

capacity of some of the countries, but the blurred legal background has also caused delays. This is the case, for example, with environmental legislation underpinning the development of adequate infrastructure and with the lack of clear property rights and cumbersome expropriation procedures.

**The IPF is a good regional vehicle for increasing project design capacity in the region.** The objective of increasing the projecting capacity in a regional framework is pursued by the Infrastructure Project Facility (IPF) whose aim is *“to support financially the infrastructure investments of municipalities in the field of environment, transport, energy and social by providing a grant co-financing mechanism with loans extended by International Financial Institutions to increase the affordability of such investments for municipalities”*. The Infrastructure Project Facility (IPF) has been established by the European Commission in collaboration with the three European IFIs (EIB, EBRD and CEB) as a new facility for pre-accession and accession countries. Its purpose is to finance technical assistance for projects promoted by the above mentioned bodies and included in IPA annual national programmes. The IPF is starting with a €16 million budget (2007 budget) and will receive additional amounts according to needs. Projects from CARDS 2005 and CARDS 2006 can rely on IPF as well if needed. Four sectors of intervention have been identified:

- a) Environment;
- b) Transport;
- c) Energy;
- d) Social.

Whereas the first three sectors are already well established projects in the social sectors did not yet seem to be well defined at the time of the evaluation.

### **Overall assessment**

We conclude that:

- The countries in the region have acknowledged the need for cooperation in this area and have earned ownership of the programme. This is reflected in the regional approach towards problem resolution, even though differences in priorities occasionally emerge.
- The fact that infrastructure development is seen as a priority in the region had positive impact on the implementation of the projects in this area. The commitment of the beneficiary countries can lead to financial sustainability of the projects in the near future if the right incentives are provided. The case of the SEETO secretariat is a good example of sustainability in this sense.
- The project preparatory facilities that are implemented by the Commission encourage beneficiary participation to decision-making, with particular regard to project design and preparatory work.

### **The projects we analysed in detail:**

In this area we analysed the following two projects:

- SEETO. This is a 2003 EC Contribution Agreement (€ 1.791.740) to implement the action *“South-East Europe Transport Observatory (SEETO)”*.
- Pilot River Basin for Sava River. This is an agreement (€ 2.137.770) with SAFEGE Europe Consulting Engineers to implement the action *“Pilot River Basin Plan for Sava River”* over 36 months, funded by CARDS 2003.



## 6.4 Institution building

### Introduction

Institution building is a pillar of the Thessaloniki Agenda and of the EU strategy for the Western Balkans. It concerns the establishment of regulatory structures and the development of the administrative capacity in the region through public administration reforms and approximation to the EU *acquis*. Administrative capacity may be defined as the autonomous capability of the state a) to design and b) to implement policies that serve public interest, whereas institution building is a process of creation, strengthening and maintenance of public institutions. Enlargement policy has recently focused on the creation of institutions necessary for the adoption and implementation of the *acquis communautaire*. Thus, institution building has become a central element of the EU's preparation for accession strategy.

The countries emerging from the break-up of the former Yugoslavia are generally endowed with weak institutions. Although Yugoslavia did not follow an exact Soviet model, the region has, much like the rest of Central and Eastern Europe, continued to exist since 1990 with weak government institutions and a precarious rule of law. This was made worse by the wars and conflicts that raged in the Balkans during the last decade. Most institutions held little authority and almost no credibility. For decades in the region, the public service was used as a means to provide jobs. Its current civil services, for example, frequently employ far too many people, many of whom have received no formal training. Public buildings were rarely refurbished, and departments lacked modern technology. Interviewees still point to hard and software problems. Computer infrastructure is still not up to date and not in a configuration to deal with extensive databases and secure international data exchange.

### Key findings

**Strengthening democracy and rule of law always remains the prime motivation of the EU strategy towards the region.** “When we stress the need for EU compatibility, we do it because we believe that this will give a competitive advantage, which will be beneficial for economic development, not just because it is a requirement for ultimate membership of the Union.” (former Commissioner Chris Patten). Also local government continues to be a priority all over the region. Relevant programmes and projects allow officials to learn from experts while working on actual projects – a sort of learning by doing exercise. Another priority in the region is to develop public administration and finance.

**The pace of developing institutions has quickened;** the use of more “technical” assistance has increased over time, proving that the basic elements of institution building have been acquired by most countries. Efforts to encourage reform and to develop government and institutions in the Balkans are gathering pace as countries set their sights on EU membership.

**The bulk of the EU effort now is focused on institution building.** Institution building is perhaps the main pillar of the current EU pre-accession strategy for Western Balkans. The EU is putting increasing resources in order to promote reform, curb corruption and establish a clear rule of law. However, the onus of responsibility to carry out reforms will always lie directly with the countries themselves. The EU supports institution building in three principal ways: developing efficient and transparent local and central government; building an effective and independent judiciary; encouraging pluralism through a free and balanced media, and effective social organisations, including NGOs. Its projects typically include one or all of the three elements: advice on laws and strategy; trainings for public officials and civil servants; studies on the institutions needs’ in the region.

**Legislation, strategy and trainings are the main outcome of assistance in this area.** The EU provides advice to governments in drafting new legislation and harmonizing laws to those of the EU. Strategies are important to guide long-term decision-making, not least in attracting investment, or deciding where changes might be needed to laws or institutions. Assistance is delivered to improve the efficiency and ability – frequently referred to as the “capacity” – of existing institutions by providing trainings. Equipment is generally not provided by the CARDS regional programmes, and has to be requested under the relevant national programmes. This can generate co-ordination problems.

**It will take time for the changes to take hold.** There are many challenges to be faced when reforming public institutions. Two of the more common problems are human resources surplus and a lack of transparency. It is important to start working straight away with the personnel structure, and provide an incentive mechanism that promotes merit in the workplace. Job losses and realistic time scales are two other key issues. Restructuring the public service can mean redundancies. Many sectors of the economy in the Balkans, particularly in banking and industry, were socially owned and needed to be privatised, which led to many thousands of state employees being laid off. There is of course the issue of how long all this will take to complete. It has taken central European countries like Hungary and the Czech Republic nearly fifteen years of transition to join the EU, and reforms continued even after that. Developing an institution is a much longer task that can take more than a decade.

**TAIEX.** The Technical Assistance Information Exchange Office (TAIEX) has been established to provide specific targeted technical assistance to the countries in the region together with countries of the European Neighborhood Policy. TAIEX assistance has to be requested by the countries and is a useful tool to tackle specific development needs of a single country. The demand for TAIEX assistance has been growing steadily in the region, and sometimes not all the requests can be promptly satisfied. The instrument is known by the national administrations, which have sometimes complained about tricky procedures for requesting assistance.

**Twinning.** Through *twinning*, the EC offered a distinctive instrument to pool the expertise of Member States' administrations for the benefit of the region. The scheme has worked well in the past, and there are some examples of the system to be found in the region, such as Croatia. Twinning provides a positive learning experience and exposure for both sides. However, the evidence gathered suggests that twinning is perceived as an instrument linked to national programmes and is not clear how to tailor it to the regional programmes.

## Overall assessment

We conclude that:

- Institution building has progressed in the region, and significant results have been achieved in terms of training and coordination strategy. Even if some of the projects have experienced delays this did not prevent the programme from achieving the main objective of strengthening the institutional context in the Western Balkans.
- The reforms that have interested the institutional architecture of the countries in the Western Balkans are widespread and need time to be assimilated by the national administrations. The absorption capacity is by nature limited and time is needed to implement all the reforms undertaken.
- TAIEX and twinning are support tools appreciated by the beneficiary countries. TAIEX has growth in visibility, and normally manages to meet the demand promptly. Twinning is still not very known as a tool for the CARDS regional assistance.

## The projects we analysed in detail

In this area we analysed the following two projects:

- **SISP.** *Social Institutions Support Programme (SISP)*". A contribution agreement (€ 2.196.121) signed by the EC on 2 October 2003 under CARDS 2003.
- **CAFAO.** This project on the Technical assistance to the Western Balkan countries in the fields of customs and taxation is a part of a wider project that was launched as early as 1996 and that has invested more than 16 million euro to date.



## 7 CONCLUSIONS AND RECOMMENDATIONS

### 7.1 Conclusions

In the previous sections, we have presented our findings on each element of the CARDS regional programmes that we were evaluating, and also on the cross-cutting elements of analysis and on thematic focus areas. In this section, we draw overall conclusions:

#### 7.1.1 RELEVANCE OF THE CARDS REGIONAL PROGRAMMES

**CARDS regional programmes were and still are relevant for the socio-economic development of the region.** The CARDS regional programmes pursue the objective set by the European Union in the Stabilisation and Association process, in the regional strategy papers and, more generally in the context of future accession of the Western Balkans countries to the Union. The relevance of the CARDS regional component stems from the self-evident reality that some challenges can be tackled only by joint initiatives and efforts in the region.

**Stakeholders in the beneficiary countries were involved only to a limited extent in the needs assessment phase and as a result gave little contribution to the design of the projects. This has dramatically changed since a dedicated DG ELARG unit took over from DG AIDCO.** Stakeholders had remarked as early as 2004 that the centralisation of the programme and the lack of a consultation process were a hindrance to ownership and participation by local stakeholders. At the beginning the programme was seen by the local stakeholders as distant and bureaucratic. As the local stakeholders were not consulted, some of the projects' set objectives were deemed over-ambitious. The consultation process introduced by DG ELARG, based on periodic meetings and on consultation during the phase of needs assessment has tightened the relationship with local stakeholders that has gradually increased ownership of the regional programme.

**Absorption capacity varies greatly across the different countries of the region and across areas of intervention and national administrations struggle to deal with all the reforms undertaken.** The lack of absorption capacity has undermined the effectiveness of the intervention in some cases. The preconditions for implementing the projects, such as rule of law or clear property rights are not always in place. Moreover, a general shortage of adequate skills affects the national administration of several of the beneficiaries who have undergone a massive reform process in several areas and are still struggling to assimilate them.

**CARDS regional programmes have generally complemented the national programmes.** The distinction between the two programmes has become clearer throughout the years and synergy has prevailed over overlapping. Beneficiary countries are learning what to expect from the regional programmes and what not to expect (e.g. purchase of equipment). Coordination with other international or bilateral donors takes place, but a periodic mechanism for consultation is missing. The Commission has been keen to collaborate and contract other donors if the possibility exists.

#### 7.1.2 EFFICIENCY OF THE CARDS REGIONAL PROGRAMMES

**The outputs of the projects have been produced at a fair cost and have been delivered in time or with minimal delays, in most cases.** Timeliness and cost are key components of efficiency. The evidence gathered suggests that most projects have delivered the expected outputs at a fair cost and no significant budgetary problems can be reported by this evaluation. However, the fact that small grants are not monitored by ROM could partially undermine the validity of this conclusion. Serious delays were experienced only in a few projects, mostly because of the fact that the objectives were not aligned to the reality on the ground. In other cases the contractors did not provide the output in time, but these episodes are sporadic. The key driver for efficiency has proven to be the quality of stakeholders included in the steering group and their willingness to collaborate towards a common goal.

**The results achieved normally provided good value-for-money, taking into account the intrinsic coordination costs of the regional programmes.** The results achieved have overall been achieved in an efficient manner (exceptions can always be found) once one takes into account the specific nature of the regional projects and the coordination and logistic problems it entails. There seems to be little room for more operational efficiency of the projects, although travel costs may be reduced. The administrative costs are judged excessive but are in line with other centralised programmes as suggested by our experience. A comparison with national programmes sounds misleading as the intangible value added of co-operation and of building bridges would not be considered in a straight benchmarking analysis.

**The adoption of open tendering procedures could increase cost-efficiency.** The data gathered through survey suggests that several projects have been assigned to contractors without an open public procedure. This has been confirmed by interviewees. This choice is in certain cases justified by the specific nature of the tasks, but in most cases the adoption of open tendering procedures is in our opinion possible and some efforts should be done to extend public procurement. Furthermore, the adoption of tender procedures would be seen as an effort to increase transparency by the beneficiary countries.

#### 7.1.3 EFFECTIVENESS OF THE REGIONAL PROGRAMMES

The operational objectives of the programmes and projects have been achieved to different degrees according to the area and the projects themselves. In particular:

- **The support that has been given to the regional cooperation process in the Western Balkans is important**, especially in certain areas of key importance for the European integration such as tax and customs, statistics and public administration. It addressed political and economic criteria as well as the ability to assume the obligations of membership and approximation to European standards.
- **Justice and Home Affairs is the area where the progress has been most limited.** This is mainly due to resistances by lobbying groups within the countries that have been of obstacle in the process of ratification of legislation agreed upon in a regional context. Some of the legislation required is in some cases passed by the parliaments but not actually applied.
- **Development of economic and social rights** was supported through the Social Institutions Support Programme (SISP) and dealt with the revision of the legislative framework of the WB as well as the implementation of revised social security policies and the modernisation of coordination techniques in line with EU standards. **Support to minority rights** and refugee return is a long and ongoing process that still faces opposition.
- **The regional programmes have transmitted the idea that infrastructure has to be designed in a regional dimension.** This is a notable result, as the countries have realised that transport, energy and environment are sectors where regional co-operation has positive spillovers on them. The joint secretariats established and the memoranda of understanding are the evidence that regional prioritisation in the field of infrastructure can be achieved.

#### 7.1.4 IMPACTS OF CARDS REGIONAL PROGRAMMES

**Regional ownership and cooperation has improved and regional solutions are in the process of being developed.** Regional cooperation has been strengthened by the CARDS regional programmes that have managed to introduce a common approach towards common problems that the region faces. The common approach has not always resulted in concrete outcomes, especially in areas where countries are jealous of their prerogative or which are politically sensitive. However a regional dimension has emerged; several joint centres are now hosted in the region. To mention a few; the South Eastern European Transport Observatory (SEETO) in Belgrade, the Sava Commission in Zagreb, the Energy Secretariat in Vienna and the Regional Coordination Council (RCC) in Sarajevo.

**Networking and the share of best practices have an impact on the national administrations of the region, especially on the weakest ones.** The assistance to the Energy Community, the SEETO, the European Common Aviation Area (Aviation Safety and Air Traffic Control – ASATC), and the Regional Environmental Reconstruction Programme (Support for implementation of the regional

environmental reconstruction programme for South Eastern Europe) have facilitated networking, sharing of best practices and lessons learned between the beneficiaries and the EU Member States, supporting the ability to assume the obligations of future EU membership and approximation to European standards.

**Training and seminars are actively building up the administration capacity in the region. The project design capacity is also being strengthened.** The countries are aware of the importance of having a modern public administration and well functioning market economy. Projects focusing on trainings have been mostly successful and countries have even paid in order to send more people than officially allowed to seminars. Technical assistance and instruments like TAIEX can play a positive role to strengthen the administrative capacity as they target specific needs. This is reasonable as some administrations are still in the process of being created and are lagging seriously behind all the others. The EC is making an effort to enhance the projecting capacity of the countries as well. Assistance through the Project Preparation Facilities (PPF), covering transport, energy and environment sectors supports beneficiaries to complete project dossiers for investments in infrastructure, upgrading to a sufficiently high level that IFIs as well as other sources of financing are motivated to allocate funds to selected project proposals.

#### 7.1.5 SUSTAINABILITY OF THE CARDS REGIONAL PROGRAMMES

**Sustainability is still rather weak but is improving. An exit strategy from the assistance logic is needed in those areas where countries are deemed able by the Commission to “walk on our feet”.** Sustainability is still a weak component of the programme and some interviewees share the view that regional programmes will never be sustainable. This is not entirely true and some projects have already managed to outlive EC funding and are supported by the countries in the region. This is still the exception more than the rule. However the countries are increasingly willing to pay for regional bodies (RCC is another recent example). In the years to come it will be important for the Commission to develop a clear exit strategy from assistance as long as the local administration capacity keeps on improving. This is especially true for candidate countries that have to demonstrate well functioning administration, which does not need external support for running.

## 7.2 Recommendations

In this section we draw overall recommendations, as indicated in the Terms of Reference, for future actions under IPA, especially as regards planning, management and delivery methods in the context of the new MIPD 2009-11.

### 7.2.1 IMPROVE VISIBILITY OF THE EU AS AN ACTOR IN THE REGION

Visibility of the EU assistance in the regional programmes should be strengthened as the contractors are normally wrongly perceived as the funders by the beneficiary authorities. To this purpose more emphasis should be placed on the preparation of relevant material for dissemination, visibility events, website management and TV Spots.

This is especially the case for the projects that are being implemented by other international organizations where the EU is not the only donor. The supportive actions to this need may include high level events such as joint press conferences, press events, donor conferences and communication agreements with the beneficiary authorities.

### 7.2.2 CONTINUE THE EFFORTS TO INVOLVE THE COUNTRIES IN IDENTIFYING THE DEVELOPMENT NEEDS AND TO STRENGTHEN THEIR PARTICIPATION IN THE PROJECTS

DG ELARG has managed to involve the beneficiary countries in the programming cycle, from the identification of the needs through the implementation of the projects identified. It is important that these links be maintained and tightened when relevant. The approach should be as bottom-up as possible and countries have to be encouraged to submit projects to the European

Commission in pertinent areas. This fosters the ownership that beneficiary countries have of the projects and improves the quality of the projects as they take into account the beneficiaries' needs from the earliest stage.

#### 7.2.3 FEEDBACK TOWARDS CONTRACTORS, BENEFICIARIES AND STAKEHOLDERS ON MONITORING AND EVALUATION

All relevant stakeholders in the project implementation should receive regular updates on the project implementation status. This will ensure higher visibility of the project and ownership among the beneficiaries.

Relevant information and recommendation from monitoring reports should be provided to all parties involved. The follow up from the project partners and beneficiaries to strengthen the overall implementation of the project will support ownership and efficiency and will mitigate the risks of low achievement of the projects. The dissemination of the relevant recommendations and input for improving implementation can also ensure transparency of the actions, thus supporting the visibility of the project.

#### 7.2.4 INVOLVE MORE THE TASK MANAGERS FROM THE EC DELEGATIONS IN THE REGIONAL PROGRAMME

The projects where task managers were continuously involved showed greater success in reaching the objectives, by direct support and advice to the beneficiaries. In this respect, we recommend that the task managers from the EC Delegations in the region are involved in the regional programmes, from the design to the implementation phase and during the evaluation process. Their involvement will also ensure better coordination between the national and regional programmes on one hand (being hands-on on the two programmes) and support to the EC on the other hand (being an extended hand of the Commission). The EC delegations should take over in a rapid manner the monitoring tasks which were formerly managed by the EAR.

#### 7.2.5 EXPAND MONITORING CAPACITY

The projects under the CARDS regional programme umbrella are monitored only if they exceed 1 million euro or if the EC specifically requires it. As a result, roughly one third of the projects are subject to ROM. Small grants are not monitored and DG ELARG's only interlocutor often happens to be the contractor. While in the national programmes the Delegations have an effective control on the incidental budget, this is not the case for the regional programme. A mechanism should be put in place to monitor continuously small grants, possibly through a reinforced role of the delegations.

#### 7.2.6 DEFINE A CLEAR EXIT STRATEGY IN LINE WITH THE ACCESSION ASPIRATIONS OF THE BENEFICIARY COUNTRIES

A clear exit strategy from the regional programme assistance should be defined ideally during the design of the interventions and agreed with the countries in the region. This is especially the case for Candidate countries that should have a clear idea as to how their institutions will be able to operate independently of assistance and to apply the reforms undertaken. Defining an exit strategy will probably improve the level of sustainability of several projects.

#### 7.2.7 INCLUDE OTHER COUNTRIES IN THE PROJECTS, WHEN RELEVANT

SAP countries in the region are the countries benefiting from the regional assistance financed by the EU under CARDS and now IPA. The regional programmes include sectors where economies of scale can be reached and where common problems can be better pursued at the regional level. However, those issues are not related only to the WB beneficiaries but are of common interest to other countries in the region. Slovenia for instance could be involved more on projects like SISP that deal with practical effects of the break-up of former Yugoslavia. These countries should also be included in the project implementation as required by the needs analysis and beneficiary

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requests. Their participation can be financed by other tools (for example by bilateral donor assistance or TAIEX). This will clearly provide beneficiaries with more know-how (as was already done in the JHA sector by giving the implementation responsibility among consortia partners from MS in the region).

## ANNEXES

## ANNEX 1 - DATA GATHERING AND DATA ANALYSIS

Data gathering and analysis was performed in three major steps and its objective was twofold: to collect data from the national authorities and from the bodies that were involved in programming or implementing the projects; to analyse the indicators included in the ROM/MONIS system. Section I describes the methods used for data gathering, while section II presents a cross-section analysis of findings from each of the methods in use.

### I - Data gathering

The first section concerns the description of the way we approached the data gathering phase. The tools used were:

- Desk research and MONIS analysis;
- Structuring the questionnaire and the web survey;
- Semi-structured interviews.

#### I.1 DESK RESEARCH INCLUDING ROM/MONIS DATABASE

The extensive desk research carried out included strategy papers and minutes as provided by the EC, as well as sector specific fiches and project fiches. Particular attention was paid to the previous evaluation of the programme carried out in 2004 and the performance audit undertaken by the Court of auditors in 2007.

As explained by the Terms of Reference all centralised and devolved CARDS assistance in the WB is subject to Result-Oriented Monitoring (ROM). The ROM – system has been put into place by the Commission as a management tool. The list of projects provided by the Commission contains 76 CARDS Regional projects that were subject to this evaluation, of which 28 are monitored by ROM/MONIS. Analysis of the indicators included in the ROM/MONIS reports was conducted on **all relevant projects based on the last available information** in the ROM reporting and was used as an input to the evaluation. ROM provides a short and clear outlook on the performance of the projects and monitors in particular:

- Quality of project design;
- Efficiency of implementation;
- Effectiveness of implementation;
- Possible impacts;
- Potential sustainability.

The output of the ROM monitoring system normally encompasses:

- **Project Synopsis** that are produced after visits and that contain an update of the project state-of-play together with proposed modifications to the intervention logic;
- **Monitoring reports** that contain the key financial data concerning the project, and the key observations made during the visit to the project. The monitoring report is the main output of the ROM system;



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- The **Background Conclusion Sheets** are organised by sub-sections each of which deals with one of the main evaluation criteria: relevance, efficiency, effectiveness, impact and sustainability. For each sub-section the system calculates a score on the following scale:
  - A = 4 = Very good
  - B = 3 = Good
  - C = 2 = Problems
  - D = 1 = Serious deficiencies

**ROM as a monitoring tool is providing comprehensive information on the projects it observes and has improved in time.** Its significance became more transparent and important with the introduction and wider use of the BCS (Background Conclusion Sheets). The change from an alphabetic quotation to a numeric one made assessment per criterion more precise as shown below<sup>20</sup>.

BCS 3 - Effectiveness to date		Problems	2,5
	3.1. Have all planned beneficiaries access to project results/services?	Good	3
	3.2. Are planned beneficiaries using and also benefiting from the results/services?	Good	3
	3.3. As presently implemented what is the likelihood of the PP to be achieved as envisaged and measured in the OVI's?	Problems	2
	3.4. To what extent have key observations and recommendations, if any, from previous monitoring/evaluation visits been taken into account for improving the achievement of the PP?	Problems	2

The BCSs and their quotations were the main sources for the assessment of the ROM efficiency itself on one hand and allowed the cross checking with findings on the selected projects for more detailed observation at the other.

**I.2 - SURVEY**

We launched the web survey which aimed at covering all the contractors of the projects within the scope of this evaluation. The survey consisted of a questionnaire<sup>21</sup> submitted to 276 respondents through a survey software. The scale used for assessing the answers is the Likert scale that was also used in the fiche distributed at the Multi-beneficiary programme coordination meeting in Istanbul.

The scale of values proposed to respondents was ‘Highly Satisfactory’, ‘Satisfactory’, ‘Barely Satisfactory’, ‘Unsatisfactory’ or ‘Highly Unsatisfactory’. Each question is answered according to this scale and every evaluation criterion is summarised in an overall rating. The overall rating needed to be coherent with all the verbal ratings for the individual cluster components and with all summary ratings for the five evaluation criteria. When assessing the overall summary rating, the evaluators attached the

<sup>20</sup> Aviation Safety and Air Traffic Control, phase II, Project 2003/072-517, monitoring report of 06/04/2007

<sup>21</sup> See annex 8 for the analysis of data gathered by survey

same importance to each criterion, and avoid, for example, regarding impact as more ‘important’ than efficiency.

The evaluator always considered separately the summary numerical ratings for:

- (a) relevance, efficiency and effectiveness, and
- (b) impact and sustainability.

### I.3 - PROJECTS VISITS AND SEMI-STRUCTURED INTERVIEWS

In parallel with the analysis of the ROM/MONIS database and the survey results we visited and performed in depth analysis of 8 projects.

#### **Justice and Home Affairs**

- Establishment of an independent, reliable and functioning judiciary, and the enhancing of the judicial co-operation in the Western Balkans;
- Regional return of refugees in the Western Balkans;

#### **Private Sector Development**

- Strengthening the sector-specific sources of competitiveness in the Western Balkans;
- The quality infrastructure project;

#### **Infrastructure**

- The South East European Transport Observatory;
- The Pilot River Basin for Sava River;

#### **Institution Building**

- The social institutions’ support programme;
- Technical assistance to Western Balkan states in the field of customs and taxation.

For these projects we reconstructed the logical framework where necessary, interviewed the main stakeholders and beneficiaries that were/are involved in the implementation, and carried out in-depth desk research that complemented the analysis of the indicators included in the ROM/MONIS database and the findings of the survey.

The 66 interviews<sup>22</sup> were conducted in an open framework which allowed for focused, conversational, two-way communication. 43 interviews were project-specific, thus averaging over 5 per project. Not all questions were designed and phrased in advance of the interviews. However, the flow of the interview followed the pattern included in the interview guides delivered with the inception report, complemented by supplementary questions created during the interview, allowing both the interviewer and the person being interviewed the flexibility to probe for details or discuss issues.

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<sup>22</sup> See annex 7 for the complete list of interviewees

## II - Data analysis

### II.1 - ROM/MONIS DATABASE ANALYSIS

ROM/MONIS covers only 28 out of the 76 projects which were in scope for this evaluation, as ROM monitoring covers “by default” only projects above 1 million euro, while those below this threshold are monitored only under specific EC request. This does not happen very often. For those projects which were already closed at the time of the inception of our evaluation, many of the contact details for key actors were outdated or non-traceable. This created considerable time loss in the preparation of the mailing list for the survey and the contacting for interview coordination.

The use of scoring values by ROM changed during the envisaged programming period. The alphabetic quotation was replaced by a more precise numeric one in 2007.

a	B		c		D		
very good	Good		problems		serious deficiencies		
4,00	3,50	3,49	2,50	2,49	1,50	1,49	0,00

The MONIS documents thus delivered different types of values for assessment. For simplification and in an attempt to achieve the most accurate analysis we substituted the letters by their mean value (a=3,75; b=3; c=2; a=0,75). A complete overview of the projects covered by ROM/MONIS is given in annex 6.

The overall assessment is good in all aspects including in the aggregated ones. The total value of screened projects is € 46.6 million representing roughly 42% of the allowances. The highest scoring project was “*Dialogue for Interaction, Advocacy and Networking. Capacity building for Minority Rights in Practice in Southeast Europe*”. Impact and sustainability scored practically “very good” maximum values with “good” for all other criteria.

One of the aspects often emphasized by ROM is the lack of a complete project log frame. This implies that several contractors were selected by the EC, without having presented the structure of the project linked to performance indicators. Although the monitors have stressed the need for providing a log frame, even after the project started, there is no evidence that many contractors took action.

Out of the 28 projects assessed the system identified 3 very low scores as depicted in the table below.

**Table 5 –The least performing projects according to ROM**

Contract number	Title	Contract type	Budget (€)	concept/ design	effectiveness	efficiency	impact	sustainability	relevance and design, effectiveness, efficiency aggregated	impact and sustainability aggregated
Oct 2004- Nov 2005	Supporting the adoption and implementation of the Acquis Communautaire in the financial services sector	Specific contract (framework contract)	190.000	2,00	2,00	2,00	2,00	0,75	2,00	1,38

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Dec 2005- Jun 2007	Supporting Disabled People's Umbrella Organisations and Networks Throughout the CARDS Region	Grant	250.000	0,75	0,75	0,75	3,00	3,00	0,75	3,00
Nov 2005- Dec 2006	Development Through Co-operation - A Network to Network Capacity Building Programme for the Benefit of Diocese CARITAS Structures in Bosnia and Herzegovina and Serbia and Montenegro to Enforce the Civil Society Actions on Local Level	Grant	242.130	2,00	2,00	2,00	2,00	2,00	2,00	2,00

*Supporting the adoption and implementation of the Acquis Communautaire in the financial services sector* the objective of the project appears too ambitious, i.e. to strengthen the capacities of all countries in all fields. The project was built as a workshop consultancy instead of focusing on the assistance in the financial sector, as requested by the ToR. It is essential to mention the budget was not sufficient for the services requested. The project started with changes of EU programme manager and project experts. The workshops were not prepared with methodological approach and lacked strong outputs in terms of case studies, protocols or even handouts. They were not sufficiently tailored to individual needs of the countries. The results were modest in that several beneficiaries reported only a better understanding of the acquis in the financial sector, but the implementation was lacking. Thus, impact was obviously below than expected. It is remarkable that the final recommendations suggest preparing a follow-up project for achieving the objectives as envisaged initially. The Commission should avoid financing projects that have proven to be unsuccessful in the past.

“Support to disabled people’s umbrella organisation” tried to replicate in WB a “*Capacity Building for Disabled People’s Organisations in ten Accession Countries*”, a grant agreement of 1 million EUR of the EC (DG Enlargement), from September 2002 until June 2004. However, the budget of this networking NtN<sup>23</sup> project is much smaller and project design and project management structure much weaker than that of the previous project. The MONIS report even questions the legality of the project contract due to co-financing active before the actual start of the project. Also it is not clear how the project could pass the call for proposals as the design was very poor. It is obviously remarkable that the “Support to disabled people’s umbrella organisations” scored serious deficiencies except for impact and sustainability where the score was “good”.

*Development Through Co-operation - A Network to Network Capacity Building Programme for the Benefit of Diocese CARITAS Structures in Bosnia and Herzegovina and Serbia and Montenegro to Enforce the Civil Society Actions on Local Level* It is not clear how the project was selected for financing as it was not consistent with the objectives of the Call for Proposals, nor with the TnT<sup>24</sup>. Also only two partners are involved, CARITAS Sarajevo and Belgrade, while at least three should be involved to justify the request for regional approach. . There is no networking on the regional level or European peer level and in essence only local CARITAS offices are involved. The project management was reported as problematic, very slow and with low capacity. It was estimated that the projects would achieve the purpose it was designed for. The MONIS reported that the project is seen as chosen for funding due to strong German/Catholic/Croatian lobby. Sustainability prospects are

<sup>23</sup> Network to Network

<sup>24</sup> Train the Trainer

estimated high for the beneficiaries of the Caritas structure. However it is evident that sustainability, within the wider context could not really be achieved. Quoting: (from MONIS) *“The project contributes significantly to institutional capacity building, however, this is mainly so for Caritas’ own structures in the beneficiary countries. Socio-culturally the action is rather weak, specifically because local stakeholders do not see strengthening of Caritas as an urgent need as compared to the need to strengthen indigenous civil society development in the WB. There are no specific elements of added value in terms of gender, technology or the environment; however, there is sustainability in its focus on poor and vulnerable groups, with emphasis on Roma.”*

## II.2 - CARDS SURVEY ANALYSIS

The survey concerning the CARDS regional programmes was run between 1 July and 18 August 2008, and targeted contractors and project partners (subcontractors or local partners of the main contractor) as well as beneficiaries of the programmes, national ministries and members of the steering committees of the projects. The survey allowed the evaluators to reach a higher number of stakeholders that would otherwise have been possible, due to operational and budget constraints. The core of the survey was formed by a questionnaire containing single-answer questions as well as open-ended questions conceived for gathering the stakeholders’ perceptions and suggestions as mentioned in section I.1. The complete results of the web survey and all the relevant tables can be found in annex 8. In this section we summarise the survey’s results and profile the respondents.

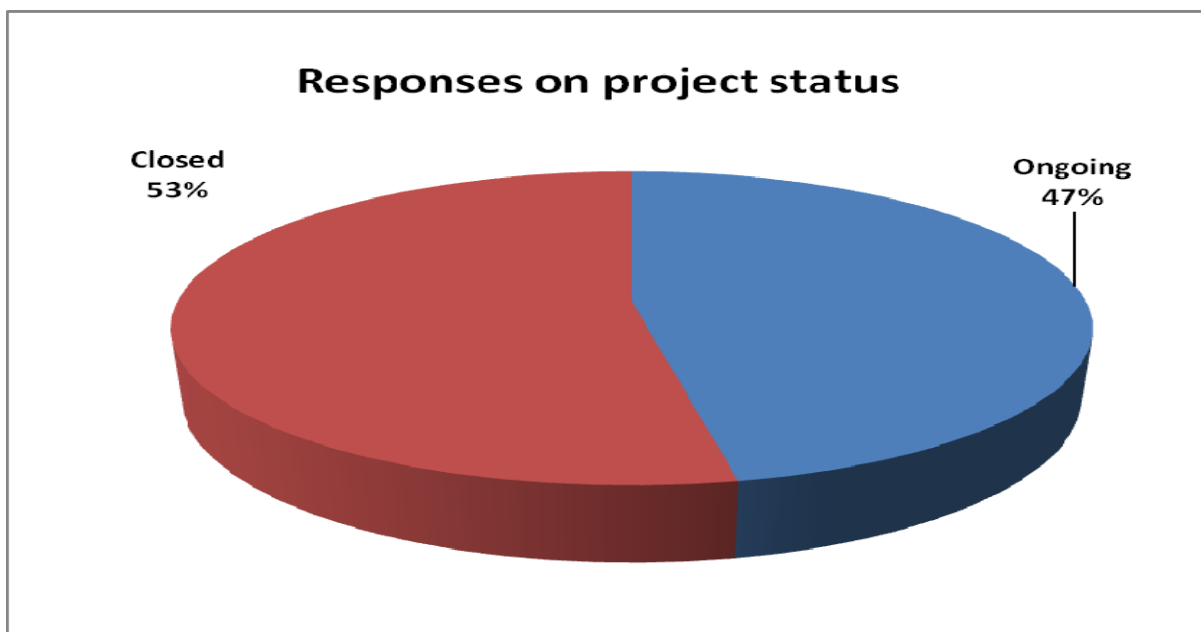
### WEB SURVEY COVERAGE

The web survey was addressed to 276 recipients, located both in the seven countries covered by the programme and throughout Europe. At the time of closing the survey 102 responses had been received, 96 of which brought significant information. This provides an acceptable response rate of 35%. The specific limitations to be taken into account when analysing the answers provided are exposed hereunder. The 96 responses received cover at least 38 out of the 70 projects covered by the evaluation.

28 respondents did not specify the name of the project they were involved or gave vague answers (“CARDS regional program” or “CARDS 2003”). (this was voluntary in the first round of questionnaires sent to the contractors)

The choice made during the survey to make it compulsory for respondents to state their name and the project in which they had taken part in helped to track the project coverage of the survey, but probably contributed reducing the response rate somewhat. The results of the survey show that almost half of the respondents had decided to answer in an anonymously way until this became impossible.

Figure 4 - Response on project status



#### LIMITATIONS OF THE WEB SURVEY

This section describes briefly the obstacles encountered for setting up the web survey and some factors that played a role in reducing the response rate.

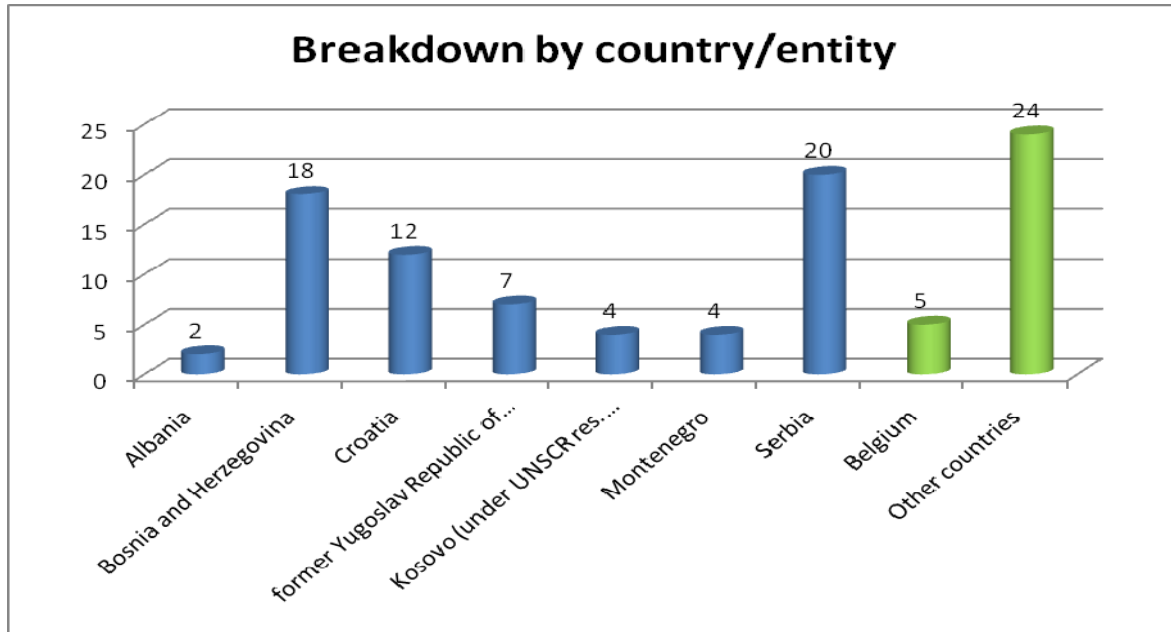
- **E-mail addresses.** The high turnover of relevant personnel, contributed to reduce the overall response rate. This is certainly the case for organizations and consortia that were established *ad-hoc* for closed projects and that have since been dismantled. Several recipients working in ministries have meanwhile changed position or organization and this made it difficult to reach them. Other e-mail addresses provided by the European Commission were misspelled or contained errors. At the request of the European Commission we undertook an additional research and managed to recover 28 out of 33 incorrect e-mail addresses.
- **Timing.** Due to the timing of the project, the survey was conducted during a prime vacation period. We mitigated this risk by extending the deadline of four additional weeks to the three foreseen. The web survey was closed on 18 August 2008.
- After the survey had already been launched it was decided to revert to contact points in the Western Balkan countries in order to obtain more e-mail addresses and to make the survey questionnaire more wide-ranging on the beneficiaries' side. Due to the slow response of a few administrations the integration of 78 new addresses was made only on 31 July 2008 so that the second wave of recipients had only 18 days to complete the survey during the summer period.

#### GEOGRAPHICAL COVERAGE

The survey covered the seven countries taking part in the CARDS regional programme. The question also presented two entries - "Belgium" and "Other countries" – for the contractors that are not normally based in the region. The response rate was higher amongst the contractors and the organisations that are normally based outside the region. This is probably due to a lower turnover in international organisations than in administrations and institutions in the surveyed region and the higher degree of familiarity that experienced project managers have with this kind of survey.

As far as the number of responses by country is concerned, the data obtained reflect more or less the relative size of the countries involved, with a slight over-representation for Bosnia and Herzegovina and a dramatic under-representation for Albania where only two respondents were located. The figure below shows the country breakdown of the 96 valid answers received.

Figure 5 - Answer breakdown by country



These figures are to be interpreted carefully as the contractors tend to locate either in Serbia or Croatia for logistic reasons. As smaller projects only had one contact person, usually the contractor's representative, the fact that so many respondents are located outside the region is not *per se* striking. A different interpretation can be given for Albania's few respondents which are probably due to high personnel turnover in the ministries and to the fact that Albania is not involved in some of the CARDS regional projects.

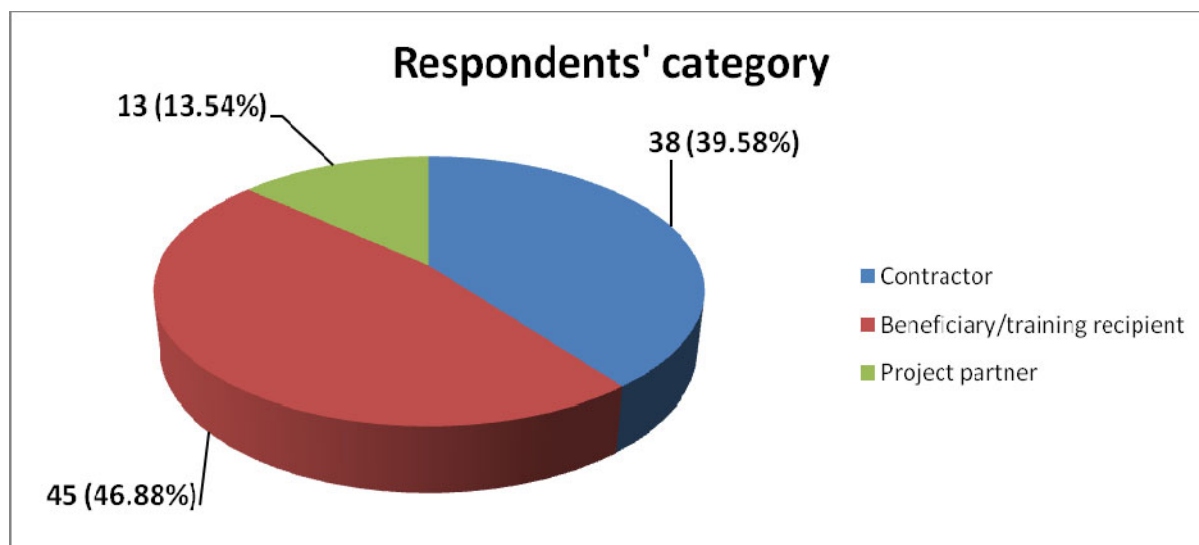
#### CATEGORIES OF RESPONDENTS

The main background question concerning the respondents asked whether they were involved in the project as a contractor, project partner or beneficiary. This data is important as belonging to one category or another may alter the perception of the project. Figure 6 presents in graphical form the breakdown of the answers in the three categories in absolute and relative terms (in parenthesis).

The survey managed to strike a good balance between contractors and project partners and on the other hand the beneficiaries of the initiatives undertaken under the CARDS programmes heading. It was extremely important to get feedback from the beneficiaries as it is usually more difficult for them to have their voice heard at the central level.



Figure 6 - Respondents' categories



Interesting findings can be obtained analysing the data cross-section as in the table below.

Table 6 - Cross section data per country

Country/entity	Contractors	Project partners	Beneficiaries	Total
Albania	0	1	1	2
Bosnia and Herzegovina	1	4	13	18
Croatia	4	3	5	12
former Yugoslav Republic of Mace	2	0	5	7
Kosovo (under UNSCR res. 1244/9	1	0	3	4
Montenegro	1	0	3	4
Serbia	4	1	15	20
Belgium	5	0	0	5
Other countries	20	4	0	24
<b>Total</b>	<b>38</b>	<b>13</b>	<b>45</b>	<b>96</b>

As expected no beneficiary can be found outside the region and the contractors tend to be located outside the Western Balkans.

Once the category of the respondents was captured by the survey another question asked the kind of organisation the respondents were belonging to. This question gave different options according to the answer given to the previous question –contractor/project partner or beneficiary.

The results of these questions are presented below in graphical format for both the type of respondents.

The data shows a higher number of responses amongst international organisations and private companies acting as contractors. Apparently it has been more difficult to get feedback from national ministries. It is not clear if this was influenced by the holiday period or the tendency for administrations not to respond too easily to external requests for information.

Figure 7 – Type of organisation – contractors and project partners

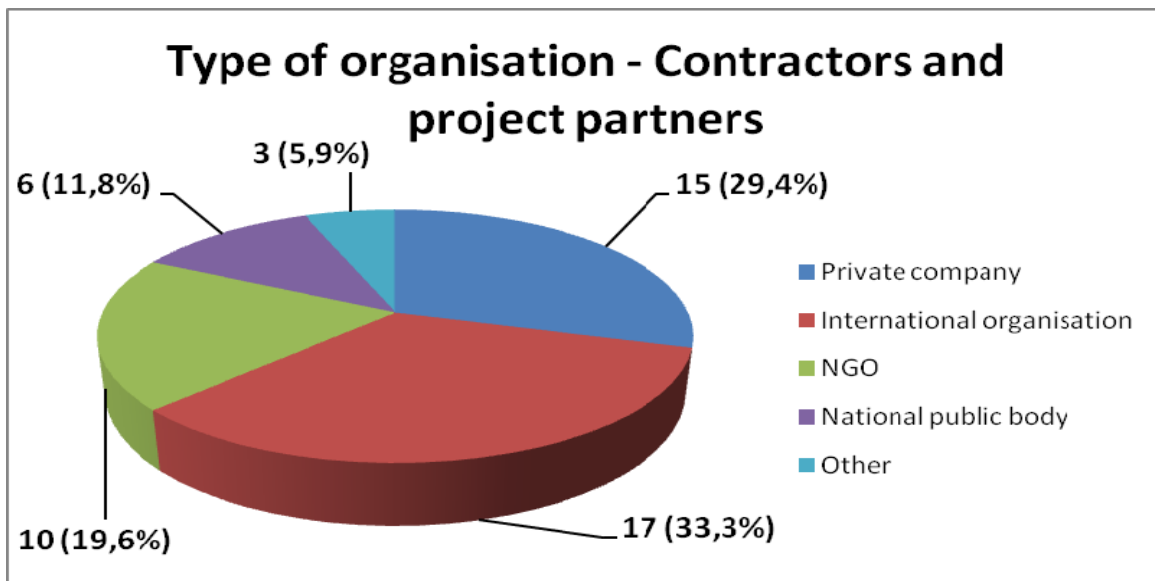
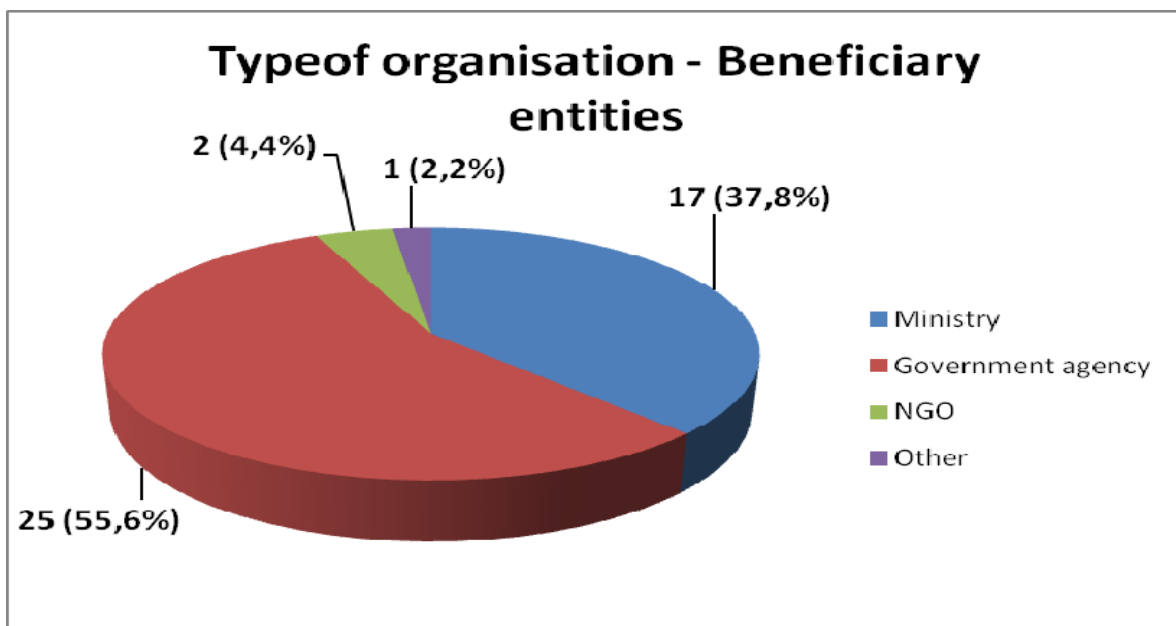


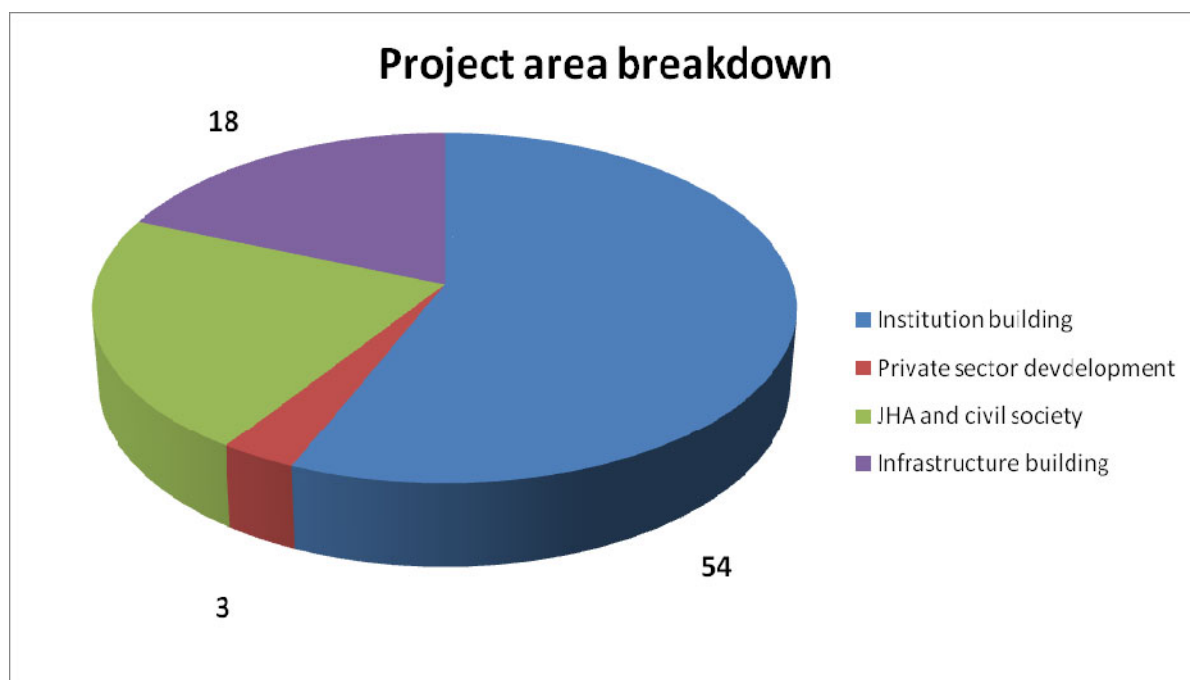
Figure 8 – Type of organisation – Beneficiary entities



Another important classification concerns the sector of intervention of the projects. In the web survey we decided to follow the categorisation scheme of the MIP 2005-06 with civil society replacing cross-border collaboration, out of the scope of this evaluation.

The figure below shows the breakdown per project area. More than half of the respondents answered to be part of an institution building project, with only three respondents engaged in private sector development initiatives.

Figure 9 – Detail of answers by project areas



However, these results have to be considered with great care as the beneficiaries and sometimes the contractors themselves do not have clear idea of the specific project area. This reflects somewhat a unclear EC categorisation pattern. As evidence of that, for the Quality infrastructure projects – the one with the highest number of responses - 8 respondents categorised the project as “Institution building” whilst 9 quoted “Infrastructure building”. Other examples of multiple classifications are evident from the answers gathered. In spite of this, it can be stated with little doubt that most of the respondents were involved in institution building projects. This finding is in line with the expenditure per heading. In the course of the analysis we will merge, for the sake of simplicity contractors and project partners.

#### PERFORMANCE RATING SYSTEM

The questions were addressed to respondents on a qualitative scale that allowed them to express their perception of the relevance, efficiency, effectiveness, impacts and sustainability of the projects. It is worth converting the qualitative ratings provided into numerical ratings in order to have information on average and variance of the answers received.

The conversion is operated in accordance with the values showed in the following table, scaling from 1 (Highly Unsatisfactory) to 5 (Highly Satisfactory).

Results from the web survey are compiled in section 4 (general) and section 6 (thematic).

Table 7 – Performance rating system

Qualitative rating	Explanation and numerical ratings
« Highly satisfactory »	The project assessed is deemed to have achieved all the objectives for the area covered by the question  Numerical rating: 5
« Satisfactory »	The project assessed is deemed to have achieved most the objectives for the area covered by the question  Numerical rating: 4

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« <b>Barely Satisfactory</b> »	Where the project assessed is not deemed fully 'satisfactory' but is not weak enough to justify a rating of 'unsatisfactory'.  Numerical rating: 3
« <b>Unsatisfactory</b> »	The project assessed is not deemed to have achieved most of the objectives for the area covered by the question  Numerical rating: 2
« <b>Highly unsatisfactory</b> »	The project assessed is not deemed to have achieved any of the objectives for the area covered by the question  Numerical rating: 1

### II. 3 - INTERVIEW ANALYSIS

The evaluators interviewed 66 individuals including 53 directly related to selected projects of which 32 beneficiaries (see Annex 7; List of interviewees and geographical coverage), against an initial total number of 32 interviewees. We almost doubled the number of interviews for projects under specific Commission request, in order to draw the best conclusions from this evaluation exercise. Each project visited was covered by at least 4 interviews. The qualitative results from the interviews on the 8 selected projects are depicted in section 6. The purpose of this part was also to assess the level of satisfaction from the side of the beneficiary. Therefore all projects were analysed especially through the beneficiaries' interviews and were compared to the relevant last available data (Final reports and ROM/MONIS).

The beneficiary interviews were also screened against eight indicators

**Table 8 – Indicators against which interviewees were screened**

<b>Criterion</b>	<b>Indicators</b>
<b>Relevance and design</b>	Number of interviewed beneficiaries considering the RP as relevant / total number of interviewed benef.
	Number of interviewed beneficiaries considering national and local stakeholders as involved / total number of interviewed benef.
<b>Effectiveness</b>	Number of interviewed beneficiaries considering operational objectives to be achieved / total number of interviewed benef.
	Number of interviewed beneficiaries considering output matching initial objectives and forecast/ total number of interviewed benef
<b>Efficiency</b>	Number of interviewed beneficiaries considering the RP results as satisfactory / total number of interviewed benef.
	Number of interviewed beneficiaries indicating lower cost opportunities to achieve the same output / total number of interviewed benef.
<b>Impact</b>	Number of interviewed beneficiaries indicating a developed mutual trust environment among parts / total number of interviewed benef.

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Criterion	Indicators
	Number of interviewed beneficiaries indicating a community added value from the RP / total number of interviewed benef.
<b>Sustainability</b>	Number of interviewed beneficiaries indicating the programme viable without further EU support / total number of interviewed benef.
	Number of projects/programmes continued by stakeholders within 3 months after closing the project / total number of interviewed projects

## ANNEX 2 –FOLLOW-UP TO PREVIOUS RECOMMENDATIONS

For the purposes of this analysis the recommendations from the “Evaluation of the Assistance to Balkan countries under CARDS regulation 2666/2000, June 2004” have been referred to. It must be taken into account that this evaluation was performed on the entire CARDS assistance, including both national and regional programmes. In this section we will focus on the recommendations related to the regional programmes, in line with our evaluation’s scope.

### IMPROVING CARDS DESIGN AND GENERAL RELEVANCE

#### **a. Recommendation to decentralise CARDS in order to increase ownership and effectiveness**

The CARDS national programme was decentralized in some of the beneficiary countries. This process was continued with the further opening of PHARE and ISPA programmes to Croatia and Macedonia and is imposed to all WB countries with the **new IPA implementing regulation. The Regulation requires that countries are able to** ensure financial control, accountability and efficient management. It is clear from the observed processes and interviewees reports that the decentralisation of the national programme had a significant impact on the coordination and on the absorption capacity for the regional programmes cannot be disregarded. The strong national coordinator contributed to better design of the interventions. Interviewees have also expressed their satisfaction for the dialogue the regional programmes unit of DG ELARG has undertaken with NIPACs and with the national administration. This finding is also confirmed by the respondents to the web survey most of which have deemed the present centralization d-decentralization balance as optimal.

However, the decentralization of the regional programmes is only a means to achieve efficiency and not an end in itself. Few of the comments on the programme efficiency related to the lack of decentralisation of the programme. The key to successful implementation of several projects lies in the efficient communication between DG ELARG, the relevant sector DGs, stakeholders and beneficiary institutions.

Thus, the recommendation to decentralize programme was taken only for the national programmes which influenced the success of CARDS regional programme. It is comprehensible, that the decentralization of regional programme can not follow the path of the national programme but can be strengthened by establishment of regional sectoral supporting institutions

#### **b. CARDS approach should rely more on the capacity development**

This recommendation supports the idea that the recipients should find their own way to fill the gaps towards the European approximation and integration. Assistance should be focused on support to beneficiaries in the form of advice and guidelines and recommendations in drafting strategies, programmes, projects, management and so on. In a nutshell, assistance should help national administrations, and not replace them.

It is true that some of the contractors approached the implementation in such a way that the beneficiaries were responsible for data gathering, writing reports, while the project team ensured advice, recommendations, support and expertise in the field needed.

Also, it is clearly seen in the projects where assistance was focused on establishing a regional coordinated secretariat for the specific purpose/sector that the ownership has increased with the growing national allocations to these Secretariats (SEETO, Sava Commission). Also, establishment of Regional Cooperation Council is seen as an important tool in the coordination of regional programmes by the stakeholders, though its role has not been clearly defined yet. The Regional Cooperation Council is a body that finds its legal basis in the Stability Pact and is in the process of becoming fully operation at the time of writing this report.

This recommendation has been followed by the regional programmes unit that is also making an effort in order to launch project facilities like the IPF that will help the countries identifying their needs on a regional basis and putting them into projects that have to be approved by the EC. Increasing projecting capacity is a key issue for regional cooperation and for sustainability.

**c. Specific policy instrument and financial arrangements should be established to support development investments including private sector development.**

- *More emphasis on preparation and testing of future cohesion policies and funds, especially for rural development and local infrastructure.*

The idea was to provide a specific regional programme with the participation of DG Regio and other Commission specialized bodies that could provide for local development and European cohesion policy –like financial schemes.

The projects that were analyzed in detail did not provide sufficient information to give insight into progress of this recommendation. However, from the coordination meetings we have attended, it emerged that this approach has been adopted by DG ELARG, especially for the candidate countries. Local infrastructure is already tackled in a regional way. The funding gap method in use in DG REGIO has been the object of a presentation in one of the last coordination meetings, as it is important that the countries understand the scope of EU funding as they approach accession.

- *Create a regional investment facility on collaboration with EIB and EBRD and other IFIs (World Bank, bilateral development banks and agencies)*

This would likely affect the IFI funding in the following area:

- financing infrastructure projects of regional relevance in the areas of transport, energy and environment, among others; and
- supporting the commercial banks in running sustainable credit schemes for SME development.

We have found evidence that coordination with other IFIs has improved from the last evaluation. The EC delegations have enhanced significantly their role of a coordination antenna with other beneficiaries and donors. This has avoided overlapping and redundancies as the EC delegations are in direct contact with NIPACs and can immediately warn them of overlapping problems. The SEETO project is a clear example of this process and aims at creating a single access point to transport infrastructure financing in the regions. Similar initiatives have been recently launched in the field of energy, while the project on the sources of competitiveness has amongst its priorities to make access to credit easier for SMEs. These examples offer clear evidence that this recommendation was implemented into practice.

**d. Enhancing regional strategic guidance and technical backstopping at sectoral level.** The recommendation suggests creating regional “offices”/programmes with these tasks:

- Establishing *regional networks of stakeholders* to exchange experience and best practices and building consensus around the key reform issues;
  - Progress: Most of the projects show that the most tangible result of the regional programmes can be seen in the regional cooperation. Some of these regional co-operations have even been institutionalized (Prosecutor Network project, Sava Commission as beneficiary of the Pilot River Sava Basin).
- Updating and dissemination of *sectoral guidelines, strategies and approaches*, as a result of the networking exercise, rather than as a top-down approach;
  - Most of the projects set up web sites where relevant information can be found. In some instances slow coordination and dissemination of reports occurred within the



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projects, but generally respondents to the web survey rated as satisfactory the information of the projects in the beneficiary countries.

- Promotion of *intra-regional and interregional cooperation* and helping to define related projects on relevant sectoral issues:
  - The stakeholders expressed their content with the process of preparation of projects for the regional programmes that has been established by DG ELARG. Multi-beneficiary meetings are being held every six months where inputs and comments are provided by the beneficiaries. It was also noted by the interviewees that the coordination approach in Croatia, led by the NIPAC secretariat is also influencing the quality and involvement of the relevant institutions in the development phase.
- Ensuring participation of line DGs in advising on strategies and approaches: this it is still organized on a project by project basis and depends on the availability of human resources in the line DGs. Line DGs are normally involved in the launch of a new project and then decreases during the implementation phase. However, SEETO and CAFAO are examples of continuous coordination efforts between DG ELARG and line DGs.
- Where necessary, establishment of *specialized framework contracts* for consultancy services

### IMPROVING CARDS POLICY MANAGEMENT AND IMPLEMENTATION

#### **a. Review programming cycle to fit in the new strategic framework and instruments**

The Multi-beneficiary Multiannual Indicative Programming Document is the new strategic document that provides guidance for the new financial instrument IPA. The MIPD is prepared by the Commission for three years and is revised every year. Wide consultations are held with the regional stakeholders, according to interviewees. This recommendation has therefore been applied.

#### **b. Review EC responsibility for overall programme management**

The responsibility for the management was transferred from DG AIDCO to DG ELARG in 2004. The change in management model that followed was appreciated by the interviewees in the beneficiary countries. With the enlargement process opening for some of the countries, the expertise detained by DG ELARG is a key to successful implementation.

#### **c. Re-organise management of the regional programmes**

This recommendation highlighted the need for significant reorganization of the regional programmes. As one of the possible solution set up of a devolved body similar to the EAR.

The recommendation was not implemented in these terms, but the change from DG AIDCO to DG ELARG has brought significant management re-organization in the regional programmes.

#### **d. Improve CARDS co-ordination with the EU Member States, the IFIs and the other external supporting agencies**

This coordination development started already at the time the Evaluation of the CARDS in 2004 was presented:

- the ownership was increased and networking at regional level helped building consensus
- regional investment facility expanded collaboration with the IFIs
- the flow of information has improved through greater coordination by means of periodic Multi-beneficiary meetings and by greater participation of the tasks managers to the project implementation phase.

## ANNEX 3 – PROJECTS ANALYSED IN DETAIL

In this annex we present the eight projects we analysed in detail. Although the scope of the evaluation includes only contracts signed under CARDS 2003, 2005 and 2006, several projects were the follow up to previous contracts and have been ongoing for years. In these cases we focused on the achievements of the part of the project under the scope, but it was often impossible to attribute certain effects to one contract or grant rather than another. Hence, most of our findings and conclusions refer to the project as a whole regardless the specific contract/grant. When we refer to interviewees in the text, we do it for the sake of clarity and we deem the statement credible.

We present below a synthetic table that scores the projects following the categorisation adopted for the web survey. As all qualitative scoring system, the one we chose tend to simplify reality. However, a synthetic tool enriches the analysis and provides the reader with a benchmark for analysing the projects selected.

Table 9 – Projects' qualitative score

Area of intervention	Name of the project	Assigned score
<b>Justice and Home Affairs</b>	Establishment of an independent, reliable and functioning judiciary and the enhancing of the judicial cooperation in the Western Balkans	« Satisfactory »
<b>Justice and Home Affairs</b>	Regional refugee return in the Western Balkans - support to the 3x3 initiative	« Satisfactory »
<b>Private sector development</b>	Defining and Strengthening Sector Specific Sources of competitiveness in the Western Balkans Region	« Satisfactory »
<b>Private sector development</b>	Quality Infrastructure	« Highly satisfactory »
<b>Infrastructure facilities</b>	South-East Europe Transport Observatory (SEETO)	« Satisfactory »
<b>Infrastructure facilities</b>	Pilot River Basin Plan for Sava River	« Barely Satisfactory »
<b>Institution building</b>	Social Institutions Support Programme (SISP)	« Satisfactory »
<b>Institution building</b>	Technical assistance to the Western Balkan countries in the fields of customs and taxation (CAFAO)	« Satisfactory »

## A – JUSTICE AND HOME AFFAIRS

### A.1 - Establishment of an independent, reliable and functioning judiciary and the enhancing of the judicial cooperation in the Western Balkans

**Introduction to the project: objectives and management.** This a 2003 Regional CARDS programme. The EC Contribution was signed on 02 October 2003 to implement the “*Establishment of an independent, reliable and functioning judiciary and the enhancing of the judicial cooperation in the Western Balkans*”. The project started on 1 May 2004 and was implemented in 36 months till 30 April 2007 by the Centre for Legal Competence (CLC) in Vienna. CLC is a twinning-mandated body with significant project implementation experience. The modules were under the responsibility of Module Leading Partners.

The project’s **wider objectives** were:

- to support the development of an independent, reliable and functioning judiciary in the CARDS countries and thereby contribute to the approximation of legislation and its enforcement in the area of the judiciary to European values, principles, standards and norms at the national level
- to define and gain the CARDS countries’ acceptance of common benchmarks on the independence and functioning of the judiciary for the Western Balkans.

#### **Specific Objectives:**

- Contribute to a better awareness and understanding of the EU and other international standards and best practices for the establishment of an independent, reliable and functioning judicial system and the enhancing of the judicial co-operation by the CARDS Countries’ (directly or indirectly) concerned civil servants and officials, courts, Ministries of Justice, as well as their colleagues within all concerned law enforcement bodies (e.g. lawyers, notaries, bailiffs).
- Support the development of a regional strategy, based upon benchmarks that introduce a set of commonly accepted EU standards, practices and principles on the independence and functioning of the judiciary.
- Assist – on request – each CARDS Country to elaborate a detailed National Strategy together with an Implementation Action Plan as well as to assist with the supervision of the Action Plan. National Strategies and Action Plans should – on the basis of the elaboration of Short-Term, Mid-Term and Long-Term Priorities – cover the approximation towards the *acquis* on the (i) legislative level, (ii) institutional, procedural and administrative level, (iii) practitioners capacity level, and (iv) educational and training level.
- Enhance judicial co-operation and networking among the CARDS countries themselves, with the EU Member States and the international organisations.
- Contribute to Capacity Building to enable the CARDS Countries’ officials to act as trainers for their colleagues as well as managers of the changes proposed and initiated within the project.

#### **Findings:**

As the ‘results’ are related to over 200 specific activities, they are too numerous to list here.

**The project is well defined in the Regional Annual Action Plan for 2003.** The Regional Strategy Paper 2002-2006 highlights the necessity of creating a functioning network of the judiciary in the Western Balkans elaborated in more detail in the Regional Annual Action Plan for 2003. The project is led by the Contractor Consortium which includes the Ministries of Justice of Austria, Bulgaria, Germany, Italy, Romania and Slovenia and the Council of Europe. There project is formed by four modules each of which is delivered by a different Consortium Module Leading Partner:

- 1) Developing an independent judiciary (Bulgaria);
- 2) Developing reliable and functioning judicial system (Germany);
- 3) Enhancing international and European judicial cooperation (Slovenia);
- 4) Introduction to the EC law and EU judicial system (Italy).

Due to the presence of several sub-activities and of the contemporaneous implementation in a number of countries, the project was very complex to run. The final report is extremely rich in details and prepared at the level of sub-activities. The countries were involved in providing inputs to the project fiche. Suggestions were to a large extent included in the design phase. Some of the activities provided support at the regional level whilst other activities contributed to the national programme. Monitoring reports pointed at a missing Log frame which would have been more than useful for the implementation of such a complex project and despite recommendations was never prepared..

**The project was evaluated as useful by the beneficiaries, but the absorption capacity is not always sufficient for coping with all the reforms planned.** The intrinsic value of this project lies in the fact that all the countries in the region have more or less the same legal system and therefore face similar challenges. However, the judiciary institutions of the Western Balkans countries have different starting levels in terms of administration capacity and comprehensiveness of the body of laws and the judiciary system.

**The implementation of the projects was not always effective, but overall beneficiaries were satisfied with the delivery of the project.** The general level of satisfaction of beneficiaries is good and the contents have been judged positively by interviewees. Some of the interviewees added that this project did not cover all their needs. More than a beneficiary reported lack of communication and coordination in the modules. Some of the interviewees reported that their own institution was lacking resources to cope with the amount of work foreseen. In the case of module 4 the trainings were not announced well in advance. The beneficiaries also reported that translation of the materials into their native language was not of satisfactory quality as well as the translation from the language of the Module leading Partner to English that was carried out upstream. This constituted a significant drawback as a sound translation of the legal taxonomy is crucial for knowledge transmission on and for attaining the desired level of expertise. Activities under module 4 requested heavy support from the institutions responsible for training –from the organisation of the trainings and workshops to translations of the training materials delivered late from the module project manager. According to one of the interviewees there was a formal complaint to the EC about the management of module 4.

**The most beneficial impact of the project was the exchange of experience and facilitated communication with other judiciary authorities** - from the MS countries and beneficiary countries. Most interviewees acknowledged that the debate on judiciary would have never focused on the regional perspective in the near future had there not been the meetings organised by the project. The development of modules for the judicial academy which will be further elaborated during the second half of 2008 will strengthen cooperation. The project facilitated communication on the regional level despite the political issues and problems. Political entanglements did not influence the implementation of the project and cooperation in the field.

**The project lacks of visibility according to interviewees, whilst the effectiveness of communication varies across different modules.** The evidence gathered suggests that only people directly involved in the project were informed about activities results and eventual impact on the system. One of the interviewees deplored the absence of some kind of bulletin which should reach out at least the level of practicing judges. The activities and results are not communicated to the municipal court level. Interviewees expected the project to deliver a means of information as a project-related document would be perceived as neutral and would guarantee a uniform distribution of information throughout the region.

**Sustainability and progress in the field are hindered by the slow implementation and the limited communication at the lower level.** The project is perceived primarily as a first step to the judicial

reform for the countries involved and co-financing is not seen as feasible at the moment. Progress in the field is very slow and some interviewees believe that outputs such as publications or web sites cannot give the required degree of credibility to the issue of sustainability. On the other hand, the project has already produced two spin-offs:

- (i) Support to the prosecutor's network; and
- (ii) Statistical data gathering in the JHA sector.

## **A.2 - Regional refugee return in the Western Balkans - support to the 3x3 initiative**

**Introduction to the project: objectives and management.** The “3X3 Initiative” was launched in January 2005, by high officials from Bosnia - Herzegovina, Croatia and Serbia and Montenegro, who declared their countries’ resolve to ensure a just and durable solution to refugees and IDP’s (Internally Displaced Persons). The commitment of the three countries is expressed in the “Sarajevo Declaration”, signed in Sarajevo on 31/01/05 by the Minister for Human Rights and Refugees of Bosnia and Herzegovina, the Minister of Maritime Affairs, Tourism, Transport and Development of the Republic of Croatia and the Minister for Human and Minority Rights of Serbia and Montenegro. The European Union, UNHCR and OSCE pledged their joint support to the commitment to “solving the remaining population displacement by the end of 2006, and facilitating returns or local integration of refugees and IDP’s depending on their individual decisions, without any discrimination. Through a twin Contribution Agreement with the UNHCR, under the CARDS 2002 and CARDS 2003 Action Programmes, the European Union engaged itself financially in the 3X3 Initiative. This EU contribution (€ 799.982) provides a part of the means necessary for a larger UNHCR Programme, spanning across the three countries, which include the provision of legal advice, assistance to returning IDPs, cash grants and accommodation for returning refugees.

The **wider objectives** of the 3x3 initiative project were:

- To reinvigorate efforts to find durable solutions (voluntary repatriation / local integration), for the remaining refugees in Serbia and Montenegro, Bosnia and Herzegovina and Croatia;
- To support the political process initiated in January 2005 with the Sarajevo Declaration.

The project had four **specific objectives**:

- To continue to promote and facilitate the voluntary repatriation of refugees (and their belongings) from SCG to Croatia and Bosnia - Herzegovina and from Bosnia - Herzegovina to Croatia;
- To provide legal advice to refugees on housing matters such as repossession, housing reconstruction and housing care programmes for ex-tenancy rights holders;
- In cooperation with the EC and the OSCE, to provide further technical assistance to the Task Forces of the respective countries to complete their National Road Maps, ensure complementarities and integrate them in one Joint Matrix;
- To provide expert advice to the respective governments on data management.

**The objectives were defined per country:**

- **BiH:** Up to 170 refugees will repatriate to Croatia through returns facilitated by UNHCR and its partners. Up to 3,000 refugees assisted with legal advice on property repossession / reconstruction;
- **Serbia:** Up to 10,000 refugees repatriating to Croatia and 4,000 to Bosnia - Herzegovina will benefit from legal advice concerning housing repossession or reconstructions assistance. Of



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these, at least 1,000 will benefit from organized voluntary repatriation to Croatia and 200 with the transport of belongings to Bosnia - Herzegovina;

- **Croatia:** 970 returning refugees (800 from SCG and 170 from Bosnia - Herzegovina) will benefit from transport under the organized procedure, including their belongings; up to 10,000 returning refugees assisted with legal advice concerning housing. Up to 35,000 returnees will benefit from legal advice on property repossession, and from the housing care programme.

### Findings:

**The Activities were performed by UNHCR and by its network of partners in an effective way.** The local Non Governmental Organisations selected by the UNHCR were experienced and carried out their tasks in an effective way. (Bosnia - Herzegovina: Serbian Democratic Forum –SDF-, Bosnian Logistical Services –BHLS-, Vasa Prava Legal Aid Organisation; HR: SDF, Centre for Peace Osijek, Information Legal Centre Slavonski Brod, Croatian Red Cross; SCG/KOS: Danish Refugee Council, INTERSOS, UNIJA Network of IDP Associations, Red Cross of Serbia, Yes Pro Media). The dates of the financing agreement were 17 October 2002 (CARDS 2002) and 2 October 2003 (CARDS 2003), the project started on 1 July 2006 and was closed on 1 July 2007. The project covered Croatia, Bosnia Herzegovina and (at that time) Serbia and Montenegro.

**The relevance of the project is undisputed and the logical framework was clear, but the Specific Objectives were too many;** the real Project Purpose (PP) being, as stated in the Sarajevo Declaration, to solve the remaining problems caused by population displacement by the end of 2006. The results were stated in terms of numbers of returnees and refugees benefiting from legal advice. The activities were clear: provision of transport and legal advice through NGO's; supporting a public information campaign (TV); liaising with Governments, OSCE, and EU. The project remains pertinent because crucial assumptions had not been met – the political and social environment was and is not everywhere supportive of sustainable return. This was the first Regional Refugee Return in the Western Balkans. Unlike other regional CARDS projects, this project was designed by the UNHCR during the preparation of the Country Operational Plan, UNHCR's strategy for the assistance in the specific area. Generally speaking, UNHCR designs strategic documents and programmes in order to develop projects that deal with the sectors they are responsible for and search for funds after the projects have been developed. Thus, projects such as the 3x3 Initiative implemented by UNCHR are multi-donor projects, streamlined into specific areas by the expertise in the subject.

**Outputs and results were properly delivered: activities were well coordinated.** From the operational point of view the project was a success but the refugee issue was not completely solved. This is due to the fact that the funds available and the timeframe provided under this project were not sufficient to tackle the issue in a decisive way. According to interviewees, letters, co-signed by the OSCE, EC Delegations and UNHCR Representations were addressed twice in 2006 to the highest political authorities of Bosnia - Herzegovina, Croatia and Serbia and Montenegro, to express concern regarding the implementation status of the Sarajevo Process.

**No quantified OVI's available.** Also the MONIS/ROM reported dissatisfaction on the OVI's. They are not quantified and did not allow adequate, regular and timely reporting. Figures delivered from UNHCR and the diverse governmental institutions responsible for refugee matters vary due to different measurement standards. Some countries measure refugees as individuals, whilst other counts families.

**Results were hampered by the political tendency to play a “brinkmanship / waiting game” between the 3 countries, linking refugees to other issues** (EU accession, extradition of war crime suspects, Bosnia - Herzegovina final status). The access to services *per se* was open but intricately linked to the attitude of Governments responsible for welcoming returnees. The intricate web of procedures, promises, programmes and complicated legislation placed refugees in a Kafkaesque context. Downstream obstacles were a deterrent in Croatia. Hence, the refugees' return issue could not be solved within the time frame of the project.

**Financial resources have been used adequately.** The exclusive use of NGO's as local partners was the most cost-effective choice in this field of operations. With exception of the DRC (Danish Refugee Council), all NGO's were local. Interviewed implementing partners confirm this statement regarding the part of the budget they were responsible for, despite the fact that they had no detailed insight in the overall budget.

**Visibility was gained by the European Commission** mainly through weekly TV show, watched by over 400,000 viewers, providing information to potential returnees, and giving high visibility to the EC efforts. The DRC was using the EC flag on flyers, posters and publications. Conversely, interviewees from smaller NGO's did not identify their involvement as financed by the Regional CARDS or EC but as a UNHCR project.

**Interviewees confirm that the cooperation between UNHCR, OSCE and EC was good**, although MONIS reported in 2007 that in Croatia the ECD, which has the greatest political leverage vis-à-vis the Republic of Croatia, does not always lend sufficient support to the stance taken by UNHCR<sup>25</sup>. One year later reports on the follow-up (3x4) initiative indicate that "One of the strengths of UNHCR is its political leverage vis-à-vis decision makers (in the region in general, and in Croatia in particular). This confirms the insights gathered from interviewees reporting of a more active role played by the European Commission lately in this area. UNCHR is a privileged partner of the EC in the framework of the 3x4 process, and field monitoring performed by its local offices is of very much use to the EC Delegation. Communication between the project managers in Croatia and EC Delegation is good, although an enhanced involvement of the EC Delegation in project activities (through field visits, etc) would be advisable in order to understand the full scope of the work of UNHCR Field Offices - this would be very valuable for the EC headquarters.

**The environment became increasingly supportive to sustainable returns in 2007**, contrary to generally hostile conditions in 2002. As refugees' problems were not completely solved, financial support was needed from the donor community, which at the EC level resulted in the 3x4 Initiative, an agreement which was signed mid 2006. Final Sustainability cannot be assessed without an intensive empiric research on returnees in terms of real numbers and actual stay in their residence of return.

**Monis still reports in May 2008 that there is very limited progress on the '3x4 Process'** (launched by the Sarajevo Declaration, Jan/05, by the Governments of Croatia, Bosnia - Herzegovina and Serbia and Montenegro, supported by EC, OSCE and UNHCR) due to the lack of political consensus, mainly on 2 pending issues: recognition of / compensation for lost Occupancy and Tenancy Rights (OTRs) in Croatia (30,000 cases pending) and co-validation of rights acquired during the war in Serb-controlled areas. The unwillingness of the Government of Croatia to recognize these acquired rights, which have been recognized by the other countries, has not been followed by adequate compensation mechanisms, 'de facto' blocking the '3x4 process'. But many other significant obstacles remain to sustainable return, since the administrative and legislative framework in Croatia is not completely appropriate to ensure the efficiency and effectiveness of legal or technical return assistance programmes, in practice penalizing the return of the Serb minority (see MR Croatia). Around 7,000 refugees and 125,000 IDPs in BiH, 30,000 people in Croatia (1,641 refugees, 2,873 IDPs and 24,326 people who did not receive any eligibility decision yet), and over 300,000 in Serbia (97,000 refugees, 200,000 IDPs) (UNHCR estimates) need assistance to find durable solutions. It is of primary importance to solve this problem in order to achieve stability, reconciliation and economic development in the region (as recognized by the UN 'Pinheiro Principles on Housing and Property Restitution for Refugees').

**UNHCR confirms that stronger, concerted effort on the national, but also international level is required in order to create better living and employment conditions for the returnees.** A UNHCR study on the sustainability of minority return in Croatia (Zagreb, 16 May 2008) states that less than 50 percent of registered returnees currently live in Croatia. Interviewees agreed with the conclusions that the most effective way to ensure increased and sustainable return of the Serbs was to develop and implement programmes aimed at revitalizing the economy in areas of return and at

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<sup>25</sup> MONIS Proj 121357, BCS 41016.01 of 06.04.07



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tapping the labour and entrepreneurial resources of both the Serb returnees and the majority Croat population. *"While the study has confirmed that the security situation, status and property issues are no longer considered as major obstacles to return, stronger, concerted effort on the national, but also international level is required in order to create better living and employment conditions for the returnees," (...)* *"At the same time, adequate accommodation should be secured for all those persons who wish to return and remain in Croatia."*

## B - PRIVATE SECTOR DEVELOPMENT

### B.1 - Defining and Strengthening Sector Specific Sources of competitiveness in the Western Balkans Region

**Introduction to the project: objectives and management.** This is a 2006 EC Contribution Agreement (€ 1.0 million) with an International Organization (OECD) to implement the action “*Defining and Strengthening Sector Specific Sources of Competitiveness in the Western Balkans region*” over 30 months, funded under CARDS 2005 regional programme. The wider objective of the project was according to the Terms of Reference “*to promote FDI in the WB Region to foster economic growth and political stability*”. The project is ongoing and has two main specific objectives:

- Identify, prioritise and determine market dynamics and establish key success factors in 4-6 sectors of the Region;
- Contribute to the systematic reduction of region wide industry specific barriers that hamper trade and investment both intra-regionally and between the Region and the EU.

The estimated results are:

- A regionally defined FDI Strategy for 4-6 sectors;
- Region wide/sector specific action plans;
- Strategy and corresponding Action Plans partially implemented;
- Inward investment in the region generated.

The contract was awarded to OECD and the project is managed by its Investment Compact Unit. The contract was signed in 31 May 2007, started on 1 June 2007 and is planned to close on 1 December 2009. The project covers all the seven entities of the Western Balkans. The project is divided into two main phases: the former consists of a detailed study to identify the sectors that are more likely to attract FDIs, the second phase that is about to start will build on the results of the study to establish a strategy for tackling barriers and legal obstacles to competitiveness in the region.

#### **Findings:**

**The relevance of the project is acknowledged by stakeholders and the design was well conceived.** Interviewees confirm that they have been involved in the needs assessment and underline the importance of this participatory approach. The regional aspects were recognised as foreign investors tend to see the region as a single market and are discouraged by the barriers to trade that are in place within the region. Nevertheless, it has proven hard to achieve regional goals and to lift barriers to trade in order to attract more FDIs and to develop a region-specific comparative advantage. The sectors identified as high growth and investment opportunities across the region are:

- textile and garments;
- ICT;
- Business Process Outsourcing (BPO) and;
- auto motive components.

For these sectors, the project analyses global market dynamics and end-customer demand and, considering the regional/country specific conditions, will develop a FDI Strategy for the Region and the selected industries, identifying action plans with country specific priorities. The project aims to enhance Regional cooperation to promote political stability in the Region. It will further improve the national policies based on the findings of relevant empirical research, and thus increase their chance for success. The project partners clearly understand the overall objective (OO), and the project purpose (PP). The final beneficiary will be the economies and the peoples of the Western Balkans. At this point beneficiaries' expectations on the Regional FDI Strategy paper are high, as it combines measures for improving the overall investment climate in the Region with recommendation for reducing barriers to FDI inflows with specific measures aimed at improving the investment environment in the four selected sectors.

**All beneficiaries will have access to the project results; outputs have not been delivered at the time of writing this report, but raise high expectations.** The project results have a very good chance to achieve the specific objectives (SO), because they are based on empirical research and analysis, and are demand-driven. It is too early to comment in detail on outputs and results, but a first draft has been provided to the evaluators before the official presentation. The first deliverable includes a policy impact model based on several indicators from different databases. A wide range of stakeholders were consulted during the first phase and missions in the countries were carried out. The stakeholders consulted include representatives from:

- The private sector of the countries selected that plays a pivotal role in identifying strengths and weaknesses of sectors and sub-sectors (mainly following the NACE categorisation);
- IFIs such as the World Bank and the EIB;
- Policy makers (amongst which the Investment Promotion Agencies that have been actively involved and the Ministries of economy and finance.) that are also part of the Steering group for this project.

**Beneficiaries are happy with the project, but they do not associate it to the EU.** Overall, interviewees stated to be satisfied with the research process and the professional input of OECD. Until now work programme is in line with the initial objectives and forecast. As a matter of fact beneficiaries (Agencies for investment promotion in general) identified the project as OECD, not an EC and certainly not a CARDS regional project. Although national interests prevail, all interviewees were eager to read the regional FDI strategy paper as a first tangible result which was due mid 2008 and will be presented at the IPA Multi Beneficiary Meeting in Sarajevo in October 2008. Beneficiaries also hope to find enough elements for the removal of regional barriers.

**Beneficiaries are demonstrating to be pro-active, explore and use different IFI sources for complementary activities.** All beneficiary interviewees have projects running with the World Bank (IFC). GTZ, USAID, EAR and Japanese Governmental funding are mentioned as complementary sources for matching (sometimes slightly overlapping) projects and activities. All countries have an interest in driving change and are keen on the results of this project as they suffer from the same problems: a skill gap and the difficulty to attract investors. Moreover, not all the countries are able to identify their strengths and to carry out a punctual SWOT analysis of the economy to attract FDIs. In this sense the regional programme is an adequate framework at the moment. On the side, an informal network of contacts is being created and officials from the national administrations start realising the common needs.

**Without the Regional CARDS resources there would be no regional cooperation for strengthening the competitiveness of the Western Balkans as a single economic region.** Interviewed beneficiaries were clear in their statement that despite governmental support to their different relevant institutions, the national resources would focus on national issues and would not leave space or resources for regional cooperation. Interlocutors in this matter were even keen on demonstrating good relations with their counterparts in the WB as a result of the joint effort in the project.

**Beneficiaries have no overview of available and used resources.** This does not allow them to state if resources have been used well or if the project could have been implemented with less financial input. It also seems to be of their least concern as long as outputs and results will be delivered.

**The Regional FDI strategy will be translated into action plans in the second phase of the project** where mechanisms of consultation with the private sector will be installed. It is expected that coordination with the investment promotion components and feedback from the MIGA<sup>26</sup> led project will create and/or enhance the synergies with the MIGA investment promotion and the investment facilitation EIOP<sup>27</sup> project. The OECD plans to strengthen and intensify its presence in the region for the second phase of the project. It is of the utmost importance to create the right pre-conditions for the countries to convert into action the recommendations that will be given at the end of phase two. A strong regional network is vital for this purpose. Some interviewees have expressed concern on the lack of time for such an ambitious strategy and on the adequacy of the contractor to this task. This is probably due to the conception of the OECD as a think-tank more than as an implementation body and to the limited coverage of the region which may lead to lack of first-hand information.

**It is too early to observe any impact from the project.** However, given the project background information it is expected to have a positive impact on the target group and subsequently to the economic development of the Region. The countries involved in the project see an increase of FDI inflow although it is likely that this FDI is not in the project identified sectors.

**The project is potentially sustainable; the target group has generally the capacity to understand and implement the FDI strategy once presented.** The target group is governmental institutions supported through the state budget. Governments are likely to continue to finance them. The cost of attracting FDI is generally affordable considering that it will be recaptured once the FDI invests. The project is also administratively sustainable. Or the institutions will continue as independent entities or they will be embedded in one of their ministries. The target group has generally the capacity to understand and implement the FDI strategy once presented. Its capacity will be further enhanced through appropriate coaching.

**The project has been implemented on a rather participatory basis.** Not only the EC and beneficiary countries, but also the RCC and the Investment Promotion Agencies have been involved in the process. The contractor will make an effort in order to tighten the working relation with some Ministries and to set links with the national agencies for SMEs and other actors. The high personnel turnover that is experienced by some IPAs can be an element of disruption of the implementation process.

## B.2 - Quality Infrastructure

**Introduction to the project: objectives and management.** This CARDS 2006 Quality Infrastructure project is the follow up to the CARDS 2002 contract. We will treat the two contracts as a whole and evaluate the achievements of the entire programme. The CARDS 2006 contract was not listed by the EC and therefore not included in the cross analysis with MONIS values (See section 5). The contractor is CEN (Comité Européen de Normalisation) in partnership with DZM (Croatian State Office for Metrology) that provided logistical support (premises, visa requirement, customs clearance and so forth). The **wider objective** of the project is to “*Assist CARDS countries in developing their quality infrastructure towards the structures of the EU in accordance with the TBT (Technical Barriers to Trade) and SAP/SAA requirements*” and to make sure that the *acquis communautaire* in the field of internal market is transmitted to the entities in the region. Furthermore the project aims to “*strengthen the cooperation between quality infrastructure institutions in the Western Balkans to enable them to*

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<sup>26</sup> Multilateral Investment Guarantee Agency

<sup>27</sup> European Investor Outreach Program

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*implement the Central European Free Trade Agreement (CEFTA 2006) and harmonise quality infrastructure with that of the EU”.*

**Specific Objectives** were:

- Further development of the quality infrastructure in the region in line with the EU structures;
- Improving ability of quality infrastructure bodies in providing high-level services to industry in their own country and, where appropriate, those of the neighbouring countries;
- Strengthening of mutual confidence and cooperation in quality infrastructure fields between the countries in the region as well as with the EU;
- Contributing to institutional development of the quality infrastructure bodies as a condition for agreements and mutual recognition;
- Ensuring improved and comparable quality of country laboratories verified through proficiency tests.

**Expected Results:**

- Functioning and sustainable cooperation created between the Western Balkans countries in terms of quality infrastructure; quality infrastructure staff trained.
- Assessment reports of the quality infrastructure done.
- Benchmarking of accuracy of laboratory test results via participation in proficiency testing and efficient information exchange established.

**Project outputs.** CEN provided trainings and Proficiency testing, while the national governments bought equipment for the laboratories that were accredited to perform official measurement in line with EU standards. Proficiency testing is a benchmarking exercise run by accredited laboratories for unaccredited laboratories. These tests are aimed at introducing a standardization of procedures and measurement. When tests are passed by the laboratories they are accredited and can start running their own tests. This is very important for consumers’ protection and facilitates exporting goods to the EU. The same logic is followed for the Hands-on trainings (HOTs) that are organized mainly in European countries as the beneficiary countries do not always have the right structure for lodging people and organizing trainings. CEN organises training sessions for technicians, while other sessions are addressed to commercial managers of the labs who are taught how to draft a business plan and how to position in the market. For each training EC task managers in DG ELARG receive the offers from CEN and have to validate the content of the training as well as the CV of the trainers.

EFTA co-finances this project as well as other CARDS projects in the field of harmonization and internal market. Although the funding percentage does not exceed 5% it allows EFTA personnel to sit in the Steering Committee together with the task managers and other stakeholders. The collaboration of EFTA goes back in time to the initial PHARE programme and is not a one-off occurrence.

**Findings:**

**The project is being implemented smoothly with great stakeholders’ participation.** The entities involved in this project are well aware of its importance and are participating massively according to all interviewees. The political tensions that affect the region did not condition the good implementation of the projects. The only problems are occurring in one country, because of the internal struggles, but in the last exercises the group of representatives had increased in number. The high degree of involvement of beneficiary countries and the atmosphere of collaboration created has been reported by the interviewees. As a matter of example one of the proficiency tests organized under CARDS 2006 by the University of Ljubljana - whose coordinator is prof. Janko Dravsnek - was

attended by around 75 participants whereas the programme only funds 2 representatives per country. In this case all countries decided to send additional participants at their own cost by sharing the per diems among two persons. In this big exercise at least 1 laboratory per country was involved and measurement was undertaken in three sectors: environment, electricity and construction.

**The participative approach fostered by DG ELARG has helped the countries to develop project ownership and to identify their needs.** The Steering Group has worked in an inclusive way and has met more often than required in order to increase the level of ownership that was rather weak at the beginning since beneficiaries had not taken part in the design of the programme. Training needs are now identified in the annual report produced by the contractor and discussed with the beneficiaries that are fully involved in the process. For a training to be approved all the countries have to be involved in principle (with the exception of Kosovo that has not yet developed a fully-fledged technical structure). This procedure has positive effects as countries are not going to question the priorities in the annual reports as they contributed to establish them. The capacity of the countries of identifying their own needs is deemed to be increasing, due to the continuous participative process of brainstorming that takes place in the Steering Committees in which the contractor, DG ELARG, DG ENTR, EFTA and beneficiary countries take part. A list of priorities is defined but then beneficiary countries have to rule out some of the options and shorten the list. Although different states have different degrees of expertise and equipment endowment all countries had at least one laboratory in one country that was leading the project (this always under the supervision of the University of Ljubljana). This increased project ownership and enhanced positive competition and peer pressure amongst participants. The leading lab was also in charge of making sure that the results were spread amongst all countries. Overall, heterogeneity of technical expertise is a matter of fact in the region and varies through entities and through areas of measurement. The operational sustainability of the projects cannot be said to be achieved so far, with the exception of a few areas in a few entities.

**The main outputs that had been foreseen have largely been produced.** The project was deemed successful according to stakeholders consulted in producing the outputs and the results foreseen. Moreover, awareness was raised on the issues of quality infrastructure and cooperation has started among the administrations of the countries involved in the project. The capacity and skills of their staff was enhanced, and more participants than expected took part in the process. The accuracy of laboratory testing has steadily improved according to interviewees.

**The turnover of the participants does not seem to be a major problem for the effectiveness and the efficiency of the project.** Interviewees acknowledged that the national administrations tend to experience a moderate degree of turnover, albeit differences exist across countries. This project has however been affected less than the average of the programme by turnover. National administrations mostly manage to ensure that knowledge gathered in trainings is spread within their organizations. The cause for high turnover is generally twofold: on the one hand elections and the heavy spoil system exercised in several entities in the region; on the other hand young, English-speaking staff is leaving because of the low salaries paid by many national administrations.

**The management system has worked smoothly and has improved from the early days of the project.** The management system has worked in a satisfactory way and the proceedings of the Steering Group were followed up. Beneficiaries and other interviewees have expressed through positive opinions on the contractors. The fact that the budget of the CARDS 2006 *tranche* of the project was lower entailed some constraints: the team leader in Zagreb had to deal with three sectors at the same time and the workload was hugely increased. The result is that country reports were delayed and also the quality was not the same. This will change with the new IPA programme.

**Reporting is a point where room for improving exists.** The last reports have not been judged entirely satisfactory and do not seem to convey all the information needed. On the top of that they are often late. EFTA and the EC are activating to get to a structure of reports that already guides the contractors in this task and suggest the information to be included.

**Some logistical problems have been experienced but they did not hinder substantially the implementation of the project.** Some logistical problems occurred during the Proficiency Tests as some of the samples were not allowed to cross borders. Sometimes samples were brought in personal



cars of the researchers across the border. National representatives had also troubles when travelling abroad especially when last-minutes replacements occurred. The PTs are in fact done at the national level. Visas are also a common problem when travelling to the EU or to other Western Balkans' countries. Minor problems derive by the sometimes scarce knowledge of English.

**The different level of technical expertise plays a role, but the participative implementation process and the informal network created contributed to lighten this burden.** The level of technical expertise varies greatly across the countries of the region. The problems faced are not normally related to technical expertise, but concern the administrative structure underpinning the system of labs and accreditation centres. The participants' skills are generally adequate as the region has a long-standing technical education system and the expertise is well rooted in individuals. The administrative structure of countries with long-standing institutions is generally more advanced than others.

**Mutual trust has been built amongst participants.** One most important effects of the project is to build mutual trust amongst participants so that laboratory technicians in one country are aware that the measurement in other country will deliver a similar outcome. This is important as the main barriers to trade are between Western Balkans' countries and not with the EU according to the interviewee. The fact that all the entities have managed to take the lead at least in one area of measure (oil, cement etc.) has greatly contributed to this process. The following step should be to act at the law-making level in order to reduce those barriers, but this is still to come. Nonetheless countries are now aware of the similarities of their measuring systems. The influence of the CEFTA standards is also positive in this sense. Before the Proficiency Tests a pre-Proficiency Test session of three days in Ljubljana was organized for networking purposes. The participants were divided according to the testing area of expertise (water, oil, concrete etc) and briefed on the programme. This was done to overcome the national dependence feeling and it turned out to be a good mechanism of creating informal contacts that were used later on in the project.

**It is important not to disperse the capital created through years and keep on strengthening the network.** CARDS 2006 is a small (€ 1.000.000) bridge between CARDS 2002 and the new big IPA programme that will include Turkey. The Commission understood that it was important to continue the efforts made in the previous period and not to disperse the networking capital put together in the previous two and a half years. This effort has been appreciated by interviewees in the region.



## C - INFRASTRUCTURE FACILITIES

### C.1 - South-East Europe Transport Observatory (SEETO)

**Introduction to the project: objectives and management.** This is a 2003 EC Contribution Agreement (€ 1.791.740) to implement the action “*South-East Europe Transport Observatory (SEETO)*”. The contract was awarded to an *ad-hoc* joint venture created between GOPA and Trademco. The contract was signed in 2004 and closed without delay after 40 months in December 2007. The **wider objective** of the SEETO project was according to the Terms of Reference “*to accelerate the economic development of the countries of the Western Balkans and to promote closer economic and social integration among them as well as with countries in neighbouring regions and the EU*”. The project had two main **specific objectives**:

- establishing a Secretariat as foreseen in the MoU and making it operational, in assisting the Steering Group and taking part in meetings;
- establishing a transport observatory, issuing Multi-annual Plans (MAP) and collecting data on transport flows and needs in the region.

**The expected results were**<sup>28</sup>:

- SEETO established and operating effectively and sustainability;
- Information data base of projects, network condition, traffic flows and forecasts developed;
- Multi-annual work plans adopted by the Ministers of the beneficiary countries.

The project covers all the seven countries-entities of the Western Balkans that have signed a Memorandum of Understanding (MoU) on the Core Network of Transport in the region. In 2007, an addendum was included concerning the SEE Railway Transport area. SEETO’s responsibility is to evaluate and accept projects for the development of infrastructure. Environmental standards and requirements set by the EU have to be respected in order for these projects to be accepted. Projects are selected every six months and then proposed with the EU to the IFIs for financing.

#### **Findings:**

**The relevance of the project is undisputed and the design was well conceived.** Interviewees agree on the relevance that this project has for the socio-economic development of the entire region. The MoU signed in 2004 is seen as the linchpin of the transport strategy and the countries have been keen to respect its provisions. Nevertheless, some divergences on priorities can arise from time to time amongst countries or with the Commission. As an example, the great emphasis given by the EC to railways is not in line with the main priorities of the administrations concerned, keener on road transport.

**Outputs and results were properly delivered: the SEETO Secretariat was established and is today operational.** From the operational point of view the project was a clear success and can be pinpointed as a success story for the socio-economic development of the region under CARDS. The SEETO Secretariat was established in Belgrade and became fully operational, although slight delays were experienced. The secretariat has been institutionalised and is currently staffed by six people, half of which Serbian. It has been somewhat difficult to recruit people from other countries to go and live

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<sup>28</sup> See: SEETO final report.

in Belgrade as some of the interviewees have reported. However, the balance will be soon restored. The SEETO Secretariat should be reinforced with a transport planner who has international experience, possibly an English native speaker according to interviewees and to the final report drafted by the contractor. A parallel effort is made to improve the project drafting and management skills of administrations in the countries so that they are able to present feasible projects on their own. Technical assistance or instruments like TAIEX can play a significant role in this, as was highlighted by an interviewee who participated in a TAIEX workshop in Skopje in January 2007.

**Main outputs like MAPs and database were delivered and have proven useful information tools.** MAPs were a good instrument of multi-annual planning whose quality improved throughout years according to interviewees. The first MAP was presented in October 2005 and referred to the period 2006/10. Presently the MAP divides the projects into three groups: committed projects with advanced maturity status, committed projects at intermediate state of maturity, priority projects still at conceptual stage. Interviewees acknowledged the importance of the MAPs but some of them think that now there is no need any more to have a new MAP every year as infrastructures are not built in a day. The main output of the project is formed by the database, the information system and the geographical data gathered. Information resources have been put in place and enhanced throughout the project. Providing a good information network and resources for the gathering information is one of the key aspects of the projects. A digital library has been created together with an on-line contacts data-base. The web site has been enhanced and endowed with a forum. Around the end of the project new software, based on GIS (Geographic Information Systems), was installed with SEETIS (Information system for SEETO) Version 2, and developed for the project, allowing continuous on-line updating of project and core network information and analysis in real time. Even if the quality is not always even, public administrations in the countries have collaborated and the Secretariat can now rely upon a good set of data.

**The relationship between the contractors and the representatives from the beneficiary countries was not always optimal especially at the beginning of the project.** Although the project was certainly effective, the relationship between the contractors' consortium and the beneficiaries and the Commission was often characterised by misunderstandings. There are several reasons for that. One is that the project manager was entitled by the Terms of Reference to 20 staff months out of 40 months' project duration. These months were spent mostly in the first half of the project. As a result in the later stages the project manager was not on the field for months<sup>29</sup>. The bulk of work was thence undertaken by the local SEETO manager, who had been previously hired by the project manager. This allowed her to gain significant experience. However, this way the Incidental budget was managed for months by a person not directly dependent from the contractor. Moreover, the local project manager overlooked a comprehensive consultation of the beneficiaries as he was the transport expert, according to interviewees. This was not appreciated by beneficiaries and was not opposed quickly enough by the Commission. This can be due to the continuous change of task managers on the Commission side, but interviewees also report an administrative-like state of mind of some of the task managers. DG TREN had a firmer stance and that brought to serious conflicts that disrupted the project. This top-down behaviour brought to some spats with beneficiaries when it came to identify priorities. The countries had presented a long list of priorities (from the REBIS study) that the EC wanted them to shorten. The project manager had done a multi-criteria analysis and identified the priorities without consulting the stakeholders, according to interviewees. The two positions clashed as the beneficiaries could not agree on some of the priorities assigned by the analysis, but a compromise was finally reached. The project manager himself stated that DG TREN was very active and the fact that on DG AIDCO/DG ELARG side there were at least three task managers did not hinder the process of good implementation.

**Financial sustainability achieved, whilst the operational sustainability depends on the countries sticking to the MoU.** The project was designed in such a way that countries were gradually starting financing the Secretariat. The SEETO agreement foresaw that at the end of the duration period the

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<sup>29</sup> For the continuation of the project one of the first things that the SEETO Secretariat did was to scrap the possibility of not being in Belgrade.

project should be financially sustainable. It required participants to provide increasing contributions to the budget (25% in 2006, 50% in 2007 and 100% in 2008). This objective was fully achieved and as of today this is one of the few projects that is financially viable. Countries contribute financially in a percentage that is proportional to the amount of infrastructure they get from the programme. On operational side the phasing out of the contractor does not seem to have affected too much the quality of the deliverables and the draft of the MAP 2009-13 just released is deemed as good as the former by the EC as reported by interviewees. Operational sustainability obviously depends of the continuous endorsement that the entities concerned give to the MoU. Transforming the MoU in a formal treaty should therefore be a decisive step in the direction of tighter cooperation.

**A good level of credibility was gained by the Commission as the beholder of MoU. This capital must not be shed as it is one of key for a real impact on the regional transport strategy.** The fact of succeeding in finding a balance between sheer economic efficiency and political priorities increased the authority of the EC as a beholder of the MoU agreement. The consensus reached was criticised by some IFIs for giving too much leverage to countries, but it was according to interviewees the only way to make the beneficiary countries work together. The next step will be the creation of a real Transport Community Treaty for SEE. This is in preparation and will probably be signed in late 2009. The aim of the treaty is to secure the progress attained through the MoU, achieve a full alignment with the *acquis* on transport so that the countries are already prepared for accession in this field. Overall, interviewees have expressed a deep commitment of the Commission in this project, which was perceived as ranking high in the priority list for CARDS.

**A good informal network was created amongst beneficiary countries in the region.** Another good result concerns the informal network that the project helped creating amongst the participants to the Steering Group and among the National Coordinators. This network proved to be very useful during negotiations on trans-national priorities according to interviewees. Informal networks are intrinsic to the regional projects and constitute a primary objective of CARDS. In this case it is of the utmost importance that entities realise that working together gives them an enormous valued added in terms of coherence of the regional transport system. A salutary competition spirit and peer pressure was developed and the entities administrations are very keen to improve their project management skills.

**The Infrastructure Project Facility as a complementary project to SEETO;** The consensus reached helped SEETO in being successful and opened the way for the Infrastructure Project Facility (IPF) which will be the logical continuation of the Multi-annual Plan (MAP) agreements drafted by SEETO. The IPF is going to finance several projects (mostly in railways) and is based on priorities identified by the country delegations and included in the MAP. Another spin-off from this project is the CARDS project on railways and road safety under CARDS 2006. This shows again how the project managed to create something durable and sustainable.

## **C.2 - Pilot River Basin Plan for Sava River**

**Introduction to the project: objectives and management.** This is a 2003 EC Contribution Agreement (€ 2.137.770) with SAFEGE Europe Consulting Engineers to implement the action “*Pilot River Basin Plan for Sava River*” over 36 months, funded by CARDS 2003. Project partners were the Ministry of Agriculture, Forestry, and Water Management (Croatia, Serbia), Institute for Development of Water Resources (Serbia), the Public Company for Watershed Area Sava Catchments (Vonda Produce Slivovitz Rijeke Save Bosnia - Herzegovina) and the Directorate for Waters, Banja Luka (Bosnia - Herzegovina). The **wider objective** of the project was according to the Terms of Reference “*To enhance water management cooperation among Sava countries using an integrated water management approach as outlined in the WFD(Water Framework Directive), EU CIS Guidance and ICPDR(International Commission for the Protection of the Danube River) issue papers.*”.

The project is closed and had six **specific objectives**:

- To implement key principles of WFD and CIS Guidance in three tributary pilot river basins (Kupa, Vrbas and Kolubara) aiming at identifying a harmonised methodology that can be applied in a generic style to other sub-basin of Sava river basin;

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- To generate clear and comprehensible feed-back to ICPDR and/or UNDP/GEF project-related activities on the preparation of Sava RBM Plan;
- To identify the most fruitful synergy between this project and other ongoing projects relevant for the implementation of WFD in the Sava river basin (UNDP/GEF project aimed at developing Sava RBM Plan, CARDS national projects, EAR project in S&M; ISPA project in Slovenia, etc.);
- To support the capacities of the Sava Commission being responsible for trans-boundary coordination of water management activities in the Sava River Basin;
- To train and strengthen personal and institutional capacities in B&H, Croatia and S&M needed for the implementation of Sava RBM Plan and WFD;
- To raise awareness and knowledge about the EU-WFD in the beneficiary countries in general and among the local water users in particular.

### **The estimated results were:**

- Enhanced cooperation of riparian countries on integrated water management of the Sava river basin through harmonised reporting and monitoring methodologies; and improved access and exchange of region-related water data;
- Strengthened institutional capacities for the preparation and implementation of Sava River Basin Management Plan;
- Trained water management experts in each of the Sava basin countries that will work on the implementation of WFD;
- A strengthened Sava Commission - a body being responsible for coordination among riparian countries;
- Raised awareness and knowledge about the EU-WFD

The project was designed for Sava riparian countries in line with EC's Regional Strategy Paper for 2002 – 2006 and its three-year multi-annual indicative program for 2002-2004 and relevant legal framework, but has not taken Slovenia on board, which is part of the Sava River basin. The objective of the "Pilot River Basin Plan for Sava River" CARDS 2003 regional project - was to involve Sava riparian countries Croatia, Bosnia and Herzegovina and Serbia and Montenegro to develop cooperation mechanisms and to improve water management of the Sava River basin within the integrated approach of the EU Water Framework Directive (WFD). These objectives were in line with the CARDS Regional Strategy Paper 2002-2006. Slovenia is also a riparian country but is involved in the project only as a bystander as it was not eligible for regional CARDS assistance. However, the interviewees did not understand the reason for not including Slovenia in the project as some other projects' participatory countries include those that do not benefit from the Regional CARDS assistance. The direct beneficiaries of the project were the Water Directorates responsible for water management in the countries concerned and the Sava Commission that was established with the explicit aim of coordinating the efforts for cross-border cooperation in the area of water management and pollution reduction. Other parties were also involved in the project (Croatian Ministry of Culture, Ministry of Physical planning and construction)

### **Findings:**

**The design of the project did not take into account comments from the beneficiaries.** The start-up of the project was very difficult due to the fact that there had been little or no consultation with stakeholders during the design of the project. (Croatia reported consultations but did not specify with whom). The comments made by the key stakeholders were largely ignored by DG AidCo during the finalisation of the Terms of Reference and did not take into considerations nuances of the countries

involved. Once the project entered its inception phase the proceedings developed smoothly and authorities were keen to collaborate. Steering Group meetings were held in a collaborative atmosphere and the turnover of personnel in charge was minimal.

**The project was considerably redesigned due to over ambitious objectives and significant needs of the countries.** In the Inception Report the project was considerably modified to reflect the current status in the field, to respond to specific national needs and to agree on the achievable results of the project. The project was perceived by the stakeholders as too ambitious. Lack of the incidental budget expenditure hampered the progress of the project at the initial stage. This, together with some political issues, led to resistance to the project, and hence, the project start-up was difficult. After clarifications and overall improvement of the intervention logic a more sustainable working relationship was built up. Project beneficiaries understood that objectives, the water management co-operation amongst Sava countries, using the integrated water management approach as outlined in the WFD and by the ICPDR was set as a priority (Framework Agreement for the Sava River Basin – December 2002). Redesign of the project oriented the objectives in the practical approach towards the needs of the riparian countries: it was decided to prepare three reports for the River Sava sub-basins (Vrbas, Kupa and Kolubara), each in one participatory country, building institutional capacity by on-the-job training and learning by doing. Some interviewees firmly agreed that a project on the entire Sava basin would never have delivered the same concrete results as it did now with the pilot project on the Sava river sub-basins. In Serbia, there have been complementary activities through EAR, the twinning with Germany for the Steering Committee and with SIDA (Swedish International Development Cooperation Agency) for the integrated water management for the Kolubara River.

**The interviewees confirmed strong interest in the ownership of the programme regardless of the overburdening and absorption capacity limits.** The approach followed by the project in order to achieve the objectives envisaged was to have the beneficiaries' administrations collect data and prepare reports and the external experts to give guidance and advice, leading to the greater absorption capacity of the beneficiaries involved. This was however hampered by the overburdening of official and by cases of absorption capacity of some of the institutions (countries) involved and scarce knowledge of the EU directive, specifically the WFD. It is important to stress that for Croatia, the absorption capacity was directly linked to overburdened experts in this field related to the triple work: collection of data for Sava River on the national level, collection of the data for Sava River for the Pilot River Sava Basin Plan and collection of the data for ICPDR, all in different measuring units. Some of the interviewees pointed out that there was one country which had significant problems with the absorption capacity and as a result with the timely delivery of inputs for the project. Also, countries involved beforehand in the ICPDR had better grounds for work on the project.

**Support to Sava Commission was an important component driven by expertise and well defined need for assistance.** Also, one component of the project was related to the support to the Sava Commission. At the initial phase of the project the Sava Commission was not yet operational. The Commission was in fact established in 2006. In order to use the assistance from the Pilot River Basin Plan for Sava River it took some time to adjust this component of the project to the real needs. Some interviewees underlined the importance of the involvement of the DG ENV staff in the definition of the support, saying that the previous experience of the expert, a DG ENV representative, on the ICPDS Danube was a key point of success for this. Others did not share this opinion; *“Although accent was set in the beginning on quality issues, we could shift this later on to water management. Our first priority is to provide the right quantity of water to cover existing needs, only then we can think about quality. Serbia's major rivers, Danube and Sava have no quality problems because of their high flow capacity.”* Other components in the project ended in October 2007, but the support to the Sava Commission was prolonged until the 31 January 2008.

**The regional programme has proven as the best framework for this specific area regardless of source of funding but supported by the right institution responsible for the implementation.** One of the interviewees believes that the financial resources could easily achieve the same objectives, but the difference lies in the institution responsible for the implementation. In certain institutions the EU funds may be mixed with other funds and the objectives of these institutions need not be completely in alignment with the EU accession and harmonization to the *acquis communautaire*. In general, several



interviewees firmly believe that the regional approach to the objective was the best to reach the planned objectives. The regional workshops were *fora* for exchanging experience among the participating countries. This leads to reaching the objectives and identifying areas where a joint methodology could be developed. The most important aspect of the project was the education on one hand and the knowledge transfer of the subject matter but also of the project management.

**Sustainability of the project can be estimated as questionable as the River Basin Management Plan has still not been prepared.** The original idea of the project to develop the Sava River Basin Management Plan has still not been achieved. The Sava Commission has a mandate to adopt and implement a river basin management plan but lacks resources to support that. Its role is more to coordinate the activities to that end. This clearly shows that the sustainability of the project is at stake if the support provided so far was not able to deliver the initial overall objectives. Moreover the work done for the tributary basins will probably be lost if a follow-up project is not quickly implemented. DG ENV wants to continue to support the Sava Commission and the plans to prepare the River Basin Management Plan. A follow-up project to the pilot project has been designed under the IPA 2008, multi-beneficiary programme, with a budget of 1,3m€. It is expected to start in early 2009. Part of the money will be a grant to the Sava Commission the rest will be directed to Technical Assistance (to be tendered). An interviewee from DG ENV thought that the preparation and implementation of an overall management plan will be much easier now that the Sava Commission is fully operational. A few interviewees reported that after the initial proposal, the Sava Commission was not further consulted during the development of the project design.

**Lessons learnt include the need to develop local expertise and ensure initial capacity to fully achieve the objectives.** A major lesson learned is that beneficiary countries' authorities should be consulted extensively when designing such a project, in order to ensure that the budget is line with needs and that value for money can be delivered. Some interlocutors stressed domestic companies should be more involved in such projects. Even if they are not leading the project they should be considered as sub-contractors or co-operant. This could act as capacity building; delivering more know-how which will stay in the country after the project. (Only the Faculty of civil engineering from Belgrade was involved as local institution). Other lessons include the importance of ensuring higher absorption capacity and space within the beneficiary institutions for the accommodation of experts. One of the interviewees suggested that the phase from programming to disbursement of funds is too long and should be shortened.

## D - INSTITUTION BUILDING

### D.1 - Social Institutions Support Programme (SISP)

**Introduction to the project: objectives and management.** On 2 October 2003 the EC signed the Contribution Agreement (€ 2.196.121) for the “*Social Institutions Support Programme (SISP)*”. The **wider objective** of the project was according to the Terms of Reference “*to support co-operation on the reform of the social sector and to offer models of reform to the partner countries with regard to institutions building in the social sector*”. The contract was awarded to COE. The project started on 25 August 2004 and was planned to close 36 months later on 25 August 2007. The Addendum 1 signed on 31 July 2007 granted an extension till 31 December 2007. A second Addendum corrected the EC Contribution with €33.250. A third Addendum granted an extension based on saved resources till 31 April 2008. The project covers all the seven entities of the Western Balkans.

The project ended on 01 March 2008 and had three main **specific objectives** (called components A, B, C in the CEO documentation):

Component A: Support cooperation on the reform and viability of the social sector by coordinating and monitoring social policy;

Component B: Improve cross-border cooperation in the field of social protection for migrating and moving persons;

Component C: Improve institutional capacity for quality development and proficiency in the social sector.

#### **The estimated results were:**

Component A: Strengthening of the legislative framework and the policymaking process for monitoring and co-ordinating the social protection policies and reforms with respect to viability, quality and adequacy of social systems;

Component B: Improved co-ordination of social security systems for migrating and moving persons; Improved co-ordination techniques in the region;

Component C: Co-ordination of the policies in the field of public administration with respect to quality development and proficiency of social security administrators.

#### **Findings:**

**The relevance of the project is undisputed but the design was very weak.** According to interviewees the quality of the design of this project was weak. The definition of needs was imprecise, and included the following problems to be addressed: barriers to labour mobility; dependency on high level political agreement; high unemployment; emigration of young educated people; link between social welfare and refugee return rate. After the kick-off meeting held in October 2004 the design was reviewed by the “Action Plan” (AP) adopted in March 2005 at the first Steering Committee (SC) meeting. The AP did not rationalise the top-heavy intervention logic (considered unrealistic by some interviewees) as it kept the 11 objectives in 3 components, but it introduced 35 activities in 2 “clusters”, without immediately defining the results to be achieved<sup>30</sup>. Hence the hierarchy of objectives in the intervention logic remained unclear. The AP contained a detailed activity schedule,

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<sup>30</sup> The estimated results hereabove were entered later on in the SISP website



which has never been updated. The Action Plan, presented in 2004, also did not have inbuilt flexibility. It did not streamline objectives, nor readjusted their hierarchy. A total of 34 “actions” were listed, presumably each with fixed budget controlled from Strasbourg, which added rigidity (lack of flexibility for implementation) to the confusion of the intervention logic. One of the first actions taken by DG ELARG when it took over the project from DG AIDCO was to re-focus the project, whose objectives were judged over-ambitious. The intended target groups – high level civil servants- were not always reached because of the language barrier-many activities are carried out in English. At project design and inception phase (2001-2003), the policies of the Partner Governments were not in agreement with the aims of the programme. Partner Governments and relevant civil servants were not sensitive to needs the programme was aiming to address. The situation evolved and in 2007 an increase in awareness, concerning the needs to coordinate regional social welfare cooperation was noted.

**Project partners agreed that the exclusion of Slovenia as a participant country was contrary to the spirit of the project.** As confirmed by interviewees, from the perspective of beneficiaries, there is a significant group of people who have once worked or lived in Slovenia and currently live in another newly independent republic of Former Yugoslavia, and have rights for health, pension or other social welfare delivery. The participation of Romania, Bulgaria, Moldova and Turkey would have been constructive, especially for Serbia and former Yugoslav Republic of Macedonia while Croatia had the opportunity to have talking days with Austrian institutions. The programme should have foreseen an operational and financial scheme to have speaking days with relevant external countries.

**Financial resources did not reach partners in a timely manner.** From interviews it was clear that some administrations suffered under the rigid financial administration of COE. Some huge delays were rather problematic for budget tight administrations. In a specific case 2006 expenditures were still due by COE beginning 2008.

**Despite the poor design and the rigid Action Plan, the project has achieved commendable results for the improved coordination of regional social welfare.** Interviews confirm that Summer Schools and the platform for social dialogue were highly appreciated; where the summer schools provided thematic knowledge, most interest was shown for the speaking days. If Summer Schools were recognised by interviewees as an excellent environment to exchange information, the exchange is too slow and the administrations need to find solutions to develop their IT environment. The platforms to discuss social policies were open to all governmental and non-governmental actors, and promoted the development of social dialogue and participation of social partners in the policy making process. 8 ministers participated in the 1<sup>st</sup> Ministerial Conference on Social Security Co-ordination in the Western Balkans Region, in Zagreb on 24 March 2006. They signed the “Zagreb Declaration” expressing the need for social policy reform, the hope for further support from European institutions and the will to improve regional coordination. The 2<sup>nd</sup> Ministerial Conference in Tirana (October 2007) resulted in a Ministerial Declaration on Social Security Co-ordination in the Balkan Region and the “Tirana Declaration” was signed by the Beneficiary States, with Romania, Bulgaria and Moldova having observer status. It was the basis for the follow-up of the project under IPA.

**The effectiveness of the project is generally low.** The project provided wide-ranging expertise but this was not translated into vital practical support to final beneficiaries. Lack of capacity across the region is recognised and all the issues identified by the experts are unlikely to be tackled soon by project partners. However, positive unplanned effects of the Speaking Days were to increase the awareness of the civil servants, concerning the nature and scale of genuine problems of beneficiaries with rights in neighbouring countries, – information which soon feeds up the system to ministerial level. The Speaking Days, apart from directly resolving the problems of a few beneficiaries, strengthened the network between responsible persons across borders, significant for the implementation of Bilateral Agreements.

**Language barriers remain important; resources were insufficient for translations.** Interviewees agree that a programme or project should always seek some balance between international and domestic or regional involvement in delivering expertise, but costs could also be reduced by using venues for activities within the region and not in the EU (lower rent and less travel costs). On the other

hand there were insufficient financial resources to finance the simultaneous translations on events. Savings realised on travel expenses could have contributed to improve the overall quality of the events.

**SISP demonstrated that cooperation in the region is a realistic endeavour.** The principal assumptions that form the foundations of the project, to enable a better trained public service to deliver social welfare to beneficiaries, would be “political will, regional peace and stability, economic development for increased budgetary means, reduction of bureaucratic impediments, solution of localised political / ethnic controversies and refugee / IDP issues”. The “peace and stability” and “political will” assumptions seem to be improving or being met, but refugee issues and bureaucratic impediments remain, some ethnic controversies are unresolved or fragile, and risks are difficult to predict concerning the future status of Kosovo. On a complementary note, Steering Committees are held at least twice a year and attended by at least a representative per country-entity. The rate of turnover among the attendees has not been very high and has allowed works to go on with continuity. Interviewees have noticed a steady improvement in the commitment of people involved in the Steering Committee during the project. The officials have created an informal network and tend to consult each other when they are experiencing problems or there are issues to be solved.

**Despite broad ranging EU support to the social sector, the weak capacity of institutions and ministries will continue to make durability of achievements vulnerable.** During the implementation period, changes in policy, political climate, cross border relations have, overall, evolved in a positive direction. The independence of Montenegro has required adjustments to the management and implementation. The status of Kosovo remains unpredictable. The project positively contributed to democratisation, accountability and human rights by improving the delivery of social welfare and rights to people, who have migrated due to war or simply, who have been separated from their legal source of social welfare by the creation of new States and borders. The participating countries-entities recognised the need for regional cooperation, but it is still premature to expect them to resolve the issues independently, without external assistance.

**Project management has been good but some room for improvement still persists.** The contractor manages the project from its HQ in Strasbourg and has a team leader in Skopje for the region. The regional office has designated local project officers for every country that act like project partners. The local project officers are mostly coming from the summer schools organised by the Council of Europe itself. The quality of the deliverables was not always adequate and some changes in management were produced as a result. A new coordinator was appointed and the quality of the reports has increased though the contractor tends to be too optimistic and to underestimate possible issues, according to interviewees and monitoring reports. The timing of reports is often affected by serious delays and contractor had tricky internal procedures that make it difficult to allocate resources in a timely manner. Because of this a part of the budget could not be spent, and the effectiveness was undermined.

## **D.2 - Technical assistance to the Western Balkan countries in the fields of customs and taxation (CAFAO)**

**Introduction to the project: objectives and management:** CAFAO is the Customs and Fiscal Assistance Office in the Western Balkans. The office was launched in 1996 in order to support Bosnia - Herzegovina with the operation of the customs-related provisions of the 1995 Dayton Peace Agreement. As such the project covers all the entities in the region with the exception of Croatia. For the scope of this evaluation, only the contract running from March 2006 to December 2007 will be considered. Some considerations will anyway concern the project as a whole. In 2005 the European Commission decided to appoint Eurocustoms for the managing the Customs and Fiscal Assistance Office programme in the Western Balkans. The project was the largest amongst those included in the scope of the present evaluation as it had a financial endowment of more than 11 million €. Since January 2008 the project continued under the heading of TACTA, with a new contractor. The Partners were the Customs Administration (CA) and the Public Revenue Office/ tax administration.

The **Wider Objective** was “*to continue to assist the customs and taxation authorities in the Western Balkan countries in their preparation towards future EU membership*”.

The ToR did not specify the **Specific Objectives** but lists particular areas for attention:

- continued alignment of customs and direct and indirect tax legislation with the EU acquis;
- further increase of the administrative capacity to implement this legislation;
- further progress in the fight against corruption, cross-border crime and fiscal evasion.

**Overarching Results** aimed at were:

- develop beneficiary administrative capacity;
- achieve sustainability, transfer of knowledge, and in fine ownership by the beneficiary;
- to prepare customs and tax administration beneficiaries for self-sufficiency following the withdrawal of international technical assistance.

### **Findings:**

**The CAFAO project was designed as a bridge between the reconstruction and the pre-accession philosophies: this caused re-thinking on the role of the project itself.** At the time the 2006 CAFAO project was conceived the perspective within DG ELARG started to change from reconstruction to pre-accession. This entailed that national administration were supposed to be able to act independently and to have developed the skills to manage the project cycle with little help from CAFAO structures. This proved to be extremely complicated as national administration had become used to have CAFAO personnel replacing them for normal workflow according to interviewees. The extent of this phenomenon varies across the countries, but is present across the region.

**Good overall effectiveness was granted in tax and custom.** Along the years the project achieved significant results in the region. The interviewees confirm the good results included in the CAFAO final report. Some interviewees have reported that the custom branch of the project was more effective and achieve more immediate tangible results than the part of the programme dealing with taxation. This is probably due to the fact that customs started from a lower level of coordination than tax and the results are more visible. Furthermore one interviewee reported that customs’ entries are far more measurable than tax to have progress and that is probably why is often looked at as more successful than tax.

**Custom administrations reached an unexpected level of cooperation with tangible results in fighting fraud and carrousels.** The project facilitated close cooperation between some countries and Kosovo (under UN resolution 1244). Where administrations do not recognize each other, their agents worked successfully under the umbrella of the project on difficult issues of trafficking, fraud and carrousels. This cooperation is still ongoing after closure of the project.

**Tax administrations felt less targeted** by the project and were primarily concerned to resolve national issues prior to coordination and data exchange with neighbouring administrations.

**International expertise is in place for best practise studies.** Interviewees from the tax administration refer to the highly appreciated round tables organised by FISCALIS. Some beneficiaries, highly skilled in their field of taxation, were refusing experts hired by CAFAO based on the statement “The expert should know more than the beneficiary or he is useless”. Disrupted communications between beneficiary and contractor were on request of the beneficiary resolved through DG ELARG. In this particular case EAR was mentioned as “the best among supportive institutions or organisations”.

**Trainings were sometimes organised without taking into due account the beneficiaries’ needs.** Another problem that Eurocustoms had to face concerned the Head of mission that were organising

the training more according to the experts' availability than to the beneficiaries' needs. The interviewee sees this independence of the experts as a problem and says that it was a good idea to have Eurocustoms to interface them as they were able to counterbalance the experts' request. The heads of missions have been stationed in the countries sometimes for 10 years which is way too much to ensure independence.

**Shorter but very specific projects or programmes were preferred;** Interviewees from the tax administration underlined that taxes are primarily a national issue. In this respect four key issues were mentioned:

- fighting tax evasion;
- fighting tax fraud;
- exchange of data – which does then include regional exchange;
- experience on treaties on double taxation.

National business processes and ITC must be up to the level of accurate and secure data exchange prior to developing a concept which includes the Customs-VAT-tax link.

**The efficiency of the project was sometimes hampered by resistances at the national level lest to implement the legislation suggested by CAFAO and Eurocustoms.** The report from the contractor gives a lot of space to the weaknesses of the project and to the fact that political impasses wasted the achievements of the national administration and of the CAFAO effort to modernise the structures and to align legislation to EU standards.

**Sustainability of the project has still to be verified.** As of today much has been achieved according to the interviewees, but they make clear that some of their countries are not yet able to enforce the tax and custom rules without the project's help. The continuous effort made by TAXUD to influence the programme has paid off. Countries have now become able to identifying their needs and the areas where room for improvements still persist. However, it remains to be seen to what extent they are able to implement their priorities. The lack of a civil servant code of conduct is often pointed out as an incentive to corruption and bribery, especially in the weakest realities where controls are difficult to implement. This undermines the sustainability of the results achieved, together with high personnel turnover and sometimes political interference.

**Extending conditionality may in some cases grant better results and have an impact on the legislative body of the entities concerned.** When the EC faces the national administrations its voice is very well heard as they have a lot of political clout on the countries. In these terms some of the interviewees were not in favour of a systematic conditionality on projects. However, they tend to acknowledge that of specific topics (random layoffs and parliamentary slowdowns on passing laws) conditionality would not be bad.

**The gap in assistance after TACTA will be a test for the administrations** Now there will be a gap in assistance, this will be a challenge for national administrations, but probably, according to the interviewee, it will not be any catastrophic scenario for most administrations. Montenegro and Macedonia have continued submitting projects despite of the end of CAFAO. The projects will be continued under Twinning, but the tendering procedures will take time (7 to 9 months) and meanwhile the project will not be running. Other administrations look for opportunities under IPA. , According to some interviewees the gaps and the weaknesses that still exist in the region will be exposed, whilst for some others the entities will be able to cope with it. It will be interesting to analyse data for 2008 once available, but for sure there will be no efficient regional exchange between the different administrations as long as ICT issues (with emphasis on hardware financing) have not been resolved.

**It has been extremely difficult for the Commission services to identify the right timing for reducing or ceasing assistance in this field.** The fact of having such a project running for more than ten years did not allow the Commission to reduce aid so far. Indeed the level of achievement across

entities of the region has been all but uneven. CAFAO was supposed to be the last large-scale project in the area, but when it came to reduce the assistance, divergences of opinion arose between Commission services. The line DG, TAXUD advised that the most advanced countries were able to operate without CAFAO support (in line with pre-accession philosophy). For the others, the most adequate setting for custom and tax assistance shall be the national IPA and not the regional anymore according to TAXUD. ELARG did not fully support that and the result was a compromise for TACTA (supposed to run one year) whereas Macedonia is excluded and Serbia is only in for customs. The negotiations between DGs took time and a gap in assistance occurred as TACTA was not able to start on time. DG TAXUD strongly opposed the view that a candidate country with ongoing accession talks should still be submitted to heavy CAFAO assistance.

**A possible move of the project under the national IPA umbrella may be foreseen by the Commission at least for tax.** The programme may be considered for phasing out at the national level under the current IPA framework at least as far as taxation is concerned in order to make a distinction among countries according to their tax system and their level of advancement and administrative capacity. Interviewees have acknowledged that adopting a regional dimension for this project was a good idea at the beginning, but taxation is still a field that is very country specific and the regional dimension seems to give little added value at this stage. The regional framework allowed economies of scale on trainings and seminars that every country needed and contributed to build an efficient network of informal relations and contact amongst participants working in different national administrations. However, as certain countries have progressed more than others and possess different operational standard the advantages of being part of the regional framework are not overwhelming anymore. A limitation of the regional approach is that is a one-size-fits-all approach for countries that have different starting points and experience different progress.

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**ANNEX 4 – PROJECT LIST AS PROVIDED BY THE EC**

***Project list (1/3)***

Decision No	Contract number	Status	Title	Contract type	Contractor's signature date	Expiry date	Implementation starting date
CARDS/2003/005-046	73430	Closed	ERNO Television News exchange project	Grant	03/12/2003	04/12/2006	04/12/2003
CARDS/2003/005-046	74631	Closed	Helping to tackle Non-Tariff Barriers in the Western Balkans	Specific contract (framework contract)	08/12/2003	27/11/2004	01/12/2003
CARDS/2003/005-046	75065	Ongoing	Targeted Public Administration Reform for Albania, Croatia, Serbia and Montenegro, FYROM and Bosnia and Herzegovina – Phase III	Grant	18/12/2003	19/12/2005	19/12/2003
CARDS/2003/005-046	76751	Ongoing	Pilot River Basin Plan for Sava River - Croatia, Bosnia and Herzegovina, Serbia and Montenegro	Implementation	01/10/2004	02/03/2008	02/10/2004
CARDS/2003/005-046	77573	Closed	Institutional Capacity Building for chamber and other Business organisations in Albania, Bosnia and Herzegovina	Grant	13/01/2004	14/01/2006	14/01/2004
CARDS/2003/005-046	81242	Ongoing	Support to and coordination of Intergrated Border Management Strategies in the Western Balkans	Grant	21/01/2005	22/04/2007	22/01/2005
CARDS/2003/005-046	82231	Ongoing	Establishment of an independent, reliable and functioning judiciary, and the enhancing of the judicial co-operation in the Western Balkans	Grant	30/04/2004	01/05/2007	01/05/2004
CARDS/2003/005-046	85023	Ongoing	"Social Institutions Support Programme"	Grant	25/08/2004	29/02/2008	26/08/2004
CARDS/2003/005-046	85035	Closed	Strengthening Competition Policy in the Western Balkans Region	Grant	28/07/2004	01/09/2005	01/09/2004
CARDS/2003/005-046	86526	Ongoing	Regional Transport Observatory ( SEETO )	Implementation	23/08/2004	24/12/2007	24/08/2004
CARDS/2003/005-046	87976	Closed	Making the most of the Autonomous Trade Measures	Specific contract (framework contract)	18/10/2004	30/09/2005	30/09/2004
CARDS/2003/005-046	89383	Closed	Supporting the adoption and implementation of the Acquis Communautaire in the financial services sector	Specific contract (framework contract)	29/10/2004	29/11/2005	19/10/2004
CARDS/2003/005-046	100744	Closed	Development of Democratic Process in Kosovo: Strengthening Civil Society Organization that Operate in the Agricultural Sector of the Peja/Pec Region	Grant	04/04/2005	05/12/2006	05/04/2005
CARDS/2003/005-046	100760	Closed	Challenging Security: Engaging Civil Society in Decision Making on Arms Control and Community Safety	Grant	15/03/2005	31/10/2006	16/03/2005
CARDS/2003/005-046	100770	Ongoing	Civil Society Strengthening in Albania and Serbia	Grant	31/03/2005	01/10/2006	01/04/2005
CARDS/2003/005-046	100777	Closed	Local Civil Society Development Through Multi Level Capacity Building Programme	Grant	18/03/2005	19/02/2007	19/03/2005
CARDS/2003/005-046	100820	Closed	Empowerment of Youth in Southern Serbia and Northern Kosovo with a View to Promote their Engagement in Local Issues of Concern to Youth, Thereby enhancing their Sense That They Can Impact Society and Bring About Social Change	Grant	21/03/2005	31/05/2006	22/03/2005
CARDS/2003/005-046	100834	Closed	Cooperation, Integration and Community Empowerment of Ethnic Minority Groups in Albania and Serbia	Grant	08/04/2005	09/12/2006	09/04/2005



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***Project list (2/3)***

Decision No	Contract number	Status	Title	Contract type	Contractor's signature date	Expiry date	Implementation starting date
CARDS/2003/005-046	100847	Closed	Women as Resource for the Local and Democratic Development of the City of Shkodra and the City of Podgorica	Grant	15/03/2005	16/12/2006	16/03/2005
CARDS/2003/005-046	100873	Closed	Law in Action - Developing Civil Society	Grant	24/03/2005	25/09/2006	25/03/2005
CARDS/2003/005-046	100923	Closed	Involve Citizens in the Local Democratisation Process	Grant	29/03/2005	30/09/2006	30/03/2005
CARDS/2003/005-046	100926	Closed	Regional Capacity Building of CSOs in Serbia, Kosovo and FYROM	Grant	16/03/2005	30/07/2006	17/03/2005
CARDS/2003/005-046	100927	Closed	Programme for Community Development and Roma in the Balkans	Grant	11/04/2005	12/06/2007	12/04/2005
CARDS/2003/005-046	100944	Closed	Capacity Building of Disabled People's Organisations	Grant	30/03/2005	30/09/2006	31/03/2005
CARDS/2003/005-046	100987	Closed	Juvenile Commitment to Democracy - School of Democracy and Youth Parliaments	Grant	21/03/2005	22/03/2006	22/03/2005
CARDS/2003/005-046	105678	Ongoing	Strengthening development and implementation of investment and trade policy in the Western Balkans	Grant	22/12/2005	28/02/2007	01/12/2005
CARDS/2003/005-046	108450	Ongoing	Partnership in Action - Strengthening Balkan Civil Society Development Network	Grant	31/12/2005	01/01/2008	01/01/2006
CARDS/2003/005-046	108452	Ongoing	Supporting Disabled People's Umbrella Organisations and Networks Throughout the CARDS Region	Grant	29/12/2005	30/06/2007	30/12/2005
CARDS/2003/005-046	108453	Ongoing	Development Through Co-operation - A Network to Network Capacity Building Programme for the Benefit of Diocese CARITAS Structures in Bosnia and Herzegovina and Serbia and Montenegro to Enforce the Civil Society Actions on Local Level	Grant	09/11/2005	21/12/2007	10/11/2005
CARDS/2003/005-046	108458	Ongoing	Dialogue for Interaction, Advocacy and Networking Capacity Building for Minority Rights in Practice in Southeast Europe (DIANET)	Grant	15/01/2006	16/07/2007	16/01/2006
CARDS/2003/005-046	108459	Ongoing	Strengthening the Regional Advocacy Voice and Policy Impact of Civil Society on Behalf of Vulnerable Groups in the Western Balkan	Grant	15/12/2005	16/02/2008	16/12/2005
CARDS/2003/005-046	120698	Ongoing	Result oriented monitoring (ROM) of the implementation of projects and programmes of external assistance in the CARDS countries	Implementation	24/04/2006	25/07/2006	25/04/2006
CARDS/2003/005-046	120966	Ongoing	CARDS Cross Border Institution Building	Implementation	22/05/2006	23/08/2008	23/05/2006
CARDS/2003/005-046	121362	Ongoing	Regional Refugee return in the Western Balkans - support to the 3x3 Initiative	Grant	30/06/2006	01/07/2007	01/07/2006
CARDS/2003/005-046	122506	Ongoing	CARDS 2003 Regional Statistics Programme in Albania, Bosnia and Herzegovina, Croatia, former Yugoslav Republic of Macedonia, Serbia and Montenegro, Kosovo under UNSCR 1244	Implementation	14/07/2006	15/03/2008	15/07/2006
CARDS/2003/005-046	123315	Ongoing	"Bridges & Barriers" - A Regional Serbian-Albanian Television Co-production Project	Grant	14/07/2006	15/07/2007	15/07/2006
CARDS/2003/005-046	123317	Ongoing	Production of Human Rights Documentary Stories	Grant	14/07/2006	15/01/2008	15/07/2006
CARDS/2003/005-046	123318	Ongoing	Together - The Balkans in Europe, Europe in the Balkan	Grant	14/07/2006	15/01/2008	15/07/2006
CARDS/2003/005-046	123319	Ongoing	Balkan is my home	Grant	14/07/2006	15/07/2007	15/07/2006
CARDS/2003/005-046	123320	Ongoing	Youth in the Region-The voice unheard	Grant	14/07/2006	15/07/2007	15/07/2006
CARDS/2003/005-046	123321	Ongoing	Promoting democratic values through creative documentary-making	Grant	14/07/2006	15/07/2007	15/07/2006
CARDS/2003/005-046	123322	Ongoing	Balkans on air, Television for social integration	Grant	14/07/2006	15/01/2008	15/07/2006
CARDS/2003/005-046	123323	Ongoing	Debating Women's Issues	Grant	14/07/2006	15/08/2007	15/07/2006



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### *Project list (3/3)*

Decision No	Contract number	Status	Title	Contract type	Contractor's signature date	Expiry date	Implementation starting date
CARDS/2003/005-046	123734	Ongoing	SENSE Tribunal	Grant	14/07/2006	15/01/2008	15/07/2006
CARDS/2003/005-046	123894	Ongoing	Environmental Project Preparation Facility for the Western Balkans at Albania, Bosnia & Herzegovina, Croatia, former Yugoslav Republic of Macedonia, Serbia & Montenegro, Kosovo under UNSCR 1244	Implementation	14/07/2006	15/07/2008	15/07/2006
CARDS/2003/005-046	124218	Ongoing	TAIEX 2005 GTZ Agreement Pre-Accession Instrument 2006	Implementation	18/07/2006	20/06/2008	19/07/2006
CARDS/2005/017-628	113604	Ongoing	TAIEX 2005 GTZ Agreement CARDS 2005	Implementation	14/12/2005	01/10/2007	15/12/2005
CARDS/2005/017-628	113619	Ongoing	Support for governance and management SIGMA	Grant	22/12/2005	31/12/2008	23/12/2005
CARDS/2005/017-628	125235	Ongoing	Support for Implementation of the Regional Environmental Reconstruction Programme for South Eastern Europe	Grant	02/05/2007	03/05/2009	03/05/2007
CARDS/2005/017-628	127709	Ongoing	Participation of the West Balkan countries in the work of the Community Agencies - EEA	Grant	22/12/2006	31/12/2008	01/01/2007
CARDS/2005/017-628	131329	Ongoing	Defining and Strengthening Sector Specific Sources of competitiveness in the Western Balkans Region.	Grant	31/05/2007	01/12/2009	01/06/2007
CARDS/2005/017-628	133112	Ongoing	CARDS countries and EMSA	Grant	30/04/2007	01/12/2008	01/05/2007
CARDS/2005/017-628	133455	Ongoing	European Investor Outreach Programme - Phase 2	Grant	30/03/2007	31/12/2009	01/05/2006
CARDS/2005/017-628	140045	Ongoing	CARDS - 2nd Working Group Meeting on new SECI convention	Specific contract (framework contract)	15/06/2007	15/09/2007	15/06/2007
CARDS/2005/017-628	141689	Ongoing	Assessment of the capacity of Western Balkans countries to establish a drug information system compatible with the European Monitoring Centre for Drugs and Drug Addiction (EMCDDA)	Grant	30/11/2007	01/06/2009	01/12/2007
CARDS/2005/017-628	142429	Ongoing	Third Working Group Meeting on new SECI convention	Specific contract (framework contract)	05/09/2007	03/12/2007	04/09/2007
CARDS/2005/017-628	144142	Ongoing	CARDS - EASA 2007-2008 project	Grant	20/11/2007	17/01/2009	17/09/2007
CARDS/2005/017-628	144534	Ongoing	Fourth Working Group Meeting on new SECI convention	Specific contract (framework contract)	14/11/2007	25/01/2008	09/11/2007
CARDS/2005/017-628	145738	Ongoing	Participation of the West Balkan countries in the work of the Community Agencies - EEA - 2	Grant	18/03/2008	19/03/2009	19/03/2008
CARDS/2005/017-628	146183	Ongoing	CARDS Cross Border Institution Building	Implementation	23/11/2007	24/08/2008	24/11/2007
CARDS/2005/017-628	146607	Ongoing	Fifth and Sixth Expert Working Group Meetings on new SECI convention	Specific contract (framework contract)	27/12/2007	14/05/2008	15/01/2008
CARDS/2005/017-628	152127	Ongoing	Seventh Expert Working Group Meeting on new SECI convention	Specific contract (framework contract)	08/04/2008	14/06/2008	14/04/2008
CARDS/2005/017-628	154130	Committed	Partners for Investment Promotion	Grant		23/12/2009	
CARDS/2005/017-885	135717	Ongoing	TAIEX 2005 GTZ Agreement CARDS 2005	Implementation	06/03/2007	20/06/2008	07/03/2007
CARDS/2005/017-886	127704	Ongoing	Measures related to the support the raising of awareness on OSH issues and to establish a partnership between BiH, FYRoM, Albania, Kosovo, Serbia and Montenegro and the ASHW	Grant	22/12/2006	23/12/2008	23/12/2006
CARDS/2005/017-886	131659	Ongoing	Support to the "Environmental Compliance and Enforcement Network for Accession" (ECENA)	Grant	04/05/2007	05/05/2010	05/05/2007
CARDS/2006/018-474	138543	Ongoing	Quality Infrastructure	Implementation	04/05/2007	05/09/2008	05/05/2007
CARDS/2006/018-474	141640	Ongoing	Regional Refugee return in the Western Balkans	Grant	30/06/2007	25/08/2008	01/07/2007
CARDS/2006/018-474	141814	Ongoing	Energy Community	Implementation	05/07/2007	06/01/2008	06/07/2007
CARDS/2006/018-474	143735	Ongoing	TAIEX 2007 GTZ Agreement CARDS 2006	Implementation	10/10/2007	11/07/2008	11/10/2007
CARDS/2006/018-474	148352	Committed	Social inclusion and access to human rights for Roma, Ashkail and Egyptian communities in WB	Grant	15/02/2008	01/08/2009	01/02/2008
CARDS/2006/018-474	148620	Ongoing	Energy Community	Implementation	11/02/2008	12/08/2008	12/02/2008
CARDS/2006/018-474	153650	Ongoing	Support to the Prosecutors' Network	Grant	16/04/2008	17/04/2010	17/04/2008
CARDS/2006/018-474	156983	Decided	Technical Assistance to Support SEETO activities with an emphasis on Railways and Road Safety	Implementation		22/10/2009	
CARDS/2006/018-482	127368	Ongoing	The Regional School of Public Administration (RESPA)	Grant	06/12/2006	31/10/2007	01/11/2006

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**ANNEX 5 - LIST OF PROJECTS SELECTED FOR IN-DEPTH ANALYSIS**

Decision No	Contract number	Title	Contract type	Contractor's signature date	Expiry date	Implementation starting date
CARDS/2003/005-046	76751	Pilot River Basin Plan for Sava River - Croatia, Bosnia and Herzegovina, Serbia and Montenegro	Implementation	01/10/2004	02/03/2008	02/10/2004
CARDS/2003/005-046	82231	Establishment of an independent, reliable and functioning judiciary, and the enhancing of the judicial co-operation in the Western Balkans	Grant	30/04/2004	01/05/2007	01/05/2004
CARDS/2003/005-046	85023	"Social Institutions Support Programme"	Grant	25/08/2004	29/02/2008	26/08/2004
CARDS/2003/005-046	86526	Regional Transport Observatory ( SEETO )	Implementation	23/08/2004	24/12/2007	24/08/2004
CARDS/2003/005-046	121362	Regional Refugee return in the Western Balkans - support to the 3x3 Initiative	Grant	30/06/2006	01/07/2007	01/07/2006
CARDS/2005/017-628	131329	Defining and Strengthening Sector Specific Sources of competitiveness in the Western Balkans Region.	Grant	31/05/2007	01/12/2009	01/06/2007
CARDS/2006/018-474	138543	Quality Infrastructure	Implementation	04/05/2007	05/09/2008	05/05/2007
NA	NA	Technical assistance to the Western Balkans countries in the fields of customs and taxation	Implementation	NA	NA	NA

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**ANNEX 6 - PROJECTS COVERED BY MONIS ANALYSIS**

Decision No	Contract number	Status	Title	Contract type	Contractor's signature date	Expiry date	Implementation starting date	Budget	concept/ design	effectiveness	efficiency	im pact	sustainability Relevance and design, effectiveness, efficiency aggregated	Im pact and sustainability aggregated	
CARDS/2003/005	75065	Ongoing	Targeted Public Administration Reform for Albania, Croatia, Serbia and Montenegro, FYROM and Bosnia and Herzegovina – Phase III	Grant	18/12/2003	19/12/2005	19/12/2003	2,400,000	2.00	3.00	3.00	3.00	3.00	2.67	3.00
CARDS/2003/005	76751	Ongoing	Pilot River Basin Plan for Sava River - Croatia, Bosnia and Herzegovina, Serbia and Montenegro	Implementation	01/10/2004	02/03/2008	02/10/2004	2,137,770	2.00	2.20	2.40	3.00	2.57	2.20	2.79
CARDS/2003/005	77573	Closed	Institutional Capacity Building for chamber and other Business organisations in Albania, Bosnia and Herzegovina	Grant	13/01/2004	14/01/2006	14/01/2004	2,000,000	2.70	3.60	3.20	2.50	3.17	3.17	2.84
CARDS/2003/005	81242	Ongoing	Support to and coordination of Intergrated Border Management Strategies in the Western Balkans	Grant	21/01/2005	22/04/2007	22/01/2005	1,999,984	3.00	3.00	3.00	3.00	2.67	3.00	2.84
CARDS/2003/005	82231	Ongoing	Establishment of an independent, reliable and functioning judiciary, and the enhancing of the judicial co-operation in the Western Balkans	Grant	30/04/2004	01/05/2007	01/05/2004	5,000,000	2.70	2.80	3.00	3.00	3.00	2.83	3.00
CARDS/2003/005	85023	Ongoing	"Social Institutions Support Programme"	Grant	25/08/2004	29/02/2008	26/08/2004	1,996,121	2.00	2.80	2.45	2.00	2.62	2.42	2.31
CARDS/2003/005	86526	Ongoing	Regional Transport Observatory ( SEETO )	Implementation	23/08/2004	24/12/2007	24/08/2004	1,791,740	2.00	2.20	2.40	3.00	2.57	2.20	2.79
CARDS/2003/005	89383	Closed	Supporting the adoption and implementation of the Acquis Communautaire in the financial services sector	Specific contract (framework)	29/10/2004	29/11/2005	19/10/2004	190,000	2.00	2.00	2.00	2.00	0.75	2.00	1.38
CARDS/2003/005	108450	Ongoing	Partnership in Action - Strengthening Balkan Civil Society Development Network	Grant	31/12/2005	01/01/2008	01/01/2006	243,708	3.00	3.00	3.00	3.75	3.00	3.00	3.38
CARDS/2003/005	108452	Ongoing	Supporting Disabled People's Umbrella Organisations and Networks Throughout the CARDS Region	Grant	29/12/2005	30/06/2007	30/12/2005	250,000	1.00	1.00	1.00	3.00	3.00	1.00	3.00
CARDS/2003/005	108453	Ongoing	Development Through Co-operation - A Network to Network Capacity Building Programme for the Benefit of Diocese CARITAS Structures in Bosnia and Herzegovina and Serbia and Montenegro to Enforce the Civil Society Actions on Local Level	Grant	09/11/2005	21/12/2007	10/11/2005	242,130	2.00	2.00	2.00	2.00	2.00	2.00	2.00
CARDS/2003/005	108458	Ongoing	Dialogue for Interaction , Advocacy and Networking Capacity Building for Minority Rights in Practice in Southeast Europe 5DIANET)	Grant	15/01/2006	16/07/2007	16/01/2006	354,003	3.00	3.00	3.00	3.75	3.75	3.00	3.75
CARDS/2003/005	108459	Ongoing	Strengthening the Regional Advocacy Voice and Policy Impact of Civil Society on Behalf of Vulnerable Groups in the Western Balkan	Grant	15/12/2005	16/02/2008	16/12/2005	217,265	3.00	2.00	3.00	3.00	3.00	2.67	3.00
CARDS/2003/005	120966	Ongoing	CARDS Cross Border Institution Building	Implementation	22/05/2006	23/08/2008	23/05/2006	1,749,920	3.00	3.00	3.00	3.00	2.44	3.00	2.72
CARDS/2003/005	121362	Ongoing	Regional Refugee return in the Western Balkans - support to the 3x3 Initiative	Grant	30/06/2006	01/07/2007	01/07/2006	799,982	3.30	2.60	2.00	2.50	2.37	2.63	2.44

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Decision No	Contract number	Status	Title	Contract type	Contractor's signature date	Expiry date	Implementation starting date	Budget	concept/ design	effectiveness	efficiency	impact	sustainability	Relevance and design, effectiveness, efficiency aggregated	Impact and sustainability aggregated
CARDS/2003/005	122506	Ongoing	CARDS 2003 Regional Statistics Programme in Albania, Bosnia and Herzegovina, Croatia, former Yugoslav Republic of Macedonia, Serbia and Montenegro, Kosovo under UNSCR 1244	Implementation	14/07/2006	15/03/2008	15/07/2006	2,999,870	3.70	3.00	3.00	3.00	3.00	3.23	3.00
CARDS/2003/005	123734	Ongoing	SENSE Tribunal	Grant	14/07/2006	15/01/2008	15/07/2006	652,742	3.30	3.60	3.22	3.00	3.17	3.37	3.09
CARDS/2005/017	125235	Ongoing	Support for Implementation of the Regional Environmental Reconstruction Programme for South Eastern Europe	Grant	02/05/2007	03/05/2009	03/05/2007	1,000,000	3.30	2.80	3.22	3.50	3.75	3.11	3.63
CARDS/2005/017	131329	Ongoing	Defining and Strengthening Sector Specific Sources of competitiveness in the Western Balkans Region.	Grant	31/05/2007	01/12/2009	01/06/2007	1,000,000	3.00	3.00	3.00	3.00	3.00	3.00	3.00
CARDS/2005/017	146183	Ongoing	CARDS Cross Border Institution Building	Implementation	23/11/2007	24/08/2008	24/11/2007	874,960	2.00	3.00	3.00	3.00	3.00	2.67	3.00
CARDS/2005/017	131659	Ongoing	Support to the "Environmental Compliance and Enforcement Network for Accession" (ECENA)	Grant	04/05/2007	05/05/2010	05/05/2007	1,000,000	3.30	3.00	3.20	3.00	3.25	3.17	3.13
CARDS/2006/018	138543	Ongoing	Quality Infrastructure	Implementation	04/05/2007	05/09/2008	05/05/2007	1,699,522	2.60	3.60	2.55	3.50	2.70	2.92	3.10
CARDS/2006/018	141640	Ongoing	Regional Refugee return in the Western Balkans	Grant	30/06/2007	25/08/2008	01/07/2007	1,000,000	3.30	2.60	2.00	2.50	2.37	2.63	2.44
CARDS/2006/018	148352	Committ	Social inclusion and access to human rights for Roma, Ashkali and Egyptian communities in WB	Grant	15/02/2008	01/08/2009	01/02/2008	1,000,000	NA	NA	NA	NA	NA	NA	NA
CARDS/2006/018	153650	Ongoing	Support to the Prosecutors' Network	Grant	16/04/2008	17/04/2010	17/04/2008	1,500,000	3.00	2.20	2.78	3.00	3.12	2.66	3.06
CARDS/2006/018	156983	Decided	Technical Assistance to Support SEETO activities with an emphasis on Railways and Road Safety	Implementation	NA	22/10/2009	NA	NA	NA	NA	NA	NA	NA	NA	NA
CARDS/2006/018	127368	Ongoing	The Regional School of Public Administration (RESPA)	Grant	06/12/2006	31/10/2007	01/11/2006	1,000,000	3.00	2.80	2.45	3.00	2.17	2.75	2.59
NA	NA		Technical assistance to the Western Balkans countries in the fields of customs and taxation	Implementation	NA	NA	NA	11,500,000	3.00	2.67	2.79	2.83	2.47	2.82	2.65
								<b>46,599,717</b>	<b>2.70</b>	<b>2.71</b>	<b>2.68</b>	<b>2.92</b>	<b>2.77</b>	<b>2.70</b>	<b>2.84</b>

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**ANNEX 7 - LIST OF INTERVIEWEES**

<b>Institution/project</b>	<b>Interviewee</b>	<b>Function</b>	<b>Institution</b>	<b>Date</b>
<b>DG ELARG, Unit D3</b>	Ynge Engstroem	Head of Unit	DG ELARG Unit D3	7/5/2008/
	Hendrik Van Maele	Task Manager	DG ELARG Unit D3	16/5/2008/
	Sofia Papantoniadou	Task Manager	DG ELARG Unit D3	17/5/2008/
	Anna Vezyroglou	Task Manager	DG ELARG Unit D3	19/5/2008/
	Yvonne Kapella	Task manager	DG ELARG Unit D3	20/5/2008/
	Henk Visser	Task Manager	DG ELARG Unit D3	6/6/2008/
	Domenica Bumma	Task Manager	DG ELARG Unit D3	9/6/2008/
	Patricia Pennetier	Task Manager	DG ELARG Unit D3	24/6/2008/
	Roberta Cortese	Task Manager	DG ELARG Unit D3	17/6/2008/
	Petra Schlueter	Task Manager	DG ELARG Unit D3	17/7/2008/
	Alexander Troppmann	Task Manager	DG ELARG Unit D3	17/7/2008/
	Judith Novak	Task Manager	DG ELARG Unit D3	15/7/2008/
<b>Regional Transport Observatory (SEETO )</b>	Nenad Nikolić	Transport Planning Manager	SEETO Secretariat	9/7/2008/
	Kujtim Hashorva	Director of Road Transport Policy Department	Ministry of Public Works, Transport and Telecommunications of Albania	3/9/2008/
	Bernd Brunnengraeber	Project Manager	GOPA	9/9/2008/
	Francois Begeot	Task Manager	line DG TREN	4/9/2008/
<b>Pilot River Basin plan for Sava River</b>	Dragana Milovanović	Head of Department for Strategic Planning and Management	Ministry of Agriculture, Forestry and Water Management, Croatia	8/7/2008/
	Dobriła Kujundžić	Senior Advisor	Ministry of Agriculture, Forestry and Water Management, Croatia	8/7/2008/
	Nikola Marjanović	General Manager	Srbijavoda, Public Water Authority Serbia	8/7/2008/
	Senad Pločo	Team Leader	SAFEGE consulting	15/7/2008/
	Dragan Zeljko	Sava Commission	Sava Commission	24/7/2008/
	Karmen Cerar	Head of Department	Ministry of Regional Development, Forestry and Water Management, Croatia	22/7/2008/
	Jorge Rodriguez Romero	Desk Officer	Line DG Environment	4/9/2008/

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<b>Institution/project</b>	<b>Interviewee</b>	<b>Function</b>	<b>Institution</b>	<b>Date</b>
TA to the WB countries in the field of Customs and taxation	Slobodan Nikolić	Deputy Director General	Ministry of Finance, Serbian Customs Administration	10/7/2008/
	Vladimir Štajner	Senior Advisor	Ministry of Finance, Serbian Customs Administration	10/7/2008/
	Naim Huruglica	Director General	UNMIK Customs	17/7/2008/
	Dejan Stojanovic	Director General	Ministry of Finance, Serbian Tax Administration	10/7/2008/
	Stefano Fantaroni	Line DG TAXUD	Line DG TAXUD	3/9/2008/
Social Institutions Support Programme	Miloš Nikač,	Assistant Director	Institute for Social Insurance of Serbia	14/7/2008/
	Alexandar Kostanyan	Regional Programme Coordinator	Council of Europe	15/7/2008/
	Tatjana Kostovska	Programme Officer	Council of Europe	15/7/2008/
	Slavica Vučić	Head of Department	Ministry of Civil Affairs, Bosnia and Herzegovina	19/8/2008/
	Šerifa Godinjak	Head of section EU and Int. Coop.	Ministry of Health, Croatia	8/9/2008/
Quality infrastructure	Trpe Ristoski	Director	Institute for Accreditation of Macedonia	15/7/2008/
	Vesna Georgievska	Department Manager	Institute for Accreditation of Macedonia	15/7/2008/
	Dejan Krnjaić	Director	Accreditation Board of Serbia	9/7/2008/
	Dragan Pušara	Deputy Director	Accreditation Board of Serbia	9/7/2008/
	David Norris	Team Leader	European Committee for Standardisation	12/8/2008/
	Silvia Vaccaro	Project manager	European Committee for Standardisation	18/7/2008/
	Stefan Milner	Desk Officer	EFTA	20/8/2008/
Defining and Strengthening Sector Specific Sources of competitiveness in the Western Balkans Region	Igor Cuckov	Head of Promotion Department	Agency for Foreign Investments in Macedonia	15/7/2008/
	Bojan Janković	Deputy Director	Serbia Investment and Export Promotion Agency	14/7/2008/
	Adrijana Marić	Expert	Foreign Promotion and Investment Agency of Bosnia and Herzegovina	21/8/2008.
	Fadi Farra	Project Manager	OECD	5/9/2008/

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<b>Institution/project</b>	<b>Interviewee</b>	<b>Function</b>	<b>Institution</b>	<b>Date</b>
Regional Refugee return in Western Balkans	Mirta Trninić	Lawyer	Informativno Pravni Centar (IPC) Slavonski Brod	11/7/2008/
	Nataša Kovačević	Executive Director	Informativno Pravni Centar (IPC) Slavonski Brod	11/7/2008/
	Marina Cremonese	Representative Serbia/Montenegro	Danish Refugee Council (DRC)	10/7/2008/
	Olivera Vučić	Internally Displaced Persons (IDP) Protection Coordinator	Danish Refugee Council (DRC)	10/7/2008/
	Lora Dimetrijević	Assistant Programme Officer	UNHCR	10/7/2008/
	Lada Blagajić	Associate Programme Officer	UNHCR	16/7/2008/
	Mario Pavlović	Associate Protection Officer	UNHCR	16/7/2008/
Establishment of an independent, reliable and functioning judiciary, and the enhancing of the judicial co-operation in the Western Balkans	Milica Bogdan -Ličen	Deputy President	District Court Novi Sad	31/5/2008/
	Štefica Stažnik	Assistant Minister	Ministry of Justice - Croatia	14/7/2008/
	Mario Thurner	Project director	Centre for Legal Competence (CLC) Vienna	18/9/2008/
	Branka Lakocević	Deputy Minister of Justice	Ministry of Justice - Croatia	17/9/2008/





## ANNEX 8 – WEB SURVEY ANALYSIS

The aim of the survey realised for the CARDS regional programme was to gather information concerning the relevance, efficiency, effectiveness, impacts and sustainability of the programme in the Western Balkans. The survey targeted contractors and project partner as well as beneficiaries of the programmes, national ministries and members of the steering committees of the projects. The web survey was formed by a questionnaire containing single-answer questions as well as open-ended questions conceived for getting the stakeholders' perceptions and suggestions. The web survey was addressed to 276 recipients and had a response rate of 35%.

We analyse below the answers to all the questions submitted for the five evaluation criteria. The main findings we ascertained from the survey were included in the text.

### Relevance

The first thematic sector of the web survey concerned the relevance of the CARDS regional programme and the quality of its design. 19 questions were asked within this section as summarised by the table below:

	Questions asked in the area of relevance and design of the programme	Mean	Standard deviation
1	How would you rate the overall design of the project you were involved in?	4.27	0.54
2	How would you rate the effort for cooperation made by the stakeholders in the beneficiary countries in the framework of the CARDS Regional Programme?	4.18	0.63
3	How do you perceive your project contribution for meeting the socio-economic needs of the region?	4.14	0.55
4	How do you perceive the degree of involvement of the beneficiary countries in the design of the project you were involved in?	3.85	0.74
5	How do you perceive the level of ownership matured by stakeholders in the beneficiary countries?	3.86	0.75
6	How do you rate the adequacy of the financial resources allocated to your project?	3.78	0.84
7	How do you rate the liaison with local authorities in your project?	3.98	0.69
8	How do you rate the synergy/complementarity of your project with similar national projects?	3.82	0.77
9	How do you rate the synergy/complementarity of your project with other EU funded projects?	3.95	0.70
10	How do you rate communication and information about your project towards the stakeholders in the beneficiary countries?	3.96	0.71
11	How do you rate the relevance of the indicators designed for monitoring and evaluating your project?	3.82	0.74
12	How do you assess the indicators in terms of being SMART (= specific, measurable, acceptable, relevant, time-bound?)	3.91	0.58

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13	How do you consider the CARDS Regional Programme (RP) matching the needs of the Western Balkans?	4.31	0.64
14	How would you in general rate the effort for cooperation made by the stakeholders in the beneficiary countries in the framework of the CARDS RP?	4.00	0.62
15	How do you perceive the involvement of the beneficiary countries in the design of the RP in general?	3.64	0.80
16	How do you rate in general the adequacy of financial resources allocated to the RP?	3.77	0.74
17	How do you rate in general the degree of synergy/ complementarity of the RP with national programmes?	3.88	0.62
18	How do you rate communication and information about the Regional Programmes?	3.76	0.79
19	To what extent has the RP competed with or complemented other assistance provided by other international, bilateral donors or by the Commission (national programmes)?	3.90	0.58

The average mean of the 19 questions was 3.93 while the average standard deviation was 0.68 which is rather a low value. This is a slightly better result than in the previous evaluation exercised, but in this section is not yet considered as satisfactory by the stakeholders. However, results vary greatly from question 13 on matching needs with 4.31 score, to question 15 with a 3.64 score. In general the higher scores refer to the design of the programme or to the efforts made by stakeholders, while the lowest scores refer to the participatory approach in the design of the process, the involvement of beneficiaries and the communication strategy, which are all rated less than satisfactorily.

As far as variability is concerned, the standard deviation is rather low in general - with a few exceptions. The higher degree of variability can be found for questions that are project-specific. In particular question 6 on the adequateness of financial endowment for the projects has experienced heterogeneous answers. The respondents seem to appreciate the design of the project (question 1) that match the needs of the region (question 13) and that are relevant for its socio-economic development (question 3). All these questions have received good scores (> 4) and have a low variability, which means that the stakeholders have a homogenous view on that.

We present below a series of tables that summarise the responses to the 19 questions concerning the relevance of the programme.

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How would you rate the overall design of the project you were involved in?						
Relevance Question 1	Score	Contractors	Beneficiaries	TOTAL	% Contractors	% Beneficiaries
Highly satisfactory	5	17	10	27	20%	11.8%
Satisfactory	4	24	30	54	28.2%	35.3%
Barely satisfactory	3	3	1	4	3.5%	1.2%
Unsatisfactory	2	0	0	0	0%	0%
Highly unsatisfactory	1	0	0	0	0%	0%
<b>TOTAL</b>		<b>44</b>	<b>41</b>	<b>85</b>	<b>51.7%</b>	<b>48.3%</b>
N/A	-	-	-	11		
Average	-	4.32	4.22	4.27		
Std deviation	-	-	-	0.54		

How would you rate the effort for cooperation made by the stakeholders in the beneficiary countries in the framework of the CARDS Regional Programme?						
Relevance Question 2	Score	Contractors	Beneficiaries	TOTAL	% Contractors	% Beneficiaries
Highly satisfactory	5	16	8	24	19.8%	9.9%
Satisfactory	4	23	26	49	28.4%	32.1%
Barely satisfactory	3	4	3	7	4.9%	3.7%
Unsatisfactory	2	1	0	1	1.2%	0%
Highly unsatisfactory	1	0	0	0	0%	0%
<b>TOTAL</b>		<b>44</b>	<b>37</b>	<b>81</b>	<b>54.3%</b>	<b>45.7%</b>
N/A	-	-	-	15		
Average	-	4.22	4.13	4.18		
Std deviation	-	-	-	0.63		

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How do you perceive your project contribution for meeting the socio-economic needs of the region?						
Relevance Question 3	Score	Contractors	Beneficiaries	TOTAL	% Contractors	% Beneficiaries
Highly satisfactory	5	7	10	17	9.1%	13%
Satisfactory	4	29	26	55	37.8%	33.7%
Barely satisfactory	3	2	2	4	2.6%	2.6%
Unsatisfactory	2	0	1	1	0%	1.3%
Highly unsatisfactory	1	0	0	0	0%	0%
<b>TOTAL</b>		<b>38</b>	<b>39</b>	<b>77</b>	<b>49.4%</b>	<b>50.6%</b>
N/A	-	-	-	19		
Average	-	4.14	4.13	4.14		
Std deviation	-	-	-	0.55		

How do you perceive the degree of involvement of the beneficiary countries in the design of the project you were involved in?						
Relevance Question 4	Score	Contractors	Beneficiaries	TOTAL	% Contractors	% Beneficiaries
Highly satisfactory	5	9	5	14	11.0%	6.1%
Satisfactory	4	18	27	45	22.0%	32.8%
Barely satisfactory	3	12	8	20	14.6%	9.8%
Unsatisfactory	2	3	0	3	3.7%	0%
Highly unsatisfactory	1	0	0	0	0%	0%
<b>TOTAL</b>		<b>42</b>	<b>40</b>	<b>82</b>	<b>51.3%</b>	<b>48.7%</b>
N/A	-	-	-	14		
Average	-	3.78	3.92	3.85		
Std deviation	-	-	-	0.74		

Ad-hoc evaluation of the CARDS regional programmes in the Western Balkans – December 2008

How do you perceive the level of ownership matured by stakeholders in the beneficiary countries?						
Relevance Question 5	Score	Contractors	Beneficiaries	TOTAL	% Contractors	% Beneficiaries
Highly satisfactory	5	9	6	15	11.1%	7.5%
Satisfactory	4	22	21	43	27.2%	25.9%
Barely satisfactory	3	10	10	20	12.3%	12.3%
Unsatisfactory	2	2	1	3	2.5%	1.2%
Highly unsatisfactory	1	0	0	0	0%	0%
<b>TOTAL</b>		<b>43</b>	<b>38</b>	<b>81</b>	<b>53.1%</b>	<b>46.9%</b>
N/A	-	-	-	15		
Average	-	3.88	3.84	3.86		
Std deviation	-	-	-	0.75		

How do you rate the adequacy of the financial resources allocated to your project?						
Relevance Question 6	Score	Contractors	Beneficiaries	TOTAL	% Contractors	% Beneficiaries
Highly satisfactory	5	9	5	14	10.6%	5.9%
Satisfactory	4	20	26	46	23.5%	30.6%
Barely satisfactory	3	10	7	17	11.8%	8.2%
Unsatisfactory	2	5	3	8	5.9%	3.5%
Highly unsatisfactory	1	0	0	0	0%	0%
<b>TOTAL</b>		<b>44</b>	<b>41</b>	<b>85</b>	<b>51.8%</b>	<b>48.2%</b>
N/A	-	-	-	11		
Average	-	3.75	3.80	3.77		
Std deviation	-	-	-	0.84		



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How do you rate the liaison with local authorities in your project?						
Relevance Question 7	Score	Contractors	Beneficiaries	TOTAL	% Contractors	% Beneficiaries
Highly satisfactory	5	11	5	16	13.9%	6.3%
Satisfactory	4	25	23	48	31.6%	29.2%
Barely satisfactory	3	4	9	13	5.1%	11.4%
Unsatisfactory	2	2	0	2	2.5%	0%
Highly unsatisfactory	1	0	0	0	0%	0%
<b>TOTAL</b>		<b>42</b>	<b>37</b>	<b>79</b>	<b>53.1%</b>	<b>46.9%</b>
N/A	-	-	-	17		
Average	-	4.07	3.89	3.98		
Std deviation	-	-	-	0.69		

How do you rate the degree of synergy/complementarity of your project with similar national projects?						
Relevance Question 8	Score	Contractors	Beneficiaries	TOTAL	% Contractors	% Beneficiaries
Highly satisfactory	5	7	6	13	8.6%	7.5%
Satisfactory	4	26	20	46	32.1%	24.7%
Barely satisfactory	3	7	10	17	8.6%	12.3%
Unsatisfactory	2	2	3	5	2.5%	3.7%
Highly unsatisfactory	1	0	0	0	0%	0%
<b>TOTAL</b>		<b>42</b>	<b>39</b>	<b>81</b>	<b>51.8%</b>	<b>48.2%</b>
N/A	-	-	-	15		
Average	-	3.90	3.74	3.83		
Std deviation	-	-	-	0.77		

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How do you rate the synergy/complementarity of your project with other EU funded projects?						
Relevance Question 9	Score	Contractors	Beneficiaries	TOTAL	% Contractors	% Beneficiaries
Highly satisfactory	5	8	7	15	10.1%	8.9%
Satisfactory	4	26	21	47	32.9%	26.6%
Barely satisfactory	3	9	6	15	11.4%	7.6%
Unsatisfactory	2	0	2	2	0%	2.5%
Highly unsatisfactory	1	0	0	0	0%	0%
<b>TOTAL</b>		<b>43</b>	<b>36</b>	<b>79</b>	<b>54.4%</b>	<b>45.6%</b>
N/A	-	-	-	17		
Average	-	3.98	3.92	3.95		
Std deviation	-	-	-	0.7		

How do you rate communication and information about your project towards the stakeholders in the beneficiary countries?						
Relevance Question 10	Score	Contractors	Beneficiaries	TOTAL	% Contractors	% Beneficiaries
Highly satisfactory	5	13	5	18	15.7%	6%
Satisfactory	4	24	21	45	28.9%	25.3%
Barely satisfactory	3	6	13	19	7.2%	15.7%
Unsatisfactory	2	1	0	1	1.2%	0%
Highly unsatisfactory	1	0	0	0	0%	0%
<b>TOTAL</b>		<b>44</b>	<b>39</b>	<b>83</b>	<b>53.0%</b>	<b>47%</b>
N/A	-	-	-	13		
Average	-	4.11	3.79	3.96		
Std deviation	-	-	-	0.71		

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How do you rate the relevance of the indicators designed for monitoring and evaluating your project?						
Relevance Question 11	Score	Contractors	Beneficiaries	TOTAL	% Contractors	% Beneficiaries
Highly satisfactory	5	4	7	11	4.9%	8.6%
Satisfactory	4	25	25	50	30.9%	30.9%
Barely satisfactory	3	11	4	15	13.6%	4.9%
Unsatisfactory	2	3	2	5	3.7%	2.5%
Highly unsatisfactory	1	0	0	0	0%	0%
<b>TOTAL</b>		<b>43</b>	<b>38</b>	<b>81</b>	<b>53.1%</b>	<b>46.9%</b>
N/A	-	-	-	15		
Average	-	3.70	3.97	3.83		
Std deviation	-	-	-	0.74		

How do you assess the indicators in terms of being SMART (= specific, measurable, acceptable, relevant, time-bound?)						
Relevance Question 12	Score	Contractors	Beneficiaries	TOTAL	% Contractors	% Beneficiaries
Highly satisfactory	5	4	5	9	5.1%	6.3%
Satisfactory	4	30	25	55	38%	31.6%
Barely satisfactory	3	8	6	14	10.1%	7.6%
Unsatisfactory	2	0	1	1	0%	1.3%
Highly unsatisfactory	1	0	0	0	0%	0%
<b>TOTAL</b>		<b>42</b>	<b>37</b>	<b>79</b>	<b>53.2%</b>	<b>46.8%</b>
N/A	-	-	-	17		
Average	-	3.90	3.92	3.91		
Std deviation	-	-	-	0.58		

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How do you consider the CARDS Regional Programme (RP) matching the needs of the Western Balkans?						
Relevance Question 13	Score	Contractors	Beneficiaries	TOTAL	% Contractors	% Beneficiaries
Highly satisfactory	5	15	18	33	18.1%	21.7%
Satisfactory	4	23	21	44	27.7%	25.3%
Barely satisfactory	3	4	1	5	4.8%	1.2%
Unsatisfactory	2	1	0	1	1.2%	0%
Highly unsatisfactory	1	0	0	0	0%	0%
<b>TOTAL</b>		<b>43</b>	<b>40</b>	<b>83</b>	<b>51.8%</b>	<b>48.2%</b>
N/A	-	-	-	13		
Average	-	4.21	4.42	4.31		
Std deviation	-	-	-	0.64		

How would you in general rate the effort for cooperation made by the stakeholders in the beneficiary countries in the framework of the CARDS RP?						
Relevance Question 14	Score	Contractors	Beneficiaries	TOTAL	% Contractors	% Beneficiaries
Highly satisfactory	5	7	8	15	8.9%	10.1%
Satisfactory	4	26	23	48	32.9%	29.1%
Barely satisfactory	3	10	5	15	12.7%	6.3%
Unsatisfactory	2	0	0	0	0%	0%
Highly unsatisfactory	1	0	0	0	0%	0%
<b>TOTAL</b>		<b>43</b>	<b>36</b>	<b>79</b>	<b>54.5%</b>	<b>45.5%</b>
N/A	-	-	-	17		
Average	-	3.93	4.08	4		
Std deviation	-	-	-	0.62		

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How do you perceive the involvement of the beneficiary countries in the design of the RP in general?						
Relevance Question 15	Score	Contractors	Beneficiaries	TOTAL	% Contractors	% Beneficiaries
Highly satisfactory	5	3	4	7	3.8%	5.1%
Satisfactory	4	21	24	45	26.6%	30.4%
Barely satisfactory	3	11	9	20	13.8%	11.4%
Unsatisfactory	2	5	1	6	6.3%	1.3%
Highly unsatisfactory	1	1	0	1	1.3%	0%
<b>TOTAL</b>		<b>41</b>	<b>38</b>	<b>79</b>	<b>51.8%</b>	<b>48.2%</b>
N/A	-	-	-	17		
Average	-	3.49	3.82	3.64		
Std deviation	-	-	-	0.80		

How do you rate in general the adequacy of financial resources allocated to the RP?						
Relevance Question 16	Score	Contractors	Beneficiaries	TOTAL	% Contractors	% Beneficiaries
Highly satisfactory	5	5	5	10	6.1%	6.1%
Satisfactory	4	23	25	48	28%	30.5%
Barely satisfactory	3	12	7	19	14.7%	8.5%
Unsatisfactory	2	3	2	5	3.7%	2.4%
Highly unsatisfactory	1	0	0	0	0%	0%
<b>TOTAL</b>		<b>43</b>	<b>39</b>	<b>82</b>	<b>52.5%</b>	<b>47.5%</b>
N/A	-	-	-	14		
Average	-	3.70	3.85	3.77		
Std deviation	-	-	-	0.74		

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How do you rate in general the degree of synergy/ complementarity of the RP with national programmes?						
Relevance Question 17	Score	Contractors	Beneficiaries	TOTAL	% Contractors	% Beneficiaries
Highly satisfactory	5	4	5	9	4.9%	6.2%
Satisfactory	4	27	28	55	33.3%	34.6%
Barely satisfactory	3	9	6	15	11.1%	7.4%
Unsatisfactory	2	2	0	2	2.5%	0%
Highly unsatisfactory	1	0	0	0	0%	0%
<b>TOTAL</b>		<b>42</b>	<b>39</b>	<b>81</b>	<b>51.8%</b>	<b>48.2%</b>
N/A	-	-	-	14		
Average	-	3.79	3.97	3.88		
Std deviation	-	-	-	0.62		

How do you rate communication and information about the Regional Programmes?						
Relevance Question 18	Score	Contractors	Beneficiaries	TOTAL	% Contractors	% Beneficiaries
Highly satisfactory	5	4	9	13	4.9%	11%
Satisfactory	4	18	22	40	22%	26.8%
Barely satisfactory	3	18	8	26	22%	9.9%
Unsatisfactory	2	2	0	2	2.4%	0%
Highly unsatisfactory	1	0	1	1	0%	1.2%
<b>TOTAL</b>		<b>42</b>	<b>40</b>	<b>82</b>	<b>51.3%</b>	<b>48.7%</b>
N/A	-	-	-	14		
Average	-	3.57	3.95	3.75		
Std deviation	-	-	-	0.79		

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To what extent has the RP competed with or complemented other assistance provided by other international, bilateral donors or by the Commission (national programmes)?						
Relevance Question 19	Score	Contractors	Beneficiaries	TOTAL	% Contractors	% Beneficiaries
Highly satisfactory	5	4	3	7	5.5%	4.2%
Satisfactory	4	29	25	54	39.7%	34.2%
Barely satisfactory	3	4	6	10	5.5%	8.2%
Unsatisfactory	2	2	0	5	2.7%	0%
Highly unsatisfactory	1	0	0	0	0%	0%
<b>TOTAL</b>		<b>39</b>	<b>34</b>	<b>73</b>	<b>53.4%</b>	<b>46.6%</b>
N/A	-	-	-	22		
Average	-	3.90	3.91	3.90		
Std deviation	-	-	-	0.58		



## Efficiency

The web survey respondents expressed a favourable opinion on the overall efficiency of the projects they were involved in and provided inputs apt at increasing the efficiency of the programme. The questions included in this section provide us with an overview of the respondents' perception of efficiency of the projects they were taking part in. Efficiency is intended here as cost efficiency, but also as management efficiency. The average mean of the efficiency-related questions was 4.13, higher than the results for relevance and design, while the average standard deviation was 0.69, in line with data from the previous section.

The questions included in this section provide us with an overview of the respondents' perception of efficiency of the projects they were taking part in. Efficiency is intended here as cost efficiency, but also as management efficiency.

	Questions asked in the area of efficiency of the programme	Mean	Standard deviation
1	How do you rate the cost efficiency of the project?	4.30	0.71
2	How do you rate the way the project overcame the main hindrances it encountered?	4.30	0.52
3	How do you rate the communication efficiency with political stakeholders concerning your project?	3.88	0.84
4	How do you rate the time efficiency of the project in terms of delivery?	4.15	0.68
5	How do you rate the budgetary allocating efficiency for this project?	4.04	0.72

Below we include the detailed answers for each question.

How do you rate the cost efficiency of the project(s) you were involved in?						
Efficiency Question 1	Score	Contractors	Beneficiaries	TOTAL	% Contractors	% Beneficiaries
Highly satisfactory	5	20	13	33	26.3%	17.1%
Satisfactory	4	18	16	34	23.7%	21.1%
Barely satisfactory	3	3	5	8	3.9%	6.6%
Unsatisfactory	2	1	0	1	1.3%	0%
Highly unsatisfactory	1	0	0	0	0%	0%
<b>TOTAL</b>		<b>42</b>	<b>34</b>	<b>76</b>	<b>55.2%</b>	<b>44.8%</b>
N/A	-	-	-	20		
Average	-	4.36	4.23	4.30		
Std deviation	-	-	-	0.71		

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How do you rate the way the project overcame the main hindrances it encountered?						
Efficiency Question 2	Score	Contractors	Beneficiaries	TOTAL	% Contractors	% Beneficiaries
Highly satisfactory	5	18	7	25	23.7%	9.3%
Satisfactory	4	21	28	49	27.6	36.8%
Barely satisfactory	3	1	1	2	1.3%	1.3%
Unsatisfactory	2	0	0	0	0%	0%
Highly unsatisfactory	1	0	0	0	0%	0%
<b>TOTAL</b>		<b>40</b>	<b>36</b>	<b>76</b>	<b>52.6%</b>	<b>47.4%</b>
N/A	-	-	-	20		
Average	-	4.42	4.17	4.30		
Std deviation	-	-	-	0.52		

How do you rate the communication efficiency with political stakeholders concerning your project?						
Efficiency Question 3	Score	Contractors	Beneficiaries	TOTAL	% Contractors	% Beneficiaries
Highly satisfactory	5	11	5	16	14.7%	6.7%
Satisfactory	4	18	21	39	24%	28%
Barely satisfactory	3	8	8	16	10.7%	10.7%
Unsatisfactory	2	1	2	3	1.35%	2.7%
Highly unsatisfactory	1	1	0	1	1.35%	0%
<b>TOTAL</b>		<b>39</b>	<b>36</b>	<b>75</b>	<b>51.9%</b>	<b>48.1%</b>
N/A	-	-	-	21		
Average	-	3.94	3.80	3.88		
Std deviation	-	-	-	0.84		

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How do you rate the time efficiency of the project in terms of delivery?						
Efficiency Question 4	Score	Contractors	Beneficiaries	TOTAL	% Contractors	% Beneficiaries
Highly satisfactory	5	16	8	24	20.5%	10.3%
Satisfactory	4	21	22	43	26.9%	28.2%
Barely satisfactory	3	4	6	10	5.1%	7.7%
Unsatisfactory	2	1	0	1	1.3%	0%
Highly unsatisfactory	1	0	0	0	0%	0%
<b>TOTAL</b>		<b>42</b>	<b>36</b>	<b>78</b>	<b>53.8%</b>	<b>46.2%</b>
N/A	-	-	-	18		
Average	-	4.24	4.05	4.15		
Std deviation	-	-	-	0.68		

How do you rate the budgetary allocating efficiency for this project?						
Efficiency Question 5	Score	Contractors	Beneficiaries	TOTAL	% Contractors	% Beneficiaries
Highly satisfactory	5	13	5	18	17.8%	6.8%
Satisfactory	4	24	18	42	32.9%	24.7%
Barely satisfactory	3	3	8	11	4.1%	11%
Unsatisfactory	2	2	0	2	2.7%	0%
Highly unsatisfactory	1	0	0	0	0%	0%
<b>TOTAL</b>		<b>42</b>	<b>31</b>	<b>73</b>	<b>57.5%</b>	<b>42.5%</b>
N/A	-	-	-	23		
Average	-	4.14	3.90	4.04		
Std deviation	-	-	-	0.72		

## Effectiveness

The questions addressed under this section were designed for answering the main evaluation question on the extent to which the operational objectives of the programme/projects been achieved or are in the process of being achieved. It is of the utmost importance to understand whether the outputs and the results were delivered in time and according to specifications. The average mean expressed by the respondents is 4.18, which means more than satisfactory, whilst the average standard deviation is again low at 0.66. On average both beneficiaries and stakeholders seem to be content with the output delivered by their projects, but contractors are more critical towards the effectiveness of the actions (see in annex for more details). This overall reflects the outcome of the interviews held, though specific interviews leave more margins to improvement than the results of the web survey.

Once again the comments expressed in open fields are somehow more critical than the qualitative judgments expressed in the “closed” questions. The judgments expressed by respondents in the open questions are included in the general points on effectiveness above.

	Questions asked in the area of effectiveness of the programme	Mean	Standard deviation
1	How do you perceive the results delivered by your project?	4.45	0.55
2	How do you rate stakeholders' absorption capacity concerning your project?	3.95	0.77
3	How do you perceive the administrative process related to your project?	3.97	0.74
4	How do you perceive the improvement of effectiveness obtained through time for your project?	4.12	0.75
5	How do you rate the learning process experienced by the beneficiaries of the projects?	4.20	0.73
6a	How do you perceive the actual outputs compared to the expected outputs and forecasts?	4.30	0.57
6b	How do you rate the project objectives today if compared to the original plan and budget in the project fiche?	4.29	0.52
7	How do you rate the effectiveness of your regional project compared to similar national programmes or projects?	4.30	0.63
8	How do you rate the effectiveness of your project with regard to the regional objectives priorities?	4.35	0.54
9	How do you rate the beneficiary countries' acceptance/absorption/integration into regular policies of your project?	3.92	0.80

The average mean expressed by the respondents is 4.18, which means more than satisfactory, whilst the average standard deviation is again low at 0.66. On average both beneficiaries and stakeholders seem to be content with the output delivered. This overall reflects the outcome of the interviews held, though specific interviews leave more margins to improvement than the results of the web survey. Below we include the detailed answers for each question.

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How do you perceive the results delivered by your project?						
Effectiveness Question 1	Score	Contractors	Beneficiaries	TOTAL	% Contractors	% Beneficiaries
Highly satisfactory	5	23	12	35	31.5%	16.4%
Satisfactory	4	16	20	36	21.9%	27.4%
Barely satisfactory	3	1	1	2	1.4%	1.4%
Unsatisfactory	2	0	0	0	0%	0%
Highly unsatisfactory	1	0	0	0	0%	0%
<b>TOTAL</b>		<b>40</b>	<b>33</b>	<b>73</b>	<b>54.8%</b>	<b>45.2%</b>
N/A	-	-	-	23		
Average	-	4.55	4.33	4.45		
Std deviation	-	-	-	0.55		

How do you rate stakeholders' absorption capacity concerning your project?						
Effectiveness Question 2	Score	Contractors	Beneficiaries	TOTAL	% Contractors	% Beneficiaries
Highly satisfactory	5	8	7	15	11.4%	10%
Satisfactory	4	21	19	40	30%	27.1%
Barely satisfactory	3	8	5	13	11.4%	7.3%
Unsatisfactory	2	1	0	1	1.45%	0%
Highly unsatisfactory	1	1	0	1	1.45%	0%
<b>TOTAL</b>		<b>39</b>	<b>31</b>	<b>70</b>	<b>55.7%</b>	<b>44.3%</b>
N/A	-	-	-	26		
Average	-	3.87	4.06	3.95		
Std deviation	-	-	-	0.77		

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How do you perceive the administrative process related to your project?						
Effectiveness Question 3	Score	Contractors	Beneficiaries	TOTAL	% Contractors	% Beneficiaries
Highly satisfactory	5	9	7	16	12.3%	9.6%
Satisfactory	4	20	22	42	27.4%	30.1%
Barely satisfactory	3	8	4	12	11%	5.5%
Unsatisfactory	2	3	0	3	4.1%	0%
Highly unsatisfactory	1	0	0	0	0%	0%
<b>TOTAL</b>		<b>40</b>	<b>33</b>	<b>73</b>	<b>54.8%</b>	<b>45.2%</b>
N/A	-	-	-	23		
Average	-	3.87	4.09	3.97		
Std deviation	-	-	-	0.74		

How do you perceive the improvement of effectiveness obtained through time for your project?						
Effectiveness Question 4	Score	Contractors	Beneficiaries	TOTAL	% Contractors	% Beneficiaries
Highly satisfactory	5	10	8	18	15.2%	12.2%
Satisfactory	4	20	22	42	30.3%	33.3%
Barely satisfactory	3	1	2	3	1.5%	3%
Unsatisfactory	2	2	0	2	3%	0%
Highly unsatisfactory	1	1	0	1	1.5%	0%
<b>TOTAL</b>		<b>34</b>	<b>32</b>	<b>66</b>	<b>51.5%</b>	<b>48.5%</b>
N/A	-	-	-	30		
Average	-	4.06	4.19	4.12		
Std deviation	-	-	-	0.75		

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How do you rate the learning process experienced by the beneficiaries of the projects?						
Effectiveness Question 5	Score	Contractors	Beneficiaries	TOTAL	% Contractors	% Beneficiaries
Highly satisfactory	5	13	10	23	18.3%	14.1%
Satisfactory	4	23	19	42	32.4%	26.8%
Barely satisfactory	3	2	2	4	2.8%	2.8%
Unsatisfactory	2	1	0	1	1.4%	0%
Highly unsatisfactory	1	1	0	1	1.4%	0%
<b>TOTAL</b>		<b>40</b>	<b>31</b>	<b>71</b>	<b>56.3%</b>	<b>43.7%</b>
N/A	-	-	-	25		
Average	-	4.15	4.26	4.20		
Std deviation	-	-	-	0.73		

How do you perceive the actual outputs compared to the expected outputs and forecasts?						
Effectiveness Question 6A	Score	Contractors	Beneficiaries	TOTAL	% Contractors	% Beneficiaries
Highly satisfactory	5	18	8	26	25%	11.1%
Satisfactory	4	19	23	42	26.4%	31.9%
Barely satisfactory	3	3	1	4	4.2%	1.4%
Unsatisfactory	2	0	0	0	0%	0%
Highly unsatisfactory	1	0	0	0	0%	0%
<b>TOTAL</b>		<b>40</b>	<b>32</b>	<b>72</b>	<b>55.6%</b>	<b>44.4%</b>
N/A	-	-	-	24		
Average	-	4.37	4.22	4.31		
Std deviation	-	-	-	0.57		



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How do you rate the project objectives today if compared to the original plan and budget in the project fiche?						
Effectiveness Question 6B	Score	Contractors	Beneficiaries	TOTAL	% Contractors	% Beneficiaries
Highly satisfactory	5	13	8	21	20%	12.3%
Satisfactory	4	24	18	42	36.9%	27.8%
Barely satisfactory	3	1	1	2	1.5%	1.5%
Unsatisfactory	2	0	0	0	0%	0%
Highly unsatisfactory	1	0	0	0	0%	0%
<b>TOTAL</b>		<b>38</b>	<b>27</b>	<b>65</b>	<b>58.4%</b>	<b>41.6%</b>
N/A	-	-	-	31		
Average	-	4.31	4.26	4.29		
Std deviation	-	-	-	0.52		

How do you rate the effectiveness of your regional project compared to similar national programmes or projects?						
Effectiveness Question 7	Score	Contractors	Beneficiaries	TOTAL	% Contractors	% Beneficiaries
Highly satisfactory	5	17	8	25	25.4%	11.9%
Satisfactory	4	16	22	38	23.9%	32.8%
Barely satisfactory	3	1	2	3	1.5%	3%
Unsatisfactory	2	1	0	1	1.5%	0%
Highly unsatisfactory	1	0	0	0	0%	0%
<b>TOTAL</b>		<b>35</b>	<b>32</b>	<b>67</b>	<b>52.3%</b>	<b>47.7%</b>
N/A	-	-	-	29		
Average	-	4.40	4.19	4.30		
Std deviation	-	-	-	0.63		

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How do you rate the effectiveness of your project with regard to the regional objectives priorities?						
Effectiveness Question 8	Score	Contractors	Beneficiaries	TOTAL	% Contractors	% Beneficiaries
Highly satisfactory	5	18	9	27	25.4%	12.7%
Satisfactory	4	20	22	42	28.1%	31%
Barely satisfactory	3	1	1	2	1.4%	1.4%
Unsatisfactory	2	0	0	0	0%	0%
Highly unsatisfactory	1	0	0	0	0%	0%
<b>TOTAL</b>		<b>39</b>	<b>32</b>	<b>71</b>	<b>54.9%</b>	<b>45.1%</b>
N/A	-	-	-	25		
Average	-	4.43	4.25	4.35		
Std deviation	-	-	-	0.54		

How do you rate the beneficiary countries' acceptance/absorption/integration into regular policies of your project?						
Effectiveness Question 9	Score	Contractors	Beneficiaries	TOTAL	% Contractors	% Beneficiaries
Highly satisfactory	5	8	6	14	12.5%	9.4%
Satisfactory	4	21	13	34	32.8%	20.3%
Barely satisfactory	3	7	7	14	10.9%	10.9%
Unsatisfactory	2	1	0	1	1.6%	0%
Highly unsatisfactory	1	1	0	1	1.6%	0%
<b>TOTAL</b>		<b>38</b>	<b>26</b>	<b>64</b>	<b>59.4%</b>	<b>40.6%</b>
N/A	-	-	-	32		
Average	-	3.89	3.96	3.92		
Std deviation	-	-	-	0.80		

## Impacts

The questions addressed by the survey under this section were designed to assess the extent to which the overall projects' results had a wider overall effect **on the socio-economic development of the region**. Questions on impacts scored rather well with 4.15 of average and 0.73 variability that are not high. Indeed this seems to reflect the good perception that respondents have of the impact of the project they were implementing on the region. However, respondents are careful to generalize and mostly recognize in open comments that those impacts are not as visible for ordinary citizens. The questions under number 7 on the impacts at the sector level had fewer respondents as not all the projects impacted all the areas. It is interesting to note how the development of the private sector had one of the lowest scores probably because not so many projects were implemented in that area.

	Questions asked in the area of impact of the programme	Mean	Standard deviation
1	How do you rate the visibility of your project?	4.1	0.64
2	How do you perceive the effects of your project in terms of increasing regional co-operation in Western Balkans?	4.37	0.62
3	How do you perceive your project as a contribution to truly regional solutions for identified regional and cross-border problems?	4.23	0.67
4	How do you perceive the effects of your project in terms of socio-economic development in Western Balkans?	4.05	0.69
5	How do you perceive the effects of your project in terms of increasing European integration in Western Balkans?	4.5	0.59
6	How do you perceive the contribution of your project to the adoption of the EU acquis?	4.36	0.70
7a	How do you perceive the effects of your project in terms of gender issues?	4.03	0.93
7b	How do you perceive the effects of your project in terms of minority issues?	4.06	1.01
7c	How do you perceive the effects of your project in terms of reducing discrimination of vulnerable groups in society?	4.06	0.91
7d	How do you perceive the effects of your project in terms of environmental issues?	4.11	0.75
7e	How do you perceive the effects of your project in terms of energy issues (energy savings and/or renewable energy sources)?	3.69	0.68
7f	How do you perceive the effects of your project in terms of infrastructure development?	4.17	0.75
7g	How do you perceive the effects of your project in terms of the enforcement of the rule of law?	4.09	0.83
7h	How do you perceive the effects of your project in terms private sector development?	3.77	0.93
8	How do you rate the increase in quality/frequency of the networking between beneficiary countries as an effect of your project?	4.28	0.66
9	How do you rate the increased level of training due to your project?	4.36	0.62

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<b>10</b>	How do you perceive the impact of the CARDS RP in getting people to know the EU contribution to Western Balkans stability?	4.08	0.69
<b>11</b>	How do you perceive RP as a contribution to truly regional solutions for identified regional and trans-cross-border problems?	4.17	0.61
<b>12</b>	How would you rate the impact of CARDS RP to promote cooperation between countries?	4.47	0.56

Below we include the detailed answers for each question.

<b>How do you rate the visibility of your project?</b>						
<b>Impact Question 1</b>	<b>Score</b>	<b>Contractors</b>	<b>Beneficiaries</b>	<b>TOTAL</b>	<b>% Contractors</b>	<b>% Beneficiaries</b>
<b>Highly satisfactory</b>	5	11	7	18	15.7%	10%
<b>Satisfactory</b>	4	22	19	41	31.4%	27.2%
<b>Barely satisfactory</b>	3	4	7	11	5.7%	10%
<b>Unsatisfactory</b>	2	0	0	0	0%	0%
<b>Highly unsatisfactory</b>	1	0	0	0	0%	0%
<b>TOTAL</b>		<b>37</b>	<b>33</b>	<b>70</b>	<b>52.8%</b>	<b>47.2%</b>
<b>N/A</b>	-	-	-	26		
<b>Average</b>	-	4.19	4	4.1		
<b>Std deviation</b>	-	-	-	0.64		

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How do you perceive the effects of your project in terms of increasing regional co-operation in Western Balkans?						
Impact Question 2	Score	Contractors	Beneficiaries	TOTAL	% Contractors	% Beneficiaries
Highly satisfactory	5	19	12	31	27.1%	17.1%
Satisfactory	4	15	19	34	21.4%	27.2%
Barely satisfactory	3	3	2	5	4.3%	2.9%
Unsatisfactory	2	0	0	0	0%	0%
Highly unsatisfactory	1	0	0	0	0%	0%
<b>TOTAL</b>		<b>37</b>	<b>33</b>	<b>70</b>	<b>52.8%</b>	<b>47.2%</b>
N/A	-	-	-	26		
Average	-	4.43	4.30	4.37		
Std deviation	-	-	-	0.62		

How do you perceive your project as a contribution to truly regional solutions for identified regional and cross-border problems?						
Impact Question 3	Score	Contractors	Beneficiaries	TOTAL	% Contractors	% Beneficiaries
Highly satisfactory	5	17	8	25	25%	11.8%
Satisfactory	4	15	19	34	22.1%	27.9%
Barely satisfactory	3	3	6	9	4.4%	8.8%
Unsatisfactory	2	0	0	0	0%	0%
Highly unsatisfactory	1	0	0	0	0%	0%
<b>TOTAL</b>		<b>35</b>	<b>33</b>	<b>68</b>	<b>51.5%</b>	<b>48.5%</b>
N/A	-	-	-	28		
Average	-	4.4	4.06	4.23		
Std deviation	-	-	-	0.67		

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How do you perceive the effects of your project in terms of socio-economic development in Western Balkans?						
Impact Question 4	Score	Contractors	Beneficiaries	TOTAL	% Contractors	% Beneficiaries
Highly satisfactory	5	11	3	14	19%	5.2%
Satisfactory	4	17	17	34	29.3%	29.3%
Barely satisfactory	3	3	6	9	5.2%	10.3%
Unsatisfactory	2	1	0	1	1.7%	0%
Highly unsatisfactory	1	0	0	0	0%	0%
<b>TOTAL</b>		<b>32</b>	<b>26</b>	<b>58</b>	<b>55.2%</b>	<b>44.8%</b>
N/A	-	-	-	38		
Average	-	4.19	3.88	4.05		
Std deviation	-	-	-	0.69		

How do you perceive the effects of your project in terms of increasing European integration in Western Balkans?						
Impact Question 5	Score	Contractors	Beneficiaries	TOTAL	% Contractors	% Beneficiaries
Highly satisfactory	5	20	16	36	30.3%	24.2%
Satisfactory	4	13	14	27	19.8%	21.2%
Barely satisfactory	3	2	1	3	3%	1.5%
Unsatisfactory	2	0	0	0	0%	0%
Highly unsatisfactory	1	0	0	0	0%	0%
<b>TOTAL</b>		<b>35</b>	<b>31</b>	<b>66</b>	<b>53.1%</b>	<b>46.9%</b>
N/A	-	-	-	30		
Average	-	4.51	4.48	4.50		
Std deviation	-	-	-	0.59		

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How do you perceive the contribution of your project to the adoption of the EU acquis?						
Impact Question 6	Score	Contractors	Beneficiaries	TOTAL	% Contractors	% Beneficiaries
Highly satisfactory	5	17	14	31	27.1%	22.3%
Satisfactory	4	12	12	24	19%	19%
Barely satisfactory	3	4	4	8	6.3%	6.3%
Unsatisfactory	2	0	0	0	0%	0%
Highly unsatisfactory	1	0	0	0	0%	0%
<b>TOTAL</b>		<b>33</b>	<b>30</b>	<b>63</b>	<b>52.4%</b>	<b>47.6%</b>
N/A	-	-	-	33		
Average	-	4.39	4.33	4.36		
Std deviation	-	-	-	0.70		

How do you perceive the effects of your project in terms of gender issues?						
Impact Question 7a	Score	Contractors	Beneficiaries	TOTAL	% Contractors	% Beneficiaries
Highly satisfactory	5	7	6	13	18.9%	16.2%
Satisfactory	4	9	6	15	24.2%	16.2%
Barely satisfactory	3	4	2	6	10.8%	5.4%
Unsatisfactory	2	2	1	3	5.4%	2.7%
Highly unsatisfactory	1	0	0	0	0%	0%
<b>TOTAL</b>		<b>22</b>	<b>15</b>	<b>37</b>	<b>59.5%</b>	<b>40.5%</b>
N/A	-	-	-	59		
Average	-	3.95	4.13	4.03		
Std deviation	-	-	-	0.93		



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How do you perceive the effects of your project in terms of minority issues?						
Impact Question 7B	Score	Contractors	Beneficiaries	TOTAL	% Contractors	% Beneficiaries
Highly satisfactory	5	9	4	13	26.5%	11.8%
Satisfactory	4	10	4	14	29.4%	11.8%
Barely satisfactory	3	2	2	4	5.9%	5.9%
Unsatisfactory	2	1	1	2	2.9%	2.9%
Highly unsatisfactory	1	0	1	1	0%	2.9%
<b>TOTAL</b>		<b>22</b>	<b>12</b>	<b>34</b>	<b>64.7%</b>	<b>35.3%</b>
N/A	-	-	-	62		
Average	-	4.22	3.75	4.06		
Std deviation	-	-	-	1.01		

How do you perceive the effects of your project in terms of reducing discrimination of vulnerable groups in society?						
Impact Question 7c	Score	Contractors	Beneficiaries	TOTAL	% Contractors	% Beneficiaries
Highly satisfactory	5	8	4	12	25%	12.5%
Satisfactory	4	8	4	12	25%	12.5%
Barely satisfactory	3	3	3	6	9.4%	9.4%
Unsatisfactory	2	1	1	2	3.1%	3.1%
Highly unsatisfactory	1	0	0	0	0%	0%
<b>TOTAL</b>		<b>20</b>	<b>12</b>	<b>32</b>	<b>62.5%</b>	<b>37.5%</b>
N/A	-	-	-	64		
Average	-	4.15	3.92	4.06		
Std deviation	-	-	-	0.91		

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How do you perceive the effects of your project in terms of environmental issues?						
Impact Question 7d	Score	Contractors	Beneficiaries	TOTAL	% Contractors	% Beneficiaries
Highly satisfactory	5	6	4	10	16.7%	11.1%
Satisfactory	4	9	13	22	25%	36%
Barely satisfactory	3	0	2	2	0%	5.6%
Unsatisfactory	2	1	1	2	2.8%	2.8%
Highly unsatisfactory	1	0	0	0	0%	0%
<b>TOTAL</b>		<b>16</b>	<b>20</b>	<b>36</b>	<b>44.5%</b>	<b>55.5%</b>
N/A	-	-	-	60		
Average	-	4.25	4	4.11		
Std deviation	-	-	-	0.75		

How do you perceive the effects of your project in terms of energy issues (energy savings and/or renewable energy sources)?						
Impact Question 7e	Score	Contractors	Beneficiaries	TOTAL	% Contractors	% Beneficiaries
Highly satisfactory	5	0	1	1	0%	3.8%
Satisfactory	4	6	12	18	23.1%	46.2%
Barely satisfactory	3	3	2	5	11.5%	7.7%
Unsatisfactory	2	1	1	2	3.85%	3.85%
Highly unsatisfactory	1	0	0	0	0%	0%
<b>TOTAL</b>		<b>10</b>	<b>16</b>	<b>26</b>	<b>38.45%</b>	<b>61.55%</b>
N/A	-	-	-	70		
Average	-	3.5	3.81	3.69		
Std deviation	-	-	-	0.68		

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How do you perceive the effects of your project in terms of infrastructure development?						
Impact Question 7f	Score	Contractors	Beneficiaries	TOTAL	% Contractors	% Beneficiaries
Highly satisfactory	5	4	7	11	11.4%	20%
Satisfactory	4	9	12	21	25.7%	34.2%
Barely satisfactory	3	1	0	1	2.9%	0%
Unsatisfactory	2	1	1	2	2.9%	2.9%
Highly unsatisfactory	1	0	0	0	0%	0%
<b>TOTAL</b>		<b>15</b>	<b>20</b>	<b>35</b>	<b>42.9%</b>	<b>57.1%</b>
N/A	-	-	-	61		
Average	-	4.07	4.25	4.17		
Std deviation	-	-	-	0.75		

How do you perceive the effects of your project in terms of the enforcement of the rule of law?						
Impact Question 7g	Score	Contractors	Beneficiaries	TOTAL	% Contractors	% Beneficiaries
Highly satisfactory	5	6	7	13	13.6%	15.9%
Satisfactory	4	15	10	25	34.1%	22.8%
Barely satisfactory	3	2	2	4	4.5%	4.5%
Unsatisfactory	2	0	1	1	0%	2.3%
Highly unsatisfactory	1	1	0	1	2.3%	0%
<b>TOTAL</b>		<b>24</b>	<b>20</b>	<b>44</b>	<b>54.5%</b>	<b>45.5%</b>
N/A	-	-	-	52		
Average	-	4.04	4.15	4.09		
Std deviation	-	-	-	0.83		

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How do you perceive the effects of your project in terms private sector development?						
Impact Question 7h	Score	Contractors	Beneficiaries	TOTAL	% Contractors	% Beneficiaries
Highly satisfactory	5	5	2	7	12.8%	5.1%
Satisfactory	4	9	12	21	23.1%	30.8%
Barely satisfactory	3	2	5	7	5.1%	12.8%
Unsatisfactory	2	1	2	3	2.6%	5.1%
Highly unsatisfactory	1	1	0	1	2.6%	0%
<b>TOTAL</b>		<b>18</b>	<b>21</b>	<b>39</b>	<b>46.2%</b>	<b>53.8%</b>
N/A	-	-	-	57		
Average	-	3.89	3.67	3.77		
Std deviation	-	-	-	0.93		

How do you rate the increase in quality/frequency of the networking between beneficiary countries as an effect of your project?						
Impact Question 8	Score	Contractors	Beneficiaries	TOTAL	% Contractors	% Beneficiaries
Highly satisfactory	5	18	9	27	26.5%	13.2%
Satisfactory	4	14	19	33	20.6%	27.9%
Barely satisfactory	3	5	3	8	7.4%	4.4%
Unsatisfactory	2	0	0	0	0%	0%
Highly unsatisfactory	1	0	0	0	0%	0%
<b>TOTAL</b>		<b>37</b>	<b>31</b>	<b>68</b>	<b>54.5%</b>	<b>45.5%</b>
N/A	-	-	-	28		
Average	-	4.35	4.19	4.28		
Std deviation	-	-	-	0.66		

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How do you rate the increased level of training due to your project?						
Impact Question 9	Score	Contractors	Beneficiaries	TOTAL	% Contractors	% Beneficiaries
Highly satisfactory	5	13	15	28	19.7%	22.7%
Satisfactory	4	20	15	35	30.4%	22.7%
Barely satisfactory	3	1	1	2	1.5%	1.5%
Unsatisfactory	2	0	1	1	0%	1.5%
Highly unsatisfactory	1	0	0	0	0%	0%
<b>TOTAL</b>		<b>34</b>	<b>32</b>	<b>66</b>	<b>51.6%</b>	<b>48.4%</b>
N/A	-	-	-	30		
Average	-	4.35	4.37	4.36		
Std deviation	-	-	-	0.62		

How do you perceive the impact of the CARDS RP in getting people to know the EU contribution to Western Balkans stability?						
Impact Question 10	Score	Contractors	Beneficiaries	TOTAL	% Contractors	% Beneficiaries
Highly satisfactory	5	9	8	17	13.8%	12.3%
Satisfactory	4	18	19	37	27.7%	29.3%
Barely satisfactory	3	7	3	10	10.8%	4.6%
Unsatisfactory	2	1	0	1	1.5%	0%
Highly unsatisfactory	1	0	0	0	0%	0%
<b>TOTAL</b>		<b>35</b>	<b>30</b>	<b>65</b>	<b>53.8%</b>	<b>46.2%</b>
N/A	-	-	-	31		
Average	-	4	4.17	4.08		
Std deviation	-	-	-	0.69		

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How do you perceive RP as a contribution to truly regional solutions for identified regional and trans-cross-border problems?						
Impact Question 11	Score	Contractors	Beneficiaries	TOTAL	% Contractors	% Beneficiaries
Highly satisfactory	5	9	9	18	14.5%	14.5%
Satisfactory	4	20	17	37	32.3%	27.4%
Barely satisfactory	3	3	4	7	4.8%	6.5%
Unsatisfactory	2	0	0	0	0%	0%
Highly unsatisfactory	1	0	0	0	0%	0%
<b>TOTAL</b>		<b>32</b>	<b>30</b>	<b>62</b>	<b>51.6%</b>	<b>48.4%</b>
N/A	-	-	-	34		
Average	-	4.19	4.16	4.17		
Std deviation	-	-	-	0.61		

How would you rate the impact of CARDS RP to promote cooperation between countries?						
Impact Question 12	Score	Contractors	Beneficiaries	TOTAL	% Contractors	% Beneficiaries
Highly satisfactory	5	16	17	33	24.2%	25.8%
Satisfactory	4	17	14	31	25.8%	21.2%
Barely satisfactory	3	2	0	2	3%	0%
Unsatisfactory	2	0	0	0	0%	0%
Highly unsatisfactory	1	0	0	0	0%	0%
<b>TOTAL</b>		<b>35</b>	<b>31</b>	<b>66</b>	<b>53%</b>	<b>47%</b>
N/A	-	-	-	30		
Average	-	4.40	4.54	4.47		
Std deviation	-	-	-	0.56		

## Sustainability

Sustainability has to be financial, meaning that the beneficiary countries should at a certain time contribute to projects, but is also operational meaning that national public administration should acquire the skills for bringing these activities on without external support. The respondents to the web survey are still rather skeptical on the overall sustainability of the programme, above all on the possibility that non-EU actors start financing the projects, even on a limited basis. The perception is still that the countries are more engaged in the national programme than in the regional. The average mean for these questions has been 3.60, well below the satisfactory threshold. The variability is also high (0.81) and reflects a difference between contractors and the beneficiaries, the former being more pessimistic than the latter on sustainability. The tables below shed some light on the a few sustainability aspects as were answered by the respondents to the survey.

	Questions asked in the area of sustainability of the programme	Mean	Standard deviation
1	How do you rate the viability of your project once EU funding will come to an end?	3.79	0.73
2	How do you perceive the financial involvement of non-EU actors as contributing to sustainability?	3.39	0.89
3	How do you rate social sustainability for your project?	3.83	0.75
4	How do you rate the countries' financial commitment to regional cooperation?	3.40	0.86

Below we include the detailed answers for each question.

How do you rate the viability of your project once EU funding will come to an end?						
Sustainability Question 1	Score	Contractors	Beneficiaries	TOTAL	% Contractors	% Beneficiaries
Highly satisfactory	5	5	3	8	7.5%	4.5%
Satisfactory	4	15	26	41	22.4%	38.7%
Barely satisfactory	3	11	3	14	16.4%	4.5%
Unsatisfactory	2	4	0	4	6%	0%
Highly unsatisfactory	1	0	0	0	0%	0%
<b>TOTAL</b>		<b>35</b>	<b>32</b>	<b>67</b>	<b>52.3%</b>	<b>47.7%</b>
N/A	-	-	-	29		
Average	-	3.6	4	3.79		
Std deviation	-	-	-	0.73		



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How do you perceive the financial involvement of non-EU actors as contributing to sustainability?						
Sustainability Question 2	Score	Contractors	Beneficiaries	TOTAL	% Contractors	% Beneficiaries
Highly satisfactory	5	2	2	4	3.6%	3.6%
Satisfactory	4	12	12	24	21.4%	21.4%
Barely satisfactory	3	13	6	19	23.2%	10.7%
Unsatisfactory	2	6	2	8	10.7%	3.6%
Highly unsatisfactory	1	1	0	1	1.8%	0%
<b>TOTAL</b>		<b>34</b>	<b>22</b>	<b>56</b>	<b>60.7%</b>	<b>39.3%</b>
N/A	-	-	-	40		
Average	-	3.23	3.63	3.39		
Std deviation	-	-	-	0.89		

How do you rate social sustainability for your project?						
Sustainability Question 3	Score	Contractors	Beneficiaries	TOTAL	% Contractors	% Beneficiaries
Highly satisfactory	5	3	3	6	5.7%	5.7%
Satisfactory	4	15	21	36	28.3%	39.5%
Barely satisfactory	3	8	0	8	15.1%	0%
Unsatisfactory	2	1	1	2	1.9%	1.9%
Highly unsatisfactory	1	1	0	1	1.9%	0%
<b>TOTAL</b>		<b>28</b>	<b>25</b>	<b>53</b>	<b>52.9%</b>	<b>47.1%</b>
N/A	-	-	-	43		
Average	-	3.64	4.04	3.83		
Std deviation	-	-	-	0.75		

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How do you rate the countries' financial commitment to regional cooperation?						
Sustainability Question 4	Score	Contractors	Beneficiaries	TOTAL	% Contractors	% Beneficiaries
Highly satisfactory	5	1	2	3	1.8%	3.5%
Satisfactory	4	11	15	26	19.3%	26.3%
Barely satisfactory	3	13	8	21	22.8%	14%
Unsatisfactory	2	5	0	5	8.8%	0%
Highly unsatisfactory	1	2	0	2	3.5%	0%
<b>TOTAL</b>		<b>32</b>	<b>25</b>	<b>57</b>	<b>56.2%</b>	<b>43.8%</b>
N/A	-	-	-	29		
Average	-	3.12	3.76	3.40		
Std deviation	-	-	-	0.86		