



Brussels, 5.7.2006
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COMMISSION DECISION

of 5.7.2006

**establishing a Phare multi-beneficiary programme for an interim evaluation facility for
EU pre-accession programmes in Croatia and Turkey in 2006,**

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Establishing a **Phare multi-beneficiary programme for an interim evaluation facility for EU pre-accession programmes in Croatia and Turkey in 2006,**

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EEC) No 3906/89 of 18 December 1989 on economic aid to certain countries of central and eastern Europe¹, as last amended by Regulation (EC) N°2257/2004², and in particular Article 8 thereof,

Having regard to Council Regulation (EC) No 2500/2001 of 17 December 2001 concerning pre-accession financial assistance for Turkey, as last amended by Council Regulation (EC) No 850/2005 of 4 June 2005³,

Whereas:

(1) Regulation No 3906/89 lays down the rules and conditions for the granting of economic aid to certain countries of Central and Eastern Europe,

(2) The measures provided for by this Decision are in accordance with the opinion of the Committee on Aid for Economic Restructuring in certain countries of Central and Eastern Europe,

HAS DECIDED AS FOLLOWS:

Article 1

The programme described in the Annex to the present decision is hereby adopted.

Article 2

The maximum amount of Community assistance shall be **€ 2.8 million** to be financed through budget line **22.02.10** in 2006.

Done in Brussels, **5.7.2006**

For the Commission
Olli REHN
Member of the Commission

¹ OJ L 375, 23.12.1989, p. 11.


² OJ L 389, 30.12.2004, p. 1.

³ OJ L 141, 04.06.2005, p. 1

ANNEX-FINANCING PROPOSAL

1. IDENTIFICATION

The programme identification should be completed as follows:

Beneficiaries	The Republic of Turkey The Republic of Croatia	
Programme	Interim evaluation facility for EU pre-accession programmes in Croatia and Turkey	
CRIS number	2006/017970	
Year	2006	
Cost	M€ 2.8	
Implementing Authority	DG ELARG/E4 (Evaluation Unit)	
Expiry date for contracting	November 30, 2007	
Expiry date for execution	November 30, 2009	
Sector Code	91010	
Budget lines	22.02.10	
Task Manager for programming and implementation		

2. SUMMARY

The overall objective of DG Enlargement evaluation programme is to help enhance the relevance, effectiveness, impact and accountability of pre-accession assistance. Its specific objectives include inter alia to (1) provide the Country Teams in the DG, EC Delegations and Candidate Countries with independent evaluation findings; (2) provide a quality management tool and early warning system for programme implementation; (3) provide advisory services by drawing out lessons learned and feeding them as recommendations into the design of future programmes; and (4) help develop monitoring and evaluation capacities in the Candidate Countries.

Since all scheduled ex ante and ex post evaluation activities have recently been completed or are under implementation, there is no need to plan for additional ex ante and ex post evaluation activities under this Financing Proposal. Interim evaluation will continue to be a key evaluation activity with the establishment of an interim evaluation facility for Turkey and Croatia under this Financing Proposal. This facility builds largely on the current interim evaluation scheme on Romania, Bulgaria and Turkey. Thus, it serves essentially as a management tool for programme managers, provides inputs for decision-making by senior management at the Joint Monitoring Committee (JMC) meetings, and helps the Candidate Countries (CC) to develop their monitoring and evaluation capacities.

3. STRATEGY

The strategic objective of DG ELARG evaluation function is to help enhance the relevance, effectiveness, impact and accountability of EU pre-accession funds. Specifically it provides:

- Country Teams in the DG, EC Delegations and Candidate Countries with independent ex ante, interim and ex post evaluation findings;
- a quality management tool and early warning system for programme implementation;
- advisory services by drawing out lessons learned and feeding them as recommendations into the design of future programmes;
- assistance on establishing monitoring and evaluation capacities in the Candidate Countries.

The formal context of this strategic objective is the Financial Regulation and its Implementing Rules that require that programs shall be periodically evaluated to allow for evaluation findings to be taken into account for the decision-making process. Moreover, Chapter 32 (Financial Control) of the *acquis* sets the framework requirements for developing monitoring and evaluation capacities in the Candidate Countries.

The details of this strategy for interim, ex post and ex ante evaluations are spelled out below and take into account the lessons learned of our evaluation exercises. This strategy is in turn operationally translated into DG ELARG Evaluation Plan (see Annex 1) that is submitted as part of DG ELARG Annual Management Plan.

Interim Evaluation

The **integrated system of monitoring and interim evaluation** was set up in 2001 for the Phare Candidate Countries. In this system, since monitoring and interim evaluation are distinctly different but complementary exercises both in terms of roles and responsibilities, there is no inherent risk of overlap between them⁴. The implementation of the monitoring and interim evaluation system involves successive decentralisation of the responsibilities for monitoring and interim evaluation to the Candidate Countries.

In conjunction with DIS accreditation, the responsibility for monitoring is decentralised to the Candidate Country (but the Commission remains ultimately responsible for monitoring), accompanied by training support. The rationale behind this **decentralisation** is the institution building requirements of sound financial management, where monitoring is a key task of programme management.

Since conducting and managing evaluation activities have proved to be much more complex than monitoring, it would be premature to launch an immediate decentralisation of the responsibility for interim evaluation. As a preparation for decentralising the interim evaluation function, support for developing local evaluation capacity will be provided. Once satisfactory monitoring and evaluation capacities have been developed, the interim evaluation function will also be decentralised.

The **strategic objective** of the interim evaluation (IE) scheme is essentially to serve as a management tool for providing programme managers with judgements on the implementation of on-going programmes and an evaluation of the progress and likelihood of a programme's success in achieving the objectives set (see Annex 2). Recommendations are put forward for improving management and delivery, as well as the design of similar future programmes

⁴ Interim evaluation, unlike monitoring, judges interventions on the basis of *relevance* of the activities' objectives, *why* an activity is or is not achieving its objectives, *how* the performance can be improved as well as on the basis of *results*, *impacts* and *sustainability*. By contrast, monitoring simply reports on what outputs have been produced, at what cost (i.e. inputs) over what time period, and by whom. Another complementarity aspect is that monitoring generates quantitative data on the implementation of the intervention (but not usually on its effects) that are fed into the interim evaluation system, as the basis for its judgement of the interventions. Moreover, unlike the responsibilities for independent evaluation, the responsibilities for monitoring lie with the Operations.

taking account of the needs of multi-annual programming. The findings of these reports are also used when an ex post evaluation is carried out on a particular sector.

The **lessons learned** from implementing this strategic objective of IE scheme have been positive, with the scheme being accepted by almost all CC beneficiaries as an integral part of project cycle management. IE reports receive serious attention, generate a healthy debate among all stakeholders, and lead to the sustained consideration of the recommendations they contain. As an indicator of achievement, it has been shown that about 85% to 90% of the recommendations were accepted by the stakeholders. In this regard, the strong involvement of EC Delegations has a considerable impact on the quality of the outcome of interim evaluations, including the follow-up on the reports' recommendations.

An overview of the IE scheme has shown that following through on evaluation findings and recommendations has a cascade of beneficial effects. These include institutional changes within implementing structures, better coordination within and between ministries and donors, improvements in project design, re-allocation of resources when necessary, gaining additional co-financing and more attention being paid to sustaining the results after completion. The scheme has led to the more effective diffusion of an evaluation culture that promotes accountability and, in turn, sound financial management.

All in all, the conclusions of assessments, including the assessment of an independent Quality Assurance Group, point to that the scheme is functioning efficiently and consistently achieves its objectives. This warrants no major changes in the scheme, which will therefore be subject only to regular fine-tuning.

Ex post Evaluation

Ex post evaluations have two distinct objectives. They provide accountability with respect to the value for money and the use of Community funds by reporting the findings and conclusions of the evaluation to the EU institutions and to the relevant interest groups of the public at large in all Member States. Secondly, they provide lessons learned for decision making on improvements of pre-accession aid to Candidate and potential Candidate Countries.

DG Enlargement Evaluation Unit completed an ex-post evaluation exercise in 2004 that focussed on reporting impacts resulting from the Phare spending of Community funds which were allocated in the 1997/1998 period. The Evaluation Unit is currently conducting another ex post evaluation exercise that is planned to be completed by the end of 2006. This evaluation exercise covers Phare national and CBC programmes from the 1999-2001 allocations, multi-country programmes and thematic reviews, with a specific focus on Romania and Bulgaria. It is also designed to be particularly useful for meeting decision-making needs by also providing for an interim evaluation of post-2001 allocations. Since these two ex post evaluation exercises meet the requirements of the Financial Regulation as well as decision-making needs, there is no need to plan an additional ex post evaluation exercise under this Financing Proposal.

Ex ante Evaluation

In 2002/2003, DG ELARG Evaluation Unit carried out an *ex ante evaluation* of Phare programming mechanisms that provided a number of concrete recommendations to decision-makers preparing Phare and analogous pre-accession assistance programmes for 2004 and beyond.

In accordance with the obligations of the Financial Regulation, an ex ante evaluation of the Multi-annual Indicative Planning Documents/ programming documents of the new Instrument for Pre-Accession Assistance (IPA) is scheduled for 2006. It will serve as inputs

into the finalisation of those documents. This evaluation exercise will essentially be conducted as an in-house evaluation.

4. OBJECTIVES AND DESCRIPTION

Objectives

The wider objective of the IE facility is to help enhance the relevance, efficiency, effectiveness, impact and sustainability, as well as accountability, of pre-accession assistance programmes as a support to achieving the overall EU policy objective of accession of the Candidate Countries.

The immediate objectives of the IE facility are threefold : (1) to provide independent judgements on the efficiency of on-going programmes, describing the success of the programmes in achieving their objectives, the performance of the parties involved and the capacity of Candidate Countries to absorb the assistance; (2) to disseminate the lessons learned with a view to improving the implementation of current programmes and the design of future programmes also with respect to multi-annual programming; and (3) to help Candidate Countries develop local monitoring and evaluation capacities.

Activities and outputs

As mentioned in section 3, the interim evaluation scheme is centrally managed by the Commission Services with a continuation of the current scheme (see Annex 2) as specified in the Interim Evaluation Guide of 2004. DG ELARG Evaluation Unit sets the guidelines for the scheme, supervises and quality-controls the execution of the annual interim evaluation work plans to inter alia ensure that all sectors are evaluated every year in each country and all individual on-going programmes are covered at least every two years.

The evaluations are conducted by evaluators in a Central Office in Brussels and/or in the beneficiary country concerned. To this effect, the contractor will be requested to set up offices in Zagreb and Ankara, and a Central Office in Brussels. The evaluation office in Ankara will only be opened after termination of the current IE facility in 2007Q1 (see Annex 5 for details on evaluation activities in Turkey).

In Turkey and Croatia, the outputs of the resident evaluators will include:

- sectoral evaluation reports, taking account of the multi-annual aspects of the sectors, for the SMSC/JMC meetings;
- country summary evaluation reports for the JMC meetings; and
- ad-hoc evaluation reports as requested by DG ELARG Evaluation Unit.

As regards the outputs of the Central Office, they include: (1) thematic/country reports for Croatia and Turkey; (2) multi-country IE reports; (3) support to developing local monitoring and evaluation capacities; and (4) know-how exchange on interim evaluation between the Candidate Countries, new Member States and potential Candidate Countries.

The evaluators will draw on the information contained in the relevant monitoring reports. They will:

- carry out interviews and field visits to assess information contained in the monitoring reports and other sources;
- judge interventions on the basis of *relevance* of the activities' objectives, *why* an activity is or is not achieving its objectives, *how* the performance can be improved as well as on the basis of *results*, *impacts* and *sustainability*;
- prepare the interim evaluation reports; and
- present their findings and recommendations to debriefing meetings and SMSC/JMC meetings.

It is envisaged to staff the two in-country evaluation offices with two expatriate consultants of whom a Team Leader and three locals in Turkey, and one expatriate consultant acting as the Team Leader and one local in Croatia.

As regards Central Office activities, the Commission envisages selecting and recruiting an overall Project Director, who will be based at Central Office in Brussels. S/he will be assisted by an evaluator who would deputise the Project Director, and additional technical, administrative, secretarial, editing and support staff.

The interim evaluation facility is planned to start in 2006Q4 for at least 1.5 to 2 years. The evaluations will thus essentially cover the Phare and IPA pre-accession programmes of years 2004, 2005 and 2006 in Turkey, and years 2005 and 2006 in Croatia.

5. BUDGET

Interim evaluation facility	Total	
Interim evaluation facility for EU pre-accession programmes in Croatia and Turkey	2.8 M€	
of which		
• IE activities in Croatia;	(0.70 M€)	
• IE activities in Turkey;	(1.10 M€)	
• Central Office in Brussels.	(1.00 M€)	
Total	2.8 M€	

Figures between brackets are indicative

6. IMPLEMENTATION ARRANGEMENTS

a) Procurement

The Commission Services will select the contractor via restricted tender procedure.

b) Financial and project management

The programme will be implemented by the European Commission following Article 53.1 (a) of the Council Regulation (EC, Euratom) Nr. 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Commission (the Financial Regulation: FR) as further detailed in the rules for the implementation of Council Regulation on the Financial Regulation applicable to the general budget of the EC (Implementing Rules: IR).

c) Contracting and execution deadlines

Contracting deadline: 30 November 2007

Deadline for execution of contract: 30 November 2009

The detailed schedule for the contracting and execution of the contract is presented in Annex 4.

7. MONITORING AND EVALUATION

The Commission services will monitor the implementation of the Programme on the basis of reports from the selected contractors and independent assessments.

The Commission services will organise an independent assessment by a Quality Assurance Group (QAG) of the performance of the interim evaluation exercise. The conclusions and recommendations of the QAG of the previous IE exercises will be taken into account as lessons learned in this new facility.

8. AUDIT, FINANCIAL CONTROL, ANTI-FRAUD MEASURES, PREVENTIVE AND CORRECTIVE ACTIONS

The accounts and operations of all activities carried out under the programme are subject to supervision and financial control by the Commission (including the European Anti-fraud Office) and the Court of Auditors. This includes measures such as ex-ante verification of tendering and contracting carried out.

In order to ensure efficient protection of the financial interests of the Community, the Commission can conduct on-the-spot checks and inspections in accordance with the procedures foreseen in Council Regulation (Euratom, EC) N° 2185/96 dated from 11 November 1996, concerning on-the-spot checks and inspections carried out by the Commission in order to protect the European Communities' financial interests against fraud and other irregularities.

The controls and audits described above are applicable to all contractors and subcontractors who have received Community funds.

Beneficiary States shall inform the Commission services without delay of any element of information indicating the possible existence of irregularities or fraud.

Irregularity shall mean any infringement of the Financing Proposal, resulting contracts or Community legislation resulting from an act or omission by an economic operator, which has, or would have, the effect of prejudicing the general budget of the Communities or budgets managed by them, either by reducing or losing revenue accruing from own resources collected directly on behalf of the Communities, or by an unjustified item of expenditure.

Fraud shall mean any intentional act or omission relating to:

- . The use or presentation of false, incorrect or incomplete statements or documents, which has as its effect the misappropriation or wrongful retention of funds from the general budget of the European Communities or budgets managed by, or on behalf of, the European Communities;
- . Non-disclosure of information in violation of a specific obligation, with the same effect;
- . The misapplication of such funds for purposes other than those for which they are originally granted.

The procedures foreseen in Commission Regulation N°1681/1994 of 11 July 1994 on the communication in case of irregularities and the putting in place of a system to administrate the information in this field shall apply.

The applicability of the Financial Regulation includes the application of administrative and financial sanctions, as provided for in Articles 93 to 96 and 114 of the Financial Regulation, and Article 133 of the Implementing Rules.

9. VISIBILITY AND PUBLICITY

In implementing this Programme, the Commission shall provide for the maximum visibility of EU actions in the beneficiary countries. In line with this, the Commission shall consistently apply the note "Information and publicity for the Phare Programmes of the European Communities."