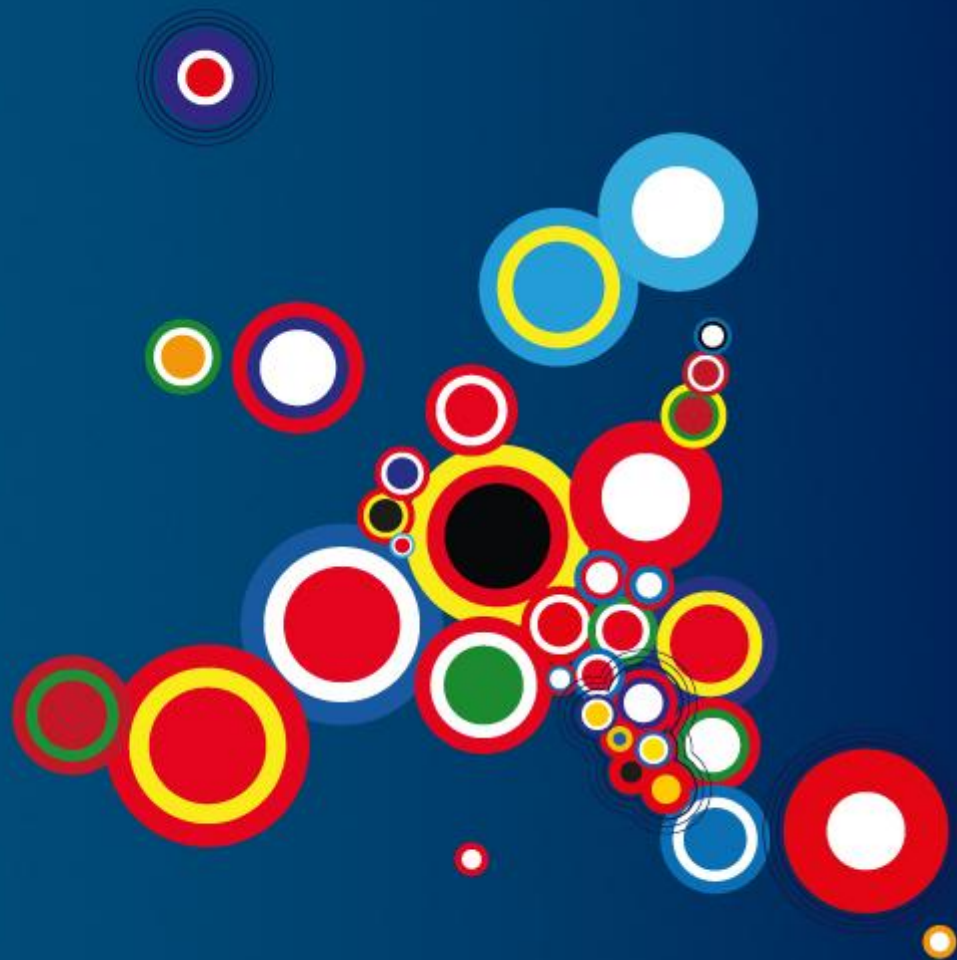




IPA McP Coordination Meeting

Brussels
14 November 2014





MC Programme 2015 – regional Structures & Networks

Mr Kjartan Björnsson

***Deputy Head of Unit D3
DG Enlargement***

MC Programme 2015 – regional Structures & Networks

- Regional cooperation involves peer review and sharing of good practices.
- Participation in regional structures and networks must be specific and inclusive, and firmly linked to national reform priorities – otherwise little impact.
- Tentative funding of 31 millions

MC Programme 2015 – regional Structures & Networks

- Priority areas:
 - Trade facilitation
 - ReSPA
 - Witness Protection
 - ECRAN
 - Civil Protection
 - SEETO
 - Platforms for R&D, Education (might be postponed) and Employment



MC Programme 2015 – regional Investment Support

Mr Wolfgang Schläger

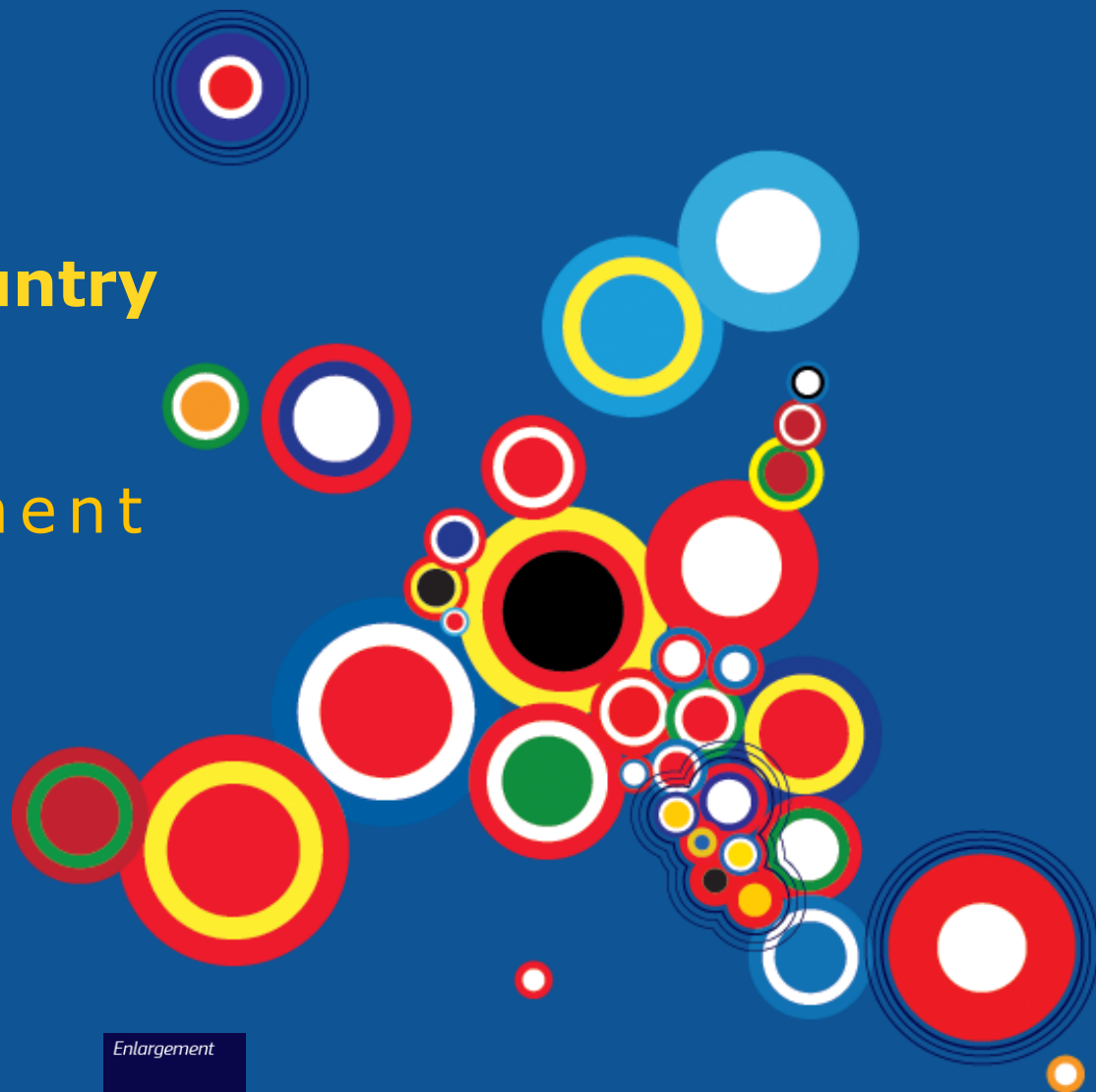
Head of Sector

***Economic Development & IFI Cooperation
Unit D3, DG Enlargement***



Indicative Multi Country Programme 2015:

Regional Investment Support



Regional Investment Support under IPA 2015 MC Programme

1. WBIF
2. EDIF
3. EFSE
4. GGF
5. RHP

Others: SEETO Secretariat

1. Western Balkans Investment Framework (WBIF)

- Investment pillar for co-financing of regional projects (connectivity, SPP)
- TA pillar for identification and preparation of national and regional projects
- Agreement with Jaspers for project preparation and implementation
- Indicative allocations: 90-135 M EUR

2. Western Balkans Enterprise Development and Innovation Facility (EDIF)

- Main instrument for SME investment support in WB
- Amendment of the EDIF Coordination Agreement with EIF to extend the support the beneficiary countries participation in EDIF governance.
- Indicative allocation: 5 M EUR

3. European Fund for Southeast Europe

- Enhancing access to micro-finance for micro & small companies and households
- Extension of trusteeship relations with EIF
- Indicative allocation: 1,5 M EUR

4. Green for Growth Fund (GGF)

- Assists beneficiaries to promote investments in energy efficiency and renewable energy generation
- Replenishment of the GGF TA Facility
- Indicative allocation: 5 M EUR

5. Regional Housing Programme

- Targets the provision of durable housing solutions to the most vulnerable remaining refugees from the Yugoslav wars
- multi- Donors Fund, with EU being the principle donor financing more than 90%
- Further allocation to fulfil the pledge by the COM
- Indicative allocation: 15 M EUR

Others: SEETO Secretariat

- Cross-delegated to DG MOVE
- Support the capacity of SEETO Secretariat and targeted TA
- Indicative allocation: 0.75 M EUR



Evolution of Western Balkans Investment Framework

Mr Wolfgang Schläger

Head of Sector

***Economic Development & IFI Cooperation
Unit D3, DG Enlargement***

Background

WBIF: Innovative financing initiative which pools grant resources in order to leverage loans for the financing of priority infrastructure and socio-economic development in the WB, bringing together beneficiaries, IFIs and bi-lateral donors

Recent changes:

=> require adaptation of approach towards support to WB Infrastructure Investment Projects:

- new Financial Regulation
- IPA II
- from TA to investments
- priority: connectivity

The new method:

Proposals for a new method to be presented to WBIF SC in LUX on:

1. Alignment of Joint Fund (EWBJF) with provisions of new FR

2. Coherent methodology for co-financing
3. Reviewing criteria for project maturity – both preparation and implementation
4. Distinction regional vs. national
5. The SPP and "NIC Framework" establishment

1. Alignment of Joint Fund with provisions of new FR

- Cornerstone of future set-up of WBIF to ensure that the foreseen IPA funds from the MC Programme for co-financing of infrastructure investments can be channelled via the WBIF
- Proposal of the COM seems to be acceptable – some further technical details still to be clarified
- Advantage: In line with requirements of new FR; no major changes to WBIF decision making process
- Challenges regarding timeline and additional COM internal procedures

2. Coherent methodology for co-financing

- Not only TA but also co-financing of investment costs (TA continued to be financed up to 100%)
- Uniform approach for all IPA financing regarding investments (national and regional envelope)
- Only applied to projects where IFIs are prepared to co-finance with loans
- Proposal for maximum percentage of co-financing (= max. level of EU contribution to the total investment costs)
- Based on DG REGIO funding gap method, past experience and enlargement agenda (e.g. favouring renewable energy)

3. Reviewing criteria for project maturity

- Group I projects:

TA for project preparation)

(pre-)feasibility studies, CBA, EIA, ...

=> TA pillar of WBIF with one single interlocutor
can finance national AND regional projects

- Group II projects

implementation of mature projects

Detailed design, TD preparation, supervision, ...

=> can be financed as part of an investment grant
provided by IPA via the WBIF if regional project

4. Distinction regional vs. national

- Ensure that scarce IPA funds are directed to priority investment projects
=> regional IPA funds for regional projects
- Connectivity – guiding principle (Berlin, Belgrade, ... Vienna) and new Commission
- Based on Regional Organisations (SEETO, Energy Community, etc.)
 - More coordination required (Link to SPP/NIC process)

5. The SPP and NIC Framework

Three mandatory criteria of the NIC Framework

- Ownership: to be demonstrated by the involvement / signing off of projects by the MoF and PM Office/Council of Ministers;
- Prioritisation: of projects and distinction of mature and not mature leading to a single list of prioritised projects ready for submission, based on objective criteria (followed by ownership);
- Transparency: to be demonstrated by the structured processing of projects through the project pipelines; which national key stakeholders are involved.

Not an institution, but rather a process!

Next steps:

- Comments of stakeholders by 19 November on new method (approved by IPA Steering Committee) and proposal for Joint Fund mechanic
- Steering Committee WBIF 9 December (decision)
- Screen possible adaptation needs of WBIF founding docs
- Screen mature project pipeline for investments
- Internal COM procedures to be adapted
- Finalisation of delegation agreement templates to be signed with lead IFIs

Synoptic Report of ROM

**Ms Sophie Papalexiou &
Mr Colm Dunne**

Particip GmbH

Results Oriented Monitoring – Western Balkans and Turkey

Synoptic presentation on ROM reports for
Multi-beneficiary Programmes 2011 to 2014



A project financed by the
European Union

Results Oriented Monitoring (ROM)
Western Balkans and Turkey

Implemented by a
consortium led by



A reminder of ROM

- ROM is a tool for the systematic monitoring of programmes from a results perspective.
- There are 3 levels of ROM: 1) the ROM reports; 2) ROM portfolio analysis; 3) Lessons from ROM for future programming. All three levels are referred to in this presentation.
- ROM provides relevant and timely information to programme managers, implementing agencies, and beneficiaries to improve decision making

ROM Methodology

- Programmes and projects are selected for a ROM assessment based on set criteria and the demand from the Programme managers.
- The ROM uses a template of questions (the BCS) based on the DAC criteria (relevance, efficiency, effectiveness, impact and sustainability)
- Up to 3 countries are visited to interview beneficiaries and follow-up the programmes on-the-spot
- The ROM report is issued after 15 working days from the completion of fieldwork

Presentation

- 1. The numbers
- 2. Short case studies
- 3. ROM recommendations and lessons learned
- 4. The future challenges for ROM Regional

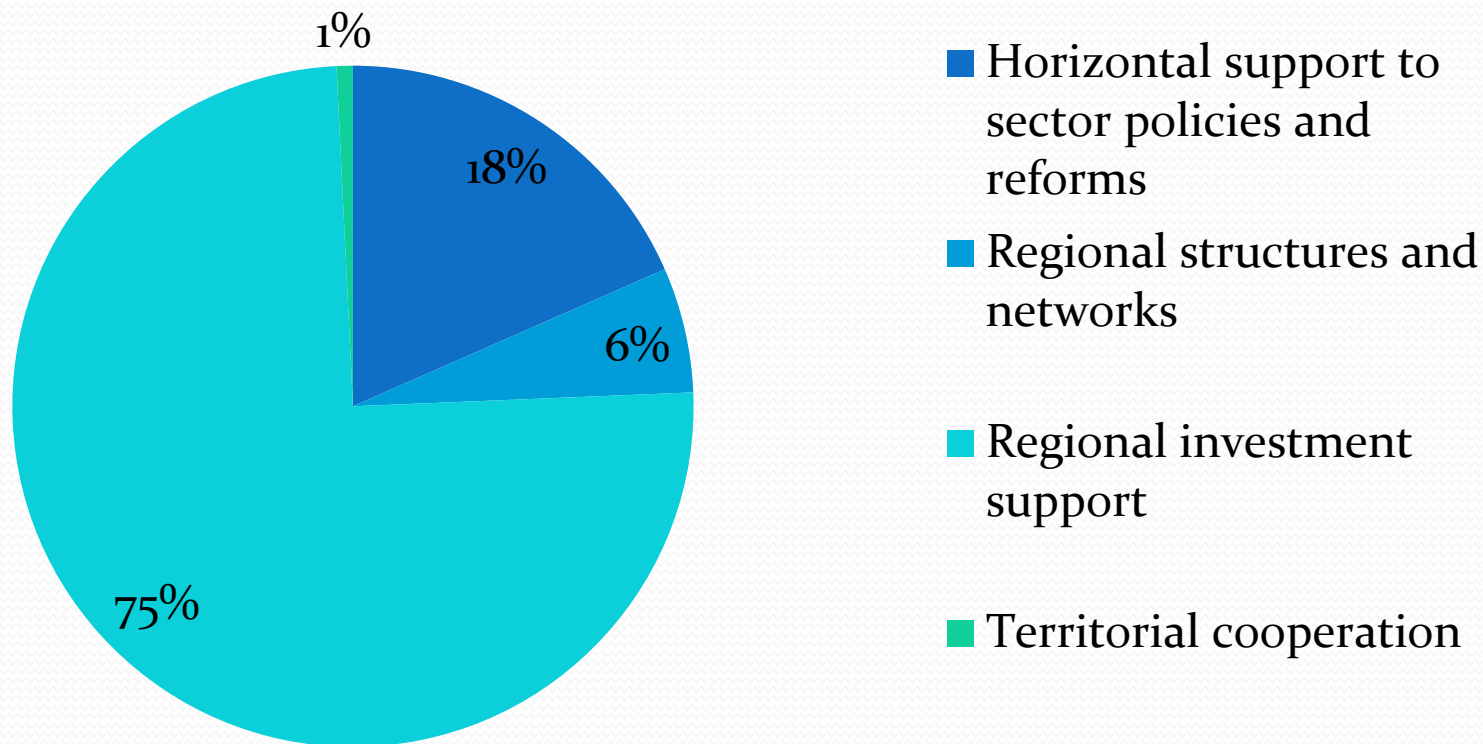
The Numbers

- 82 ROM reports in the last 4 years (plus 5 in progress today); monitoring EUR 509.5 million of multi-beneficiary expenditure.

	<EUR 1m	EUR 1-5m	EUR 5-10 m	>EUR 10m	Totals
Number of reports	17	40	12	13	82
Primary expenditure	EUR 9.12m	EUR 83.42m	EUR 77.54m	EUR 339.45m	EUR 509.53m

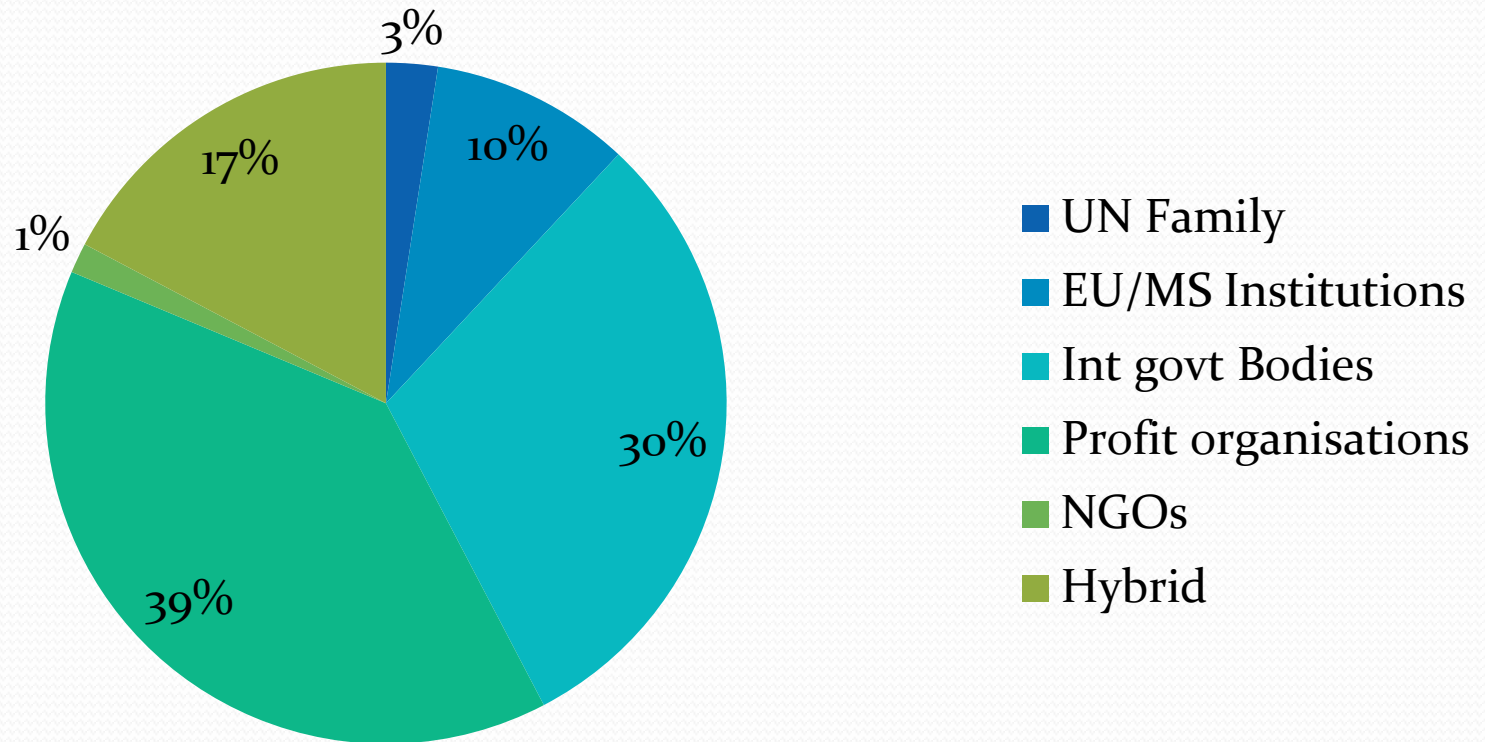
ROM reports by Axis are fairly representative

Primary Allocations in EUR millions



ROM Reports covered all of the key Implementing partners

Primary Allocation in EUR millions



ROM Coverage is achieved through a mature relationship with Programme Managers

- ROM coverage is broadly representative of both the investment priority axes and of the modes of intervention used.
- ROM experts must understand the complex strategies and structures that are in use:
 - Use of senior specialists; more face to face meetings with the Programme Managers
 - A good sharing of information with us on the matters of concern to programme managers
- There is an increasing trend to go beyond the DAC criteria assessments

ROM grading gives 3 separate perspectives of performance

- ROM categories: I, IIa, IIb, IIc, III, IV
- DAC criteria scoring assigns grade a, b, c, d, for each of the five DAC criteria – relevance; efficiency; effectiveness; impact; sustainability
- An overall numerical score on a scale from 1 to 4 is computed for each DAC criterion
- The ROM reports also report on 4 horizontal criteria – gender equality; environment; governance and human rights
- The ROM reports include conclusions, recommendations and lessons learnt (from ex post ROM)

ROM Category scoring for Multi-beneficiary programmes 2011 - 2014

	Number of reports	I	Ila	Ilb	Ilc	III	IV
ROM On-going							
2011-2012	38	10%	45%	16%	16%	8%	5%
2013-2014	36	19%	33%	24%	5%	5%	14%
ROM ex post							
2011-2012	5				40%	40%	20%
2013-2014	3	33%	33%	33%			

The overall proportion of “good allocations” is stable
 ROM looked at a higher proportion of “problem allocations” in 2013-14

DAC scoring for ROM on-going

	Very good (a)	Good (b)	Problems (c)	Serious deficiencies (d)	Numerical score (1 to 4)
2011-2012 (38 reports)					
Relevance	34%	53%	10%	3%	3.09
Efficiency	18%	55%	21%	5%	2.90
Effectiveness	16%	63%	21%	-	3.04
Impact	21%	55%	21%	3%	2.89
Sustainability	10%	61%	29%	-	2.88
				Overall	2.96
2013-2014 (36 reports)					
Relevance & Quality of Design	14%	72%	14%	-	3.01
Efficiency	22%	50%	14%	14%	2.78
Effectiveness	6%	64%	22%	8%	2.79
Impact	14%	64%	19%	3%	2.90
Sustainability	6%	50%	42%	3%	2.70
				Overall	2.84

DAC scoring for ROM ex post

	Very good (a)	Good (b)	Problems (c)	Serious deficiencies (d)	Numerical score (1 to 4)
2011-2012 (5 reports)					
Relevance	-	20%	80%	-	2.38
Efficiency	-	40%	60%	-	2.36
Effectiveness	-	20%	80%	-	2.30
Impact	-	20%	60%	20%	2.16
Sustainability	-	20%	80%	-	2.14
				Overall	2.27
2013-2014 (3 reports)					
Relevance & Quality of Design	33%	67%	-	-	3.43
Efficiency	67%	33%	-	-	3.45
Effectiveness	33%	67%	-	-	3.67
Impact	33%	33%	33%	-	3.00
Sustainability	-	100%	-	-	3.13
				Overall	3.34

Messages from DAC Scoring - Programming

- Programming of MB allocations scores well, especially when the EU approach (ToR; Logframe) is used
- Programming can suffer when the approach of the implementing partner is used (eg WB concept notes)
- There is usually a good level of consultation with beneficiaries at the programming stage (from existing relationships).
- There are usually strong output indicators but less SMART results indicators.

Messages from DAC Scoring - Implementation

- MB programmes are usually implemented well But
- Difficulties arise when there are several joint partners
- The lead-in time for regional investment axis is long (3-5 years) during which time the relevance of the allocation may reduce (eg SME Support in Turkey)
- The standard of progress reporting to the Programme Managers is generally poor for the UN Family and for International Organisations.
- In problem cases, the poor management of risk is usually a key factor.

Messages from DAC Scoring: Result/Sustainability

- Sustainability is a problem for the Multi-beneficiary programmes:
 - The ownership of networks requires money. Some good examples of NGOs assuming ownership
 - Implementing partners tend not to provide for sustainability, especially if they have their own on-going relationships
 - Sometimes, it is assumed the EU will continue funding
 - Beneficiaries are usually not strong enough to assume ownership
 - Sustainability of regional structures can suffer from national political influences

Some Good practice examples from 2011-14

- Axis 1 (Horizontal support to policy)
 - @cybercrime
 - UNICEF: Protection of children from violence
 - Preparation for participation with the EMCDDA
- Axis 2 (Regional structures)
 - SEECEL
- Axis 3 Regional Investment
 - EFSE; GGF; PSSF WB; Horizontal liaison with IFIs

Case Study: UNICEF Protection of Children from Violence

- 2 joint ROMs performed (on-going and ex post)
 - UNICEF staff served as ROM experts under our direction
 - They completed national BCS; we wrote the consolidated reports
- Good goal congruence between IPA and UNICEF objectives
- ROM conclusions and recommendations were followed
- High level access to local UNICEF offices; Brussels and Geneva offices and to in-country Ministers
- ROM discussions challenged their internal perspective on their own goals; reminded them to look for lessons learned
- They have set up an internal ROM focal point

Challenging cases from 2011-14

- Disaster risk reduction: a decision to close the programme was pending.
- Police cooperation: SECI/SELEC – strong political influences were interfering with the programme
- Promoting human rights and minority protection: Internal staff issues with the implementing agency
- WB Trust Fund for M&E indicators: Programme was seriously delayed and promised results which were not being delivered (no added value)
- VIND: nuclear safety in Serbia –Serbian government had not delivered its contribution; IAEA was reluctant to deal with political issues
- RHP: Regional Housing Programme

Case Study: Regional Housing Programme

- Large complex action to solve a long term problem;
- Partners: EC; CEB; UNHCR; private contractor; 4 Governments working (cross-border) together;
- Many positive features: Good funding level; IFI trust fund rules; Human Rights respected; TA assistance where needed but also major challenges:
 - In a project with many different actors, obtaining a unified management and goal congruence is a real challenge;
 - Without such unified management, there is a high risk that each partner stays within their own role, whereas *results approach needs authority to intervene across roles*;
 - Balance of responsibility between international and national partners very difficult to achieve: *results approach needs exceptional attention to risks, and overall management of the critical path.*

Recurring issues

- Information sharing with the EU Delegations (and with IPA National Programmes) is not good
 - Municipal Window projects
- Progress reporting especially from the International Organisations, IFIs and the UN Family
 - EIB; EBRD will only report what is asked for. They have much more information for their own internal reporting
 - There is a misconception that the EC is only interested in activity reporting and financial control (rather than results) eg UNHCR
 - Minimum frequency should be 6 months

The future

- IPA II programming for the MB Programmes deepens their strategic contribution to enlargement strategy;
- The 4 Axes show that there is a different hierarchy of objectives for the MB Programmes when compared to IPA National. This poses an aggregation challenge for the MB indicators and for ROM Regional
 - New definitions of “sector change” and “contribution to change” are a challenge for MBP programming and for future ROM
- ROM is expected to address more strategic issues beyond the DAC criteria (RHP; WBEDIF) like:
 - Goal congruence among implementing partners
 - The appropriateness of implementing structures
 - The influence of other factors

Recommendations

- Seek common results indicators for the 4 axis
- Consider a guidance note on the importance of risk management and its link to results
- Refocus interim progress reporting on short quantitative and qualitative presentations of results (milestones)
- Require an annual “aggregated perspective” of the ROM Regional portfolio based on the 4 axes (Note: this will require an update to the ROM Workbook)

Concluding Remarks/Address

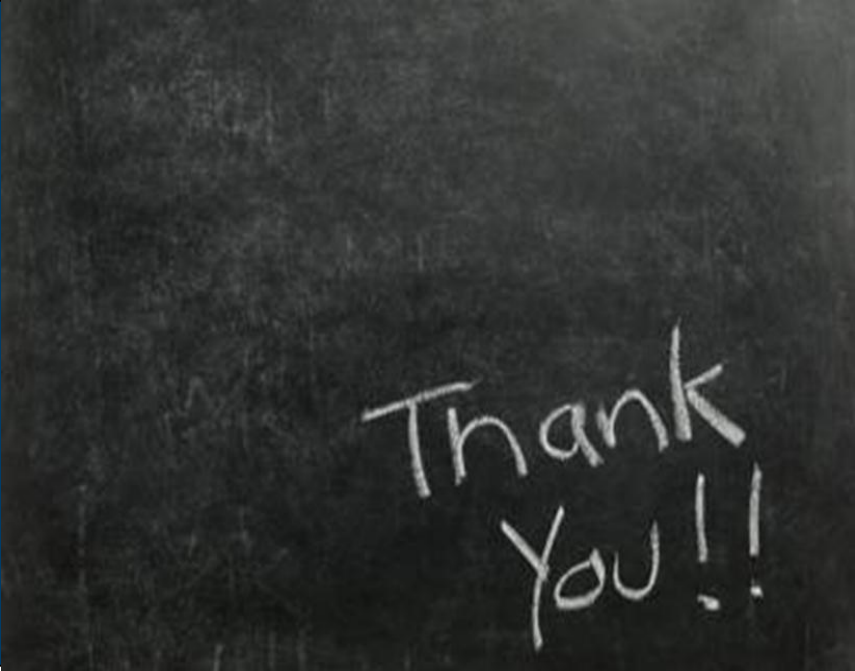
Mr Morten Jung

Head of Unit D3

Regional Cooperation and Programmes

DG Enlargement

End of the meeting



Thank
You!!