

STUDY  
requested by the CONT committee



# The effectiveness and visibility of EU funding in the Western Balkan countries with a special focus on the cross-border cooperation

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Budgetary Affairs

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Directorate General for Internal Policies of the Union  
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DIRECTORATE GENERAL FOR INTERNAL POLICIES  
POLICY DEPARTMENT D: BUDGETARY AFFAIRS

# Effectiveness and Visibility of EU funding in the Western Balkan countries with a special focus on the cross-border cooperation

## STUDY

### **Abstract**

This briefing considers the effectiveness and visibility of EU funding in the Western Balkans, Cross-Border Cooperation (CBC) in particular. CBC is reported to have enhanced relations between neighbouring countries at central and regional levels and it has reportedly helped prepare local authorities for eventual management of EU funds. Visibility is reported to be good but it is not known how this translates into public awareness and understanding of EU funding. With IPA II, there is increased emphasis on outcome monitoring and evaluation, and on visibility and communication. The effects of these and other changes remain to be seen.

This document was requested by the European Parliament's Committee on Budgetary Control. It designated Mr Joachim Zeller (MEP) and Mr Wolf Klinz (MEP) to follow the study.

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## LIST OF ABBREVIATIONS

<b>AGRI</b>	European Commission Directorate General for Agriculture and Rural Development
<b>BiH</b>	Bosnia and Herzegovina
<b>CBC</b>	Cross-Border Cooperation
<b>CVR</b>	Communication and Visibility in EU-financed external actions - Requirements for implementing partners (Projects)
<b>DG</b>	Directorate General
<b>EC</b>	European Commission
<b>EEAS</b>	European Union External Action Service
<b>EIDHR</b>	European Instrument for Democracy and Human Rights
<b>EMPL</b>	European Commission Directorate General for Employment, Social Affairs and Inclusion (EMPL)
<b>ENI</b>	European Neighbourhood Instrument
<b>ERDF</b>	European Regional Development Fund
<b>EU</b>	European Union
<b>fYRoM</b>	Former Yugoslav Republic of Macedonia
<b>IcSP</b>	Instrument Contributing to Stability and Peace
<b>IFI</b>	International Financial Institutions
<b>IPA</b>	Instrument for Pre-Accession Assistance
<b>JMC</b>	Joint Monitoring Committee
<b>NEAR</b>	European Commission Directorate General for European Neighbourhood Policy and Enlargement Negotiations
<b>NGO</b>	Non-Governmental Organisation
<b>MCSP</b>	Multi-Country Strategy Paper
<b>WBIF</b>	Western Balkans Investment Framework

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## **EXECUTIVE SUMMARY**

### **INTRODUCTION**

This briefing paper has been prepared by Blomeyer & Sanz in response to a request by the European Parliament to: (1) provide an overview of European Union (EU) funding in Western Balkan countries; (2) assess the effectiveness of EU funding in Western Balkan countries with a special focus on cross-border funded projects (national versus regional); and (3) assess the visibility of EU funding in Western Balkan countries with a special focus on cross-border funded projects (national versus regional).

For the purposes of this paper, the Western Balkans are defined as comprising of: Albania, the former Yugoslav Republic of Macedonia, Montenegro, Serbia, Bosnia and Herzegovina, and Kosovo. The first four are EU Candidates while the last two are Potential Candidates. Of the four Candidate Countries, membership negotiations have started with Serbia and Montenegro, which are considered the front runners for EU accession.

### **BACKGROUND**

EU support to the region is provided primarily through the Instrument for Pre-Accession Assistance (IPA), which is currently in its second phase. The first phase of IPA (2007-2013) had a budget of EUR 11.4 billion and IPA II (2014-2020) has a budget of EUR 11.7 billion. In the Western Balkans, national programmes account for EUR 3.9 billion. Support to reforms in view of EU accession and socio-economic and regional development account for more than 70% of the support allocated to the Western Balkans. Regional programmes account for EUR 2.9 billion (including Turkey). Territorial cooperation (EUR 395.2 million including Turkey) includes transnational programmes, cross-border cooperation (CBC) programmes between IPA countries, CBC programmes between IPA and Member States and CBC programmes between IPA and European Neighbourhood Instrument (ENI) countries. CBC programmes aim to foster socio-economic development in border areas and to promote good neighbourly relations, thus contributing to stability in the region.

### **EFFECTIVENESS OF CBC FUNDING**

CBC programmes are considered to have contributed to strengthening relations between neighbouring countries by bringing stakeholders from different countries together at national and local levels. However, there is no information about the quality and durability of these developments. Stakeholder feedback suggests that CBC programmes prepare local authorities to manage EU funds after accession, which is considered very significant. Some adjustments have been made with IPA II with the aim of improving overall performance but their effect cannot yet be assessed. Unless the quality of monitoring and evaluation is significantly improved, it is possible that insight into the effectiveness of IPA II will also be limited. The quality of monitoring and evaluation depends heavily on the quality of programme and project design, in particular the clarity of objects, and the allocation of resources for systematic and timely collection and analysis of the necessary information.

CBC programmes provided added value in two main respects. Firstly, they incentivise local authorities and organisations in cross-border areas to cooperate, thus fostering good neighbourly relations.

Secondly, CBC programmes provide funding for remote and peripheral areas that have little or no access to other funding.

Changes introduced with IPA II are expected to lead to improvements. Compared with IPA (2007-2013), there is a greater focus on results with IPA II, there is closer alignment between IPA and national policies at the programming stage, and there is a new sectoral approach and thematic focus. For CBC there is now just one managing authority per CBC programme, and partners in neighbouring countries submit a single joint application, progress reports, etc. However, it is too early to assess the outcomes of IPA II CBC.

Coordination and coherence of EU funding is challenging in the Balkans because of the fragmented nature of the operating environment, and there is room for improvement in the cooperation and coherence between IPA programmes, IPA programmes and national strategies, and between IPA programmes and other EU or donors' actions.

Assessing the effectiveness of CBC programmes under IPA (2007-2013) has been highly problematic due to the lack of systematic information about IPA outcomes. Comparison between national and multi-country programmes is therefore not possible for this reason. As far as CBC programmes are concerned, assessments appear to have been based largely on qualitative, and to some extent anecdotal, evidence. IPA II CBC is in the early stages of implementation and there is little information on outcomes at this stage. While there is greater emphasis on monitoring and evaluation of outcomes under IPA II, there seems to be a continuing lack of common understanding of key monitoring and evaluation concepts. Without addressing this confusion, expected improvements in assessment of outcomes may not materialise to the extent expected. However, the Directorate General for European Neighbourhood Policy and Enlargement Negotiations (NEAR) is planning to contract services to develop monitoring and evaluation capacity within DG NEAR, EU Delegations, and amongst national stakeholders.

## **VISIBILITY**

There are many visibility activities relating to CBC. Visibility is considered to be improving compared with IPA (2007-2013) and there are examples of innovative approaches. However, it is not possible to assess the extent to which visibility activities are translated into public awareness and understanding of EU funding, due to the very limited information available. There is acknowledgement that visibility needs to improve. This is reflected in Council conclusions of 15/12/2015 on improved strategic communication, and in the IPA 2015 & 2016 Information & Communication Programme.

However, Commission guidelines emphasise communication and visibility rather than public awareness and understanding of EU-funded projects and programmes. As a result, key actors tend to assess the effectiveness of communication and visibility efforts on the basis that specified visibility activities have been carried out, rather than on evidence of what citizens actually know about EU-funded projects and programmes. This seems to be due to the lack of systematic research into public awareness and understanding of EU funding. Tools such as public surveys and opinion polls are apparently rarely used. Anecdotal evidence and proxy indicators are often used as a basis for extrapolating public awareness and understanding of EU funding. Reliance on such evidence may be

risky, especially if it relates mainly to people who have been involved in projects and programmes and leaves out the general population in target regions.

CBC visibility activities appear to be mainly concentrated in the CBC regions, and some feedback indicates that there may be limited awareness of CBC in the general population.

Project and programme outcomes are in themselves an important element of visibility. The lack of outcome information means that an important element of communication and visibility was missing from IPA (2007-2013) CBC, and may still be missing from IPA II.

## 1. OVERVIEW OF EU FUNDING TO THE WESTERN BALKAN COUNTRIES

### KEY FINDINGS

- The Western Balkans is surrounded by EU members. Its history and geography make it a key region for the EU.
- Only Serbia and Montenegro have started negotiating. They are considered as front runners for EU accession. Kosovo and Bosnia and Herzegovina do not yet have candidate status.
- IPA (2007-2013) had a budget of EUR 11.4 billion and IPA II has a budget of EUR 11.7 billion. In the Western Balkans, national programmes amount to EUR 3.9 billion. Regional programmes represent EUR 2.9 billion (including Turkey).
- Territorial cooperation (EUR 395.2 million including Turkey) includes transnational CBC programmes between IPA countries, CBC programmes between IPA and Member States and CBC programmes between IPA and ENI countries. CBC programmes aim to foster socio-economic development in border areas and to promote good neighbourly relations, thus contributing to stability in the region.

### 1.1. THE POLICY FRAMEWORK: THE EU ENLARGEMENT POLICY

The Western Balkans is historically and geographically a key region for the European Union (EU). The region is relatively fragile owing to border disputes and the war in the early 1990s. The 2015 refugee crisis where the Balkans constituted the main migration road confirmed the region's importance to the EU. The interest of Russia and other powers such as China in the Western Balkans also creates strong incentives for the EU to position itself as a reliable partner for these countries<sup>1</sup>. European leaders have regularly repeated that the future of the Western Balkans is in the European Union, as the region is surrounded by European countries.

To be able to join the European Union, Western Balkan countries need to meet the criteria of Article 49 of the Treaty on the European Union. Currently, of the six countries of the Western Balkans, four are candidate countries and two have started negotiations. Serbia and Montenegro are considered the front runners for accession to the EU<sup>2</sup>.

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<sup>1</sup> Mark Galeotti (2018), *Do the Western Balkans face a coming Russian storm?*, Policy Brief, European Council on Foreign Relations, [http://www.ecfr.eu/publications/summary/do\\_the\\_western\\_balkans\\_face\\_a\\_coming\\_russian\\_storm](http://www.ecfr.eu/publications/summary/do_the_western_balkans_face_a_coming_russian_storm) [Accessed 28/06/2018]

<sup>2</sup> Harry Cooper (2017), *Brussels is back into the Balkans, if selectively*, Politico, <https://www.politico.eu/article/eu-balkan-love-letter-leaves-some-feeling-jilted/> [accessed 28/06/2018]

**Table 1: Western Balkans accession status**

Country	Status
Albania	Candidate country - waiting to start negotiations
The former Yugoslav Republic of Macedonia	Candidate country - waiting to start negotiations
Montenegro	Candidate country – negotiating 30 chapters opened, 3 provisionally closed <sup>3</sup>
Serbia	Candidate country – negotiating 12 chapters opened, 2 provisionally closed <sup>4</sup>
Bosnia and Herzegovina	Prospect of joining when ready
Kosovo <sup>5</sup>	Prospect of joining when ready

In his state of the union address in 2017<sup>6</sup>, President Juncker announced that the Commission would prepare a strategy for credible engagement with the Western Balkan countries. The strategy for ‘a credible enlargement perspective for and enhanced EU engagement with the Western Balkans’ was adopted in February 2018. This strategy ‘sets out how with increased support from the EU, including through participation in certain Union policies and programmes, the Western Balkan countries can already benefit from an increased stability and prosperity that will in turn facilitate progress on their European paths’<sup>7</sup>.

The new strategy consists of six flagship initiatives targeting specific areas of interest to both the EU and Western Balkan countries, namely:

- Strengthen the rule of law;
- Reinforce engagement on security and migration;
- Enhance support for socio-economic development;
- Increased connectivity;

<sup>3</sup> European Commission (undated), *Montenegro on its European path*, [https://ec.europa.eu/commission/sites/beta-political/files/near\\_factograph\\_montenegro\\_en.pdf](https://ec.europa.eu/commission/sites/beta-political/files/near_factograph_montenegro_en.pdf) [accessed 28/06/2018]

<sup>4</sup> European Commission (undated), *Serbia on its European path*, [https://ec.europa.eu/commission/sites/beta-political/files/near\\_factograph\\_serbia\\_en.pdf](https://ec.europa.eu/commission/sites/beta-political/files/near_factograph_serbia_en.pdf) [28/06/2018]

<sup>5</sup> Five members of the EU do not recognise Kosovo, which makes it hard to be considered a candidate country

<sup>6</sup> European Commission (2017), *President Jean-Claude Juncker's State of the Union Address 2017*, 13 September 2017, [http://europa.eu/rapid/press-release\\_SPEECH-17-3165\\_en.htm](http://europa.eu/rapid/press-release_SPEECH-17-3165_en.htm) [accessed 28/06/2018]

<sup>7</sup> European Commission (2018), *A credible enlargement perspective for and enhanced EU engagement with the Western Balkans*, 6 February 2018. Available from: [https://ec.europa.eu/commission/sites/beta-political/files/communication-credible-enlargement-perspective-western-balkans\\_en.pdf](https://ec.europa.eu/commission/sites/beta-political/files/communication-credible-enlargement-perspective-western-balkans_en.pdf) [accessed 10/06/2018]

- A digital agenda for the Western Balkans; and
- Support for reconciliation and good neighbourly relations.

The new strategy for the Western Balkans is realistic about the problems these countries face. Accession is an ambitious goal that requires serious reforms in the coming years. The main problems identified in these countries are the links of the political elite to organised crime, and widespread corruption, the lack of competitiveness of the Western Balkan economies, and the bilateral disputes resulting in instability in the region.

## 1.2. FUNDING AND PROGRAMMES

In order to implement the strategy for the Balkans and to help these countries on the path to EU accession, the Instrument for Pre-Accession Assistance (IPA) provides funding to the countries in the Western Balkans. IPA (2007-2013) replaced the former instruments such as PHARE and was subsequently replaced by IPA II (2014-2020). While there are other sources of EU funding in the Western Balkans, the IPA is by far the most important one in terms of volume. The European Instrument for Democracy and Human Rights (EIDHR) provides grants to civil society organisations in the Western Balkans through Country-Based Support Scheme. It has a budget of around EUR 7 million per year for the region. Since 2014, the Instrument contributing to Stability and Peace (IcSP) financed one project in the region, in Bosnia and Herzegovina<sup>8</sup>. It funds projects that cannot be funded by other instruments to respond to or prevent emerging crises.

IPA (2007-2013) had a budget of EUR 11.5 billion (including Turkey) and focused on five components, with management responsibilities distributed between the following Directorates General (DG): Enlargement<sup>9</sup>, Regional and Urban Policy (REGIO), Employment, Social Affairs and Inclusion (EMPL) and Agriculture and Rural Development (AGRI):

- Assistance for transition and institution building managed by DG ELARG;
- Cross-border cooperation between IPA countries and EU Member States (MS) (managed by DG REGIO on behalf of the MS);
- Regional development (DG REGIO);
- Human resources (human capital and fight against exclusion) managed by DG EMPL;
- Rural development managed by DG AGRI.

Under IPA II, most of the programmes fall under the responsibility of Directorate General for European Neighbourhood Policy and Enlargement Negotiations (NEAR). Only CBC programmes involving IPA II countries and MS fall under DG REGIO's responsibility, and agriculture and rural development programmes under DG AGRI's responsibility. Programmes involving MS are implemented through shared management. Other programmes use direct management (only Serbia and Montenegro are

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<sup>8</sup> The project *Ensuring Access to Justice for Witnesses/Victims through strengthening Existing and establishing new witness support across BiH* had a budget of EUR 1.7 million. Source: IcSP map: [www.icspmap.eu](http://www.icspmap.eu) [accessed 27/06/2018]

<sup>9</sup> Now incorporated into DG NEAR.

trusted with budget management). IPA II has a budget of EUR 11.7 billion (including Turkey). IPA II has adopted a sectoral approach and focuses on the following five policy areas:

- Reforms in preparation for Union membership and related institution - and capacity-building;
- Socioeconomic and regional development;
- Employment, social policies, education, promotion of gender equality, and human resources development;
- Agriculture and rural development; and
- Regional and territorial cooperation.

### 1.2.1. The national programmes

First, it is important to understand the different levels of IPA programmes. The IPA instrument is composed of national and multi-country programmes. Priorities for assistance are set out in the Indicative Strategy Papers and the Multi-Country strategy Paper. The multi-annual documents define the priorities for intervention as well as how the countries will use the financial assistance to address the political priorities identified in the enlargement strategy.

The bulk of the assistance is channelled through national programmes, which are the main vehicles for addressing specific needs in priority sectors<sup>10</sup>. National programmes represent more than 70% (about EUR 8.4 billion) of the total IPA II funding (including Turkey). National funding for the Western Balkans is detailed below by priority. National programmes in the Western Balkans amount to about EUR 4.2 billion.

**Table 2: IPA II national programme allocations (excluding Turkey)**

	Albania		BiH		fYRoM		Montenegro		Kosovo		Serbia	
	2014-2017	2018-2020	2014-2017	2018-2020	2014-2017	2018-2020	2014-2017	2018-2020	2014-2017	2018-2020	2014-2017	2018-2020
Democracy and rule of law	182.2	159.6	116.1	107.1	104.5	83.3	72.5	35.2	168.52	95.0	439.4	253.2
Competitiveness and growth	140.3	156.7	121.1	207.8	191.2	229.8	80.1	91.3	132.35	206.3	377.8	469.0
Total	322.5	316.3	237.2	314.9	295.7	313.1	152.6	126.5	300.87	301.30	817.2	722.2
	639.5		552.1		608.8		279.1		602.17		1,534.4	

**Source:** Indicative strategy papers – Revised version. Data provided by DG NEAR

Note: The 2018-2020 indicative allocations are proposed by the European Commission and currently under approval through comitology procedure.

Table 2 shows that Serbia has the biggest national programme in the Western Balkans, followed by Albania, fYRoM and Kosovo. Annex B provides more detail on the allocation of funding. The funding

<sup>10</sup> Information provided by DG NEAR

allocations reflect the EU's priorities in the region, which emphasise reforms in preparation for EU accession and socio-economic and regional development.

### **1.2.2. Regional programmes and Cross-Border Cooperation**

The IPA also finances Multi-Country Programmes which aim at enhancing regional cooperation and adding value to the Country Action Programmes through other horizontal actions<sup>11</sup>. IPA beneficiaries face a number of common problems which they could more efficiently address through peer review and sharing of good practices<sup>12</sup>.

The indicative Multi-Country Strategy Paper (MCSP) identifies priorities and conditions for horizontal support to sector policies and reforms, regional structures and networks, regional investment support, as well as territorial cooperation including cross-border cooperation programmes. Thus, the MCSP identified specific structures and networks where there is a clear need for regional cooperation, including:

- Democracy and governance;
- Environment and climate action including civil protection;
- Transport;
- Energy;
- Competitiveness and innovation;
- Education, employment and social policies.

Regional support aims to create connections in the region at three different levels, namely infrastructure, economies and people. In this sense, it has several components corresponding to the different objectives. In order to connect infrastructure and economies, financial support is channelled through the Western Balkans Investment Framework (WBIF). The WBIF is a joint facility of the European Commission, participating Financial Institutions (FIs), bilateral donors and Western Balkans countries. It aims to deliver funding for strategic investment projects in the Western Balkans<sup>13</sup>. Regional investment support represents the biggest part of the multi-country funding.

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<sup>11</sup> European Commission (2014), *Multi-Country Indicative Strategy Paper (2014-2020)*, [https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/pdf/key\\_documents/2014/20140919-multi-country-strategy-paper.pdf](https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/pdf/key_documents/2014/20140919-multi-country-strategy-paper.pdf) [accessed 28/06/2018]

<sup>12</sup> European Commission, Multi-country European Integration Facility

<sup>13</sup> WBIF, *The Western Balkans Investment Framework*, <https://www.wbif.eu/about-the-wbif> [accessed 28/06/2018]

Table 3 below describes the type of assistance provided under multi-country programmes:

**Table 3: Indicative allocations for regional programmes under IPA II**

Axis for funding	Total 2014-2020 <sup>14</sup> (EUR million)
A. Horizontal support (TALEX, Civil society, Erasmus+, etc.)	922.0
B. Regional structures and networks	134.5
C. Regional investment support <sup>15</sup> (e.g. the WBIF and other jointly-funded facilities)	1,506.9
D. Territorial cooperation (including Cross-Border Cooperation)	395.2
Total	2,958.6

**Source:** Multi-country Indicative Strategy paper (2014-2020)

The European Territorial Cooperation is a goal of the EU Cohesion policy. It provides a framework for joint action between MS and countries on the EU external borders to find common solutions to shared problems. It promotes trans-boundary exchanges of experience and aims to<sup>16</sup>:

- Reduce the effects of borders;
- Overcome disparities between regions;
- Reinforce cohesion;
- Promote competitiveness and skills; and
- Encourage cross-border economic development in areas such as transport, education, energy, healthcare and environmental protection.

The territorial policy promotes three types of cooperation:

- Cross-border cooperation (CBC);
- Transnational cooperation (targeting larger geographical areas and supporting jointly agreed priorities via a coordinated response). The IPA allocation for transnational programmes is EUR 50 million for 2014-2020. The four transnational programmes are Danube, Adriatic and Ionian, Balkans Mediterranean and Mediterranean<sup>17</sup>;
- Inter-regional cooperation.

Additionally, IPA II also supports macro-regional strategies to address common challenges in a defined geographical area, e.g. the Ionian and Adriatic Regions. A macro-regional strategy is an integrated framework endorsed by the European Council aimed at addressing common challenges faced by MS and third countries located in the same geographical area. IPA countries participate in two macro-regional strategies. As such, macro-regional strategies do not receive specific funding but it is true that

<sup>14</sup> Includes funds allocated to Turkey

<sup>15</sup> Includes unallocated funds for Bosnia and Herzegovina

<sup>16</sup> Information provided by DG REGIO

<sup>17</sup> Information provided by DG NEAR

some CBC and transnational programmes can be considered as tools to achieve the strategies' objectives<sup>18</sup>.

CBC programmes aim to promote good relations between neighbouring countries, foster stability and prosperity and encourage sustainable development of the countries covered by reducing the negative effects of borders, such as administrative, legal and physical barriers. CBC can also help mitigate tensions and negative impacts which might arise in the region as a result of the different paces of EU integration. Finally, CBC also aims to develop capacities in peripheral areas for the eventual management of EU structural funds.

There are three main types of CBC<sup>19</sup>:

- CBC between IPA countries (EUR 83.3 million)
- CBC between IPA countries and EU Member States (about EUR 242 million from IPA and co-financed by the European Regional Development Fund (ERDF))
- CBC between IPA and ENI countries<sup>20</sup>

The IPA (2007-2013) identified four objectives for CBC<sup>21</sup>: (a) Promoting sustainable economic and social development in the border areas; (b) Working together to address common challenges in fields such as environment, natural and cultural heritage, public health and the prevention of and fight against organised crime; (c) Ensuring efficient and secure borders; (d) Promoting joint small-scale actions involving local actors from the border regions. IPA II has similar objectives grouped into eight thematic priorities.

IPA II focuses on eight thematic priorities detailed in Annex III of the IPA II regulation: social, environment, transport and public infrastructure, tourism and cultural heritage, local and regional governance, competitiveness and business development and research and innovation. Beneficiary countries were asked to focus their CBC programmes on a maximum of four thematic priorities.

The total allocation for CBC programmes among IPA II beneficiaries amounted to EUR 83.3 million<sup>22</sup>. CBC beneficiary countries co-finance 15% of the CBC programmes. Annex A details the funding allocated to the different CBC programmes for IPA (2007-2013) and IPA II.

CBC focuses primarily on tourism, cultural and natural heritage and environmental protection. Figure 1 below shows the main priorities for the programmes:

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<sup>18</sup> Information provided by DG REGIO and DG NEAR

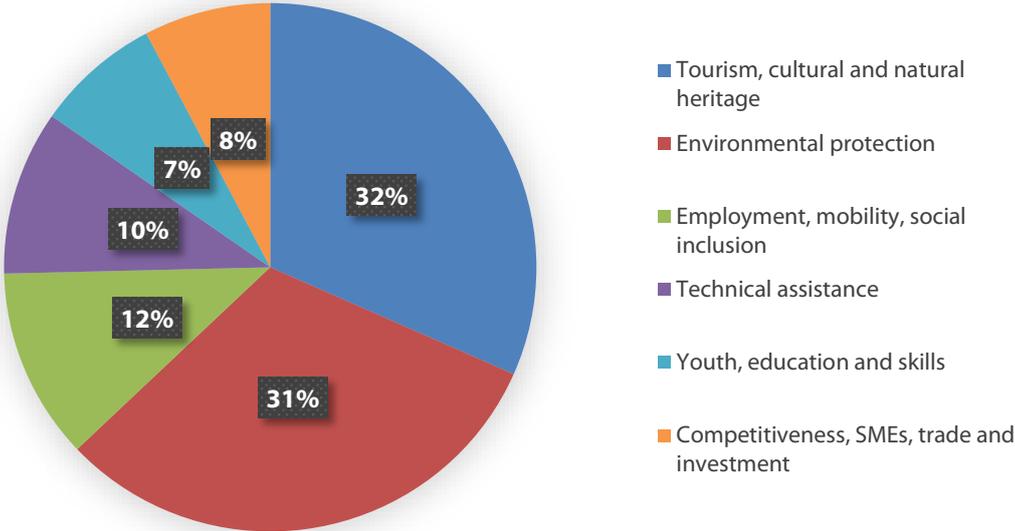
<sup>19</sup> Information provided by DG NEAR

<sup>20</sup> Not in the Western Balkans. The programme Bulgaria-Turkey has not materialised yet.

<sup>21</sup> European Commission (2007), *Commission Regulation (EC) No 718/2007 of 12 June 2007 implementing Council Regulation (EC) No 1085/2006 establishing an instrument for pre-accession assistance (IPA)*, article 86

<sup>22</sup> Information provided by DG NEAR

**Figure 1: IPA II CBC funds allocation per thematic area**



**Source:** Evaluation of IPA Cross Border Cooperation Programmes 2007-2013

Note: This figure only includes the programmed allocation and does not indicate actual allocations. Also, it does not include the CBC programme between Serbia and fYRoM that started in 2016.

## 2. EFFECTIVENESS OF EU FUNDING WITH SPECIAL FOCUS ON CBC

### KEY FINDINGS

- CBC programmes contributed to strengthening relations between neighbouring countries because they bring stakeholders from different countries together. However, there is no indication of the quality and sustainability of this relationship.
- Stakeholder feedback suggests that CBC programmes prepare local authorities to manage EU funds after accession, which is considered very significant.
- The two main aspects of CBC programmes' added value are: the incentive for cooperation to local authorities and organisations in cross-border areas (thus fostering good neighbourly relations), and the funding provided to remote and peripheral areas that receive no funding otherwise.
- Changes introduced with IPA II are expected to lead to improvements. Compared with IPA (2007-2013), there is a greater focus on results with IPA II, there is closer alignment between IPA and national policies at the programming stage, and there is a new sectoral approach and thematic focus. For CBC there is now just one managing authority per CBC programme, and partners in neighbouring countries submit a single joint application, progress reports, etc. However, it is too early to assess the outcomes of IPA II CBC.
- Coordination and coherence is challenging in the Balkans because of the fragmented environment.
- There is room for improvement in the cooperation and coherence between IPA programmes, IPA programmes and national strategies and between IPA programmes and other EU or donors' actions.
- Assessing the performance of CBC is relatively complex because there is a lack of monitoring data on the results and on the impact of IPA programmes. Comparison between national and multi-country programmes is not possible because of the lack of data. There is only anecdotal and qualitative evidence of results for the CBC programmes.
- There seems to be a lack of common understanding of key monitoring and performance concepts. Without addressing this confusion, expected improvements in assessment of outcomes may not materialise to the extent expected. However, DG NEAR is planning to contract services to develop monitoring and evaluation capacity within DG NEAR, EU Delegations, and amongst national stakeholders.

### 2.1. COHERENCE AND SYNERGIES BETWEEN CBC, REGIONAL AND NATIONAL PROJECTS AND PROGRAMMES

Because CBC programmes necessarily involve two beneficiary countries, coordination is crucial to the success of the programmes. Coordination takes place at different levels: within the IPA between the

different programmes to ensure coherence of EU funding in the region, and within the beneficiary country and with other donors to exploit synergies and mutually reinforcing development programmes.

One of the challenges regarding coherence and coordination relates to the size of the countries in the Western Balkans. Because these are relatively small countries, the border areas may overlap and the programming stage is very important to make sure that projects within each programme do not overlap. In Montenegro, the authorities have overcome this challenge by choosing similar thematic priorities for all CBC programmes<sup>23</sup>.

The evaluation of IPA (2007-2013) CBC programmes assessed coherence and coordination between CBC programmes and projects, national and regional IPA programmes, as well as coordination with other donors. For all CBC programmes, the role of the EU delegation is crucial for coordination and coherence because it has an overview of the activities undertaken in the country, and is usually responsible for the management (except for CBC with MS and Serbia and Montenegro which are trusted with budget implementation). At the European Commission (EC) level, coordination is ensured through regular consultations between the involved Directorates General (NEAR and REGIO mainly). The Indicative Country Strategy Paper is instrumental in ensuring good coordination and coherence. However, stakeholder feedback suggests that the structure for CBC coordination is not very strong at the EU level and that there is still room for improvement.

IPA II also introduced the use of single contracts for CBC programmes. This means that at the programming stage, the beneficiary countries agree on who is going to manage the CBC programme. During IPA (2007-2013), there were two contracting authorities, one in each country, and each was managing their part of the programme. Now, there is a single contracting authority located in one of the countries. It is still too soon to assess the effectiveness and impact of this new centralised system but it is expected to simplify management of CBC programmes<sup>24</sup>. Stakeholder feedback suggests that the obstacles and bottlenecks under IPA II are different from those under IPA (2007-2013). Simplification was introduced, but this also requires some adaptation from the managing authorities. For example, the fact that there is only one contract is appreciated but it creates new challenges for managing authorities. Only one country manages the CBC programme for two countries. However, activities may be implemented differently in the two countries because the legislation is different from one country to the other.

The evaluation of CBC under IPA (2007-2013) found that CBC programmes were designed and implemented as stand-alone actions. Coordination and coherence were strong within each programme but did not really take into account other existing activities, coherence with the overall EU support or other sources' support. It observed weak programming coordination with other

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<sup>23</sup> Stakeholder feedback

<sup>24</sup> Particip (2017), *External Evaluation of the Instrument for Pre-accession Assistance (IPA II) (2014-mid-2017)*, Evaluation carried out on behalf of the European Commission, volume 1, June 2017.

IPA (2007-2013) programmes in general<sup>25</sup>. However, there are exceptions to this observation, such as in Kosovo and FYRoM where the complementarities between the IPA (2007-2013) Rural Development Programme and the CBC programme were identified during the programming phase. However, identifying complementarities does not necessarily mean that they will materialise during the implementation phase. The evaluation notes that *'there was no evidence of CBC projects building on an earlier activity supported by other funded sources or a parallel project that complemented CBC project objectives'*<sup>26</sup>. The absence of clear coordinating mechanisms and the lack of vision by the joint management structure can explain this lack of coordination<sup>27</sup>. The lack of focus of the IPA (2007-2013) programmes contributed to the lack of coherence in the overall programming of IPA I. IPA II adopted a sectoral approach, and sector budget support programmes. These new approaches and the new performance framework are likely to contribute to increased coherence and complementarity of IPA II action in each beneficiary country, between bilateral and the multi-country and CBC actions and between IPA II and IPA (2007-2013) actions<sup>28</sup>. The evaluation of IPA II found that the sectoral approach of IPA II contributed to better understanding and appreciation of the linkages between national sectoral policies and IPA support. CBC programmes under IPA II include more references to the other national and other donors' activities<sup>29</sup>. However, the programming of CBC suggests that they continued to be 'stand-alone' actions for the period 2014-2020. The programming of CBC is still conducted in relative isolation from the programming of the national envelope. At the implementation stage, it is too soon to assess the effect of the changes introduced in IPA II on coordination and coherence at the implementation stage.

The EU is the biggest donor in the Western Balkans, but it is not the only one. Other donors include International Financial Institutions. The evaluation of IPA II reports that there was little or no linkage with other actions relating to rural infrastructure connectivity, national small and medium enterprise strategies, rural and regional development and environmental sustainability<sup>30</sup>. Under IPA II, synergies with other EU financing instruments active in the Western Balkans, namely the EIDHR and the IcSP, remain unexploited. There seems to be little awareness within the IPA management of the activities financed by these instruments<sup>31</sup>.

At the implementation level, coordination and coherence falls under the responsibility of the partner countries. Coordination can be challenging because governance in the Western Balkans is often relatively fragmented between the local, national and regional level, mainly because of the recent conflict history of the region that affected the community level. It seems that coordination also relies a lot on personal contacts and individuals<sup>32</sup>.

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<sup>25</sup> AETS (2017), *Evaluation of IPA Cross Border Cooperation Programmes 2007-2013*, [https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/final\\_approved\\_evaluation\\_report\\_0.pdf](https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/final_approved_evaluation_report_0.pdf) [accessed 28/06/2018] p22

<sup>26</sup> Ibid

<sup>27</sup> Ibid

<sup>28</sup> Particip (2017)

<sup>29</sup> Particip (2017), p47

<sup>30</sup> Particip (2017)

<sup>31</sup> Particip (2017), p.iv

<sup>32</sup> Stakeholder feedback

## 2.2. ADDED VALUE OF CBC

Various reports and stakeholders' feedback identify several aspects of the CBC added value. First, CBC aims towards soft objectives such as strengthening or creating good neighbourly relations. The cooperation incentive in the border areas is especially relevant given the number of border issues there are in the region, and its recent history of conflict. Secondly, CBC programmes target regions that receive little or no other funding.

CBC programmes are unique in the sense that they promote the objectives of the EU cohesion policy such as economic and social cohesion, as well as objectives related to the enlargement strategy of the EU. The evaluation of IPA II considers that the main added value of EU intervention in the Western Balkans is obvious and lies with the regional and CBC cooperation: *'reconciliation and confidence building in the Western Balkans, overcoming geographical and mental barriers and developing of good neighbourly relations – all these remain key aspects in the process of EU enlargement, addressed solely by EU programmes and not by international or bilateral donors'*<sup>33</sup>. Stakeholder feedback also suggests that this added value is key to IPA's contribution to the development of future and potential candidates for EU accession.

The evaluation of CBC programmes for IPA (2007-2013) confirms that CBC programmes were instrumental in bringing together stakeholders that would not usually work together. The variety of partners involved in the projects contributed to creating a participatory and inclusive approach in the border areas. Partnerships were made between non-governmental organisations (NGO), municipal and local authorities and public bodies. In Montenegro, stakeholder feedback confirms that the same partners applied several times for the IPA CBC funds. However, there is little evidence that these partnerships exist beyond the CBC framework. The achievements of CBC programmes in terms of fostering cooperation between neighbouring communities and socio-economic development in border areas would not have been possible without EU support through specifically targeted programmes<sup>34</sup>.

Another aspect of CBC added value is the specific type of projects and beneficiaries that the programmes target. There is limited development funding available for the cross-border areas because they tend to be peripheral and relatively overlooked by national programmes. Stakeholder feedback suggests that CBC programmes fill gaps in national policies and focus on neglected sectors. For example, in Bosnia and Herzegovina CBC focuses on environment, which is a sector neglected by the national policies. Capacity in the border areas also tends to be lower because they are usually rural and partners are smaller than in big cities. CBC calls for proposals also target local organisations or authorities. They can propose the projects they want to implement, which is designed to ensure ownership at the local level. In this regard, there is a community-led approach which constitutes an added value in the eyes of stakeholders interviewed. Without CBC programmes, there are no funds allocated to these areas and smaller beneficiaries do not have access to EU funds. There is no other

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<sup>33</sup> Particip (2017)

<sup>34</sup> Evaluation reports and stakeholder feedback

similar arrangement for border-area support in the region. The added value of CBC is based on its complementarity with other funding sources. It does not duplicate any existing instrument but rather completes the action of the EU at the local level.

The CBC programmes between MS and IPA countries allow non-EU countries to work in the EU environment and to apply EU standards and rules. This in turn prepares them for the management of the cohesion funds once they become members. Stakeholders' feedback suggests that there is great interest in IPA countries in having CBC programmes with MS. Programmes are also significantly larger in terms of volume of funding (from less than EUR 10 million for IPA-IPA CBC to more than EUR 15 million for IPA-MS CBC).

However, the added value of CBC could be greater. CBC has potential for addressing the needs of the cross-border regions but CBC activities are driven not by government policies but by the availability of funding. There is a lack of a comprehensive national development strategy in which CBC would be one of the instruments for implementation. As long as CBC is considered as stand-alone actions and not linked to national development policies, its added value will remain limited<sup>35</sup>.

### **2.3. PERFORMANCE OF CBC**

Several reports note that the objectives of IPA (2007-2013) were not always specific and measurable<sup>36</sup>. Indicators were not appropriate to measure programme results and the expected results were not sufficiently detailed. Similar flaws existed at project level, and there was confusion within the logical framework between results and outputs. The lack of common indicators for the CBC programmes also prevents having an overview of the performance of the CBC component of the IPA in terms of achieving objectives<sup>37</sup>. The evaluation of CBC under IPA (2007-2013) notes that *'the lack of proper monitoring and evaluation systems is a major weakness of IPA 2007-2013 CBC'*<sup>38</sup>. This makes it nearly impossible to measure with certainty the outcomes of CBC.

For the 2014-2020 programming period, the EC focused on addressing the problems of focus and lack of monitoring data. There is an increased focus on results and a closer alignment between national and IPA strategies<sup>39</sup>. The sectoral approach and thematic focus of IPA II contribute to the result-oriented approach. In IPA II, a new performance framework was introduced. This means that in the middle of the implementation period, an assessment of the programme takes place and verifies if the programme is achieving, or is on the way to achieving, its main objectives. During the programming phase, a set of milestones is defined for this mid-term assessment. There is the possibility of suspending payment if significant shortcomings are identified and the programme managing authorities do not address them. IPA II presents potential for high performance thanks to the modifications introduced for this programming period<sup>40</sup>. The new elements of the IPA II are considered to be a catalyst for shifts in the

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<sup>35</sup> Stakeholder feedback, Evaluation reports

<sup>36</sup> ECA (2016), AETS (2017)

<sup>37</sup> AETS (2017)

<sup>38</sup> Ibid, page 7

<sup>39</sup> Particip (2017)

<sup>40</sup> Particip (2017)

approach to IPA both at DG NEAR and in the beneficiary countries, even though stakeholder feedback suggests that it was difficult for managing authorities to mobilise all of the stakeholders and to change to a result-oriented approach.

Looking at the CBC programmes for IPA II, the programmes are still broad in terms of objectives, eligible activities and beneficiaries. The possibility for varying focus tends to dilute the intended concentration of financial resources and the result-based focus<sup>41</sup>.

There seems to be no common understanding of the key concepts of monitoring and evaluation. Outputs and outcomes are often confused with impact in the discussion with stakeholders, as well as in some written documentation provided on CBC programmes. The meaning of effectiveness and added value also appears unclear to several stakeholders. The confusion around these terms does not contribute to better reporting and monitoring. These concepts are used more in the context of accountability rather than in a learning perspective. Following the CBC IPA (2007-2013) evaluation that put forward 13 recommendations related to monitoring, DG NEAR produced notes for beneficiaries regarding results monitoring. The notes provide a structure for the monitoring system. However, the notes do not provide clarification regarding the terminology, nor do they define clearly the various levels for monitoring, i.e. output, outcome and impact. A set of indicators beneficiaries can choose from is also provided. This aims to address the problem of harmonisation of indicators, as identified by the evaluation. This in turn will provide the possibility of comparison.

The title of DG NEAR's 2016 guidelines on monitoring and evaluation reflects the growing emphasis on outcomes and the need to enhance their assessment: *Guidelines on linking planning/programming, monitoring and evaluation*<sup>42</sup>. However, even within these guidelines, there is a lack of clarity regarding key concepts, which could constrain expected improvements in assessment of EU funding. For example, 'result' is defined as: *The output, outcome or impact (intended or unintended, positive and/or negative) of a [development intervention] (OECD)*<sup>43</sup> (it is missing the words 'development intervention'. See OECD<sup>44</sup>). Thus, 'result' can have significantly different meanings and is therefore probably best avoided<sup>45</sup>. The Guidelines also state *'In the present guidelines result will be assimilated to outcome (except when referring to a result's chain)'*. From this it is understood that 'result' is used to mean 'outcome', which is defined as *The likely or achieved short-term and medium-term effects of an intervention's outputs (OECD). Short to medium term effects on the political, social, economic and environmental areas targeted by ENI/IPA II financed interventions as well as changes in behaviour of addressees of ENI/IPA II financed interventions*<sup>46</sup>. This implies that 'effects' and 'changes' are different things. 'Effect' is not defined, although 'effectiveness' is defined as *'A measure of the extent to which the intervention's objectives were*

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<sup>41</sup> AETS (2017), p47

<sup>42</sup> DG NEAR (2016), *Guidelines on linking planning/programming, monitoring and evaluation*, <https://bit.ly/2uE2Z7k>

<sup>43</sup> Ibid, p.xii

<sup>44</sup> OECD (2002), *Glossary of Key Terms in Evaluation and Results Based Management*, <https://www.oecd.org/dac/evaluation/2754804.pdf>

<sup>45</sup> Results are defined in Regulation (EU) No 236/2014 Paragraph (12) of the preamble as being comprised of outputs, outcomes, and impacts.

<sup>46</sup> DG NEAR (2016), *Guidelines on linking planning/programming, monitoring and evaluation*, p.xi, <https://bit.ly/2uE2Z7k>

achieved, or are expected to be achieved (OECD)<sup>47</sup>. This proliferation of unclear and confusing terminology is unhelpful and possibly counterproductive. It would perhaps be preferable to place more emphasis on clarifying a few key concepts, such as **outcomes, which we understand as durable changes in performance, behaviour, attitudes, perceptions, etc., of target groups, institutions, systems, etc.** The Guidelines and their annexes (285 pages in all) are important reference documents, but it is difficult to find a clear and concise explanation of this basic and essential concept. Given the length and complexity of the Guidelines, it is possible that users will, as in the past, tend to focus on procedures and processes, rather than substance.

As far as CBC is concerned, a significant development is the introduction of a new monitoring system for IPA II CBC programmes at intra-Western Balkan borders<sup>48</sup>:

*The setting-up of the monitoring system responds to the findings and recommendations of the recently published evaluation report on IPA 2007-2013 CBC programmes that stresses that a robust performance framework must be established as "a necessary reform: the absence of a functioning CBC performance framework is an impediment to both current programme management and future programming". A whole set of recommendations refers to the improvement of this dimension (ref. recommendations N° 27 to 40).*

*The common CBC monitoring system has a number of advantages; i.e. there will be a common source of information for assessing programme performance and reporting on it; compatibility and comparability of data at regional level and between CBC programmes will be enhanced; monitoring and evaluation practices for CBC will generally be reinforced and the quality of calls for proposals and project applications improved.'*

In any case, it is too soon to assess the performance of CBC programmes under IPA II because of varying degrees of implementation. For example, the implementation of the CBC between fYRoM and Serbia has not started yet<sup>49</sup>. There is insufficient data to draw detailed conclusions on the performance of the IPA CBC programmes. It is not possible to compare the performance of CBC programmes with other regional and national programmes, or to other donors' activities. The results described below are qualitative and based on stakeholder feedback and existing programme evaluation reports.

While performance is difficult to assess, it does not mean that the CBC programmes have not performed under IPA (2007-2013). There is evidence of successful projects, suggesting that CBC programmes contributed to the socio-economic development of border areas in line with their objectives. There are many examples at project level of successful initiatives addressing the needs of local communities<sup>50</sup>. Stakeholder feedback suggests that the changes introduced by CBC projects are small but significant and improve the lives of the local communities. Activities identified by stakeholders as achievements

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<sup>47</sup> Ibid. p.x.

<sup>48</sup> European Commission (04 August 2017), *Monitoring System for IPA II Cbc Programmes at Intra-Western Balkan Borders - Explanatory Note*, (provided by DG NEAR Unit D5).

<sup>49</sup> Stakeholder feedback

<sup>50</sup> Particip (2017)

include the renovation of bicycle paths, new roads, refurbished cultural heritage, educational training, etc<sup>51</sup>.

The evaluation of IPA (2007-2013) CBC found that there were projects in each programme that contributed to strengthening ties among people and institutions in a sustainable way. However, this cannot be generalised to the overall programmes, and the evaluation also states that *'only a minority of projects resulted in intensified cross-border links and long-term partnerships'* and that *'enhancing cross-border impacts requires better-focused calls for proposals, more stringent conditions on cross-border contents of projects and more weight given to these issues at the selection stage'*<sup>52</sup>. CBC projects created a shared understanding of commitment towards the future of the border area. However, it is not certain that this shared understanding lasts and extends beyond the CBC programmes. The evaluation of IPA (2007-2013) CBC programmes observes that the sustainability of the CBC projects is relatively low once the financial support has stopped.

Nevertheless, CBC contributes to overcoming the past divisions and restoring stability and confidence between neighbours. However, it is not possible to measure accurately the extent of this. The fact that authorities of two countries need to work together on one programme and develop a common vision for border areas has been one of the biggest achievements of the IPA<sup>53</sup>. There is anecdotal and qualitative evidence that CBC programmes promote good neighbourly relations between the participating countries, thus fostering cross-border stability. The most visible achievement of CBC programmes is that authorities are now sitting at the same table and they are talking to each other on specific issues. The representatives of the ministries of each country and CBC structures are in touch with one another. However, this may not be so visible to the general public and it only indicates some degree of cooperation, but does not say anything about the quality of the relationships. Moreover, the fact that countries get along does not necessarily mean that communities get along as well at the local level. There seems to be an assumption that the level of trust created at the national and local institutional levels necessarily trickles down to the communities and people living in border areas. However, there is no measure of this and only anecdotal evidence to support this assumption.

Besides achieving the objectives, evaluation reports and stakeholder feedback also observe that CBC exposes peripheral communities to EU donor funding. CBC programmes are complex because they require cooperation between two countries. Applying for CBC funding is a challenge for beneficiaries because of the language requirements and the complexity of the application package. CBC programmes indirectly contribute to strengthening the capacity of contracting and managing authorities. They become accustomed to the EU requirements for funding, which is significant for the future of territorial cooperation<sup>54</sup>. Experience in managing EU funds helps beneficiaries to apply and be successful in other calls for proposals. A significant share of the beneficiaries of the IPA (2007-2013) CBC projects were NGOs (about 43%) and this can be explained by the fact that public administration

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<sup>51</sup> Stakeholder feedback

<sup>52</sup> AETS (2017), p28

<sup>53</sup> Stakeholder feedback

<sup>54</sup> AETS (2017)

is little developed in border areas, and civil society organisations tend to have stronger management capacities compared to the public sector because they have experience in managing EU funds<sup>55</sup>. Increasing beneficiaries' experience in dealing with EU funds is also in line with the enlargement strategy which aims to prepare countries to access the EU. The existence of the Joint Technical Secretariat contributed to capacity building as an expertise provider for beneficiaries. Implementation support from the Joint Technical Secretariat is essential for sound implementation of the projects.

Stakeholder feedback suggests that sound management, along with good identification of untapped potential, and communication are crucial for the success of CBC programmes. Without good management structure, CBC programmes are likely to be more cumbersome and slower because of their bi- and tri-national nature. The selection and contract award process can hinder projects' achievement if not implemented properly<sup>56</sup>. Management of IPA CBC can be quite complex for authorities. For example, Montenegro takes part in many CBC programmes and they have different management modes, which makes it relatively complicated for authorities<sup>57</sup>. Montenegro takes part in bilateral CBC managed by the Montenegrin authorities, a programme with Serbia managed by Serbia, and the transnational programmes Danube, Mediterranean and Adriatic with shared management. This is only with regard to CBC<sup>58</sup>.

Finally, one aspect of performance is related to the capacity of beneficiary countries to absorb the funding and to manage it. The European Court of Auditors (ECA) meta audit on the Western Balkans (see Section 4 below) notes that in some countries weak administrative capacity made it difficult to make the payments on the allocated, and then contracted, amounts of funding. Absorption rates vary from country to country and there is a general understanding that absorption could be higher if capacity was increased. The court also notes that EU requirements for managing the funding were sometimes heavy on local authorities, which also contributed to the relatively low absorption of the funds. Lack of political will is also identified as a factor for low absorption.

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<sup>55</sup> AETS (2017)

<sup>56</sup> Stakeholder feedback

<sup>57</sup> AETS (2017)

<sup>58</sup> Stakeholder feedback

### 3. VISIBILITY

#### KEY FINDINGS

- There are many visibility activities relating to CBC, and visibility under IPA II is considered to be improving compared with IPA (2007-2013). There are examples of innovative approaches. However, it is not possible to assess the extent to which visibility activities are translated into public awareness and understanding of EU funding, due to the very limited information available. There is acknowledgement that visibility needs to improve. This is reflected in Council conclusions of 15/12/2015 on improved strategic communication, and in the IPA 2015 & 2016 Information & Communication Programme.
- However, Commission guidelines emphasise communication and visibility rather than public awareness and understanding (of EU-funded projects and programmes). As a result, assessment of the effectiveness of communication and visibility is based on evidence that specified visibility activities have been carried out, rather than on evidence of what citizens actually know about EU-funded projects and programmes.
- There appears to be very limited systematic research into public awareness and understanding of EU funding, and tools such as public surveys and opinion polls are apparently rarely used. Anecdotal evidence and proxy indicators are often used as a basis for extrapolating public awareness and understanding of EU funding. Reliance on such evidence may be risky, especially if it relates mainly to people who have been involved in projects and programmes and leaves out the general population in target regions.
- CBC visibility activities appear to be mainly concentrated in the CBC regions, and some feedback indicates that there may be limited awareness of CBC in the general population.
- Project and programme outcomes are in themselves an important element of visibility. The lack of outcome information means that an important element of communication and visibility was missing from IPA (2007-2013) CBC, and may still be missing from IPA II.

#### 3.1. UNDERSTANDING OF 'VISIBILITY' IN RELATION TO EU FUNDING

##### 3.1.1. 2016 Evaluation of IPA information and communication programmes

The 2016 evaluation of IPA information and communication programmes is positive about the contribution of IPA (2007-2013) to *'raising public awareness about the EU and its policies'* which *'translates into a generally increasing public awareness of the EU'*<sup>59</sup>. Nevertheless, elsewhere the evaluation is critical regarding the lack of systematic evidence regarding the outcome information and communication activities.

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<sup>59</sup> AETS (June 2016) *Evaluation of IPA Information & Communication Programmes Evaluation Report Volume 1*, p29.

For example<sup>60</sup>:

- *'The identification and quantification of impacts is difficult to provide due to a lack of impact measurement mechanisms set by the programme';*
- *Analysis of programme documents and reports shows a 'lack of IC [information and communication] programmes' practice of reflection on results and their contribution to desired changes. Overall objectives are set up quite broadly and this evaluation could not establish strong evidence that outputs and immediate results were translated into impact';*
- *When 'reporting on the IC programmes, teams indicate improved knowledge on EU affairs, but reports do not offer tangible evidence of this';*
- *'IC programmes only measure how many people participated in an event, without at the same time measuring the outcome of such an event';*
- *'Due to a lack of proper impact measurement, impacts of IPA information and communication activities are not sufficiently identified and quantified, which makes it practically impossible to conduct internal or external evidenced assessments of the impacts and contribution of IC programmes to the overall objective established in the strategic document. In most cases, impacts are difficult to verify.'*

### **3.1.2. Council conclusions**

The conclusions of the General Affairs Council of 15 December 2015 on the enlargement and stabilisation and association process state:

*'The Council continues to attach great importance to the credibility of the Enlargement Process, which remains crucial to maintaining the momentum of reform. Public support for and understanding of the benefits and obligations of enlargement should be enhanced through improved strategic communication. The Council looks forward to the plan of the Commission and the EEAS to step up their efforts and actions, along with the continued engagement of Member States and partners in this area.'*<sup>61</sup>

DG NEAR indicates that the Commission has developed a new communication strategy. This is understood to be confidential and it is therefore not possible to comment on it.

### **3.1.3. EC guidelines for EU Delegations**

The annex to the IPA financing decision 2015-2016 on communication activities implemented by the EU Delegations indicates that EUR 10 million was allocated per year for the information and communication programme in 2015 and 2016<sup>62</sup>. Relevant activities can be implemented until 31 December 2019 and 31 December 2020, respectively.

The programme covers two actions as shown in Table 4, below.

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<sup>60</sup> Ibid, p30.

<sup>61</sup> Council of the European Union (General Affairs Council) (15 December 2015), *Outcome of Proceedings: Enlargement And Association And Stabilisation Process – Council Conclusions*, p3.

<sup>62</sup> European Commission (undated), Annex to IPA financing decision 2015-2016, IPA 2015 and 2016 Information and Communication Programme.

**Table 4: IPA II Information and Communication Programme**

	Action 1	Action 2
Activity	Information and communication about the EU and its policies and about the integration process	Information and communication in the beneficiaries through activities with a regional angle
Objective	The global objective of this action is to raise public awareness about the EU, its policies and to ensure an informed public debate on integration into the EU, its benefits and challenges, in terms of reforms and EU support in reinforced cooperation with the Member States.	The general objective of this action is to deliver activities which will complement and support the activities undertaken by the EU Delegations and the EU Office in Kosovo
Specific objectives	To inform various target groups about the EU, its values, its policies and programmes and their impact on citizens' everyday life, including youth and municipal level; To increase frequency and quality of media coverage and public debate on EU related issues; To ensure visibility of EU external assistance programmes, including sector budget support, their objectives and results; To increase the understanding of the implications of the integration process and the long term benefits it brings to citizens and to stimulate public debate.	To increase knowledge and support amongst key stakeholders and multipliers about the enlargement policy and the accession process, taking in particular into account the priority areas of the annual enlargement strategy.
Implementation	Implemented in the IPA II beneficiaries by the EU Delegations concerned and the EU Office in Kosovo.	Implemented by the European Commission, Directorate General Neighbourhood and Enlargement Negotiations
2015 Allocation	EUR 9.5 million	EUR 0.5 million
2016 Allocation	EUR 9.5 million	EUR 0.5 million

**Source:** based on European Commission.

While the global objective of Action 1 is to raise public *awareness*, this is hardly reflected in the specific objectives, which focus on *informing* and *visibility*. It appears that visibility and awareness are considered the same thing, or that increased visibility will automatically translate into increased awareness. The specific objective for Action 2 is incomprehensible.

For Action 1, the indicators relate exclusively to the number of activities outputs, and the number of participants in various activities. Public awareness, attitudes, perceptions, etc., are not included anywhere in the indicators, although envisaged activities include, among many others, '*Opinion polls and surveys, media monitoring and press analysis*'. The accuracy of media and press articles is one of the indicators, and while very important, it is not indicated how this will be monitored and reported, or by whom.

As with Action 1, the activities for Action 2 focus on informing and visibility, and the indicators relate to the number of activities and outputs, rather than public awareness, understanding, perceptions,

attitudes. Nevertheless, *'Opinion polls and surveys might also be carried out in one or more countries where relevant to the overall enlargement policy'*.

#### 3.1.4. EC visibility requirements for implementing partners

The European Commission (EC) specifies communication and visibility requirements for implementing partners in the document *'Communication and Visibility in EU-financed external actions Requirements for implementing partners (Projects)'* (for ease of reading, this document is hereinafter referred to as 'the CVR')<sup>63</sup>.

The CVR does not provide explicit objectives for communication and visibility although it does state (p5) that it *'helps raise awareness of the external policies and actions of the Union in its role as a global player, and provides accountability and transparency on the use of EU funds to taxpayers and the citizens of partner countries.'*

The CVR *'are designed to ensure that external actions that are wholly or partially financed by the EU include information and communication measures designed to inform specific or general target audiences about the reasons for the action, the EU's support for the country or region concerned, and the outcomes and impact of that support'* (p5). The point about communicating the **outcomes** and **impact** of EU support is worth noting because, so far as Pre-Accession Assistance (and earlier support e.g. Phare) is concerned, EU support has been largely activity - and output-oriented, rather than outcome-oriented. This means that project and programme design have often not clearly identified expected outcomes (i.e. changes in perceptions, attitudes, relations, cooperation, performance, etc.), and there has been limited provision for the resources, structures, and processes needed to engage in the necessary critical social learning. Linked to this, EC evaluation of Pre-Accession Assistance for many years tended to focus on accountability rather than learning, and this may disincentivise reporting on outcomes, and possibly also the development of sufficiently clear objectives.

Thus, the evaluation report covering IPA (2007-2013) CBC programmes notes that *'the lack of proper monitoring and evaluation systems is a major weakness of IPA 2007-2013 CBC. Unless information about projects is collected during implementation from the outset through reliable indicators of achievement, and aggregated at programme level, it is near impossible for evaluators to measure with any accuracy the performance of individual programmes and the cumulated results across the entire CBC. This is even more so given that very few programme/country-level evaluations seem to have been carried out over the*

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<sup>63</sup> Author not indicated (01 January 2018), *Communication and Visibility in EU-financed external actions Requirements for implementing partners (Projects)*, [https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/visibility\\_requirements\\_near\\_english.pdf](https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/visibility_requirements_near_english.pdf). It is worth noting that while the CVR notes that communication and visibility provide accountability and transparency, the source or author of the CVR is itself not identified – there is simply an EU logo on the front cover. Moreover, two versions of the CVR are available – one from DG NEAR and one from DG DEVCO. These appear to be identical except for the front covers and some of the photographs, which are presumably intended to appeal to different target audiences. This is perhaps not best practice as it is unnecessary duplication and may lead to confusion. This issue has been discussed elsewhere e.g. Blomeyer & Sanz (01 January 2017), *Democratic accountability and budgetary control of non-governmental organisations funded by the EU budget* (p75-76), [http://www.europarl.europa.eu/RegData/etudes/STUD/2016/572704/IPOL\\_STU\(2016\)572704\\_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/STUD/2016/572704/IPOL_STU(2016)572704_EN.pdf)

*period*<sup>64</sup>. The lack of results and outcome information means that an important element of communication and visibility was missing from IPA (2007-2013) CBC.

The CVR further states that it '*describes partners' legal obligations and the mandatory elements of the communication and visibility measures that must accompany all EU-financed external actions*' (p.5). The emphasis is on ensuring that communication and visibility activities are undertaken in a certain way, the assumption being that these activities will automatically translate into public awareness and understanding.

Further on, the CVR states that partners must evaluate '*the outcomes and reach of the communication measures carried out in support of the action and illustrating their evaluation as appropriate using press cuttings, photographs, samples, audio and video files, transcripts etc.*' Although interesting, we suggest that this type of evidence is inadequate as a means for assessing or substantiating the outcomes and reach of communication and visibility. Firstly, it does not provide any indication of public awareness and understanding of EU support. Secondly, it may provide evidence of local participation in project activities (and thus awareness), but it does not necessarily reflect wider public awareness and understanding in relevant localities.

The CVR does not mention tools such as surveys, focus groups, or opinion polls, which might be used to find out about public awareness and understanding. It could be argued that such approaches are too onerous and complicated for small grant-funded organisations in remote border areas. However, in the absence of this type of research, it seems that assessment of the effectiveness of communication and visibility activities is based on evidence that certain visibility activities have been carried out. For example, this seems to be the approach taken in the IPA (2007-2013) CBC evaluation (discussed below)<sup>65</sup>. The CVR is primarily a guide to complying with contractual obligations, rather than to ensuring public awareness and understanding.

Discussions with a small number of stakeholders suggests that the lack of clearly defined objectives for communication and visibility contributes to the emphasis on meeting contractual obligations, rather than seeking to ensure the effectiveness of communication and visibility activities. Nevertheless, there is awareness amongst stakeholders about the need for better assessment of communication and visibility outcomes and the need to link visibility to project and programme outcomes, which in turn requires better evaluation of project and programme outcomes.

### **3.2. PUBLIC AWARENESS AND UNDERSTANDING OF EU FUNDING**

This section is based on feedback from a small number of key stakeholders and analysis of the following:

- An IPA (2007-2013) CBC evaluation report;
- An IPA II evaluation report;

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<sup>64</sup> AETS (24 February 2017), *Evaluation of IPA Cross Border Cooperation Programmes 2007-2013* (p7), [https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/final\\_approved\\_evaluation\\_report\\_0.pdf](https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/final_approved_evaluation_report_0.pdf)

<sup>65</sup> Ibid. (p38-39).

- Balkan Barometer;
- Eurobarometer.

### 3.2.1. Stakeholder feedback

Feedback from a small number of interviews carried out for this briefing suggest that EU-funded CBC has high visibility because there are few, if any, other sources of project funding in the target areas, which are often small remote communities. One interviewee confirmed that they have personally seen evidence of this on visits to such locations. DG NEAR points out that visibility is evident in the fact that calls for CBC proposals are heavily oversubscribed. Several stakeholders refer to the publicity surrounding the launch of calls for proposals, the information events for potential applicants, the various approaches used by project partners to promote project activities and results locally, and the participation of EU Delegation representatives at important events.

Nevertheless, there is awareness of the need to improve visibility. DG NEAR is very much aware of the results of a survey carried out in Serbia in 2015 in which 64% of respondents identified other international actors (primarily Russia – 36%) as being the biggest donor of aid to Serbia<sup>66</sup>. However, the Ministry of European Integration's website states that *'The European Union is the leading provider of grant funds to the Republic of Serbia over the past 15 years. From 2001 until the end of 2016, the EU support amounted to more than EUR 3 billion, while in the same period, the largest provider of concessional loans was the European Investment Bank'* – Russia is not mentioned here, or in the list of Serbia's bilateral partners<sup>67</sup>. DG NEAR notes that, besides the communication programme (see Section 3.1.3), the EC has a confidential communication strategy for the Western Balkans to address this kind of issue. It also notes that the EEAS has a communication task force which coordinates with DG NEAR.

Stakeholders in different countries mentioned various efforts and innovative approaches aimed at enhancing visibility and there is a sense that it is improving. For example, in one country, workshops have been organised where project beneficiaries from remote border areas can discuss their experiences with senior central decision-makers. In another country, efforts are underway to coordinate publicity events in remote areas so that EU Delegation representatives can participate in two or three events during the same mission. Another stakeholder mentioned the use of social media to publicise EU-funded activities and to estimate their reach.

However, assessments of visibility seem to be based mainly on anecdotal evidence (e.g. the turnout at a particular event) and indirect indicators (e.g. the number of grant applications received). While important, this type of evidence is not systematic and may not take account of the views and perceptions of people not directly involved in EU-funded CBC projects. It also leaves out the views and perceptions of citizens in other areas. There are also risks in assuming that funding and visibility

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<sup>66</sup> Center for Insights in Survey Research (2015), *Survey of Serbian Public Opinion November 24 – December 3, 2015*, p23, [https://www.iri.org/sites/default/files/wysiwyg/serbia\\_november\\_2015\\_poll\\_public\\_release.pdf](https://www.iri.org/sites/default/files/wysiwyg/serbia_november_2015_poll_public_release.pdf)

<sup>67</sup> Ministry of European Integration, Government of the Republic of Serbia (undated), *Funds, Bilateral and Multilateral Partners, By countries*, <http://www.mei.gov.rs/eng/funds/bilateral-and-multilateral-partners/by-countries/> [accessed 28 June 2018].

automatically translate into positive perceptions, especially if outcomes remain unclear, or if particular groups are perceived as benefiting more than others.

There seems to be an important gap in communication and visibility activities, namely proactive and systematic research into awareness and understanding of EU funding, not only in target communities, but more generally across populations in Western Balkan countries. While there may be other examples, the consultants were provided with just one example of a public survey in Western Balkan countries addressing public awareness and perceptions of EU funding. Stakeholders referred to Eurobarometer and Balkan Barometer, but as discussed above, the first of these focuses inside the EU, while the second provides little insight about public awareness and perceptions of EU funding, including CBC.

### 3.2.2. IPA (2007-2013) CBC evaluation

The evaluation of IPA (2007-2013) CBC programmes included a specific question on visibility: *'To what extent have CBC programmes increased the visibility of EU support in the eligible regions?'*<sup>68</sup>

The report notes that *'CBC programmes have had a very positive impact with increasing visibility of EU support in the local eligible areas. This is due to the uniqueness of CBC programmes in promoting cross border activities but more so the commitment by programme and project partners in respecting EU visibility and communication requirements during the programming process, calls for proposals and grant scheme implementation to date.'*

Stakeholders interviewed for this briefing confirmed that CBC funding has enhanced EU visibility in target regions, especially in the more remote border regions, because CBC funding is generally the only EU funding that communities in these areas have been able to access, and for many it may have been their first experience with donor-funded project implementation.

However, the evaluation's positive assessment of the visibility of CBC is based primarily on an assessment of visibility activities. There is no assessment or information about the reach<sup>69</sup> of these visibility activities within the targeted regions, or to what extent they have raised awareness and understanding of EU funding. There is no information as to if or how visibility activities have influenced perceptions of the EU. There is also no information about the visibility of CBC funding in other parts of the countries involved. One stakeholder interviewed for this briefing suggests that raising awareness of CBC amongst the general population has been challenging.

As mentioned above, the CVR notes that communication and visibility are intended, among other things, to inform about the outcomes and impact of EU support. The evaluation of IPA (2007-2013) CBC

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<sup>68</sup> AETS (24 February 2017), *Evaluation of IPA Cross Border Cooperation Programmes 2007-2013* (p7), [https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/final\\_approved\\_evaluation\\_report\\_0.pdf](https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/final_approved_evaluation_report_0.pdf) (p38).

<sup>69</sup> There seems to be an assumption that people will see and hear and internalise what is communicated to them. However, regardless of where and how information is communicated, there is no guarantee that people see or engage with the message. Furthermore, what people understand or perceive in a message may be significantly different from what is expected. Thus, to understand 'reach' it is necessary to engage directly with the target population beyond the group directly involved in the project or programme (e.g. by means of surveys, opinion polls, focus groups, etc.). Social media and websites can provide some insight into reach, but even here, there are likely to be gaps.

programmes considers that visibility was good but at the same time it notes a lack of information about project and programme performance and results. Thus there would seem to be an internal contradiction in the report's assessment of visibility. Nevertheless, the report does acknowledge this issue by recommending that information on the impact of CBC should be made available *'so that local communities can be informed how CBC projects are addressing the needs of the areas'* (p39). It also implies that lack of transparency may have undermined commitment to EU-funded actions and states that *'Visibility is not just about logos and flags but also providing information on how projects were selected and informing citizens in the eligible areas on how funds were spent, to increase further the profile of the programmes and build commitment by stakeholders for future initiatives.'*

We would go further and suggest that communication and visibility should also involve listening and evaluation to learn about what is heard and seen, by whom, and how this influences their understanding and perceptions of EU funding. Besides contributing to knowledge about the effectiveness of communication and visibility activities, this kind of listening would also contribute to knowledge about the effectiveness of CBC programmes.

### 3.2.3. IPA II evaluation report

A report on the evaluation of IPA II includes just two references to visibility in general (i.e. not specifically related to CBC)<sup>70</sup>. It notes (p24) that *'Already initiated improvements in communication and visibility directly address the need to ensure better the information on achieved policy developments and results of IPA II. An essential point in the revised approach is to assign a pivotal role to the NIPACs<sup>[71]</sup> for coordination of national stakeholders within the IPA II overall Monitoring and Performance Framework, and to enlarge the overall array of communication and visibility strategy partners.'* Thus the need to improve the visibility of EU funding has been recognised by the EC but the report does not provide information about the outcome of this strategic change in approach to visibility.

Elsewhere (p30), the IPA II evaluation report notes that there have been cases where IPA II funds implemented by other donors did not ensure EU visibility.

### 3.2.4. Balkan Barometer

The EU-funded Balkan Barometer includes several questions in the section on Attitudes on Regional Cooperation and EU Integration that are relevant to the subject of this briefing, for example<sup>72</sup>:

- Do you agree that the relations in SEE [South Eastern Europe] are better than 12 months ago?
- Do you agree that regional cooperation can contribute to the political, economic or security situation of your society?

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<sup>70</sup> Particip, ECORYS, ecdpm, FISCUS, itad, Oxford Policy Management (June 2017) *External Evaluation of the Instrument for Pre-accession Assistance (IPA II) (2014 – mid 2017) Final Report Volume 1: Main report* [https://ec.europa.eu/europeaid/evaluation-instrument-pre-accession-assistance-ipa-ii-draft-report\\_en](https://ec.europa.eu/europeaid/evaluation-instrument-pre-accession-assistance-ipa-ii-draft-report_en)

<sup>71</sup> NIPAC: National IPA Coordinator

<sup>72</sup> Regional Cooperation Council (2017) *Public Opinion Survey Balkan Barometer 2017*, ISSN 2303-2594, Year 3, Number 3, [https://www.rcc.int/seeds/files/RCC\\_BalkanBarometer\\_PublicOpinion\\_2017.pdf](https://www.rcc.int/seeds/files/RCC_BalkanBarometer_PublicOpinion_2017.pdf)

- How satisfied are you with the level of information available on developments in other parts of the SEE region?
- Do you think that EU membership would be (is – for Croatia) a good thing, a bad thing, or neither good nor bad?

While it is possible that EU-funded activities may influence respondents' opinions, Balkan Barometer does not link the answers to specific issues or concerns. Therefore it is not possible to draw any conclusions from Balkan Barometer about the awareness of EU funding in general, let alone about the awareness of CBC funding.

### 3.2.5. Eurobarometer

Two Eurobarometer surveys have been carried out at the request of DG REGIO in 2015<sup>73</sup> and 2017<sup>74</sup> covering cross-border cooperation. These cover only the EU but they are mentioned here as they include questions relating to awareness about Interreg, which is the instrument used by MS for cross-border cooperation within and outside the EU. The 2017 report notes that across the EU, 22% of the 27,173 respondents were aware of cooperation between different regions of EU Member States because of EU regional funding, and 13% were aware of Interreg (although of these only 3 percentage points knew what it is). The survey results for MS involved in CBC with Western Balkan countries are presented in Table 5 below.

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<sup>73</sup> European Commission (2015), Flash Eurobarometer 422 Cross-Border Cooperation in the EU, <http://ec.europa.eu/COMMfrontoffice/publicopinion/index.cfm/Survey/getSurveyDetail/instruments/FLASH/surveyKy/1565>

<sup>74</sup> European Commission (2017), *Flash Eurobarometer 452 Citizens' awareness and perceptions of EU regional policy*, <http://ec.europa.eu/commfrontoffice/publicopinion/index.cfm/Survey/getSurveyDetail/search/452/surveyKy/2145>

**Table 5: Eurobarometer survey results - regional cooperation**

	Interreg			(D)
	(A) Aware of Interreg but don't know exactly what it is %	(B) Know what Interreg is %	(C) (A) + (B) %	Aware of cooperation between different regions of MS because of EU funding %
EU	10	3	13	22
Bulgaria	5	3	8	29
Greece	22	6	28	15
Croatia	10	4	14	42
Hungary	12	2	14	25
Italy	6	3	9	15
Romania	17	6	23	21

**Source:** Based on European Commission Flash Eurobarometer 452 (2017)

Overall, 22% of respondents were aware of cooperation between different regions of MS because of EU funding (column D) compared with 13% who were either aware of Interreg but didn't know what it is, or who knew what it is. Similar differences were reported in four of the MS listed here, but the reverse was true in Greece and Romania. In Bulgaria, Croatia, and Hungary, awareness was higher than across the EU, while in Greece, Italy and Romania it was lower than across the EU.

While interesting, this information is of limited use in the present context because it is not known to what extent responses to the questions about Interreg apply to cross-border cooperation with non-MS, and the question about awareness of regional cooperation applies specifically to regions within the EU. Nevertheless, these Eurobarometer surveys provide examples of questions that could be applied in the context of CBC involving Western Balkan countries.

## 4. EUROPEAN COURT OF AUDITORS META-AUDIT ON THE USE OF IPA FUNDS IN THE WESTERN BALKANS

In 2016 the European Court of Auditors (ECA) assessed the effectiveness of the Commission's management of the IPA in the Western Balkans, particularly in which way the Commission contributed towards strengthening administrative capacity in the region. This assessment covered IPA 2007-2013 and took into account the first stage of IPA II (2014-2020). The ECA focused on two sectors: rule of law and public administration reform. The meta-audit approach consisted in reviewing a series of ECA special reports and the Commission's evaluation reports. The ECA mainly assessed the entire IPA programming process, as well as 52 national projects and three regional programmes.

The conclusions of the audit show that EU pre-accession assistance was *'broadly effective and that IPA I partly strengthened administrative capacity in the region, despite considerable shortcomings inherent to the national authorities in the Western Balkans'*<sup>75</sup>.

The audit draws general conclusions concerning the EC's management of IPA in the Western Balkans. They found that during IPA (2007-2013), Commission's management objectives *'had not always been specific and measurable'*<sup>76</sup>. For instance, national programmes often had broad objectives that were not specific and measurable through specific targets. The absorption process of IPA funding was "sometimes hampered by weak administrative capacity in some countries and strict requirements for EU fund management when implementation was decentralised"<sup>77</sup>.

The auditors mentioned also that the Commission did not systematically apply strict conditions and follow them up. However, since IPA 2012 programming, the Commission points out that *'conditionalities are used in a targeted way and clearly defined in sector/project fiches in a measurable way and are enforced during implementation'*<sup>78</sup>.

The Commission supported donor coordination effectively, notably through the Western Balkans Investment Framework (WBIF) and the Regional Cooperation Council. WBIF was a good instrument also for providing technical support to national authorities in charge of infrastructure, thereby strengthening the beneficiaries' administrative capacity. At beneficiary level, donor coordination varied between the Western Balkan countries, due to a lack of leadership and administrative capacity within some of the national structures in charge of donor coordination.

The audit mentions that the Commission was generally effective in monitoring implementation and partly effective in following up on the conclusions and recommendations of evaluations.

The main focus of the meta-audit was the performance of IPA in strengthening administrative capacity in the Western Balkans. The main conclusions on this aspect were that the Commission had generally effectively delivered the intended outputs. The ECA found that the Commission support for rule of law

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<sup>75</sup>European Court of Auditors (2016), *EU Pre-accession for strengthening administrative capacity in the Western Balkans: a meta-audit, Special Report No 21/2016*, Luxembourg: Publication Office of the European Union. page 6

<sup>76</sup> European Court of Auditors (2016) page 14

<sup>77</sup> Ibid

<sup>78</sup> European Court of Auditors (2016) page 51

and public administration reform was partly sustainable. According to an interview of the auditors with The Brussels Times, *'when projects turned out to be unsustainable, it was because no national budget was in place to fund the maintenance of the project and the use of the outputs once EU funding ended'*<sup>79</sup>. The lack of budget and staffing, poor coordination and the lack of political will to reform institutions and carry out follow up affected project sustainability.

Besides that, under IPA (2007-2013), the auditors found that relatively little funding has been provided in key areas such as media freedom, public prosecution and the fight against corruption and organised crime, which also affected project sustainability.

The auditors also highlight that the Commission could have encouraged beneficiaries to use good practice developed in the IPA structures as a learning tool in the rest of their public administration. We did not find an answer from the Commission on this subject.

In general, political dialogue both at intergovernmental level and at joint parliamentary level contributed to strengthening administrative capacity by stimulating the political will to strengthen rule of law, encourage administrative reform and improve public finance management. However, political dialogue in the region had a limited impact notably regarding rule of law, although it did achieve some progress with regard to public administration reform.

Following these conclusions, the audit sets out recommendations to improve the design and implementation of projects in the Western Balkans and to encourage greater commitment by national authorities<sup>80</sup>. In particular, it points out that the Commission should:

- Set specific objectives based on ranked priorities and measurable targets;
- Apply relevant conditions at sector, programme and project level and follow up on them by considering, if necessary, appropriate measures;
- Engage beneficiaries in stronger political commitment so that they establish a convincing track record of effective investigation, prosecution and final convictions in cases of high-level corruption and organised crime;
- Further support regional cooperation and ensure its measurable and sustainable results on the ground;
- Use political dialogue to support the delivery of results pertaining to the rule of law and public administration reform under IPA.

To address these recommendations and challenges, the Commission undertook a series of measures, including: strengthened monitoring, a calibrated use of indirect management, a more strategic link with political dialogue, and the introduction of sector-based approaches under IPA II, which will facilitate following up on outputs and sustainability<sup>81 82</sup>.

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<sup>79</sup> The Brussels Times (09 October 2016), *EU auditors: Only about half of EU funded projects for strengthening administrative capacity in the Western Balkans were sustainable*, <https://bit.ly/2Lya5AU>

<sup>80</sup> European Court of Auditors (2016), page 14

<sup>81</sup> Ibid

<sup>82</sup> Council of the European Union, *Council conclusions on Special Report No 21/2016 by the Court of Auditors: "EU pre-accession assistance for strengthening administrative capacity in the Western Balkans: a meta-audit*, Brussels, 22 February 2017, Reply of the Commission page 50

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## ANNEX A – DETAILED FUNDING FOR CBC PROGRAMMES UNDER IPA (2007-2013) & IPA II

**Table 6: IPA II Territorial cooperation programmes**

(Source of information: Source: A quick guide to IPA programming)<sup>83</sup>

### MAIN IPA CBC PROGRAMMES WITH MEMBER STATES

- Croatia – Bosnia and Herzegovina – Montenegro
- Croatia – Serbia
- Hungary – Serbia
- Romania – Serbia
- Bulgaria – Serbia
- Bulgaria – the former Yugoslav Republic of Macedonia
- Bulgaria – Turkey
- Greece - the former Yugoslav Republic of Macedonia
- Greece – Albania
- Italy – Albania – Montenegro
- Cyprus - Turkey<sup>84</sup>
- Greece - Turkey<sup>85</sup>

### MAIN IPA CBC PROGRAMMES BETWEEN IPA COUNTRIES

- Serbia - Bosnia and Herzegovina
- Serbia – Montenegro
- Montenegro – Bosnia and Herzegovina
- Montenegro – Albania
- Albania – the former Yugoslav Republic of Macedonia
- The former Yugoslav Republic of Macedonia – Kosovo
- Albania – Kosovo
- Kosovo – Montenegro
- Serbia – the former Yugoslav Republic of Macedonia (2016-2020)

### IPA CBC PROGRAMMES BETWEEN IPA AND ENI COUNTRIES

- Turkey- Georgia<sup>86</sup>

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<sup>83</sup> European Commission (04 March 2014), *Quick Guide to IPA II Programming v0 2*, [http://www.evropa.gov.rs/Documents/Home/DACU/12/78/248/ipa-quickguide\\_v0%202.pdf](http://www.evropa.gov.rs/Documents/Home/DACU/12/78/248/ipa-quickguide_v0%202.pdf)

<sup>84</sup> This programme has not materialised

<sup>85</sup> This programme has not materialised

<sup>86</sup> This programme has not materialised

PARTICIPATION OF IPA COUNTRIES IN ERDF TRANSNATIONAL COOPERATION PROGRAMMES

- "Danube": only those Enlargement countries participating in the Danube macro-regional strategy, i.e. Bosnia and Herzegovina, Montenegro and Serbia
- "Adriatic-Ionian" (previously called "South East Gateway"): only those Enlargement countries participating in the Adriatic-Ionian macro-regional strategy i.e. Albania, Bosnia and Herzegovina, Montenegro and Serbia
- "Mediterranean": Albania, Bosnia and Herzegovina and Montenegro.

PARTICIPATION OF IPA COUNTRIES IN ENI PROGRAMMES

- ENI Black Sea Programme
- ENI Mediterranean

**Table 7: IPA (2007-2013) CBC programmes**

2007-2013

IPA CBC PROGRAMMES WITH MEMBER STATES	EU contribution	Total OP Budget
Adriatic IPA CBC Programme	166.490.332,00	195.870.979,00
Bulgaria - Serbia	21.264.404,00	25.016.946,00
Bulgaria – The former Yugoslav Republic of Macedonia	12.136.178,00	14.277.857,00
Bulgaria - Turkey	18.486.648,00	21.748.998,00
Greece - fYRoM	16.222.534,00	21.386.276,00
Greece - Albania	15.009.850,00	18.861.949,00
Hungary - Croatia	35.542.216,00	44.741.378,00
Hungary - Serbia	33.969.179,00	39.963.740,00
Romania - Serbia	36.005.685,00	42.359.631,00
Slovenia - Croatia	28.946.970,00	34.055.260,00
<b>TOTAL =</b>	<b>384.073.996,00</b>	<b>458.283.014,00</b>
IPA CBC PROGRAMMES BETWEEN IPA COUNTRIES		
Croatia* - Bosnia	14.000.000,00	*Croatia became a Member State in July 2013
Croatia - Serbia	13.000.000,00	
Croatia - Montenegro	6.500.000,00	
Serbia - Bosnia	12.800.000,00	
Albania - Montenegro	10.553.000,00	
Bosnia - Montenegro	7.900.000,00	
Serbia - Montenegro	8.100.000,00	
fYRoM - Albania	14.000.000,00	
Montenegro - Kosovo	3.600.000,00	
fYRoM - Kosovo	2.400.000,00	
Albania - Kosovo	4.800.000,00	
<b>TOTAL =</b>	<b>97.653.000,00</b>	

Source: Evaluation of IPA Cross Border Cooperation Programmes 2007-2013, Final Evaluation Report, 24 February 2017

**Table 8: IPA II CBC allocations (EUR)**

Programme	EU contribution (EUR)
Kosovo – the former Yugoslav Republic of Macedonia	8 400 000
Montenegro – Kosovo	8 400 000
Albania – Kosovo	8 400 000
Bosnia and Herzegovina – Montenegro	8 400 000
Serbia – Montenegro	8 400 000
The former Yugoslav Republic of Macedonia – Albania	11 900 000
Montenegro – Albania	11 900 000
Serbia – Bosnia and Herzegovina	14 000 000
Serbia – the former Yugoslav Republic of Macedonia	3 500 000
Total	83 300 000

**Source:** Data provided by DG NEAR

## ANNEX B – INDICATIVE ALLOCATIONS IPA II

**Table 9: IPA II Indicative allocations (EUR million) per country, policy areas and sectors**

	Albania		BiH		fYRoM		Montenegro		Kosovo		Serbia	
	2014-2017	2018-2020	2014-2017	2018-2020	2014-2017	2018-2020	2014-2017	2018-2020	2014-2017	2018-2020	2014-2017	2018-2020
Democracy and rule of law	182.9	159.6	116.1	107.1	104.5	83.3	72.5	35.2	168.52	95.0	439.4	253.2
Democracy and governance	143.4	65.3	59.3		69.894	61.1	45.0	20.4	113.92	55.50	265.7	180.7
Rule of law and fundamental rights	39.5	94.3	56.8		34.6	22.3	27.5	14.8	54.60	39.50	173.7	72.5
Competitiveness and growth	140.3	156.7	121.1	207.8	191.2	229.8	80.1	91.3	132.35	206.30	377.8	469
Environment, climate change and energy	4.0	26.2	51.0		61	62.2	18.8	16.3	48.50	95.30	152.9	168.9
Transport	24.0	0	20.0		48.1	67.1	14.8	14.9			64.8	0
Competitiveness, innovation, agriculture and rural development	82.3	100.5	34.0		58.3	77.3	31.2	40.4	54.85	69.50	113.7	222.8
Education, employment and social policies	30.0	30.0	16.1		23.7	23.3	15.3	19.7	29.0	41.5	46.4	77.3
Total	323.2	1316.3	237.2	314.9	295.7	312.1	152.6	126.5	300.87	301.3	817.2	722.2

**Source:** Indicative Strategy Papers – Revised version. Data provided by DG NEAR

Note: 2018-2020 allocations are indicative allocations proposed by the European Commission and currently under approval through comitology procedure.





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This briefing considers the effectiveness and visibility of EU funding in the Western Balkans, Cross-Border Cooperation (CBC) in particular. CBC is reported to have enhanced relations between neighbouring countries at central and regional levels and it has reportedly helped prepare local authorities for eventual management of EU funds. Visibility is reported to be good but it is not known how this translates into public awareness and understanding of EU funding. With IPA II, there is increased emphasis on outcome monitoring and evaluation, and on visibility and communication. The effects of these and other changes remain to be seen.

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