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# **Evaluation on support to SME Competitiveness in Enlargement and Neighbourhood Countries**

## **Final Report - Annexes**

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## Annex 1 Sample projects

The evaluation has set out to scrutinise individual contracts rather than actions or projects consisting of more than one contract. This made it possible to select those contracts that fit the definition of the PSD/Competitiveness sector as given above, and eliminate “peripheral” activities. The plan was to select a maximum of 45 projects: 5 per selected country and 5 for each regional programme. The following sampling/filtering method has been used:

*Filter one:* projects/contracts under all multi-country programmes and the national programmes of selected countries only, as programmed for the years 2010-2015;

*Filter two:* only projects/contracts with a total value of MEURO 1 or more will be considered for the evaluation. Measurement of impact of smaller projects is a futile exercise;

*Filter three:* only projects/contracts that fit the sector definition as given in section 2.2 above;

*Filter four:* Highest preference for projects/contracts that have been completed followed by all those that are at least six months under implementation. Only for those projects/contracts, conclusions on efficiency, effectiveness, impact and sustainability can be based on concrete information. If this does not lead to the desired number of projects/contracts, an additional selection will be made of those that are still to be contracted;

*Filter five:* Projects/contracts that have a recent (less than three years old) ROM or mid-term evaluation report, or have already a final evaluation report available;

*Filter six:* The ToR require an additional filter, namely of contracts that experience difficulties in implementation or are considered to be particularly complex, as well as those perceived as success-stories.

The initial results of this process have been depicted in the inception report; subsequent adaptations appeared necessary as described in section 2.3.4 below.

Although selected in close consultation with the Commission Services (HQ and EUDs), some of the sample projects appeared either not to exist, or not to be relevant for this evaluation. This problem only surfaced when the team was working on the study of available documentation, so the changes were implemented relatively late in the project. Changes in the project samples for IPA Multi-Country, Armenia, Egypt and Moldova have been proposed by the evaluators in the desk phase report, and were accepted by the ISG on 9 September 2016.

For the process of sampling, reference is made to the Inception Report. Upon the start of the desk research, more detailed information on the sample projects became available. It was soon clear that several of the selected projects had no bearing upon the PSD/Competitiveness sector, while some others simply appeared not to exist. It is emphasised that both DG NEAR and the EUDs have validated the initial selection, either explicitly or implicitly by not “protesting”.

The resulting changes in the project sample are the following:

### IPA MULTI

Original	Comment	New
2009 – Regional entrepreneurial learning centre SEECCEL		2009 – Regional entrepreneurial learning centre SEECCEL
2013 – SEECCEL ISCED 2 level		2013 – SEECCEL ISCED 2 level
2013 – SEECCEL ISCED 3 level		2013 – SEECCEL ISCED 3 level
2010 – Socio-economic partnership programmes	No documents found or received.	CARDS 2006; IPA 2008; 2009 and following years – European Fund for South-East Europe
2010 – Socio-economic development in the Western Balkans	No documents found or received.	2013 - Next Generation Competitiveness Initiative

## ARMENIA

Original	Comment	New
<b>2010 – Support implementation of ENP action plan (BS)</b>	<b>No explicit PSD/Competitiveness elements found</b>	<b>none</b>
2010 – EU Advisory Group to the Republic of Armenia	Changed after advice from EUD	2013 - Support to regional development in Armenia
2011 – Support implementation of ENP action plan (BS)	Only IPR found as explicit PSD/Competitiveness element	2011 – Strengthening the enforcement of IPR
2014 – Support to SME development (grant scheme DM + TAIM GiZ)	Same project; slightly different title	2014 – Support to SME development
2014 – Support to SME development (AM/Equity/SBS)	Same project; slightly different title	2014 – Armenian SME finance and advice facility

## EGYPT

Original	Comment	New
Trade & Domestic Market Enhancement Programme (TDMEP) – TA to Ministry of Industry and Foreign Trade in areas of domestic market and industrial competitiveness	TDMEP stands for “Trade and Domestic Market Enhancement Programme”. This programme is implemented through (1) 2 service contracts (one focused on trade and export and a second one on industrial strategy and quality infrastructure) representing close to 70% of the available s budget; the remaining funds are spent on supply & equipment (20%), communication, M&E and operational costs. The sample initially selected was not as much modified, but clarified. The evaluation focused on the 2 service contracts and considered during fieldwork also the synergy between these contracts and the supply one	2011 – TDMEP- TA in areas of foreign trade, export promotion, trade agreements
TA to the Ministry of Industry and Foreign Trade in areas of foreign trade, export promotion and trade agreements		2011 – TDMEP- TA in areas of industrial development and quality infrastructure
Research, Development and Innovation (RDI) Programme II - EU-Egypt Innovation Fund – Grant Scheme, numerous contracts	Same project; official title	2011 – Research Development and Innovation Programme, Phase II
TA to accelerate key business environment reforms at the ERRADA (Egyptian Regulatory Reform and Development Activity coordinated at the Ministry of Trade and Industry)	This project, implemented in 2014-2015 was financed under DG NEAR's FWC and had a budget lower than 1 million, criterion used to select the sample for this evaluation. As it does not respect this criterion, it was deleted from the sample	
2015 – Promoting inclusive economic growth in Egypt	Same project	2015 – “Promoting inclusive economic growth in Egypt” Programme

## MOLDOVA

Original	Comment	New
2010 – Support to priority actions: PPP	PPP only related to public infrastructure; not relevant to PSD/Competitiveness	2010 – ESRA: one-stop shops, credit lines SMEs, business incubators, industrial parks
2010 – Support to implementation of DCFTA	No PSD/Competitiveness elements discovered	2011 – Business development projects under Confidence Building Measures
2012 – Support to PRDP	No PSD/Competitiveness elements discovered	
2013 – Support to enforcement of IPR	Project is being procured; limited evaluability	2013 – Support to enforcement of IPR
2014 – Support to implementation of DCFTA	No PSD/Competitiveness elements discovered	2015 – PAR: one-stop-shops for opening and closing business

In addition to the above, it is interesting to note that the EUD in Sarajevo recently (February 2017) launched an invitation for a framework assignment to evaluate the project *IPA 2011 – Support to local economic development*, which is also part of the sample under the present evaluation. Against this background, it is not completely clear why this project was allowed to enter the sample.

## IPA

### Bosnia and Herzegovina

*IPA 2009 – Business infrastructure* - A technical assistance project with a budget of EUR 1.3 million that has run from November 2012 till November 2014; the main activities encompassed (1) the identification and selection of specific types of business infrastructure which are compatible with strategic and SME development priorities in BiH; (2) the preparation of feasibility and outline design studies for ten selected business support facilities; (3) capacity building at the local level for the creation of a more conducive environment for business support facility management. Beneficiaries of the project were the BiH Ministry of Foreign Trade and Economic Relations, the Federal Ministry of Development, Entrepreneurship and Crafts and the RS Ministry of Industry, Energy and Mining, while much of the work was carried out in and with selected municipalities.

*IPA 2011 – Intellectual Property Rights* - This technical assistance project started in January 2013 and was completed according to schedule in January 2015. The main beneficiary to the project was the Intellectual Property Institute of Bosnia and Herzegovina, located in Mostar. Other beneficiaries were the Ministry of Justice, Competition Council, Courts, Prosecutors, Police and regulatory agencies. The project activities were implemented under three components: (1) Strengthening capacities of IPR enforcement authorities in BiH; (2) Improving cooperation among institutions within the system of IPR enforcement and (3) raising social awareness on the importance of IPR protection and enforcement. The project budget amounted to EUR 1.45 million.

*IPA 2011 – Capacity building for trade policies and analysis* – This is an on-going technical assistance project, which started in September 2015 and is expected to be completed in May 2017. The Ministry of Foreign Trade and Economic Relations of Bosnia and Herzegovina is the main and only beneficiary, although project activities include cooperation with other relevant authorities. The project is the third in a row of projects aimed at preparing BiH for multilateral trade agreements such as WTO and CEFTA. Component one works on Capacity Building in the SAA Implementation, which includes the drafting or re-drafting of crucial legislation. The second component, Capacity Building in the WTO Implementation, and the third one, Capacity Building in CEFTA and EFTA implementation, assist BiH authorities with their negotiations, as well as their participation in various subcommittees. Components four (Capacity Building in Statistics and Trade Analysis) and five (Capacity Building in Implementing Customs related Issues) are of a highly technical character, while component six (Capacity Building in Raising Public Awareness Strategy) is the only one directly aimed at the private sector. The budget for the project is EUR 1.5 million.

*IPA 2011 – Support to local economic development* - A grant scheme with an overall budget of EUR 3.0 million, implemented directly by the EUD in Sarajevo. The project has started with a call for proposals in mid-2013, leading to the conclusion of some 10-12 contracts with grantees. Eligible applicants were not-for-profit, non-government organisations, while grant projects should aim at accelerating the provision of support and facilities for SMEs and entrepreneurs such as the availability of good quality business support

and advice, improvement of business premises and other infrastructure for SMEs and creation of better environment for the development of the SME sector in general. All grant projects are still on-going. There are ROM reports available for several of the grant projects and the evaluation has mainly taken its information from those reports, since separate evaluation of small grant projects is clearly beyond the scope of the current exercise.

*IPA 2013 – Support to SME Competitiveness* – This is a contribution agreement of EUR 2.0 million with the EBRD, signed in December 2014 and running till December 2016. The project is different from “normal” TAM/BAS/EGD actions in that it puts great emphasis on improving BiH’s alignment with the SBA. For that reason, beneficiaries are first and foremost the Ministry of Foreign Trade and Economic Relations of BiH (MoFTER), the Ministry of Industry, Energy and Mining of Republika Srpska, the Federation Ministry of Development, Entrepreneurship and Craft and the Brčko District government. Final beneficiaries are SMEs and business advisory services providers in BiH. Components of the action are awareness raising and promotion of SBA principles amongst SMEs in BiH and other stakeholders, Exchange of best practice in SBA implementation through a “people to people” approach, Implementation of advisory services at enterprise level in order to demonstrate relevance and value of selected SBA principles for enterprise performance

#### Serbia

*IPA 2010 - Integrated Innovation Support Programme* - Purpose and components of the project are described in the table in section 4.2.7. The project was executed in the period October 2011-December 2013. Its main activities encompassed (1) creation of better linkages between business and innovation support organisations, (2) direct coaching of SMEs to encourage innovation, (3) developing innovation activities to the local level, (4) develop a national technology brokers programme, (5) increase the role of new equity-based financial instruments for SMEs, and (6) develop mezzanine financing for SMEs in partnerships with financial intermediaries

*IPA 2011 – Regional Socio-Economic Development Programme II-* This project was selected during the inception period since it appeared at first sight to be part of the overall EUR 18.5 million project “Socio economic development in the Danube Region” of 2011 (see table in section 4.2.7). Upon studying the relevant documents however, the project appears to be programmed already under the IPA 2007 national programme, which would disqualify it for this evaluation. The project documents were received late, well after the desk phase, so it was not possible anymore to exchange it for a more recent one. The project consisted of TA (EUR 5 million) and GS (EUR 10.8 million) and was implemented in the period June 2009 – September 2013. The overall objective of the project is to strengthen the capacities in Serbia for the design and implementation of a policy for balanced territorial socio-economic development aligned to EU accession requirements, while its purpose is to improve the capacities of the Regional Development Agencies (RDAs) and other regional and municipal stakeholders for regional development planning and implementation. Since no documentation on the individual grants was available, the evaluation concerns the TA project only. Beneficiaries/counterparts of the projects were the Ministry of Economy and Regional Development (now the Ministry of Regional Development and Local Self-Government), the Ministry of Finance, eight RDAs, municipalities, the National Agency for SMEs, the Standing Conference for Towns (SCTM), and the Serbian Investment and Export Promotion Agency (SIEPA). The A final report is available, providing sufficient information for the evaluation.

*IPA 2011 – Enforcement of Intellectual Property Rights* - The purpose of the project is described in the table above. It was executed by the European Patent Office (EPO) during the period February 2014-January 2016. Within the budget of EUR 2.8 million, EPO was expected to deliver (1) improved legislation for efficient administrative enforcement of IPR; (2) a strengthened Institutional structure with better capacities and good cooperation between the relevant authorities; (3) cooperation on IPR enforcement both within the Republic of Serbia and with the corresponding administrations in the EU member states; (4) a dedicated IPR enforcement information system in the Market Inspectorate and (5) better public awareness of enforcement of intellectual property rights. EPO worked in Serbia with the Ministry of Trade, Tourism and Telecommunications, the Intellectual Property Office, the Ministry of Interior (Police), the Ministry of Finance (Customs) and the State Prosecution Office. The project reports, including the final report, provide ample information for the evaluation.

*2012 - Improving e-business environment* - This TA project was part of the overall EUR 6.2 million project “Support to SME development”. It had a budget of EUR 2.4 million and was executed during the period May 2014 – November 2016. The purpose of the project was to strengthen the legal and institutional framework to alleviate remaining legal, regulatory and standardisation bottlenecks for a better e-Business environment in Serbia in order to facilitate the e-Commerce uptake by SMEs and consumers and to facilitate the creation of jobs and to increase trade competition in Serbia. The project worked with the Ministry of Trade, Tourism and Telecommunications and the Ministry of Economy as main beneficiaries

and with a large number of other Serbian beneficiaries, such as ministries, police, customs, consumer organisations, judges and prosecutors and the Serbian development agency RAS. A large number of SMEs were directly provided with training. There is –logically- no final report yet but the interim progress reports provide sufficient information for the evaluation.

#### IPA Regional (multi-beneficiary) programme

*IPA 2009; 2013; 2013 - Regional entrepreneurial learning centre SEECEL* - Since 2009, SEECEL has received three direct grants with a combined value of EUR 5,050,000 with the purpose to foster the entrepreneurial learning system at various educational levels, throughout the Western Balkans and Turkey. In addition, SEECEL has benefited from the WBIF through several grants (of around EUR 1.6 million in total) that finance the preparation of a feasibility study and designs for its new premises in Zagreb, complemented with assistance from a Croatian national IPA project for the adaptation of the feasibility study. Finally, SEECEL received ERDF funding of a building, furniture, IT and other equipment to an amount of approximately EUR 40 million. The 2009 grant project was completed in 2013; both other projects were completed by the end of 2016. The SEECEL projects have been thoroughly evaluated in 2012 and 2016 and it makes no sense do this work all over again. Findings in this report are based on those evaluations insofar as they answer the current evaluation questions. Additional information was retrieved through document research and interviews in the countries.

*IPA 2006; 2008; 2009 – European Fund for South-East Europe (EFSE)* - EFSE was established a decade ago as a result of a consolidation effort concerning the EU financing in the region going back to the late nineties when revolving loans were provided for reconstruction of destroyed houses and the creation of SMEs. These were at the time managed separately and came from individual country programmes. Consecutive agreements provided EIF with the mandate (trustee arrangements) to represent the Commission's interests in EFSE. Different sources give different amounts of the overall EU contributions to the fund and its management; it may be EUR 87 million but just as well EUR 189 million. A complicating factor is that several European donors (BMZ Germany, KfW Germany, ADA Austria, SDC Switzerland, EIB, EBRD) participate in the fund and that it is not always clear whether their participation is considered an EU contribution or not. Another complication is that EFSE was mandated in 2011 to also cover ENI EAST, but an exact split of EU contributions over the two regions is difficult to find.

EIF's trusteeship related to EFSE will apparently run till 2023, but what will then happen to the fund itself is not clearly defined. EFSE's specific objective is to attract private sector capital to the Fund and thereby leverage investments into the region for the development of the private sector, in particular, micro and small enterprises and housing. Its current investment portfolio stands at some EUR 950 million, which is impressive. EFSE produces annual reports for investors, elaborating on the financial position of the fund, and its risk exposure. Although they are bound to exist, no reports have reached the evaluators concerning the effects and impacts of the fund on the development of the private sector. As long as this remains the case, evaluation is an exercise in futility.

*IPA 2013 – Next generation competitiveness Initiative* - This is a direct grant governed by a contribution agreement with the OECD. Although OECD claims that the agreement was the result of a call for proposals, none of the official documents refer to this. The overall EU allocation to the project is EUR 4.9 million; it started in April 2013 and was completed –after a no-cost extension of 4 months- in April 2016. Two sets of activities have been carried out, namely (1) Strengthening the competitiveness of two (originally three) specific sectors and (2) Monitoring, evaluating and assessing the policy reforms and institutional settings which are necessary for meeting the commitments contained in the SEE 2020 Vision. The main vehicle for realising the outputs and results consisted of conferences, meetings, round tables and expert forums. Besides, OECD experts have provided technical assistance through analytical reports and the establishing of a monitoring system.

#### **ENI EAST**

##### Armenia

*ENPI 2011 Strengthening the Enforcement of Intellectual Property Rights*- This project is a small part of the EUR 24 million action "Support to the Government of Armenia for the implementation of the ENP Action Plan and preparations for the future Association Agreement-Phase II. The twinning project with a budget of EUR 1.1 million is one of the usual complementary actions, not falling under the allocation for budget support. Its aim was to help Armenia adopt and implement international best practices for strengthening the enforcement of intellectual property rights (IPR). The project started in August 2012 and was completed in December 2014, after an extension of 5 months. Denmark and Greece were the twinning partners and the main beneficiary was the Intellectual Property Agency of the Republic of Armenia. Other beneficiaries were the RA Police, the RA Custom Service, the RA prosecutors General Office, the RA Judiciary Department and the RA Ministry of Justice. The activities were organised under three components, namely (1) Strengthening the IPR Enforcement Infrastructure in the Republic of



Armenia, (2) Strengthening the IPR Enforcement Capacity of the main stakeholders and (3) Awareness raising on IPR Enforcement.

*ENPI 2013 - Support to regional development in Armenia* – This is a combination of a grant scheme and a service contract. The grant scheme of EUR 7 million finances a number of pilot projects that support SME sector development, information technologies development, innovation, R&D, tourism development, agriculture and food-processing development, renewable energy, environmental services.

The technical assistance (EUR 2 million plus 2 million extension) is divided over three components, namely: (1) Management and Development of Regional Development Action Plan; (2) Regional Development Funding (and Mechanisms); (3) Delivery of a Grant Scheme for Regional Development Projects. The commencement date of the technical assistance project was September 2013, while its completion was foreseen for August 2015. The project had to be extended mainly due to the fact that the financing/contracting of the TA and the grant scheme were out of phase. The completion date is now set at August 2017. The grant scheme was launched in September 2015; 7 grant applications were preliminarily selected for contracting in May 2016; contract signing has probably taken place in September 2016; final completion dates for individual grant projects is August 2018.

*ENPI 2014 Support to SME Development in Armenia* - This project is implemented under a delegation agreement with GiZ and encompasses technical assistance, facilitation of policy dialogue and provision of grants to business associations and to innovative start-up/existing businesses, and complete financial management. The EU allocation is EUR 6.4 million, while the German bilateral programme BMZ contributes EUR 131,000. The project is a novelty, in that it actually contracts out a large part of PSD/Competitiveness-related interventions to one external organisation, thus alleviating (actually eliminating) the workload of the EUD in terms of procurement, contracting, management and monitoring. In fact, this is a complex programme, consisting of many separate projects, result-based components, activities and sub-activities. One of the interesting features is that GiZ will launch action grants for (a) the “organised private sector” and (b) innovative (start-up) companies. The documentation seems to indicate that around EUR 1.7 million will be allocated to these grants. The evaluation of this project has encountered severe limitations; design documentation is available but for some reason, responsible authorities have not felt the need to provide implementation reports. Interviews at location have helped some, but the bottom line is that judgments are possible only for relevance and –to limited extent- effectiveness.

*ENPI 2014 Armenian SME finance and advice facility* - This project is financed under the Neighbourhood Investment Facility (NIF) and probably belongs under the regional ENI programme. On the other hand, it is part of the Single Support Framework 2014-2020 for Armenia, otherwise a completely new notion in the world of ENI programming. With a budget of over EUR 15 million, the project has been awarded to the EBRD. Under the EUR 11 million SME finance facility, EBRD sets out to develop and implement two financial instruments, namely the Armenian Private Equity Fund and the Armenia Risk Sharing Facility. The EUR 4 million SME Advice Facility is a continuation of the EBRD’s small business support programme that is currently financed under the regional programme, but will soon come to an end. It has some additional features, such as capacity building to achieve sustainable local SME networks, providing for systematic training of business consultants and for a set of events to disseminate sector and management best practices. It is unfortunate that none of the available documents indicate whether and if so, when the project has started, and what is its current status. As for the GiZ project, judgments are possible only for relevance and –to limited extent- effectiveness.

#### Moldova

*ENPI 2010 - Economic Stimulation in Rural Areas* – This was a large EUR 45 million budget support project, with accompanying measures. The operations financed through budget support have little to do with PSD/Competitiveness support and are therefore scarcely relevant for the evaluation. The focus of the evaluators was on the project “Technical Assistance to Sector Budget Support on Economic Stimulation in Rural Areas (ESRA)” which according to the design documents would have contributed to (a) reduction of the administrative burden of starting and doing business by creating one-stop shops at the State Registration Chamber and simplifying licence procedures; (b) capitalisation of credit lines to stimulate the competitiveness of producers and (potential) exporters in rural areas; (c) providing financing for the purchase of equipment by SMEs through existing credit lines financed by Japan and the EU (2KR) and World Bank (RISP); (d) creating a network of business incubators and industrial parks.

Primary beneficiaries of the project were the Ministry of Economy, the Ministry of Agriculture and Food Industries and the Ministry of Finance. Secondary beneficiaries were selected institutions and organisations involved in economic stimulation in rural areas. The above-mentioned TA contract (EUR 3.0 million) covered all accompanying measures of the budget support programme. It started in December 2011 and was completed in May 2015.

*ENPI 2011 – Business development projects under Confidence Building Measures*– The overall CBM project was executed under a direct grant contract with UNDP and had a budget of around EUR 18.0 million. It started in September 2012 and was completed in August 2015. The focus of the evaluation has been on a few specific PSD/Competitiveness related activities of the project, namely (under component II - support to local development through cooperation; EUR 10.6 million) the promotion and strengthening of cross-river partnerships through business development activities, such as establishment of an enterprise support centre annex incubator, a business school, certification of business consultants, capacity building for specialized business consultants from banks and establishment of a microfinance facility for SMEs. Some EUR 2.5 million was earmarked for these activities. Evaluation has been cumbersome. Two documents only have been made available, namely the Action Fiche and the 2<sup>nd</sup> progress report covering March till November 2013. Fortunately, the evaluators managed to interview UNDP staff in Moldova, which has shed some, but not all necessary light on the project performance. To their surprise, the evaluators learned during the interview with the contractor that a project evaluation was commissioned in 2015 by the EUD; the report was not shared with the evaluators.

*ENPI 2013 – Intellectual property rights* – There is, in the Action Fiche 2013 for the Framework Programme in support of EU – Republic of Moldova agreements, under Comp 1 Comprehensive Institution Building (CIB), sub-component Ic: CIB – Preparing the Republic of Moldova in view of a possible DCFTA with the EU, mention of a possible activity related to IPR. This has triggered the selection of this project for the sample within this evaluation. The AF further intimates that the IPR project will be executed under a twinning agreement. For the rest, no information is available. Acknowledging that the EUD Moldova has duly informed the evaluators that the project is still in its tendering phase, the idea was that by the end of the desk phase, pertinent information would be available. This is not the case, which renders evaluation of this project fruitless. It will therefore not be included in Chapter 4 – Evaluation Findings.

*ENI 2015 – One-stop-shop for opening and closing business under PAR*– This is a second mistake in the selection of sample projects, for which the evaluators accept the blame. The 2015 Action Document on PAR (budget EUR 20 million) tells us that out of the list of 585 public services identified, four are considered as critical by the Government of Moldova and will be supported under this action. One of them is titled “Opening and Closing a Business (one-stop shop for Opening and Closing Business related services)”. This is further elaborated under Component 1 of the action: Horizontal Public Administration Reform process. A call for tender is announced regarding the re-engineering of selected public services delivery, which is bound to be a service contract encompassing more than the on-stop-shop alone. The call would be launched second trimester 2016, which has actually been the case. Consequently, all information is currently confidential and cannot be disbursed by the EUD. Bottom line is that evaluation is impossible and that this project will not feature in Chapter 4 – Evaluation Findings.

#### Regional programme EAST

*ENPI 2009 - European Fund for South-East Europe (EFSE)* – After half a decade of working exclusively for the IPA region, EFSE’s mandate was extended in 2011 to the Eastern neighbourhood. For further details, please see section 4.4.1 below. Like for the IPA region the evaluators welcome EFSE’s annual reports for investors, elaborating on the financial position of the fund, and its risk exposure. Yet, the non-availability of documents concerning the effects and impacts of the fund on the development of the private sector renders the evaluation of this project an exercise in futility.

*ENPI 2010 - SME finance facility* – The 2010 Eastern Partnership SME Finance Facility is implemented through two contribution agreements; one with EBRD and KfW for an amount of EUR 10.2 million, one with the EIB for EUR 5.1 million. The agreement for the EBRD/KfW window was signed in December 2010 and implementation started immediately upon that. The agreed completion date is 108 months after the start, being 31 December 2019. The EIB Window runs for a period of 10 years, from January 2011 till 31 December 2020. Despite the existence of two agreements, this is a tripartite action under EBRD as the lead bank. The basic objective of the project is to increase the availability of funding for SMEs in the region, and to play a role in restoring the involvement of local banks in financing of SMEs. There are slight differences between the two windows: EBRD/KfW will utilise at maximum 90% of the budget for risk sharing, and the remaining 10% for technical assistance. The EIB uses 90% of the budget for interest subsidies and/or partial loss-absorption cushion and the remainder for technical assistance. Annual progress reports are available but do not give insight in performance, other than financial.

*ENPI 2012 SBS I – Implementation of EBRD SBS programme – EGP and BAS* - This project was financed under the NIF by the 2011 EaP regional programme; it has a budget of EUR 7.7 million, has started in January 2011 and was completed in December 2015. The project built upon an earlier EBRD project “implementation of the TAM-BAS Programme in the countries of the Eastern Partnership” and overlapped with it in time until late 2013. There are additional features to a “normal” TAM/BAS project;

EGP EGP aims to prepare companies for investment, by helping them become more creditworthy and, therefore, more bankable. The programme utilises international advisors for the assistance to client companies. In addition, the SBS activities seek to promote gender equality, regional development, and improvements in the business environment through policy dialogue with the local authorities.

*ENPI 2013 - Supporting SME policy reforms in the Eastern Partner Countries-* This project of EUR 2.5 million was implemented under a contribution agreement with OECD, from November 2013 till December 2016 (after a two-month extension). It aimed at (1) assisting EaP countries in the implementation of policy reforms in order to help them implement the Small Business Act for Europe; (2) increasing government responsiveness to SME needs and facilitate improved public private dialogue at national level; (3) strengthening policy dialogue on SME competitiveness in the EaP region; and increasing co-operation between SME stakeholders from the EaP region. Key activities performed during its three years of operation were (in random order) competitiveness roundtables, peer reviews, meetings of working groups and steering groups as platforms for public-private dialogue and inter-ministerial consultation, drafting of reform action plans, drafting of recommendations for SME development strategies, expert seminars, coaching of policy makers, monitoring of progress in SBE implementation. High-level participation of EaP country authorities was often ensured.

An avalanche of design and contracting documents (concept notes, project proposals, DoAs, special conditions, addenda, budgets...) has reached the evaluators, practically all undated and each one slightly different from the other, so that it is a challenge to understand which are the valid ones. On the contrary, only one single implementation report was received, covering the period November 2014 – October 2015. The lack of data is reflected in the evaluation findings.

## **ENI SOUTH**

### Algeria

#### DIVECO I

Although programming year is earlier than 2010, this project is considered in result of the specific request received from the EUD in Algeria during the inception phase, regarding the sample projects to be analysed in this country. The project was implemented from 11 January 2011 to 29 March 2015, over a period of 51 months. Its main activities were structured along the following components (1) Inter-sectorial, (2) Agriculture, (3) Agro-food, (4) Tourism, (5) Support. A total of 27 different activities is considered.

#### P3A III (ALGEX)

The twinning contract was notified on 03/04/2014. The project considers a total of 22 activities along 4 main axes: (1) Economic vigilance, (2) Enterprises detection, follow-up and monitoring, (3) External communication, (4) Internal organisation and communication.

The documents made available to the evaluation team are the twinning contract, the monitoring report and the 6<sup>th</sup> quarterly report. The closing ceremony of this project took place on 25/04/2016, of which a synthesis may be found at Algex's Website<sup>1</sup>.

#### P3A III (Stratégie d'Innovation Industrielle)

The beneficiary Institution is the Algerian Ministry of Industry and Mining (MIM). The twinning's expected results are: (1) MIM's industrial innovation strategy and its regulatory framework are developed; (2) Studies, notes and strategic analyses are carried out per international standards; (3) Industrial clusters (Pôles Industriels) are deployed as a tool for territorial economic development; (4) The competences of MIM managers, support networks and economic operators are strengthened on innovation issues. A total of 28 activities, of which 2 of supporting character, is planned.

The twinning is agreed to last 24 months and has a budget of 1.45 M€.

Only the (yet unsigned) twinning contract was made available to the evaluation team. The project had not started in terms of field implementation at the time when desk and field evaluation activities were carried out.

#### PME II (multiple contracts)

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<sup>1</sup> <http://www.algex.dz/index.php/blog-export/item/692-clôture-du-programme-de-jumelage-p3a-algex-business-france-avantageaustria>.

Three Technical Assistance (TA) contracts were proposed by the EUD in Algeria for evaluation within this assignment:

- Support to SMEs: 10 M€, 30 months.
- Quality component: 6,4 M€, 27 months (not considered within the scope of this evaluation as it does not fall into the PSD concept that is being used. It is however sometimes mentioned in this datasheet for reasons of context).
- Institutional development: 4.2 M€, 24 months.

All three TA contracts were signed on February 2012.

Several documents were made available to the team, including all 3 TA contracts and respective Annexes, multiple monitoring and the final evaluation reports and a summary of the results achieved.

In terms of most significant results, and in what concerns PSD as defined for the purposes of this evaluation, the following deserve being mentioned:

- 339 SMEs, 6 professional associations and 1 employers' organisation were assisted;
- 2,100 persons were trained;
- 22 studies were carried out;
- 13 guides were produced;
- study trips, involving 60 participants, were organised.

*TDMEP - TA to the Ministry of Industry and Foreign Trade in areas of foreign trade, export promotion and trade agreements (TDMEP-T)*

**Purpose:** The project assists the Ministry of Trade and Industry in Egypt in the implementation of trade related reforms that will increase Egypt's benefit from international trade policy and agreements for trade liberalisation, especially towards the EU market.

The activities foreseen (i.e. 35 activities as per Inception Report) are a combination of technical advice, capacity-building and institutional development for Ministry departments and agencies (Minister's Office, the Trade Agreement Sector (TAS), the Foreign Trade Sector (FTS), the Egyptian Commercial Service (ECS), the General Organization for Export and Import Control (GOEIC) etc.), as well as for the private sector and its representatives (Federation of Egyptian Industries (FEI), the Federation of Chambers of Commerce (FEDCoC) etc.

The project focuses on improving rules and procedures relating to foreign trade implementing agencies on import/export law, IPR law, trade remedies, procedures, etc., improving the Ministry's capacity to negotiate trade agreements and analyse legal, environmental and trade implications of international agreements; improving enforcement of Intellectual Property Rights and the Ministry's policy and strategic design, development, implementation and monitoring capacity in the foreign trade area.

**Implementation:** The project is implemented through a service contract under the wider TDMEP ("Trade and Domestic Market Enhancement Programme"), as the following project. Further than the two service contracts, a supply contract was foreseen under TDMEP, as well as communication and dissemination and M&E activities.

*TDMEP – TA to Ministry of Industry and Foreign Trade in areas of domestic market and industrial competitiveness (TA-I)*

**Purpose:** The specific objective of the Trade and Domestic Market Enhancement Programme is to implement trade and domestic market related reforms that will foster industrial development; in particular, to improve the quality infrastructure necessary for trade liberalisation, especially towards the EU market.

The type of tools used to deliver the project is represented by technical assistance in the form of expertise, studies, seminars, workshops, roundtables, conferences, study visits and internships. As per its specific objective, the project has a strong focus on quality infrastructure but also on strategic planning as one of the first activities implemented was the elaboration of Egypt's Industrial Development Strategy 2016-2020 and of the Regulatory Reform Strategy. In the framework of the project further actions are undertaken to support the MIT with the implementation of these strategies, as well as to directly support SMEs through business development service packages in line with the existing SME Strategy/programmes and the approach proposed under the Industrial Strategy 2016-2020. Policy

Advice/ Technical Assistance/ Capacity building to support strategic decision making process in the Ministry of Industry of Trade is also made available, on a demand-driven basis.

**Implementation:** The project is implemented through a service contract under the wider TDMEP (“Trade and Domestic Market Enhancement Programme”), as the previous project. Further than the two service contracts, a supply contract was foreseen under TDMEP, as well as communication and dissemination and M&E activities.

#### Research, Development and Innovation Programme phase II<sup>2</sup>

**Purpose:** The project is the follow-up of a similar programme (RDI I) and aims to support the Egyptian Government to move towards a knowledge based economy through the strengthening of the Innovation Support Unit which administers the Egypt Innovation Fund (Component 1); the establishment of a research networking unit responsible with support to researchers, identification of sources of funding and integration of Egypt researchers in the European Research Area and MPC network (component 2); upgrading research capabilities in existing centres of excellence.

**Implementation:** The project is implemented mainly through grants (including under the Innovation Fund II) and service contracts.

#### Promoting Inclusive Economic Growth in Egypt<sup>3</sup>

**Purpose:** A programme with a budget of 16 M€ (out of which 15 M€ from EU contribution), focused on 2 major components (MSMEs and tourism), with TA contracts and grant schemes as implementation modalities:

- Component 1: the capacities to promote an inclusive economic growth are promoted
- Component 2: more inclusive socioeconomic development is achieved in selected sub-sectors of the economy and/or specific locations.

#### **Implementation:**

Component 1:

- Procurement (direct management) – Call for tenders: Institutional and Capacity Building (MSMEs) 2.5 M€
- Procurement (direct management) – Call for tenders: Institutional and Capacity Building (Heritage and Tourism) 1.5 M€

Component 2:

- Grants on MSME development (direct management) 5 M€
- Grants on Heritage and Tourism development (direct management) 5 M€

#### Regional programme

##### SANAD

**Project objectives:** The project aims to foster employment creation, especially among the youth, and economic development in the MENA region through the sustainable provision of finance to MSMEs via qualified and eligible local financial intermediaries. It is operating in Egypt, Jordan, Lebanon, Morocco, the Palestinian Territories and Tunisia. Algeria, Iraq, Syria and Yemen are also eligible, but for a variety of reasons SANAD has currently no activities there except limited TA in Iraq and Yemen. It also aims to foster employment creation, especially among the youth, and economic development in the MENA region through the sustainable provision of finance to MSMEs via qualified and eligible local financial intermediaries. EU funding 10.24 M€.

**Implementation:** Contractor Signature Date 11/08/2011. Final Date for Implementation 31/12/2026.

#### Preparation Framework to fast-start EBRD support

**Purpose:** The NIF contribution allows the EBRD to prepare investment operations in countries of the Southern and Eastern Mediterranean. The NIF finances technical assistance for the preparation of investment projects in the following priority sectors:

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<sup>2</sup> The findings and evidences presented in the report refer to RDI II as a programme.

<sup>3</sup> The findings and evidences presented in the report refer only to the MSME-related activities.

- Modernisation of the agribusiness value chain to improve food security, enhancing the efficiency of farming techniques including water usage, strengthening the distribution chain, and developing this sector that accounts for a high share of the country's employment;
- Modernisation of the financial sector so as it can contribute to support economic growth;
- Increase of the role of clean sources of energy and improvement of energy efficiency so as to improve energy security and enhance economic competitiveness with a cleaner environment;
- Mobilisation of private sector power, energy and transport infrastructure investment that will accelerate economic development;
- Decentralisation of municipal infrastructure development in order to improve the quality of urban public services.

Total facility contribution 15 M€. Total budget: 15 M€.

**Implementation:** Contract signed on 28 November 2011. Approved by the Board of the NIF on the 15th November 2012. Geographical coverage was initially Morocco, Tunisia and Egypt, having been expanded to Jordan by Addendum number 1. Implementation period: 36 months, starting on 09/11/2011, extended by Addendum number 2 to 72 months and 18 days.

#### EuroMed Invest

**Purpose:** The project complements and contributes to current actions funded by the EU and other donors, with the main purpose of fostering the development of a conducive business environment, developing quality Euro-Mediterranean networks providing adequate support and services for investing SMEs and to demonstrate the potential of cultural and creative industries in promoting inclusive growth. EU funding 5 M€.

**Implementation:** Contract number: ENPI/2013/331-180. Implementation period: December 2013 to December 2016.

#### Euro-Med TIFM

**Purpose:** The general objective is to facilitate closer economic ties between the EU and South Mediterranean countries as well as to improve economic integration between these countries. The specific objective of the Action is the development and opening to the public of the Euro-Med "TIFM" on-line information service and associated help-desk. Maximum EU financing of 1,534,056 € (98% of eligible costs of 1,565,364 €).

**Implementation:** Grant contract signed with the International Trade Centre (ITC) on December 2013. Total implementation period 36 months.

#### EBESM

**Purpose:** To contribute to the improvement of the business enabling environment for Micro, Small and Medium Enterprises (MSME) in the ENP-South region in line with EU best practices through the strengthening of the technical expertise and capacity of targeted public and private stakeholders. Additionally, the project aims at raising awareness and strengthening the policy dialogue around MSME development issues, including access to finance, in particular to give greater attention to SMEs as creators of employment. This is expected to expand the private sector in the region through the development of more robust, inclusive and sustainable growth. Total budget 2,979,850 €, fully financed by the EU.

**Implementation:** The Project was initiated in January 2014 and is planned to end on 31 January 2017. The Project is based in GIZ IS offices in Brussels with activities implemented throughout the ENP South Region and in the EU.

## Annex 2 Country selection

A method for selecting the countries to be studied was proposed in the inception phase, and agreed with the contracting authority through the approval of the inception report in May 2016. The following filtering method is used:

**Filter 1:** No countries in conflict, or with suspended EU programmes or without PSD/Competitiveness interventions in the reference period 2010-2015. This would eliminate Syria, Libya, Israel, Palestine and Russia, and potentially also the Ukraine, although there are other good arguments to include the latter into the evaluation, which would justify considering Ukraine's regions under total Government's control and not affected by conflict.

**Result: Syria, Libya, Israel, Palestine and Russia excluded; decision on Ukraine pending; 18-19 countries remaining.**

**Filter 2:** Date of latest PSD-related evaluation at country level, leading to an inverted ranking<sup>\*)</sup> (i.e. less recently evaluated countries would rank higher) of countries separately for the ENI South, ENI East and IPA regions.

\*) Throughout the tables below, a ranking of 1 is considered high, and of 4 is considered low.

### ENPI/ENI South

Country	Latest available evaluation PSD/Competitiveness	Rank
Algeria	None found	1.0
Egypt	Evaluation of European Commission's Support with Egypt Country level Evaluation, December 2010	1.0
Jordan	Evaluation of the European Union's Cooperation with the Hashemite Kingdom of Jordan - Country Level Evaluation, February 2015 Better work Jordan - Phase I - Final Evaluation, September 2013	3.5
Lebanon	None found	1.0
Morocco	Evaluation of the Improving Business Climate in Morocco (IBCM) and Assessment of the Business Enabling Environment in Morocco, 2011 Evaluation of budget support operations, 2014	2.0
Tunisia	Evaluation of European Commission budget support operations in Tunisia between 1996 and 2008, March 2011 Are Export Support Programmes Effective? Evidence from Tunisia, December 2011 Interest subsidy on the EIB loan for the environmental upgrading factories GCT- Mid-term evaluation, 2013 PEE (Energy and Environment Programme)- Mid-term evaluation, 2013 Evaluation of PMI, 20??	2.5
Filtering method: evaluations 2015 ranked 4; 2014 and 2013 ranked 3; 2012 and 2011 ranked 2; 2010 and older ranked 1. The three highest ranking countries (starting with 1) are retained for potential inclusion.		
<b>Result: Algeria, Egypt and Lebanon preliminarily selected.</b>		

### ENPI/ENI East

Country	Latest available evaluation PSD/Competitiveness	Rank
Armenia	Tourism Industry in Armenia: Evaluation and Perspectives, January 2016 Evaluation of the competitiveness of business entrepreneurship and environment of Armenia, July 2015 Black Sea Trade and Development Bank, Armenia Country Strategy 2015-	4.0

Country	Latest available evaluation PSD/Competitiveness	Rank
	2018, with ex-post evaluation 2011-2014, April 2015	
Azerbaijan	Evaluation/Assessment of Enterprise Development and Training Programme in Azerbaijan, 2012 Final Performance Evaluation of the Azerbaijan Competitiveness and Trade Project, 2013 Final evaluation of the United Nations Development Assistance Framework (2011-2015), 2014 A full country evaluation is planned to be launched in 2016 by DG NEAR	4.0
Belarus	Evaluation of the ECE studies on procedural and regulatory barriers to trade in countries with economies in transition: Belarus, Kazakhstan and Tajikistan, 2015 An economy with unrealistic indicators: an evaluation of the economic situation in Belarus and a forecast for 2013, 2013 Evaluations of sustainable development projects and their impact on environmental decision-making in Belarus within the period of 1991-2006, March 2008	2.5
Georgia	Evaluation of the European Union's co-operation with Georgia (2007-2013), May 2015	4.0
Moldova	Evaluation of the European Commission's support to the Republic of Moldova, November 2007 Taking stock and evaluation of financial assistance granted to Moldova by the EU, 2010 Evaluation of the USAID/Moldova Competitiveness Enhancement and Enterprise Development (CEED) Project, 2007	1.0
Ukraine	Evaluation of Budget Support Operations in Ukraine, September 2014 Evaluation of the past and preparation of the future EU-funded co-operation in the area of financial services, assessment of the current developments in the Ukrainian financial services sector, 2013 Evaluation of the past and preparation of the future EU-funded co-operation in the area of research and innovations, 2014 Evaluation on Economic Governance (on-going)	3.5
Filtering method: evaluations 2015 ranked 4; 2014 and 2013 ranked 3; 2012 and 2011 ranked 2; 2010 and older ranked 1. The three highest ranking countries (starting with 1) are retained for potential inclusion.		
<b>Result: Armenia*), Belarus, Moldova preliminarily selected.</b>		

\*) Despite a low ranking, Armenia was selected at the request of DG NEAR to bring balance in the characteristics of countries to be evaluated. Armenia does not have DCFTA yet shows good engagement in the national and regional projects within the Neighbourhood East region. Furthermore, Armenia considers PSD/Competitiveness crucial for its further development. Finally, although recent evaluations are indeed available, they do not or insufficiently cover PSD/Competitiveness.

#### IPA/Accession countries

Country	Latest available evaluations PSD/Competitiveness	Rank
Albania	Final evaluation of Regional Development Programme Northern Albania, February 2015 Third interim evaluation of IPA assistance, April 2014 Under preparation: self-evaluation on PSD in a manner that is complementary to the HQ-initiated evaluation - 2016	3.5



Country	Latest available evaluations PSD/Competitiveness	Rank
BIH	Self-evaluation of the IPA assistance to Regional Economic, SME and Tourism development, September 2013 Third interim evaluation of IPA assistance, April 2014	2.5
FYROM	USAID Macedonia Competitiveness Project Evaluation, May 2010 Third interim evaluation of IPA assistance, April 2014 Ex-ante evaluation on PSD August 2014 Sector Report May 2014	2.5
Kosovo <sup>4</sup>	Mid-term evaluation of the Kosovo Private Enterprise Program, September 2011 Assessment of the Kosovo Innovation System, March 2013 Third interim evaluation of IPA assistance, April 2014	2.5
Montenegro	Ex-ante evaluation of IPA II 2015-2020 in the sectors of Environment and Climate Action, Transport, Competitiveness and Innovation and Education, Employment and Social Policies, December 2015 Third interim evaluation of IPA assistance, April 2014	3.0
Serbia	Evaluation of effectiveness and efficiency of development assistance to the Republic of Serbia per sector, 2013 Evaluation of the competitiveness and the business environment in Serbia, 2011 Evaluation of the Competitiveness sector implemented and financed by IPA Programme and other Donors in the Republic of Serbia, October 2013 Evaluation report of IPA programmes and other donors in Serbia, October 2013 Third interim evaluation of IPA assistance, April 2014	2.0
Turkey	Evaluation of European Commission Support to Private Sector Development in Turkey; November 2013 Third interim evaluation of IPA assistance, April 2014	3.0
Filtering method: evaluations 2015 ranked 4; 2014 and 2013 ranked 3; 2012 and 2011 ranked 2; 2010 and older ranked 1. The three highest ranking countries (starting with 1) are retained for potential inclusion.		
<b>Result: BIH, former Yugoslav Republic of Macedonia, Kosovo and Serbia preliminarily selected.</b>		

*Filter 3:* The volume of the PSD/Competitiveness programme in terms of number of interventions/contracts and in terms of financial allocations. At this moment, this is a rather imprecise exercise, since it is based on the population of projects/contracts identified during the Inception Phase (see Annex V and VI). Sources of information have been publicly available programming and implementing documents, as well as inputs and corrections received from the Commission Services.

#### ENPI/ENI South

Country	PSD contracts	Rank
Algeria	6 projects/contracts were found, with a total allocation of MEUR 35.9	2
Egypt	7 projects/contracts were found, with a total allocation of MEUR 87.7	1

<sup>4</sup> This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence.

Lebanon	1 project/contract was found, with a total allocation of MEUR 12.0	3
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#### ENPI/ENI East

Country	PSD contracts	Rank
Belarus	6 projects/contracts were found, with a total allocation of MEUR 17.4	3
Moldova	12 projects/contracts were found, with a total allocation of MEUR 113.2	1

#### IPA/Accession countries

Country	PSD contracts	Rank
BIH	13 projects/contracts were found, with a total allocation of MEUR 35.5	2
FYROM	17 projects/contracts were found, with a total allocation of MEUR 23.6	4
Kosovo	6 projects/contracts were found, with a total allocation of MEUR 48.0	1
Serbia	5 projects/contracts were found, with a total allocation of MEUR 35.5	3

The filtering process leads to the following selection of countries:

- In the ENPI/ENI South Region: Algeria and Egypt;
- In the ENPI/ENI East Region: Armenia and Moldova;
- In the IPA region: Bosnia and Herzegovina and Serbia<sup>\*)</sup>.

<sup>\*)</sup> Serbia receives priority over Kosovo in order to include a country where accession negotiations have started.

### Annex 3 EU policy Context

European policy relevant for the evaluation consists of the combination of policies and strategies designed for PSD/Competitiveness development within and outside the EU, and the specific strategies for Enlargement and the European Neighbourhood.

The document "Europe 2020 - A strategy for smart, sustainable and inclusive growth" (Communication from the Commission dated 3 March 2010) sets out a vision of Europe's social market economy for the 21st century. Three priorities were identified, namely

- Smart growth: developing an economy based on knowledge and innovation;
- Sustainable growth: promoting a more resource efficient, greener and more competitive economy;
- Inclusive growth: fostering a high-employment economy delivering social and territorial cohesion.

The strategy puts forward seven so-called Flagship Initiatives, two of which are covering the PSD/Competitiveness sector. They are:

- "Innovation Union" to improve framework conditions and access to finance for research and innovation so as to ensure that innovative ideas can be turned into products and services that create growth and jobs;

and

- An "industrial policy for the globalisation era" to improve the business environment, notably for SMEs, and to support the development of a strong and sustainable industrial base able to compete globally

The Europe 2020 strategy is designed to be implemented by and for the Member States. Yet, its principles are echoed in the strategies for cooperation with accession and neighbourhood countries.

Of particular importance is the Small Business Act of June 2008. It is based on ten key principles and a number of concrete actions. The main focus was, and remains, structured around three areas: ensuring access to finance, taking full advantage of the Single Market and smart regulation. The ten principles to guide the conception and implementation of policies both at EU and Member State level are:

- I Create an environment in which entrepreneurs and family businesses can thrive and entrepreneurship is rewarded
- II Ensure that honest entrepreneurs who have faced bankruptcy quickly get a second chance
- III Design rules according to the "Think Small First" principle
- IV Make public administrations responsive to SMEs' needs
- V Adapt public policy tools to SME needs: facilitate SMEs' participation in public procurement and better use State Aid possibilities for SMEs
- VI Facilitate SMEs' access to finance and develop a legal and business environment supportive to timely payments in commercial transactions
- VII Help SMEs to benefit more from the opportunities offered by the Single Market
- VIII Promote the upgrading of skills in SMEs and all forms of innovation
- IX Enable SMEs to turn environmental challenges into opportunities
- X Encourage and support SMEs to benefit from the growth of markets

The evaluators have used as a reference the Communication from the Commission to the European Parliament and the Council on the Enlargement Strategy and Main Challenges 2010-2011, dating back to November 2010. This strategic document is believed to cover many of the programming efforts in the period under evaluation, with the exception of the years 2014 and 2015, for which reference is made to the Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee on the Regions, on the EU Enlargement Strategy, dated November 2015. Relevant texts from the documents are copied below.

#### Commission communication on private sector development

This communication puts further emphasis on the importance of the private sector for economic development. The expansion of the private sector, particularly micro-, small and medium-sized enterprises (MSMEs) is a powerful engine of economic growth and the main source of job creation. The

private sector provides some 90 percent of jobs in developing countries, making it an essential partner in the fight against poverty. It is also needed as an investor in sustainable agricultural production if the world is to meet the challenge of feeding 9 billion people by 2050. And through innovation and investment in low-carbon and resource-efficient solutions, it will have a major role to play in the transformation towards an inclusive green economy.

Yet, the private sector in developing countries often faces a formidable range of obstacles compared to their rivals in other emerging markets: widespread and rising informality, lack of access to finance especially for the “missing middle” of medium-size enterprises, weak inter-firm linkages and regional economic integration, lack of export competitiveness, complexity of registering business and taxation, infrastructure shortages, a spluttering electricity supply, legal uncertainty and corruption.

EU assistance covers a wide range of areas in the private sector, such as support in creating an enabling business environment. A better business climate helps to promote efficient domestic investment, attract foreign direct investment and increase productivity, thereby raising income and employment opportunities.

Assistance is given to reduce administrative and regulatory barriers for business, provide support to relevant ministries to help them trade, and review existing legislation and policies.

Support is also provided for enterprise development through services such as training, advice and information services, which aim to improve technical and managerial skills and encourage the transfer of know-how and technologies. EU projects and programmes also involve support for professional institutions, such as chambers of commerce, industrial federations or SME associations, as well as the promotion of reliable local financial institutions.

Other areas of support include the promotion of investment and co-operation activities among businesses, and the facilitation of access to financial markets. An important focus is also put on support for microfinance and financial inclusion.

#### The 2011 Agenda for Change

The Agenda for Change, adopted in 2011, is the basis for the EU's development policy. The primary objective of the Agenda for Change is to significantly increase the impact and effectiveness of EU development policy and, to this end, a series of key changes in the way assistance is delivered have been introduced. These key orientations have changed EU development policy significantly and have informed the programming process for the current 2014-2020 period.

The key principles and policy priorities of the Agenda for Change can be summarized as follows:

#### Principles

1. **Differentiation:** taking into account the increased differentiation between developing countries, the EU shall seek to target its resources where they are needed most to address poverty reduction and where they can have the greatest impact. Greater emphasis will be put on the poorest countries including Fragile States. At the same time for countries already on sustained growth paths and/or able to generate enough own resources, this will result in less or no EU development grant aid and the pursuit of a different development partnership based on loans, technical cooperation or support for trilateral cooperation.
2. **Concentration:** to increase the impact and leverage of its assistance, the EU shall engage in no more than three sectors per partner country.
3. **Coordination:** to avoid fragmentation of aid and further increase impact, the EU and its Member States shall strengthen Joint Programming, emphasizing the need for a simplified and faster programming process, to be largely carried out on the ground. Similarly, the EU and its Member States will work to develop a common results-based approach to provide a basis for improving mutual accountability and transparency on development results.
4. **Coherence:** the EU shall continue to evaluate the impact of its policies on development objectives to ensure Policy Coherence for Development. Similarly, it will strengthen county-level dialogue on PCD and continue to promote it in global fora.

#### Policy priorities

1. **Human rights, democracy and other key elements of good governance:** recognizing that good governance, in its political, economic, social and environmental terms, is vital for inclusive and sustainable development, the EU support to governance shall feature more prominently in all partnerships. The EU action should center on the support and promotion of democracy, human

rights and the rule of law, gender equality, civil society and local authorities, public-sector management, corruption, tax policy and administration. In its action the EU shall employ a mix of approaches and instruments such as political dialogue, aid and conditionality based on countries' context, commitments and performance.

2. Inclusive and sustainable growth for human development: recognizing that inclusive and sustainable economic growth is crucial to long-term poverty reduction, the EU shall strengthen its action on social protection, health and education, which are the foundation for growth and ensure its inclusiveness. At the same time, it shall enhance support to those sectors that can have a high impact on development outcomes, like sustainable agriculture and energy, including natural resources management. Finally, the EU shall support those sectors which create enabling conditions for inclusive and sustainable growth such as private sector development and fostering regional integration, including by using new financial tools in order to leverage further resources to increase the EU's impact on poverty reduction.

Additional efforts will also be put in place to tackle the challenges of security, fragility and transition with the setting up of a more integrated, coherent and coordinated response notably linking development cooperation, humanitarian relief and conflict prevention.

#### Implementation

The Agenda for Change was taken into account in the Commission's financing instruments for the period 2014-2020 and in the programming guidelines for the DCI and the EDF in order to ensure the implementation of its principles and priorities. With regard to the principle of differentiation a transparent, clear and equitable methodology was applied for the first time to allocate bilateral aid to both EDF and DCI countries.

#### The 2010 enlargement strategy

The EU conducts a regular dialogue with candidate countries and potential candidates, introducing them to the system of economic policy coordination and surveillance within the EU. In addition, the EU is actively supporting the enlargement countries' endeavours towards economic recovery, macroeconomic stabilisation and fiscal consolidation. Substantial IPA assistance is being targeted at improving public finance management, increasing the quality of statistics and strengthening banking sector supervision.

The enlargement process contributes to the objectives of the Europe 2020 strategy by extending the area of the EU's regulatory framework and creating new trading opportunities. The Commission will associate enlargement countries with initiatives taken at EU level to meet the goals of smart, sustainable and inclusive growth, delivering high levels of employment, productivity and social cohesion.

Financial assistance under IPA is designed to help candidate countries and potential candidates in their efforts to meet accession criteria, to align with EU policies and standards and to foster socio-economic development. Such assistance through the EU budget provides clear added value. Assistance to enlargement countries is an investment in the future of the EU; by supporting its future members to prepare adequately for accession, the EU itself will be better placed to meet its strategic goals.

IPA is designed to allow for strategic planning of assistance through three-year multi-annual indicative planning documents (MIPDs). These documents set out the main priorities for assistance over the coming years and form the basis for annual or multi-annual programming. The MIPDs are based on the needs identified in the partnerships and progress reports. A sector approach will facilitate cooperation among donors and beneficiaries, eliminating duplication of efforts and leading to greater efficiency and effectiveness. This in turn should allow all stakeholders to focus increasingly on the expected results and impact of our combined efforts.

#### The 2015 enlargement strategy

The challenges faced by the enlargement countries are such that none will be ready to join the EU during the mandate of the current Commission. Enlargement policy remains focused on the "fundamentals first" principle. Key priorities are the rule of law, fundamental rights, strengthening democratic institutions, including public administration reform, as well as economic development and competitiveness. These issues reflect the importance the EU attaches to its core values and general policy priorities. Connectivity is at the very heart of the Commission's efforts to promote integration among the individual countries and between these countries and the EU. Improved connectivity within the Western Balkans and with the EU is a key factor for growth and jobs, as it strengthens the countries' backbone of competitiveness.

EU policy for the individual countries follows the general principles laid down in the regional strategies, but details them out according to country-specific needs. Where appropriate, this policy will be discussed in Chapter 4 – Evaluation Findings, for each country and each evaluation question separately.

The EU's Neighbourhood Policy was launched in 2004, as a response to the fifth enlargement round, which resulted in the EU bordering with a range of poorer, economically and politically less stable and less democratic countries. ENP represented a unified policy towards the countries bordering the EU, subsuming the patchwork of existing policy instruments. Its stated goal was to create a ring of countries around the EU with which the EU has close, peaceful and co-operative relations.

The Neighbourhood Investment Facility (NIF) was founded in 2007, and leverages funding from the ENP to invest in interregional projects (interregional strategy paper 2007-2013).

The Eastern Partnership Facility (EaP) is essentially a plan for the development of relations between the Union and the countries of Eastern Europe and South Caucasus, a plan that offers the latter a possibility of gradually joining in EU policies and programmes and of integration with the common market. EU's cooperation with its Eastern neighbours is to lead to the transfer of good EU practices in the fields of trade, economy and politics, and its pace will depend on the changes taking place in those countries and the partners' expectations.

Overarching strategic documents for EU support to the ENI East region are the revised ENPI Interregional Programme Strategy Paper 2007-2013, the ENPI East Regional Programme Strategy Paper 2010-2013, the Multiannual Indicative Programme for the period 2007-2010, the Multiannual Indicative Programme for the period 2011-2013 and the ENPI Regional Indicative Programme for the period 2011-2013. Annual Action Programmes 2010-2013 are based on one or more of these documents.

EU priorities in both strategy documents mentioned above are: Democracy, Good Governance and Stability; Economic development; Climate Change; Energy and Environment; and Advancing integration with the EU and promoting Regional Cooperation. The PSD/Competitiveness sector would be covered by the priority on Economic Development.

Looking at the Annual Action Programmes from 2010 until 2013, the priorities for action remain relatively constant. They are, in random order:

- Democracy, good governance and stability (2010, 2011, 2012, 2013)
- Economic development (2010, 2011, 2012<sup>\*)</sup>, 2013<sup>\*)</sup>)
- Climate Change, Energy and Environment (2010, 2011, 2012, 2013)
- Advancing integration with the EU (2010, 2011, 2012, 2013)
- Promoting Regional Cooperation (2010, 2011, 2012, 2013)
- Promoting Investment Projects in ENP partner countries (2012<sup>\*\*)</sup>)
- Promoting institutional cooperation in higher education (2010, 2011)

<sup>\*)</sup> explicitly including transport

<sup>\*\*)</sup> explicitly referring to the NIF

In addition, a "Special Measure 2012-2013" was adopted, introducing a flexible instrument that provides incentive-based additional financial assistance to eastern partner countries, in the priority areas (1) democratic transformation and institution building, and (2) sustainable and inclusive growth and economic development.

As of 2014, two types of regional programmes exist. The Regional East Strategy Paper (2014-2020) covers the ENI East region, while the wider neighbourhood (East and South) is covered by the strategic document "European Neighbourhood – wide measures' Priorities 2014-2020". More details are given in two related Multiannual Indicative Programmes 2014-2017.

The terminology changes but judging the objectives of the programmes, there remains continuity in most of the earlier defined priorities, especially those related to investments, EU integration and good governance. Private sector development support is not as such a new priority, but is made more explicit in these two annual programmes. The priorities are formulated as follows:

*For the ENI East regional programme:*

- Accelerating political association (sustainable democracy, stability, human rights, good governance and the rule of law)

- Deepening sustainable economic development and integration and sector cooperation, including environment, climate change and energy security
- Enhancing support to civil society, local authorities and people to people contacts
- Flagship initiatives (Integrated Border Management, Small and Medium Sized Enterprises, Regional Gas, Oil and Electricity Markets, Energy Efficiency, Nuclear Safety and Renewable Energy Sources, Sustainable Municipal Development, Promote Good Environmental Governance and Prevent Climate Change, and Prevention, Preparedness and Response to natural and man-made Disasters)

*For the wider neighbourhood programme:*

- Building a partnership for inclusive economic development and integration (2014, 2015))
- Includes support to investment and social and private sector development through the NIF
- Targeted capacity building (2014)
- Includes support to approximation of the regulatory framework and to enhancing public governance systems, mainly through TAIEX
- Support for Improvement in Governance and Management (2014)

Includes public governance reforms by enhancing the capacity of the public administration

EU policy for the individual countries follows the general principles laid down in the regional strategies, but details them out according to country-specific needs. Where appropriate, this policy will be discussed in Chapter 4 – Evaluation Findings, for each country and each evaluation question separately. In the same Chapter, the answers to EQ6 provide a more systematic treatment of strategic objectives.,

#### ENPI SOUTH strategy and Union for the Mediterranean

For the southern neighbourhood countries, the Euro-Mediterranean Charter for Enterprise serves as a reference text for the co-ordination and definition of technical assistance to the private sector at regional, sub-regional and national levels. It contains common principles on which the Mediterranean partners can base enterprise policy to create an environment conducive to investment and private sector development.

The **Union for the Mediterranean (UfM)** was launched in Paris on 13 July 2008 in a bid to give a new impulse to the Barcelona Process, per the Joint Declaration adopted at the heads of state or government meeting. The UfM is the only intergovernmental organisation that gathers all 28 countries of the European Union and the 15 countries of the Southern and Eastern Mediterranean together.

UfM's proposed impulse would allow to:

- Upgrade the political level of EU's relationship with its Mediterranean partners;
- Provide for further co-ownership to multilateral relations;
- Make these relations more concrete and visible through additional regional and sub-regional projects, relevant for the citizens of the region.

Overarching strategic documents for EU support to the ENI South region are the revised ENPI Regional Strategy Paper 2007-2013 and Regional Indicative Programme (2007-2010) for the Euro-Mediterranean Partnership, the ENPI Regional Indicative Programme (2011-2013) for the Euro-Mediterranean Partnership and the Regional South Strategy Paper (2014-2020) and Multiannual Indicative Programme (2014-2017).

EU priorities in the programming documents mentioned above are:

- Democracy; gender equality; respect for human rights and freedom of expression; and the guarantee of the independence of the judiciary (2007-2010) – further evolving to Liberty, Democracy and Security (2014-2020)
- Security of all citizens, including through counter-terrorism policies; cooperation on illegal and legal immigration (2007-2010) – further evolving to Peace and Stability (2014-2020)
- Inclusive and Sustainable Economic Development (both periods)
- Meeting the Millennium Development Goals, particularly in education; fighting racism, xenophobia and intolerance (2007-2010) – further evolving to People Development (2014-2020)
- Dialogue between governmental and non-governmental players; South-South regional integration (2007-2010) – further evolving to Regional and Sub-regional Institutional Cooperation (2014-2020).

The FEMIP was founded in 2002, and before the launch of the ENP invested in countries of the Barcelona Process. Since 2004 it invests in the countries of the ENP, and it also receives some funding from the ENP to leverage investments (southern ENP strategy paper).

EU policy for the individual countries follows the general principles laid down in the regional strategies, but details them out according to country-specific needs. Where appropriate, this policy will be discussed in Chapter 4 – Evaluation Findings, for each country and each evaluation question separately.





## Annex 4 Evaluation matrix

The evaluation matrix was presented in the Inception Report and accepted by DG NEAR in May 2016. After studying the documents and executing the field visits, it became apparent that some elements of the methodology would need to be adapted to better suit the purpose of the evaluation.

In terms of reporting, a few simple adaptations were made, such as combining answers to judgment criteria, since separate treatment would lead to rehearsal of findings. This concerns the judgment criteria under EQs 05, 10, 16 and 20.

Furthermore, judgment criterion 9.1 was designed to differ from judgment criterion 8.1 in that it (1) exclusively looks at SME performance as a result of EU support and (2) would primarily give quantitative information. Aspects of SME performance included here are (a) number of SMEs that received financial support; (b) number of SMEs that received non-financial support; (c) number of SMEs showing growth in international trade; (d) number of SMEs having received assistance from business support organisations; (e) number of SMEs having joined a cluster. It is emphasised that these aspects were not selected at random, but answer directly to the requirements expressed in the ToR. There are several methodological issues involved here.

In the first place, arguably only aspect (c) really touches upon performance of the assisted companies. All other aspects rather relate to project or programme performance.

Secondly, the objective of this evaluation is not primarily to measure quantitative performance of a small selection of sample projects, but rather to provide insight in the effectiveness and impact of PSD/Competitiveness programmes overall. The chosen and agreed methodology, with indicators and judgment criteria focusing predominantly on sample projects, prohibits the latter. This applies to the entire evaluation matrix, but the reformulated EQ08 – although still in a limited way – enables the evaluators to include overall programme effects.

The evaluators, upon examining the ramifications of this design shortcoming, have decided to adapt the evaluation matrix in order to solve the above-mentioned dilemmas. A strict distinction is now maintained between general business environment aspects and business performance aspects. The adapted parts of the evaluation matrix are shown in the table below.

EQ 08	To what extent has EU assistance contributed to tangible improvements in the business environment?
<i>Judgment criterion 8.1</i>	<i>Expected results as stated in project designs, related to aspects of the business environment, are realised or likely to be realised</i>
Indicator 8.1. a	Increase, as compared to 2010, of entrepreneurial learning opportunities, including those for women entrepreneurship (SBA dimension I)
Indicator 8.1. b	Improved institutional and regulatory framework for SME policy making (SBA dimension III)
Indicator 8.1.c	More and improved support services for SMEs (SBA dimension V)
Indicator 8.1. d	More and improved innovation support to SMEs (SBA dimension VIII)
Indicator 8.1. e	SMEs in a Green Economy; promote eco-innovation and eco-efficiency among SMEs (SBA dimension IX)
Indicator 8.1. f	Growth in jobs since 2010, within the business support infrastructure
<i>Judgment criterion 8.2</i>	<i>Expected results as stated in project designs in the IPA area, directly related to the adoption and implementation of the acquis, are realised or likely to be realised</i>
Indicator 8.2. a	Level of progress in narrowing the gap between the beneficiary and the acquis

EQ 09	To what extent has EU assistance contributed to tangible improvements in access to services and in performance of supported companies?
<i>Judgment criterion 9.1</i>	<i>Expected results as stated in project designs, directly related to access to services, are realised or likely to be realised</i>
Indicator 9.1. a	Number of SMEs having gained access to finance as a result of selected EU-funded projects
Indicator 9.1. b	Number of SMEs having obtained non-financial support as a result of selected EU-funded projects
Indicator 9.1.c	Number of SMEs having received assistance from business support organisations as a result of selected EU-funded projects
Indicator 9.1.d	Number of SMEs having joined a cluster as a result of selected EU-funded

	projects
<i>Judgment criterion 9.2</i>	<i>Expected results as stated in project designs, directly related to SME performance, are realised or likely to be realised</i>
Indicator 9.2. a	Number of SMEs showing growth in turnover as a result of selected EU-funded projects
Indicator 9.2. b	Number of SMEs showing growth in international trade as a result of selected EU-funded projects
Indicator 9.2.c	Number of SMEs showing growth in jobs since 2010 as a result of selected EU-funded projects

The text in red font indicates changes in the matrix as processed during the actual evaluation exercise. See text above for further explanations.

Relevance				
EQ 01	How relevant is the EU assistance in view of the priority needs of the countries in the regions?			
Judgment criterion 1.1	The objectives and priorities of EU assistance are in line with the policy/development frameworks for the PSD/Competiveness sector in the partner countries in particular in terms of the needs for financial and non-financial support to enterprises, strengthening of R&D&I, stimulation of FDI and foreign trade, improved business infrastructure and better business environment in general.			
Indicator 1.1. a	Level of correspondence of EU country and multi-beneficiary assistance objectives in the 2010-2015 programmes with the needs identified by the selected partner countries, in their PSD policies/strategies.			
Data method collection	<b>Document study</b>	Individual interviews	Group sessions/focus groups	Survey
Output	Tabular presentation of consistency, with analytical explanation			
Indicator 1.1. b	Priorities chosen in or even before, early stages of the reference period are still relevant			
Data method collection	<b>Document study</b>	Individual interviews	Group sessions/focus groups	Survey
Output	Qualitative comparison of past and present objectives and priorities			
Indicator 1.1.c	Ranking of interventions at macro, meso and micro level as compared to the needs identified			
Data method collection	<b>Document study</b>	Individual interviews	Group sessions/focus groups	Survey
Output	Qualitative comparison of past and present objectives and priorities			
Judgment criterion 1.2	The quality of design of individual projects/interventions/contracts is adequate in terms of intervention logic and definition of indicators			
Indicator 1.2. a	Clear intervention logic in selected projects			

Data method	collection	<b>Document study</b>	Individual interviews	Group sessions/focus groups	Survey
Output	Section in final report describing key findings on logic of intervention and main points for improvement				
<b>EQ 02</b>	<b>To what extent is relevance enhanced through co-ordinated programming of national and multi-country projects?</b>				
Judgment criterion 2.1	Programming of national and multi-country projects is a co-ordinated process at Commission HQ, EUDs and beneficiaries				
Indicator 2.1. a	Frequency and format of information exchange between programmers at Commission HQ and EUDs				
Data method	collection	Document study	<b>Individual interviews</b>	<b>Group sessions/focus groups</b>	Survey
Output	Section in report on consistency between national and multi-country programmes, and on functioning of coordination of programming				
Indicator 2.1. b	Existence of overlaps in programmed assistance under multi-country and national programmes				
Data method	collection	<b>Document study</b>	Individual interviews	<b>Group sessions/focus groups</b>	Survey
Output	Section in report with inventory –or at least examples- of overlaps between national and multi-country programmes, with recommendations on how to avoid them, if the case				
<b>Efficiency</b>					
<b>EQ 03</b>	<b>To what extent is the preparation of interventions managed adequately?</b>				
Judgment criterion 3.1	The process of preparation of contracting documentation does not show avoidable delays				
Indicator 3.1. a	Time elapsed between programming and contracting				
Data method	collection	<b>Document study</b>	Individual interviews	Group sessions/focus groups	Survey
Output	Tabular presentation in final report, with analytical paragraph				

Indicator 3.1. b	Acceptable reasons for delays in contracting			
Data collection method	Document study	<b>Individual interviews</b>	Group sessions/focus groups	Survey
Output	Section in final report on main and generic causes for delays, with programming-related recommendations			
<b>EQ 04</b>	<b>To what extent is the implementation of activities managed adequately?</b>			
Judgment criterion 4.1	The activities are implemented, and outputs are delivered, as scheduled			
Indicator 4.1. a	Deviations from work plans of contractors			
Data collection method	<b>Document study</b>	<b>Individual interviews</b>	Group sessions/focus groups	Survey
Output	Tabular presentation in final report, with analytical paragraph			
Indicator 4.1. b	Acceptable reasons for delays in implementation			
Data collection method	<b>Document study</b>	<b>Individual interviews</b>	Group sessions/focus groups	Survey
Output	Section in final report on main and generic causes for delays, with programming-related recommendations			
<b>EQ 05</b>	<b>How well did national projects mutually, and national and multi-country projects aimed at enhancing PSD/Competitiveness interact to reach the EU policy objectives?</b>			
Judgment criterion 5.1	Individual project experts have regular contacts with their peers in other projects			
Indicator 5.1. a	Frequency of professional interaction			
Data collection method	Document study	<b>Individual interviews</b>	Group sessions/focus groups	Survey
Output	Analytical section in final report on the existence of interactions and their effects related to EU policy objectives			

Judgment criterion 5.2	Beneficiaries have established project-related working relations with beneficiaries of other projects <b>5.2 and 5.3 have been combined</b>			
Indicator 5.2. a	Frequency and format of professional interaction			
Data collection method	Document study	<b>Individual interviews</b>	Group sessions/focus groups	Survey
Output	Analytical section in final report on the existence of interactions and their effects related to EU policy objectives			
Judgment criterion 5.3	Beneficiaries succeed in capitalising on synergies between national and multi-country programmes. <b>5.2 and 5.3 have been combined</b>			
Indicator 5.3. a	Beneficiaries utilise outputs of at least one national and one multi-country PSD/Competitiveness project			
Data collection method	<b>Document study</b>	<b>Individual interviews</b>	Group sessions/focus groups	Survey
Output	Analytical section in final report on the existence of interactions and their effects related to EU policy objectives			
<b>EQ 06</b>	<b>How can programming of support to SMEs projects be improved to achieve strategic objectives more effectively and efficiently?</b>			
Judgment criterion 6.1	Degree of programme adequacy to effectively and efficiently achieve strategic objectives			
Indicator 6.1. a	Programming reflects lessons learnt and actors/stakeholders field experience, including results from policy dialogue and donors exchanges			
Data collection method	<b>Document study</b>	<b>Individual interviews</b>	Group sessions/focus groups	Survey
Output	Analytical section in final report on the existence of interactions and their effects related to EU policy objectives			
<b>EQ 07</b>	<b>What was the most efficient approach in the various projects? And why was it better? How was the programming different vis-à-vis the other projects</b>			
Judgment criterion 7.1	Timeliness and quality of outputs and results			

Indicator 7.1. a	Projects identified which succeed, or are likely to succeed, in delivering quality outputs and results on time and within budgetary limits				
Data collection method	Document study	Individual interviews	Group sessions/focus groups	Survey	
Output	Analytical section in final report on the existence of interactions and their effects related to EU policy objectives				
Indicator 7.1. b	Factors related to design and implementation identified which are at the basis of successful performance				
Data collection method	Document study	Individual interviews	Group sessions/focus groups	Survey	
Output	Analytical section in final report on the existence of interactions and their effects related to EU policy objectives				
Effectiveness					
EQ 08	To what extent has EU assistance contributed to tangible improvements in the business environment and in performance of supported companies? Alternatively, how did it help narrow the gap between the beneficiary and the acquis?  Reformulated: To what extent has EU assistance contributed to tangible improvements in the business environment? Alternatively, how did it help narrow the gap between the beneficiary and the acquis?				
Judgment criterion 8.1	Expected results as stated in project designs, related to aspects of the business environment, are realised or likely to be realised				
Indicator 8.1. a	Increase, as compared to 2010, of entrepreneurial learning opportunities, including those for women entrepreneurship (SBA dimension I)				
Data collection method	Document study	Individual interviews	Group sessions/focus groups	Survey	
Output	Table and/or graph with quantitative results (depending on availability), complemented by analytical comments				
Indicator 8.1. b	Improved institutional and regulatory framework for SME policy making (SBA dimension III)				
Data collection method	Document study	Individual interviews	Group sessions/focus groups	Survey	
Output	Table and/or graph with quantitative results (depending on availability), complemented by analytical comments				



Indicator 8.1.c	More and improved support services for SMEs (SBA dimension V)			
Data collection method	<b>Document study</b>	<b>Individual interviews</b>	<b>Group sessions/focus groups</b>	Survey
Output	Table and/or graph with quantitative results (depending on availability), complemented by analytical comments			
Indicator 8.1. d	More and improved innovation support to SMEs (SBA dimension VIII)			
Data collection method	<b>Document study</b>	Individual interviews	Group sessions/focus groups	<b>Case study</b>
Output	Success story –if existing- of SME investments and strategies which aim at increasing R&D identified and turned into case study; section in final report summarising the findings on R&D support.			
Indicator 8.1. e	SMEs in a Green Economy; promote eco-innovation and eco-efficiency among SMEs (SBA dimension IX)			
Data collection method	<b>Document study</b>	Individual interviews	Group sessions/focus groups	<b>Case study</b>
Output	Success story –if existing – of SME investments and strategies which aim at promoting eco-innovation and eco-efficiency among SMEs; section in final report summarising the findings on SMEs in a Green Economy.			
Judgment criterion 8.2	<del>Expected results as stated in project designs, directly related to SME performance, are realised or likely to be realised</del> 8.2 was moved to 9.1			
Indicator 8.1. f	Growth in jobs since 2010, within business support organisations			
Data collection method	<b>Document study</b>	Individual interviews	Group sessions/focus groups	<b>Survey</b>
Output	Table and/or graph with quantitative results (depending on availability), complemented by analytical comments			
Indicator 8.1. g	Number of SMEs having joined a cluster as a result of selected EU-funded projects			
Data collection method	<b>Document study</b>	Individual interviews	Group sessions/focus groups	<b>Survey</b>

method			groups	
Output	Table and/or graph with quantitative results (depending on availability), complemented by analytical comments			
Judgment criterion 8.2	Expected results as stated in project designs in the IPA area, directly related to the adoption and implementation of the acquis, are realised or likely to be realised.  Re-numbered into 8.2			
Indicator 8.2. a	Level of progress in narrowing the gap between the beneficiary and the acquis			
Data collection method	Document study	Individual interviews	Group sessions/focus groups	Survey
Output	Table and/or graph with quantitative results (depending on availability), complemented by analytical comments			
Impact				
EQ 9	To what extent has the direct and indirect assistance to private enterprises and business support organisations led, or is likely to lead, to job creation?  Reformulated: To what extent has EU assistance contributed to tangible improvements in access to services and in performance of supported companies and business support organisations?			
Judgment criterion 9.1	No judgment criterion in original matrix;  “Old” criterion 8.1 was broken down into 9.1 and 9.2. New 9.1. is now: Expected results as stated in project designs, directly related to access to services, are realised or likely to be realised.			
Indicator 9.1. a	Number of SMEs having gained access to finance as a result of selected EU-funded projects			
Data collection method	Document study	Data collection method	Document study	Data collection method
Output	Table and/or graph with quantitative results (depending on availability), complemented by analytical comments			
Indicator 9.1. b	Number of SMEs having obtained non-financial support as a result of selected EU-funded projects			
Data collection	Document study	Data collection method	Document study	Data collection method

method				
Output	Table and/or graph with quantitative results (depending on availability), complemented by analytical comments			
Indicator 9.1.c	Number of SMEs having received assistance from business support organisations as a result of selected EU-funded projects			
Data collection method	Document study	Individual interviews	Group sessions/focus groups	<b>Survey</b>
Output	Table and/or graph with quantitative results (depending on availability), complemented by analytical comments			
Indicator 9.1. d	Number of SMEs having joined a cluster as a result of EU-funded projects			
Data collection method	<b>Document study</b>	Individual interviews	Group sessions/focus groups	<b>Survey</b>
Output	Table and/or graph with quantitative results (depending on availability), complemented by analytical comments			
Judgment criterion 9.2	“Old” criterion 8.1 was broken down into 9.1 and 9.2. New 9.2. is now: Expected results as stated in project designs, directly related to SME performance, are realised or likely to be realised			
Indicator 9.2. a	Number of SMEs showing growth in turnover since 2010, as a result of selected EU-funded projects			
Data collection method	Document study	Individual interviews	Group sessions/focus groups	<b>Survey</b>
Output	Cost/impact comparisons; qualitative conclusions as to lessons learned and operational recommendations for upcoming programming in order to increase performance of IPA II and ENI assistance			
Indicator 9.2. b	Number of SMEs showing growth in international trade since 2010 as a result of selected EU-funded projects			
Data collection method	<b>Document study</b>	Individual interviews	Group sessions/focus groups	<b>Survey</b>
Output	Table and/or graph with quantitative results (depending on availability), complemented by analytical comments			
Indicator 9.2.c	Number of SMEs showing growth in jobs since 2010, as a result of EU-funded projects			

Data method	collection	Document study	Individual interviews	Group sessions/focus groups	Survey
Output		Table and/or graph with quantitative results (depending on availability), complemented by analytical comments			
EQ 10		To what extent was the assistance to innovative SMEs effective in achieving the desired results, namely on environmentally better products manufacturing, green technologies, energy-efficient building materials, energy and environment labelling products and services, intelligent heating and cooling systems and eco-friendly products? And what possibly hampered its achievement?			
Judgment 10.1	criterion	Introduction of environmentally friendly (green) technologies since 2010 10.1 and 10.2 have been combined			
Indicator 10.1. a		Change in volume/quantity of environmentally friendly (green) technologies implemented, or likely to be implemented, by innovative SMEs as a result of EU-funded projects			
Data method	collection	Document study	Individual interviews	Group sessions/focus groups	Survey
Output		Table reflecting the changes, with analytical comments			
Indicator 10.1. b		Change in volume/quantity of energy-efficient building materials utilised, or likely to be utilised, by innovative SMEs as a result of EU-funded projects			
Data method	collection	Document study	Individual interviews	Group sessions/focus groups	Survey
Output		Table reflecting the changes, with analytical comments			
Indicator 10.1.c		Change in volume/quantity of energy and environment labelling products and services delivered, or likely to be delivered, by innovative SMEs as a result of EU-funded projects			
Data method	collection	Document study	Individual interviews	Group sessions/focus groups	Survey
Output		Table reflecting the changes, with analytical comments			

Indicator 10.1. d	Change in volume/quantity of intelligent heating and cooling systems installed, or likely to be installed, by or within innovative SMEs as a result of EU-funded projects			
Data method collection	Document study	<b>Individual interviews</b>	Group sessions/focus groups	<b>Survey</b>
Output	Table reflecting the changes, with analytical comments			
Indicator 10.1. e	Change in volume/quantity of eco-friendly products produced, or likely to be produced, by innovative SMEs as a result of EU-funded projects			
Data method collection	Document study	<b>Individual interviews</b>	Group sessions/focus groups	<b>Survey</b>
Output	Table reflecting the changes, with analytical comments			
Judgment 10.2 criterion	Evidence of problems with introduction of environmentally friendly technologies and products <b>10.1 and 10.2 have been combined</b>			
Indicator 10.2. a	Failure within individual projects to realise the related expected results			
Data method collection	Document study	<b>Individual interviews</b>	Group sessions/focus groups	<b>Survey</b>
Output	Section in final report describing the failures and their root causes.			
EQ 11	<b>Are both genders equally affected by EU assistance to the PSD/Competitiveness sector? If not, why? If so, was this due to a specific element in programming or implementation?</b>			
Judgment 11.1 criterion	Degree of gender equality/balance in projects design and implementation			
Indicator 11.1. a	Degree of gender equality/balance in projects design and implementation			
Data method collection	<b>Document study</b>	Individual interviews	Group sessions/focus groups	Survey

Output	Success story –if existing- of SME investments and strategies which aim at increasing gender equality in entrepreneurship identified and turned into case study; section in final report summarising the findings on gender equality				
Sustainability					
EQ 12	To what extent are the outcomes of the EU assistance likely to continue producing effects after the end of EU funding?				
Judgment 12.1 criterion	Sustainability of key project effects				
Indicator 12.1. a	Likelihood of key project effects lasting at mid-and long-term				
Data collection method	Document study	Individual interviews	Group sessions/focus groups	Survey	
Output	Section in final report describing main success and failure factors and their root causes. Success story or stories to illustrate, if existing				
Judgment 12.2 criterion	Leveraging/multiplication power of key project effects				
Indicator 12.2. a	Likelihood of key project effects to leverage/multiply at mid-and long-term				
Data collection method	Document study	Individual interviews	Group sessions/focus groups	Survey	
Output	Section in final report describing main leveraging/multiplication success and failure factors and their root causes. Success story/ies to illustrate, if existing				
EQ 13	How can programming of EU assistance be enhanced to improve the impact and sustainability of financial assistance?				
Judgment 13.1 criterion	Lessons learnt on sustainability success and failure factors				
Indicator 13.1. a	Sustainability success and failure factors and respective root causes are identified and may be generalised				
Data collection method	Document study	Individual interviews	Group sessions/focus groups	Survey	

Output	Section in final report elaborating on success/failure factors and respective root causes.				
EQ 14	Is there enough ownership over R&D and innovation activities? If so, how was this managed? If not, why?				
Judgment criterion 14.1	Degree of ownership over R&D and innovation activities				
Indicator 14.1. a	Degree of ownership over R&D and innovation activities				
Data collection method	Document study	Individual interviews	Group sessions/focus groups	Survey	
Output	Mapping exercise regarding the level of innovation and knowledge-based economy				
EQ 15	How likely is it that beneficiaries at policy and implementation levels will continue to demonstrate ownership of the results of EU-interventions?				
Judgment criterion 15.1	National and sub-national legislation, institutional and administrative provisions are in place that guarantee financial and technical sustainability				
Indicator 15.1. a	There is continuity in institutional, organisational and staffing provisions related to the EU-funded intervention				
Data collection method	Document study	Individual interviews	Group sessions/focus groups	Survey	
Output	Section in final report describing main ownership success and failure factors and their root causes. Success story/ies to illustrate, if existing				
Indicator 15.1. b	Organisations involved in implementation of financial/non-financial business support, R&D and innovation activities, trade enhancement and other SME-oriented activities are actively involved in the implementation of EU-funded projects and will continue to do so.				
Data collection method	Document study	Individual interviews	Group sessions/focus groups	Survey	
Output	Section in final report describing main ownership success and failure factors and their root causes. Success story or stories to illustrate, if existing				
Coherence					

EQ 16	To what extent is the EU assistance coherent with other interventions which have similar objectives? To what extent is EU assistance coherent with other action in the field, such as SMEs support in relevant areas of the European programmes, namely the Seventh Framework Programme and the EU's Competitiveness and Innovation Framework Programme (CIP)? Is EU assistance coherent?			
Judgment 16.1 criterion	Clear strategic and operational links exist between EU assistance and the SME support embedded in the (former) Seventh Framework Programme  16.1 and 16.2 have been combined			
Indicator 16.1. a	Level of alignment between programmes/projects and the (former) Seventh Framework Programme			
Data collection method	<b>Document study</b>	<b>Individual interviews</b>	Group sessions/focus groups	Survey
Output	Tabular comparison both levels, with analysis			
Judgment 16.2 criterion	Clear strategic and operational links exist between EU assistance and the SME support embedded in the (former) Competitiveness and Innovation Framework Programme (CIP)  16.1 and 16.2 have been combined			
Indicator 16.2. a	Level of alignment between programmes/projects and the (former) Competitiveness and Innovation Framework Programme (CIP)			
Data collection method	<b>Document study</b>	Individual interviews	<b>Group sessions/focus groups</b>	Survey
Output	Tabular comparison both levels, with analysis			
EQ 17	To which extent are national and regional programmes complementary and aligned with the principles of the EU Small Business Act?			
Judgment 17.1 criterion	Representation of the SBA principles in programming documents and project designs			
Indicator 17.1. a	Financial allocations to advancing the SBA, as percentage of overall financial allocations to the PSD/Competitiveness sector			
Data collection	<b>Document study</b>	Individual interviews	Group sessions/focus	Survey



method			groups	
Output	Table and/or graph with quantitative results (depending on availability), complemented by analytical comments			
EQ 18	To what extent has the EU assistance enhanced the visibility of EU aid, and promoted innovative approaches to aid delivery?			
Judgment 18.1	criterion	Contribution of programming and implementation to EU visibility		
Indicator 18.1. a	Level of effectiveness of EU visibility actions			
Data method	collection	Document study	Individual interviews	Group sessions/focus groups Survey
Output	Section in final report on EU visibility and respective causes, with programming/operational-related recommendations			
Judgment 18.2	criterion	Contribution of programming and implementation to promoting innovative approaches to aid delivery		
Indicator 18.2. a	Innovative character of EU assistance			
Data method	collection	Document study	Individual interviews	Group sessions/focus groups Survey
Output	Section in final report on the innovative character of EU assistance and respective causes, with programming/operational-related recommendations			
EU Added Value				
EQ 19	What is the added value resulting from the EU interventions, compared to what could be achieved by the beneficiary countries without such interventions?			
Judgment 19.1	criterion	Complementarity and non-contradiction or overlapping with national or regional programming Reformulated: Complementarity and non-contradiction or overlapping between beneficiary and EU programmes.		
Indicator 19.1. a	Degree of complementarity and non-contradiction or overlapping with national or regional programming Reformulated: Degree of complementarity and non-contradiction or overlapping with beneficiary programmes			

Data method	collection	Document study	Individual interviews	Group sessions/focus groups	Survey
Output	Section in final report on complementarity and non-contradiction or overlapping of EU assistance with National regional programming, with programming/operational-related recommendations				
EQ 20	Which areas within the PSD/Competitiveness sector can do without or with reduced EU assistance because they are well covered by other donors?				
Judgment 20.1	criterion	Areas/sub-sectors effectively covered by non-financial assistance from other donors 20.1 and 20.2 have been combined			
Indicator 20.1. a	Allocations of EU assistance vs. donor allocations				
Data method	collection	Document study	Individual interviews	Group sessions/focus groups	Survey
Output	Tabular comparison both sources, with analysis				
Indicator 20.1. b	Success (impact) of EU assistance versus that of donor assistance				
Data method	collection	Document study	Individual interviews	Group sessions/focus groups	Survey
Output	Tabular comparison of effects both sources, with analysis				
Judgment 20.2	criterion	Areas/sub-sectors effectively covered by financial assistance from IFIs 20.1 and 20.2 have been combined			
Indicator 20.2. a	Allocations of EU financial assistance to SMEs vs. IFI financial assistance				
Data method	collection	Document study	Individual interviews	Group sessions/focus groups	Survey
Output	Tabular comparison both sources, with analysis				
Indicator 20.2. b	Success (impact) of EU financial assistance to SMEs versus that of IFIs				

Data method	collection	<b>Document study</b>	Individual interviews	Group groups	sessions/focus	<b>Survey</b>
Output	Comparison of effects of both sources of finance					

## Annex 5 Mapping of assistance tables

### IPA

#### 1. Multi-country (regional) programme

The table below is based on official documents and a multitude of interviews

Year*)	Title	Explanatory notes
2006; 2007; 2008; 2009	European Fund for South-East Europe (EFSE) EUR 83.9 million eu contribution	Public-private-partnership, attracting private capital and thereby leveraging public donor funds. EFSE extends loans to local commercial banks and micro-finance institutions in the Western Balkan, Turkey and Eastern Neighbourhood (Armenia, Azerbaijan, Belarus, Georgia, Moldova, Ukraine) for on-lending to micro and small enterprises and households. Different sources give different quotations of EU contributions to the fund. <i>As an estimation, the EU allocation to the IPA region is set at 30 million for the period 2010-2015.</i>
2010	None of the 2010 MB projects	relates directly to PSD, although there may be some indirect effects from the RCC work and the SEEIC work. Not substantial enough to include in the evaluation
2011	Western Balkans Regional Trade Logistics Project (1.5 M€)	The project was executed by the World Bank. It aimed to improve the competitiveness of companies in the Western Balkans by reducing administrative barriers to (and thus, time and costs associated with) cross-border clearance procedures. The project works with private and public sector stakeholders to streamline/ simplify export, import and transit procedures. Implemented from 21/11/2011 – 20/10/2014
2011	Western Balkans Enterprise Development and Innovation Facility (WB EDIF) 30.0 M€	WB EDIF promotes emergence and growth of innovative and high-potential companies, as well as creating a regional Venture Capital market. Coordinated by EIF; partners are EU, EIB, EBRD, other IFIs, bilaterals. WB EDIF will provide early-to-development stages equity financing in innovative SMEs through Enterprise Innovation Fund (ENIF); development and expansion capital to established high-growth potential SMEs through Enterprise Expansion Fund (ENEF) (implemented alongside the EBRD Local Enterprise Facility); improved access to bank lending and lower costs of borrowing by providing SME loan portfolio guarantees to financial intermediaries under a regional Guarantee Facility (GF); Runs from 05/12/2012 to 30/11/2025. <i>Official documentation shows an allocation of EUR 30 million in 2011, and at the same time mentions EUR 64.5 million for the period 2011-2013.</i>
2011	CEFTA Project Facility (0.88 M€)	Two direct grants to support to the CEFTA Secretariat in providing training and support on acquis related issues 5/09/2011– 31/10/2014
2011	Support to the South East Europe Investment Committee (0.8 M€)	This is a grant contract with RCC, aiming at management and coordination of the work of the South East Europe Investment Committee. Project has run from 1/1/2012 to 31/12/2013
2012	WB EDIF (52M€)	See under 2011
2013	WB EDIF (39M€)	34 mln for replenishing EDIF and 5 mln for managing the WBIF. Therefore, almost fully for PSD
2013	SEECCEL (3.4M€)	Two direct grant contracts. The specific objective of the project is building on existing activities and results from the 2009 – 2013 implementation period, to further develop the lifelong entrepreneurial learning system in line with the Human Capital Dimension of the SBA for Europe. Implementation from 01/05/2013 – 30/04/2016 and from 01/01/2014 – 31/12/2016
2013	Next Generation	Support to implementation of South East Europe 2020 Vision. Reform policies that target businesses and remove

Year*)	Title	Explanatory notes
	Competitiveness Initiative (4.9M€)	barriers to growth. Extension of a previous project executed by OECD. Implementation 22/04/2012 – 21/04/2016, but may also have been 22/04/2013 – 31/12/2015.
2013	CEFTA Project Facility (0.44 M€)	Direct grant to support to the CEFTA Secretariat in providing training and support on acquis related issues. Start 17/12/2013; completion 17/07/2016
2014	Central European Free Trade Agreement (3.4M€)	Support to CEFTA secretariat through secondment of national experts from CEFTA parties. 3 annual operating grants and 1 action grant Start 01/05/2015; completion 31/04/2018
2014	EDIF (29M€)	Contribution to the guarantees facility and Support Services Facility under EDIF, as well as the EBRD's SBS programme. OECD Triple Helix project, focusing on early stage SMEs, was launched in Kosovo, Croatia and Albania. Is part of EDIF, but unclear amount and from which allocation OECD project monitoring of policy reforms across the regions Is part of EDIF, but unclear amount and from which allocation EBRD: Small Business Support (SBS) is part of EDIF but unclear amount and from which allocation World Bank: Venture Capital and Investment Readiness is part of EDIF but unclear amount and from which allocation World Bank: EU REPARIS project has been incorporated in EDIF, but unclear amount and from which allocation
2015	Improving economic governance and competitiveness (17M€)	Comp 1 – support governments in competitiveness-enhancing reforms, including SBA implementation, measures for SMEs, monitoring SEE 2020 strategy, and support development of ERPs (OECD direct grant 11M€) Comp 2 – trade facilitation (grant scheme 3M€) Comp 3 – PFM and PEFA (WB direct grant 3 M€) <i>The allocation to PSD/Competitiveness as defined for this evaluation is therefore EUR 14 million.</i>
2015	Technology transfer (1.5M€)	Establishing TT offices and training of TT practitioners. Strengthening TT capacity in the framework of the Western Balkans Innovation Strategy Exercise (WISE).
2015	WB EDIF (5.1M€)	Extension of existing agreement with EIF till 2023 for governance of EDIF. Division over regions unknown
2015	WB EDIF (ENIF) 12.5 M€	ENIF funds are now 12.5 from EU, 5 m from EBRD, 2.4 from Croatia and Macedonia, 5.25 from private investors. Unclear whether the 5.1 mln EU contribution above is part of this.
2015	Trusteeship agreements for European Fund for Southeast Europe and Green for Growth and replenishment of the Green for Growth Fund TA facility (9M€)	EIF will manage the EU participation in GGF, GGF TAF, and EFSE. Division over regions unknown

Year	IPA MB total (€)	PSD/Comp (€)	PSD/Comp (%)
2010	87.0	0.0	0.0
2011	144.0	32.5	22.6
2012	109.0	52.0	47.7
2013	121.0	47.7	39.4
2014	153.0	32.4	21.2

Year	IPA MB total (€)	PSD/Comp (€)	PSD/Comp (%)
2015	123.0	42.1	34.2

## 2. Albania

Year*)	Title	Explanatory notes
2010	none	
2011	Support for participation in Union Programmes (EUR 2.435.000)	For participation in FP7 in 2011 and 2012, the EU financed 75 % (EUR 2.4 million) of the costs of the entry ticket
2012	Support for participation in Union Programmes (EUR 2.434.000)	For participation in FP7 in 2013, the EU financed 75 % (EUR 1.7 million) of the costs of the entry ticket For participation in CIP-EIP in 2013, the EU financed 95 % (EUR 0.07 million) of the costs of the entry ticket TA of 500.000 assisted the authorities and applicants; <i>it is estimated that 80 % was dedicated to the two programmes.</i>
2013	Support to the implementation of the Strategy for Property Rights (EUR 1.000.000)	Project cancelled as informed by EUD Tirana. <i>Therefore, not included in annual allocation.</i>
2013	EBRD Small Business Support Programme - EGP and BAS (EUR 2.000.000)	The project aimed to improve SME performance in Albania by providing them with business advice from international advisers and local consultants, as well as to transfer industry know-how to SMEs in this country through the dissemination of best practices and success model and to strengthen the quality and supply of Albanian business advisory services.
2014	Support to participation in Union Programmes (EUR 1.000.000)	For participation in H2020 2015, the EU finances 51.5 % (EUR 515.000) of the costs of the entry ticket For participation in COSME 2015, the EU finances 80 % EUR 190.000) of the costs of the entry ticket
2015	Support to participation in Union Programmes (EUR 1.000.000)	For participation in H2020 2016, the EU finances 34 % (EUR 375.000) of the costs of the entry ticket For participation in COSME 2016, the EU finances 80 % EUR 189.000) of the costs of the entry ticket

Year	Albania total (€)	PSD/Comp (€)	PSD/Comp (%)
2010	83.2	0	0.0
2011	82.0	2.4	2.9
2012	81.6	2.2	2.7
2013	82.0	2.0	2.4
2014	66.8	0.7	1.0
2015	89.9	0.6	0.7

### 3. Bosnia and Herzegovina

Year*)	Title	Explanatory notes
2010	None	
2011	Support for the improvement of the institutional and legal framework as well as the coordination and harmonisation of private sector development related public policies (EUR 7,000,000)	<p><b>Purpose:</b> to strengthen the enforcement capacity and knowledge regarding intellectual property rights (Component I),</p> <ul style="list-style-type: none"> <li>– to strengthen the information and educational function of the BiH Institute for Intellectual Property (Component II),</li> <li>– to develop further the capacity of the BiH Competition Council (Component III),</li> <li>– to develop the institutional capacity of MoFTER and related institutions for the successful implementation of IA/SAA, WTO, CEFTA, EFTA and further trade negotiations (Component IV),</li> <li>– to implement obligations deriving from the IA/SAA and Multilateral/Bilateral agreements by the Indirect Taxation Authority (ITA) and improvement of the performance of the ITA (Component V).</li> </ul> <p><b>Implementation:</b></p> <p>Component I: one service contract (EUR 1 500 000), tendered in Q4/2012.</p> <p>Component II: one service contract signed Q2/2014 and one supply contract (EUR 0.3 M) to be tendered by Q3/2012</p> <p>Component III: one service contract (EUR 1 380 000) and one supply contract (EUR 120 000) tendered in Q1/2013 and Q3/2015.</p> <p>Component IV: one service contract (EUR 1 166 190 000), tendered Q1/2015 and one supply contract (EUR 100 000), tendered Q3/2012.</p> <p>Component V: one Twinning contract (EUR 2 000 000); call to be published in Q2/2012.</p> <p><i>Components III and V do not fit the definition of PSD/Competitiveness as used for this evaluation</i></p>
2011	Support to the Local Economic Development in Bosnia and Herzegovina (EUR 5,200,000)	<p><b>Purpose:</b> To support the implementation of measures at the local level which will contribute to improve the institutional framework for the SME sector support improvements in innovation and competitiveness and contribute to improvements in the business environment.</p> <p><b>Implementation:</b> A grant scheme for the development of local partnerships to enhance support to SMEs, call for proposals (EUR 3,000,000) published in Q3/2013. Additional EUR 2,200,000 allocated from the same programme to fund in total 11 grant contracts.</p>
2012	Establishment of the State Aid System (EUR 2,500,000)	<p><b>Project objectives:</b> To ensure a competitive and transparent economic space, greater control of public spending and fulfilment of obligations deriving from international treaties containing provisions on the state aid.</p> <p><b>Implementation:</b> One service contract tendered in Q1 2014 and one supply contract tendered in Q2/2016 (EUR 2,500,000).</p>
2013	Support to SME competitiveness (EUR 2 million)	<p><b>Sector objectives:</b> to make SMEs in BiH more competitive in internal as well as external markets, by transposition of EU best practices in implementation of the SBA</p> <p><b>Implementation:</b> One contribution agreement with the EBRD signed in Q4/2014.</p>
2014	Support to participation in EU Programmes (EUR 0.6 million)	<p><b>Objective:</b> ensure participation of BiH in EU programmes by co-financing the costs of the entry-tickets/participation in various areas; relevant here: Competitiveness of enterprises and SMEs (COSME)</p>
2014	Local Development programmes (EUR 6,000,000)	<p>Part of the action: “Integrated local development” with a total allocation of EUR 10 million, the other part (local employment partnerships) falls outside the PSD/Competitiveness definition. Under the UNDP project, <i>PSD-related actions are also limited, and estimated to consume maximum 30% of the allocation.</i></p> <p><b>Objective:</b> to stimulate economic activity and employment and promote social inclusion through integrated local</p>

Year*)	Title	Explanatory notes
		development, by improving local governance and public service delivery, address municipal infrastructure needs, stimulate employment and support sustainable livelihoods and social needs of local communities, in particular among returnees/refugees and internally displaced persons and households affected by the 2014 floods. <b>Implementation:</b> one contribution agreement with UNDP (no target date)
2014	Strengthening SMEs' competitiveness from Special Measure on Flood Recovery and Flood Risk Management Programme	<b>Objective:</b> to re-establish and improve competitiveness of selected business locations and SMEs. The action supports the recovery process of flood affected SMEs and municipalities and improves SME competitiveness in the context of an integrated local development approach. The assistance enhances access to finance for SMEs of the wood, metal and agribusiness sector and will contribute to improved competitiveness of SMEs in selected business locations through local partnerships and implementation of value chain initiatives. <b>Implementation:</b> indirect management – Delegation Agreement with GIZ signed in Q4 2015.
2014	SME Competitiveness Support Facility (EUR 4,000,000)	<b>Objective:</b> to improve the competitiveness of SME and to enhance access to finance for SMEs through investment loans (financed by the EBRD), grants and TA support (financed by IPA). <b>Implementation:</b> indirect management – Delegation Agreement with EBRD signed in Q4 2015.
2015	Support to participation in EU Programmes (EUR 4,610,200)	<b>Objective:</b> to ensure participation of BiH in EU programmes by co-financing the costs of the entry-tickets/participation fees to be paid in areas such as research and innovation, culture and audio-visual activities, education, customs and fiscal policies, justice, health, competitiveness of enterprises and SMEs. The action will also support participation of Bosnia and Herzegovina in the Programme for International Student Assessment (PISA) in 2018. <i>It is estimated that 25% of the allocation is meant for H2020 and COSME participation</i>

Year	BiH total (€)	PSD/Comp (€)	PSD/Comp (%)
2010	98.3	0	0
2011	91.3	6.5	7.1
2012	84.8	2.5	2.9
2013	41.9	2.5	6.0
2014	39.7	6.4	16.1
2015	37.2	1.1	3.0



#### 4. Kosovo

Year*)	Title	Explanatory notes
2010	Regional economic development (21€ total allocated budget, out of which roughly 8.5 million dedicated to PSD-related interventions)	The programme has 2 components: Component 1 - Consolidation EURED process; Component 2 – Municipal Infrastructure (except business infrastructure) Under the first component, relevant for this evaluation, Regional Development Agencies (RDAs) are supported to become recognised by Government, business community and civil society as promoters of regional development and the European Union Regional Economic Development (EURED) Grant Scheme is implemented in five economic regions and minorities. The GS aims to put in place the conditions for competitive businesses and business related small scale infrastructure projects with the final objective to create jobs. The beneficiaries are in most cases Municipalities or business/sector support organisations (e.g. CARE Deutschland, Macedonian Enterprise Development Foundation),
2011	Regional economic development (6,2 M€ total allocated budget, out of which roughly 5 M€ dedicated to PSD-related interventions)	Under Component 1 of the interventions the RDAs receive support to implement the regional strategies already prepared in each of the five economic regions of Kosovo through a Grant Scheme. Projects implemented under the Grant Scheme should contribute to the economic development of their region and applies the same principles as in the previous year.
2011	Economic development - Intellectual Property Rights (1M€)	The purpose of the project was to strengthen the administrative capacities in the sector of intellectual property rights, further align the IP legislative framework with the relevant parts of the EU acquis, and raise awareness in Kosovo of the importance and the benefits of an effective IP system.
2012	Balanced Regional Development (15,6 M€ total allocated budget, out of which roughly 3 M€ dedicated to PSD-related interventions)	Under Component 2 of the project support is lent for the implementation of the EURED Grant Scheme (€ 3.0 million IPA Contribution). The GS applies the same principles as in the previous 2 years.
2013	Trade and Private Sector Development (7,5 M€)	The project is implemented through three key activities: <b>Activity 1</b> – Support to trade policies (enhancing the trade facilitation and negotiation expertise within MTI, in line with international trade requirements and EU best practices); <b>Activity 2</b> – Increase of competitiveness and export promotion (internationalisation and performance boosting training and Kosovo Competitiveness Programme (KCP) developed and tested, export promotion policy designed); <b>Activity 3</b> – Grants to SMEs (which assisted a selection of enterprises with viable plans and clear capabilities to take concrete steps to improve their competitiveness in both domestic and international markets). Activity 3 is implemented through a Contribution Agreement with the International Organisation for Migration (IOM).
2013	Balanced Regional Development (14,9 M€ total allocated budget, out of which roughly 5 M€ dedicated to PSD-related interventions – component 2)	Project is implemented through 3 activities: <b>Activity 1</b> – Municipal Infrastructure (mainly education) (8 M€), <b>Activity 2</b> - Local Economic Development (GS allocated 4.9 M€ IPA funds, including for business parks, business incubators), <b>Activity 3</b> - Novobërdë/NovoBrdo pilot project for comprehensive regional development, implemented in joint management with UNESCO.
2014	Municipal Social and Economic Infrastructure (7,6 M€ in total,	The project aims to improve social and economic infrastructure in selected municipalities and to contribute to an enhanced capacity of selected municipalities to effectively manage municipal infrastructure projects. The project

Year*)	Title	Explanatory notes
	including for business infrastructure)	envisages a high leverage of EU funds – for five (5) to ten (10) social and economic infrastructure schemes implemented with EU funds ten (10) to fifteen (15) social and economic infrastructure schemes should be implemented with Government of Kosovo budget.
2014	Support to Regional Economic Development	Under the programme the following activities are planned: implementation of a regional economic development GS, development of a manual for business support services, support and training for new business establishment and existing business, sub-granting to start-up businesses, marketing and communication activities for the ARDA network and RDAs.
2015	None	

Year	Kosovo total (€)	PSD/Comp (€)	PSD/Comp (%)
2010	63.9	8.5	13.3
2011	62.8	6.0	9.5
2012	63.2	4.0	6.3
2013	65.8	12.5	19.0
2014	66.1	5.0	7.5
2015	81.0	0.0	0.0

## 5. Former Yugoslav Republic of Macedonia

Year*)	Title	Explanatory notes
2010	Capacity building to institutions involved in implementation of the Industrial Policy (EUR 2.673.000)	<b>Purpose:</b> to strengthen the capacity of the Ministry of Economy and other development stakeholders to implement and monitor proactive Industrial Policy which will enable them to design and execute efficient programs and action initiatives in support of the growth and competitiveness of industry. <b>Implementation:</b> one service contract; procurement procedure to start Q2 2011
2010	Participation in Union Programmes and Agencies (EUR 4.782.000)	<b>Purpose:</b> to co-finance the costs of "entry-tickets" for participation in EU programmes and agencies, such as CIP and FP7 <b>Implementation:</b> Contracting is expected by Q2 2011. <i>The share of costs for FP7 and CIP is estimated at 20%</i>
2011	Implementation of the legal framework for bankruptcy and voluntary liquidation of companies (EUR 1.269.000)	<b>Purpose:</b> further harmonization with EU internal market acquis and improvement of the general business environment <b>Implementation:</b> one service contract of 24 months to be signed Q2 2013
2012	Private sector development (EUR 5.536.301)	<b>Project objectives:</b> to improve the business environment and the institutional capacities in respect to increasing national competitiveness and to increase the market competitiveness and production efficiency of the companies <b>Implementation:</b> 1 twinning contract (EUR 742 105): Capacity building for compilation of business and financial statistics, publication of call for proposal foreseen for Q4 2015; 1 service contract (EUR 694 444): Capacity building of institutions supporting business environment, tendering foreseen for Q1 2016; 1 supply contract (EUR 356 667):

Year*)	Title	Explanatory notes
		<p>Purchase of IT equipment for establishment of one stop shop system for issuing business permits and licenses, tendering foreseen for Q1 2016; 1 service contract (EUR 444 444): Capacity building for e-inspectorates and PPPs, tendering foreseen for Q1 2016; 1 supply contract (EUR 480 000): Supporting the improvement of the country's business environment, publication of call for proposals foreseen for Q2 2015; 1 Twinning contract (EUR 700 000): Approximation of national legislation in the field of insurance with acquis and support to increasing market operations, publication of call for proposal foreseen for Q1 2015; 1 service contract (EUR 505 556): Innovation and access to finance, tendering foreseen for Q1 2016; 1 service contract (EUR 231 111) for the Institute for standardisation tendering foreseen for Q1 2016; 1 twinning light contract (EUR 249 474) for the Bureau of metrology tendering foreseen for Q1 2016; 1 Supply contract (EUR 780 000) for the Bureau of metrology tendering foreseen for Q1 2016; 1 Supply contract (EUR 240 000) for the Institute for standardisation tendering foreseen for Q1 2016</p> <p><i>Of the above, an allocation of 2.593.611 fits the definition of PSD/Competitiveness used for this evaluation.</i></p>
2012	Participation in Union Programmes and Agencies (EUR 10.235.000)	<b>Objective:</b> to co-finance the costs of the "entry-tickets" which the beneficiary has to pay for the participation in Union Programmes (such as Horizon 2020 and COSME) and Agencies. <i>It is assumed that 20% of the allocation is dedicated to H2020 and COSME.</i>
2013	Private sector development (EUR 2.041. 000)	<b>Implementation:</b> 1 supply contract (EUR 40 000): Purchase IT equipment for State Statistical Office; tendering foreseen for Q3 2016; 1 service contract (EUR 301 000): Data warehouse software development tendering foreseen for Q1 2016; 1 grant scheme (EUR 1 700 000): Enhancing socio-economic development, publication of call for proposal is foreseen for Q3 2016. <i>Only the last-mentioned grant scheme fits the definition of PSD/Competitiveness used for this evaluation.</i>
2014	Participation in Union Programmes (EUR 6,717,811)	<b>Project Objective:</b> to co-finance the costs of the "entry-tickets" which the beneficiary has to pay for the participation in Union Programmes (such as Horizon 2020 and COSME) and Agencies. <i>It is assumed that 20% of the allocation is dedicated to H2020 and COSME.</i>
2014	Local and Regional Competitiveness (EUR 18.000.000)	<p><b>Action objectives:</b> to increase competitiveness at local and regional level by supporting municipalities in their integrated local development efforts with a view to stimulating local job creation.</p> <p><b>Implementation:</b> contribution agreement with World Bank or UNDP; intended contract date not disclosed. Budget implementation tasks are to maximize local and regional competitiveness: capacity building and support to public administration bodies at all levels (national, regional, local); implementation of public infrastructure investments; capacity building and support to private sector, civil society and educational institutions.</p> <p><i>Estimation: 80% allocated to PSD/Competitiveness as defined for this evaluation</i></p>
2015	none	

Year	Macedonia total (€)	PSD/Comp (€)	PSD/Comp (%)
2010	36.9	4.6	12.5
2011	28.9	1.3	4.5
2012	28.2	5.0	17.7
2013	28.0	1.7	6.1
2014	52.7	15.7	29.8
2015	24.1	0	0.0



## 6. Montenegro

Year*)	Title	Explanatory notes
2010	Support for participation in Community Programmes (EUR 318,483)	<b>Objective:</b> to co-finance the costs of the "entry-tickets" in accordance with the relevant Memoranda of Understanding establishing Montenegro's participation in Community programmes, inter alia Competitiveness and Innovation, CIP and FP7.
2011	Support for participation in Union programmes (EUR 500,000)	<b>Objective:</b> to co-finance the costs of the "entry-tickets" in accordance with the relevant Memoranda of Understanding establishing Montenegro's participation in Community programmes, inter alia Competitiveness and Innovation, CIP and FP7.
2012	Support for participation in Union programmes (EUR 600,000)	<b>Objective:</b> to co-finance the costs of the "entry-tickets" in accordance with the relevant Memoranda of Understanding establishing Montenegro's participation in Community programmes, inter alia Competitiveness and Innovation, CIP and FP7.
2013	Support for participation in Union programmes (EUR 622,605)	<b>Objective:</b> to co-finance the costs of the "entry-tickets" in accordance with the relevant Memoranda of Understanding establishing Montenegro's participation in Community programmes, inter alia Competitiveness and Innovation, COSME and H2020.
2014	Participation in Union Programmes and Agencies (EUR 857 920)	<b>Objective:</b> to co-finance the costs of the "entry-tickets" in accordance with the relevant Memoranda of Understanding establishing Montenegro's participation in Community programmes, inter alia Competitiveness and Innovation, COSME and H2020.
2014	Enhancement of business environment and competitiveness of the private sector (EUR 1.500.000)	<b>Action objective:</b> to strengthen the administrative capacities and for coordination, planning and implementation within the Competitiveness and Innovation sector through targeted support for development, research and innovation. Produce OP 2016-2020. <b>Implementation:</b> not stated; probably one service contract
2014	Support to regulation of financial services (EUR 1.700.000)	<b>Action objective:</b> to further align the legislation related to financial services with the EU acquis and to strengthen the regulatory and supervisory capacities of the relevant institutions. Align regulatory framework in the banking sector, align legislation for the insurance market and harmonise the capital market regulation. <b>Implementation:</b> not stated; probably one service or twinning contract
2014	Alignment with and implementation of the EU internal market acquis (EUR 2.150.000)	<b>Action objective:</b> to align and implement the EU internal market legislation on free movement of goods and consumer protection. <i>This action is not part of PSD/Competitiveness as defined for this evaluation.</i>
2015	Participation in Union Programmes and Agencies (EUR 1,684,580)	<b>Objective:</b> to co-finance the costs of the "entry-tickets" in accordance with the relevant Memoranda of Understanding establishing Montenegro's participation in Community programmes, inter alia Competitiveness and Innovation, COSME and H2020. <i>Assumption is that 40% is related to PSD/Competitiveness.</i>

Year	Montenegro total (€)	PSD/Comp (€)	PSD/Comp (%)
2010	28.6	0.3	1.0
2011	26.5	0.5	1.9
2012	16.7	0.5	3.0

Year	Montenegro total (€)	PSD/Comp (€)	PSD/Comp (%)
2013	12.5	0.6	9.2
2014	35.7	3.3	9.2
2015	25.1	0.6	2.4

## 7. Serbia

Year*)	Title	Explanatory notes
2010	Integrated Innovation Support Programme – 3 M€	<p><b>Purpose:</b> To increase competitiveness and economic growth in Serbia, through strengthening of innovation in SMEs in accordance to National Strategy for Development of Competitive and Innovative SMEs 2008-2013. The project includes two components:  Component 1: Enhanced institutional capacity for efficient support to product and process innovation within SMEs and technology transfer  Component 2: Instrument for financing of SMEs innovation  <b>Implementation:</b> one service contract to be tendered in Q2 2010.</p>
2011	Enforcement of Intellectual Property Rights – 2.8 M€	<p><b>Purpose:</b> to further strengthen Intellectual property rights enforcement in Serbia with a focus on the fight against piracy so as prepare Serbia for participation in EU counterfeiting and piracy observation.  <b>Implementation:</b> one direct grant to the European patent office. The indicative timetable for contracting is Q2 after the signature of the FA.</p>
2011	Socio economic development in the Danube Region – 18.5 M€	<p><b>Purpose:</b> To establish and develop the municipal business infrastructure and thus enable Serbia's Danube river bank municipalities to increase the competitiveness of the region, create new employment opportunities and raise the attractiveness of the Danube Serbia Region to foreign and local private sector investors.  <b>Implementation:</b> one Delegation agreement (indirect centralised management) with the Austrian Development Cooperation and the Portuguese Institute for Aid and Development, to be contracted in Q4 after the signature of the FA  The project has various components, most of which directly aim at supporting the PSD/Competitiveness sector. However, investments in water infrastructure are also part of the project. <i>There is no information on the division of budgets over components in the design documentation, but the assumption is that some 30% of the overall budget (EUR 5.5 million) is dedicated to PSD/Competitiveness.</i></p>
2012	Support to SME development – 6.2 M€	<p><b>Project objectives:</b> The project aims to increase productivity and competitiveness of the Serbian SME sector by providing tailor-made consultancy services and enhancing the capacity of local advisory service providers as well as improve e-business environment by strengthening the legal and institutional framework.  <b>Implementation:</b> The project was implemented through two separate Components/contracts:  Component 1: Business Advisory Services for SMEs through a contribution agreement (joint management) with the EBRD (EUR 3.481 million), planned to be contracted in Q1 after the signature of the FA  Component 2: Improving e-business environment through one service contract. The foreseen timetable for contracting is Q3 after signature of the FA.</p>
2013	Private Sector Development Sector – 2.4 M€	<p><b>Sector objectives:</b> To improve the regulatory and administrative environment for doing business in Serbia; to increase the competitiveness of Serbian enterprises and industry in the EU market; and to increase investment in research and innovation.</p>

Year*)	Title	Explanatory notes
		<p><b>Implementation:</b> The operation is implemented under centralised management by the World Bank by joint management with the European Commission.</p> <p>One service contract and one supply contract (6.75 M€) to be both indicatively tendered in in Q1 after the signature of the FA</p> <p>One twinning contract (0.9 M€) to be indicatively launched in in Q1 2014</p> <p>One direct grant agreement with the Serbian Innovation Fund (2.4 M€) to be signed in Q1 2014. <i>Only this agreement fits the definition of PSD/Competitiveness used for this evaluation.</i></p>
2013	European Partnership with Municipalities – European PROGRES – 7 M€	<p><b>Project Objective:</b> To improve local governance, and the conditions for business and infrastructure development in 34 municipalities in South and South West Serbia by increasing and/or strengthening planning and management capacities, and advancing business enabling environment, as well as enhancing implementation of social inclusion and employment policies.</p> <p><b>Implementation:</b></p> <p>Minimum one works contract (EUR 3.85 million) to be indicatively tendered in Q1 after the signature of the FA.</p> <p>One grant scheme (EUR 3.15 million) for small-scale economic and social infrastructure projects. Timetable for signing the grant agreements Q3/2015. <i>The portion of funding for PSD/Competitiveness is estimated at 15.</i></p>
2014	Support to the Competitiveness sector – 5 M€	<p><b>Project objectives:</b> (1) to improve access to finance and high value added service for companies; (2) to improve market integrity and environment conducive to market operators</p> <p><b>Implementation:</b></p> <p>Activity 1: prepare an ex-ante assessment for the implementation of financial instruments in order to establish proper management and funding system for the implementation of financial instrument identified</p> <p>Direct grant to EIB under direct management by the EUD. Indicative date for signing the grant agreement Q3 of 2015</p> <p>Activities 2-4: Provision of high value services to SMEs within business incubators; development of new products and services by SMEs through research commercialisation; improvement of capacities of market operators and regulators to reduce the number of breaches of competition rules. Indirect management with CFCU Serbia</p>
2015	none	

Year	Serbia total (€)	PSD/Comp (€)	PSD/Comp (%)
2010	174.2	3.0	1.7
2011	178.5	8.3	4.6
2012	171.6	6.2	3.6
2013	145.6	3,9	2.7
2014	115.1	5.0	4,3
2015	196.6	0.0	0.0

## 8. Turkey

Year*)	Title	Explanatory notes
	Regional	
2010	Participation in Union Programmes and Agencies in 2011, 67.6 M€	<i>EU contributions related to CIP amount to 1.8 M€; related to FP7 this amount is 12.3 M€</i>
2010 2011 2012 2013	RCOP Priority axis 1: Improvement of business environment 317,556,256 Euros	<p><b>Purpose:</b> The overall objective of the "Regional Competitiveness" programme is to increase the competitiveness of the poorest regions of Turkey by supporting enterprises. This objective will be achieved through four specific objectives: enhancement of physical and financial infrastructure, increasing business stock, increasing employment creation capacity of the productive sector and enhancing the added value of the production base.</p> <p><b>Implementation modalities:</b> Measure 1.1: Development of Industrial Infrastructure Measure 1.2: Creation and Development of Financing Instruments Measure 1.3: Improvement of R&amp;D, Innovation, Technology and ICT Environment and Infrastructure Measure 1.4: Improvement of Tourism Infrastructure, Promotion and Marketing Activities</p>
2010 2011 2012 2013	RCOP priority axis 2: Strengthening of Enterprise Capacity and Foster Entrepreneurship 17,761,319 Euros	<p><b>Purpose:</b> This priority aims to improve the efficiency and added value produced by enterprises, by enhancing entrepreneurial capacity, as well as competitiveness and employment creation capacity of SMEs, through the provision of basic information support and consultancy services, particularly to start-ups, and strengthening clustering and networking activities.</p> <p><b>Implementation modalities:</b> Measure 2.1: Providing Basic Information and Consultancy Support for Enterprises Measure 2.2: Strengthening of Cooperation in Industry Corporate Sector</p>
2011	Participation in Union Programmes and Agencies in 2012, 66.3 M€	<i>EU contributions related to CIP amount to 1.4 M€; related to FP7 this amount is 10 M€</i>
2012	Participation in Union Programmes and Agencies in 2013, 67.9 M€	<i>EU contributions related to CIP and FP7 not given; assumption: 12.0 M€</i>
2013	Participation in Union Programmes and Agencies in 2014, 71.2 M€	<i>EU contributions related to CIP and FP7 not given; assumption: 13.0 M€</i>
2014	Participation in Union Programmes and Agencies in 2015 and 2016 167.3 M€	<i>EU contributions related to COSME amount to 4.0 M€; related to H2020 this amount is 31.3 M€</i>
2014	Action 1 - Private sector	<b>Purpose:</b>



Year*)	Title	Explanatory notes
2015	development 20 570 000 Euros (2014) 25 410 000 Euros (2015)	The PSD Action aims at improving the total factor productivity of the national economy with a specific emphasis on transforming the manufacturing industry, and increasing its competitiveness. <b>Implementation modalities:</b> Activity 1.1. Transformation of the manufacturing industry Activity 1.2. Services and creative industries
2014 2015	Action 2 - STI 13 090 000 Euros (2014) 16 170 000Euros (2015)	<b>Purpose</b> The objective of STI Action is to improve the national innovation environment by boosting industry engagement in STI through public private partnerships (including but not limited to university-industry collaboration) and improving SMEs' innovation management capacity. <b>Implementation modalities:</b> Activity 2.1 Research and development. Activity 2.2 Technology transfer and commercialization

Year	Turkey total (€)	PSD/Comp (€)	PSD/Comp (%)
2010	644.2	83.2	12.9
2011	772.2	80.5	10.4
2012	879.6	81.1	9.2
2013	925.3	82.1	8.9
2014	620.4	89.0	14.3
2015	626.4	41.6	6.6

## ENI South

### 9. Multi-country (regional) programme

Year	Title	Explanatory notes
2011	MENA Fund for Micro-, Small and Medium Enterprises (SANAD) - <b>NIF</b>	<b>Project objectives:</b> The project aims to foster employment creation, especially among the youth, and economic development in the MENA region through the sustainable provision of finance to MSMEs via qualified and eligible local financial intermediaries. It is operating in Egypt, Jordan, Lebanon, Morocco, the Palestinian Territories and Tunisia. Algeria, Iraq, Syria and Yemen are also eligible, but for a variety of reasons SANAD has currently no activities there except limited TA in Iraq and Yemen. It also aims to foster employment creation, especially among the youth, and economic development in the MENA region through the sustainable provision of finance to MSMEs via qualified and eligible local financial intermediaries. EU funding 10.24 M€. <b>Implementation:</b> Contractor Signature Date 11/08/2011. Final Date for Implementation 31/12/2026.
2011	Southern and Eastern Mediterranean Project Preparation Framework to fast-start EBRD support to	<b>Purpose:</b> The NIF contribution allows the EBRD to prepare investment operations in countries of the Southern and Eastern Mediterranean. The NIF finances technical assistance for the preparation of investment projects in the following priority sectors:

Year	Title	Explanatory notes
	the region - NIF	<ul style="list-style-type: none"> <li>• Modernisation of the agribusiness value chain to improve food security, enhancing the efficiency of farming techniques including water usage, strengthening the distribution chain, and developing this sector that accounts for a high share of the country's employment;</li> <li>• Modernisation of the financial sector so as it can contribute to support economic growth;</li> <li>• Increase of the role of clean sources of energy and improvement of energy efficiency so as to improve energy security and enhance economic competitiveness with a cleaner environment;</li> <li>• Mobilisation of private sector power, energy and transport infrastructure investment that will accelerate economic development;</li> <li>• Decentralisation of municipal infrastructure development in order to improve the quality of urban public services.</li> </ul> <p>Total facility contribution 15 M€. Total budget: 15 M€.</p> <p><b>Implementation:</b> Contract signed on 28 November 2011. Approved by the Board of the NIF on the 15th November 2012. Geographical coverage was initially Morocco, Tunisia and Egypt, having been expanded to Jordan by Addendum nr 1. Implementation period: 36 months, starting on 09/11/2011, extended by Addendum nr 2 to 72 months and 18 days.</p>
2011	TAM/BAS In Egypt, Morocco, Tunisia - NIF	<p><b>Purpose:</b> The General Objective (GO) of the programme is to support economic transition and to achieve enterprise change in viable Micro, Small and Medium Enterprises (MSMEs) across a broad range of sectors. The Specific Objectives (SO) include: Enhanced competitiveness of assisted MSMEs (increased exports, productivity and sales, new foreign contacts, production technology, changes in product ranges and production processes); stimulated sectors with high growth potential (through disseminated best practices, shared successful models); strengthened and sustainable infrastructures of local business advisory services (increased supply of services, broadened range of services, increased consolidation of the industry). Funding from EU NIF* € 5.0 million; Funding from other sources* € 9.2 million; Total budget* € 14.2 million (*Excludes client contributions)</p> <p><b>Implementation:</b> Countries: Egypt, Morocco, Tunisia. Duration: 2 years. Project target: 530 project (of which 333 under EU NIF)</p>
2013	Enhancement of the business environment in the southern Mediterranean (EBESM)	<p><b>Purpose:</b> To contribute to the improvement of the business enabling environment for Micro, Small and Medium Enterprises (MSME) in the ENP-South region in line with EU best practices through the strengthening of the technical expertise and capacity of targeted public and private stakeholders. Additionally, the project aims at raising awareness and strengthening the policy dialogue around MSME development issues, including access to finance, in particular to give greater attention to SMEs as creators of employment. This is expected to expand the private sector in the region through the development of more robust, inclusive and sustainable growth. Total budget 2,979,850 €, fully financed by the EU.</p> <p><b>Implementation:</b> The Project was initiated in January 2014 and is planned to end on 31 January 2017. The Project is based in GIZ IS offices in Brussels with activities implemented throughout the ENP South Region and in the EU.</p>
2013	Euro-Mediterranean Trade and Investment Facilitation Mechanism (Euro-Med TIFM)	<p><b>Purpose:</b> The general objective is to facilitate closer economic ties between the EU and South Mediterranean countries as well as to improve economic integration between these countries. The specific objective of the Action is the development and opening to the public of the Euro-Med "TIFM" on-line information service and associated help-desk. Maximum EU financing of 1,534,056 € (98% of eligible costs of 1,565,364 €).</p>

Year	Title	Explanatory notes
		<b>Implementation:</b> Grant contract signed with the International Trade Centre (ITC) on December 2013. Total implementation period 36 months.
2013	Euromed Invest	<p><b>Purpose:</b> The project complements and contributes to current actions funded by the EU and other donors, with the main purpose of fostering the development of a conducive business environment, developing quality Euro-Mediterranean networks providing adequate support and services for investing MSMEs and to demonstrate the potential of cultural and creative industries in promoting inclusive growth. EU funding 5 M€.</p> <p><b>Implementation:</b> Contract number: ENPI/2013/331-180. Implementation period: December 2013 to December 2016.</p>
2013	SME Guarantee Facility (Jordan, Egypt, Morocco, Lebanon, Tunisia) - NIF	<p><b>Purpose:</b> The facility will provide the banks with an effective risk management tool, thereby increasing their capacity to absorb increased demand from SMEs in the region. By supporting the SME finance sector, the facility aims to bridge the gap between financial services and small businesses and to contribute towards greater financial inclusion in the region. The overall objective of the project is job creation and sustainable growth in the region. Total facility contribution 24 M€; Total budget 320 M€.</p> <p><b>Implementation:</b> The project is a regional multi-year risk sharing facility organised by IFC, EIB, AfD and OFID (the IFI partners). Several individual operations will be signed with local commercial banks under the facility. Such operations will provide the banks selected under the facility with a partial credit risk guarantee covering the losses incurred under their portfolios of eligible loans to SMEs, to be set up according to eligible criteria. The project is a joint response to the Deauville Partnership, which aims at fostering support to SMEs across the region following the Arab spring events.</p>
2013	Support to private sector development and inclusive growth - TA support to the development of culture and creative industries	<p><b>Purpose:</b> The objective of this action is to foster entrepreneurial co-operation in the culture and creative Industries. The action will provide financial and technical support to pilot cluster projects in these sectors.</p> <p><b>Expected results:</b></p> <ul style="list-style-type: none"> <li>• At least one promising cluster initiative per target country will receive technical assistance and business advice specific to clusters in CCIs; they will be further supported through the acquisition of new equipment</li> <li>• A mapping of clusters and value chains in cultural and creative industries in each target country will be produced</li> <li>• Plans will be devised for national Governments to replicate the project's activities and create linkages with financial institutions and other development partners</li> <li>• Communication platform for information dissemination and knowledge sharing will be enabled; communication activities will strengthen clusters' market access activities and provide increased visibility for all involved, especially donors.</li> </ul> <p>Total budget 5.6 M€ ; Total EU contribution 5 M€.</p> <p><b>Implementation:</b> Following a competitive call for proposals inviting companies, associations and institutions to request technical assistance with the formation of clusters, the project "Development of clusters in cultural and creative industries in the Southern Mediterranean" will select and provide assistance to at least one cluster in each one of the target countries —Algeria, Egypt, Jordan, Lebanon, Morocco, Palestine and Tunisia.</p> <p>Clusters will be chosen by project counterparts, donors, and public and private stakeholders in each country using a pre-agreed cluster-ranking matrix that will consider, among other factors, a cluster's potential for developing products rooted in the country's cultural heritage, for creating jobs, and ultimately for promoting inclusive and sustainable industrial development.</p>

Year	Title	Explanatory notes
		<p>The selected clusters will be strengthened using the methodology for clusters and business linkages developed by the United Nations Industrial Development Organization (UNIDO) as well as through capacity building based on the UNIDO strategy for cultural and creative industries. They will also be assisted with entering new markets and forming partnerships with public and private entities.</p> <p>The project will also identify existing and potential clusters and value chains in cultural and creative industries in the targeted countries. Workshops, regional meetings and other capacity building activities will be organized to foster the exchange of best practices and success stories.</p> <p>Moreover, the project will support the implementation of an enhanced policy framework conducive to clustering in cultural and creative industries, thus promoting the up scaling and replication of technical cooperation activities to increase employment opportunities and inclusive development throughout the region.</p> <p>Special attention will be given to establishing business linkages between cluster support institutions in the Southern Mediterranean and in the European Union, as well as between international buyers (retailers and manufacturers) and local suppliers (to increase sustainable sourcing).</p> <p>The project's endeavours will be strengthened by a comprehensive communication strategy, which will inform, promote and advocate while supporting the selected clusters with accessing markets. Communication activities will generate visibility for all involved and spearhead interactions and collaboration with other initiatives and programmes.</p> <p>Funded by the European Union with a contribution from the Government of Italy, the project is implemented by UNIDO and will complement and add value to current and future activities funded by the European Union and other donors in the Southern Mediterranean. Further regional activities will be undertaken under the auspices of the Union for the Mediterranean, which will act as a forum and platform for information exchange and knowledge sharing.</p> <p>The project has been attributed the Union for the Mediterranean label as an acknowledgement of its potential to deliver concrete benefits to the citizens of the Euro- Mediterranean region.</p> <p>Implementation period: 2013-2017.</p>
2013	Support to trade development in Southern Mediterranean through the Agadir Agreement – Phase III	<p><b>Purpose:</b> The aim of the action is to contribute to trade development and economic integration in the Southern Mediterranean through the implementation of the Agadir Agreement, as a milestone towards the realisation of a Euro-Mediterranean free trade area. The objective of the EU project is the consolidation of the institutional framework set up under the Agadir Agreement for establishing a Mediterranean Free Trade Area, including the sustainability and credibility of the Agadir Technical Unit (ATU) as an international body, having the necessary capacity to facilitate regional economic integration and to serve the trade development needs of government and private sector in the Member Countries. Total budget 4.33 M€; Total EU contribution 4 M€.</p> <p><b>Implementation:</b> The indicative operational implementation period is 40 months.</p>
2014	Risk Capital Facility for the South Neighbourhood - NIF	<p><b>Purpose:</b> To provide access to equity and debt finance to SMEs and MSMEs in the region in order to trigger private sector development, economic growth and private sector job creation. The Risk Capital Facility for the Southern Neighbourhood will provide access to equity and debt financing to SMEs in the Mediterranean region in order to support private sector development, inclusive growth and private sector job creation. It was set up by the European Commission and EIB, building on the success of the ENPI -FEMIP Risk Capital mandate 2007-2013, which was fully deployed despite the unprecedented geopolitical turmoil in the target region. This is a blending instrument under the Neighbourhood Investment Facility (NIF). Total facility contribution 25.6 M€; Total budget 1,000 M€. The NIF grant includes €2.5 million to be utilised for technical assistance</p>

Year	Title	Explanatory notes
		<p>and capacity building services to financial intermediaries and/or the SMEs and MSMEs which are the end beneficiaries of the facility.</p> <p><b>Implementation:</b> Year of approval: 2014. Contract signed on December 2015. Period of implementation: 2016-2032. Lead financing institution: European Investment Bank (EIB). Types of Support: Risk Capital; Technical Assistance. Due to the establishment of this risk capital facility, €130 million is expected to be channelled to 98 000 SMEs and MSMEs in the region, creating and/or sustaining over 620 000 jobs, including significant integration of women in the workforce.</p>
2014	Small Business Support (SBS) programme -Phase II - in Egypt, Jordan Morocco and Tunisia (EBRD - NIF)	<p><b>Purpose:</b> The Project is the continuation of the EU NIF-funded Small Business Support activities in the Southern Neighbourhood region ('Phase I' ended in 2015). The Project is built on the notion that SMEs need know-how and finance to develop and grow. It is designed to assist SMEs in Egypt, Morocco, Tunisia and Jordan in enhancing their competitiveness and ability to access external financing. The Project will facilitate SME access to high quality business support services, enhance managerial capacity in all areas, with a focus on financial literacy, and strive to develop the capacity of the local consultancy market to deliver needed services. The Project is based on the positive results from Phase I and positive feedback from SMEs, local stakeholders, EU Delegations and other private sector development initiatives active in the countries. Funding from EU NIF* € 20.6 million; Funding from other sources* € 5.0 million; Total budget* € 25.6 million (*Excludes client contributions)</p> <p><b>Implementation:</b> Countries: Egypt, Morocco, Tunisia, Jordan. Duration: 4 years. Project target: 1,314 projects.</p>
2015	MED 5P – PPP Project preparation facility (phase2) - NIF	<p><b>Purpose:</b> The primary objective of MED 5P is to unblock a number of PPP projects in Egypt, Jordan, Lebanon, Morocco and Tunisia. By doing so, the facility is expected to produce a demonstration effect and promote wider and more efficient usage of PPP schemes for the implementation of infrastructure investments in the region. MED 5P operations are designed to contribute to the implementation of EU policy objectives in the countries involved. In particular, they will seek to contribute to:</p> <ul style="list-style-type: none"> <li>• The advancement towards an integrated infrastructure in the whole Mediterranean region;</li> <li>• The promotion of good governance in the procurement of PPPs; and</li> <li>• The mitigation of climate change and adaptation to its effects.</li> </ul> <p>Funding from EU NIF € 5.0 million; Total budget € 15 million (as stated on EIB's Fiche)</p> <p><b>Implementation:</b> MED 5P is a joint initiative led by the European Investment Bank (EIB), in collaboration with the other MED 5P partner organisations: Agence Française de Développement (AFD), the European Bank for Reconstruction and Development (EBRD) and Kreditanstalt für Wiederaufbau Bankengruppe (KfW ). The Union for the Mediterranean (UfM) participates in the steering committee of the facility as an observer.</p> <p>Countries: Egypt, Jordan, Lebanon, Morocco and Tunisia.</p> <p>MED 5P supports the preparation, procurement and implementation of individual PPP projects. MED 5P support includes:</p> <ul style="list-style-type: none"> <li>• Grants to fund the technical, legal and financial consultancies required to develop, structure and procure an individual PPP project; and</li> <li>• Technical support for procurement and the supervision of the consultancies funded by MED 5P grants.</li> </ul>
2015	SEMED MSME Financial	<p><b>Purpose:</b> To improve financial inclusion for MSMEs in Egypt, Jordan, Morocco and Tunisia in a sustainable manner; to</p>

Year	Title	Explanatory notes
(?)	Inclusion programme (EBRD - NIF)	<p>develop sustainable financial products suitable specifically for MSMEs; to support MSMEs in accessing finance for their sustainable growth as well as advice and market know-how; to support development of policies tailored to the needs of MSMEs. Total facility contribution 27 M€; Total budget 264 M€. The NIF grant includes €2 million to be utilised for technical assistance &amp; policy dialogue, including visibility &amp; communication.</p> <p><b>Implementation:</b> SME Credit lines and capacity building to local financial institutions.</p> <p>Expected Results and Cross Sector Indicators:</p> <ul style="list-style-type: none"> <li>• Total number of MSMEs served: 3,000 MSMEs are expected to benefit from the Program through increased access to Finance</li> <li>• Employment sustainability: The facility will contribute to sustaining 15,000 jobs in the SEMED region</li> <li>• Financial Inclusion of underserved segments: 20% of the Program amount will be used to finance women led businesses</li> <li>• 25% of the Program amount will be used to finance SMEs located outside of the capital of each country</li> </ul>

Year	Total (M€)	PSD Comp (M€)	PSD Comp (%)
2010	92	32 (FEMIP)	35%
2011-2013	288	124	43%
2014-2017	1,775	976	55%
Total	2,155	1,132	52%

## 10. Algeria

Year	Title	Explanatory notes
2008 (*)	Programme d'Appui à la Diversification de l'Économie en Algérie (DIVECO 1) – 17.5 M€	<p><b>Purpose:</b> To support the national diversification strategy in three key sectors: agriculture, agro-food industry and tourism. Total budget 20 M€, of which 17.5 M€ financed by the EU.</p> <p><b>Implementation:</b> From 11 January 2011 to 29 March 2015 (the end of the implementation period, as per the Financing Agreement signed on December 29, 2009), over a period of 51 months.</p>
2011	Structuration du secteur de l'économie sociale, solidaire et innovante et soutien au développement de l'entrepreneuriat des jeunes – 6 M€	<p><b>Purpose:</b> This service contract is part of the Youth Employment Support Programme (PAJE), the aim of which is to accompany the Algerian government in its national policy for youth and employability and integration of young people. The programme is part of an inter-sectorial approach. Some of the planned actions to be implemented in 4 pilot wilayas (Oran, Annaba, Khenchela, Bechar).</p> <p>Component 1: To support the recognition of the social, solidarity and innovative economy as an economic sector in its own right, and creating new activities and employment for young people.</p> <p>Component 2: To support the experimentation of innovative devices favouring youth entrepreneurship in Algeria and in four pilot wilayas in particular.</p> <p><b>Implementation:</b> One service contract be tendered in Q4 2015.</p>
2011	Programme d'appui aux PME/PMI et à la maîtrise	<p><b>Purpose:</b> To contribute to the modernisation and development of Algerian small and medium-sized enterprises. Under the supervision of the Ministry of Industrial Development and Promotion of Investment, the Programme encompasses consultancy,</p>

Year	Title	Explanatory notes
	des technologies d'information et de communication (PME II) – 40 M€	<p>training and studies in the fields of SMEs upgrading, Quality and Institutional development.</p> <p>The Ministry of Industrial Development and Investment Promotion and the Ministry of Post and Information and Communication Technologies, as well as the agencies and bodies operating under their supervision, constitute the institutional beneficiaries of the Programme.</p> <p>Professional associations are the privileged partners of PME II for the setting up of public/private partnership projects for the development of productive sectors and Quality infrastructure.</p> <p>A network of Centres of Expertise specialised in the areas of SMEs upgrading, Quality and Institutional development supports the Programme and its beneficiaries.</p> <p>Total budget 44 M€, of which 40 M€ financed by the EU.</p> <p>3 Technical Assistance Components:</p> <ul style="list-style-type: none"> <li>• Support to SMEs</li> <li>• Quality Support</li> <li>• Institutional Support</li> </ul> <p><b>Implementation:</b> Three service contracts, one per Component. All contracts signed on February 2012:</p> <ul style="list-style-type: none"> <li>• Support to SMEs: 10 M€, 30 months.</li> <li>• Quality component: 6,4 M€, 27 months (not considered within the scope of this evaluation)</li> <li>• Institutional development: 4.2 M€, 24 months</li> </ul>
2012	Assistance technique d'appui à la mise en œuvre du programme d'appui à la diversification de l'économie — Secteur de la pêche (DIVECO 2) – 7.5 M€	<p><b>Project objectives:</b> The overall objective is to contribute to making the Algerian economy more diversified and less dependent on hydrocarbons. The specific objective is to increase the contribution of the fisheries and aquaculture sector to the diversification of the economy through sustainable development and improving economic performance.</p> <p><b>Implementation:</b> One service contract be tendered in Q4 2015.</p>
2013	Programme d'appui à la mise en œuvre de l'accord d'association (P3A-III) Algérie-Union européenne – 2.9 M€	<p><b>Purpose:</b> To support the Algerian administration and all institutions contributing to the implementation of the Association Agreement (AA), by providing them with the expertise, technical assistance and working tools necessary to achieve the objectives of the Agreement. The programme primarily targets the economic and trade aspects of the Association Agreement. The programme comprises institutional twinning arrangements and technical assistance and information exchange operations with Member State administrations (TAIEX). The objectives of P3A are to: Support the administrations (whose requests are retained) by providing direct support through institutional twinning and technical assistance and information exchange operations; To train Focal Points for intervention instruments (twinning and TAIEX) in order to appropriate respective management capacity; To ensure the gradual succession of permanent technical assistance by national staff setting up adequate operational, administrative and financial management systems.</p> <p><b>Implementation:</b> The operation is implemented mostly through institutional twinning arrangements and technical assistance, information exchange operations with Member State administrations (TAIEX) and support for the improvement of public institutions and management systems (SIGMA).</p> <p>This evaluation covers two sample projects within the overall P3A III: Algex and Stratégie d'Innovation Industrielle.</p>

Year	Title	Explanatory notes
(*) Although programming year is earlier than 2010, this project is considered in result of the specific request received from the EUD in Algeria regarding the sample projects to be analysed in this country. Actual project implementation matches the relevant evaluation period.		

Year	Total (M€)	PSD Comp (M€)	PSD Comp (%)
2010	54	30	56%
2011	60	60	35%
2012	62		
2013	50		
2014 - 2017	ca. 130	ca. 40	30%
Total 2010-2017	Ca. 356	Ca. 130	36%

## 11. Egypt

Year	Title	Explanatory notes
2010	Research Development and Innovation Programme Phase (RDI) II (20 M€)	<p><b>Purpose:</b> The project is the follow-up of a similar programme (RDI I) and aims to support the Egyptian Government to move towards a knowledge based economy through the strengthening of the Innovation Support Unit which administers the Egypt Innovation Fund (Component 1); the establishment of a research networking unit responsible with support to researchers, identification of sources of funding and integration of Egypt researchers in the European Research Area and MPC network (component 2); upgrading research capabilities in existing centres of excellence.</p> <p><b>Implementation:</b> The project is implemented mainly through grants (including under the Innovation Fund II) and service contracts.</p>
2011	Trade and Domestic Market Enhancement Programme (TDMEP) (20 M€)	<p><b>Purpose:</b> The main beneficiary of the programme is the Ministry of Industry and Foreign Trade. Under Component 1, Foreign Trade, export promotion and trade agreements, technical advice, capacity building and institutional development services are provided to the ministry and related actors, public and private. Under the second component, Industrial development and quality infrastructure, the focus is placed on national quality infrastructure, promotion of industrial policies and adequate regulatory environment to facilitate the signing of Agreements for Conformity Assessment and Acceptance with the EU.</p> <p><b>Implementation:</b> The programme is implemented through service and supply contracts.</p>
2015	Promoting Inclusive Economic Growth in Egypt (PIEG) (15 M€ EU contribution)	<p><b>Purpose:</b> A programme with a budget of 16 M€ (out of which 15 M€ from EU contribution), focused on 2 major components (MSMEs and tourism), with TA contracts and grant schemes as implementation modalities:</p> <ul style="list-style-type: none"> <li>• Component 1: the capacities to promote an inclusive economic growth are promoted.</li> <li>• Component 2: more inclusive socioeconomic development is achieved in selected sub-sectors of the economy and/or specific locations.</li> </ul> <p><b>Implementation:</b></p> <p>Component 1:</p> <ul style="list-style-type: none"> <li>• Procurement (direct management) – Call for tenders: Institutional and Capacity Building (MSMEs) 2.5 M€</li> </ul>



Year	Title	Explanatory notes
		<ul style="list-style-type: none"> <li>Procurement (direct management) – Call for tenders: Institutional and Capacity Building (Heritage and Tourism) 1.5 M€</li> </ul> Component 2: <ul style="list-style-type: none"> <li>Grants on MSME development (direct management) 5 M€</li> <li>Grants on Heritage and Tourism development (direct management) 5 M€</li> </ul>

Year	Total (M€)	PSD Comp (M€)	PSD Comp (%)
2010	192	20	10.5%
2011*	122	20	16,3%
2012*	130	-	-
2013	47	-	-
2014	30	-	-
2015	49	15	30,5%

\* Parts I and II

## ENI East

### 12. Multi-country (regional) programme

The table below is based on official documents and a multitude of interviews, yet is inaccurate and contains many question marks. See the grey highlights.

Year*)	Title	Explanatory notes
2009	East Invest I and II (7.0 +6.5 M€)	A trade facilitation project that contributes to economic development in the EaP region, in particular by supporting the improvement of its competitiveness, with an emphasis on SMEs. Develops mechanisms encouraging new flows of foreign direct investment, strengthens the on-going investment promotion process between the EU and the EaP countries, as well as between the EaP countries themselves, contributing to the enhancement of trade in the region. Countries covered: Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine Timeframe: 2010-2013 and 2010-2019
2010	Eastern Partnership – SME Finance Facility (15 M€ or 30 M€, no clear info)	Part of NIF; Regional SME Finance Facility covering all eligible EaP Countries, which combines EBRD, EIB and KfW loans or guarantees to participating financial intermediaries (PFIs), for on-lending to eligible SMEs, including micro-enterprises, with EU grant resources to support SME lending during the crisis period and beyond. Timeframe 2010-2019 Annual progress report 2011: “In the context of the NIF, the NIF Board on 2 July 2010 approved a contribution in the amount of EUR 15 million to the “EaP – SME Finance Facility”
2011	Small Business Support Initiative – Phase I (8 M€)	Perhaps the same as the NIF EBRD Small Business Facility 1st tranche Implementation of EBRD Small Business Support programmes - Enterprise Growth Programme and Business Advisory Services in Eastern Partnership countries Countries covered: Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine Timeframe: 2013-2016

Year*)	Title	Explanatory notes
2012	Promoting more sustainable production processes (2 M€)	Part of 4 M€ Comp 1 of 10 M€ AF Greening Economies in the Eastern Neighbourhood. Two distinct segments of industry will be addressed: (a) large industry and (b) small and medium-sized enterprises (SMEs), with an emphasis on achieving and going beyond regulatory compliance (by maximising resource efficiency) through a package of information and market-based tools.
2012	NIF KfW Green for Growth Fund (12 M€)	The GGF is an extension to the Neighbourhood Investment Facility (NIF) East Region, that aims to supporting the development of energy efficiency and renewable energy technologies and investments, by providing long-term financial instruments. The countries covered are Armenia, Azerbaijan, Georgia, Moldova and Ukraine. Timeframe: 2013-2019
2013	Supporting SME policy reforms in the Eastern Partner Countries – implementing the recommendations of the SME Policy Index 2012 (2.5 M€)	Also called Supporting SME Competitiveness Reforms in six Eastern Partnership Countries. Assistance to EaP countries in the implementation of policy reforms based on policy recommendations from the OECD's Small and Medium-sized Enterprises (SMEs) Policy Index; contributing to improved government responsiveness to SME needs and requests, and to improved public-private dialogue at national level. Countries covered: Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine Timeframe: 2013-2016
2014	Small Business Support Initiative – Phase II (8 M€)	Supporting implementation of European Bank for Reconstruction and Development Small Business Support programmes - Enterprise Growth Programme and Business Advisory Services. Countries covered: Georgia, Moldova, Ukraine. Timeframe: 2015-2022
2015	EaP - Women in Business Programme (5 M€)	EBRD. Programme aims to raise the issue of women's entrepreneurship in broader development plans. Countries covered: Armenia, Azerbaijan, Belarus, Georgia, Moldova, Ukraine Timeframe: 2015-2022
2015	DCFTA programme (19 M€)	EBRD. Part of the EU DCFTA Facility. Supports private sector – so that it can benefit from the Deep and Comprehensive Free Trade Area (DCFTA) agreement Countries covered: Georgia, Moldova, Ukraine Timeframe: 2016-2019
2015	Support to the Eastern Partnership SME Flagship (SME Flagship Secretariat) (2.5 M€)	The project aims to streamline the EU programmes supporting small and medium-sized enterprises (SMEs) in the Eastern Partnership region. It also aims to ensure coherence and a coordinated approach, as well as the communication and visibility of these programmes. Countries covered: Armenia, Azerbaijan, Belarus, Georgia, Moldova, Ukraine Timeframe: 2016-2019

\*) Programming year

Year	ENI East total (€)	PSD/Comp (€)	PSD/Comp (%)
2010	228.4	15.0	6.6
2011	115.5	8.0	7.2
2012	297.7	29.0	9.7
2013	160.8	2.5	1.6
2014	106.4	10.0	9.4
2015	105.5	45.0	42.6

### 13. Armenia

Year*)	Title	Explanatory notes
2010	Support to the Government of Armenia for the implementation of the ENP Action Plan and preparations for the future Association Agreement (EUR 21,000,000)	<p><b>Project purpose:</b> (1) to further improve Public Finance Management (PFM) systems; (2) to improve public sector transparency and performance; and (3) to assist in the regulatory approximation with the EU and international requirements in trade-related areas.</p> <p><b>Implementation:</b> budget support EUR 20 million, no information on expected contract date; service contract(s) EUR 1 million for monitoring of implementation of the budget support operation and for various other, non-defined, tasks; no information on expected contract date</p> <p>Neither the budget support programme nor the service contracts directly aim at support to the PSD/Competitiveness sector.</p>
2010	Twinning & Technical Assistance Facility in support to the EU-Armenia ENP Action Plan and Eastern Partnership implementation (EUR 6.7 million)	<p><b>Objective:</b> to implement Armenia's reform agenda as set out by the EU-Armenia ENP Action Plan and principles of the Eastern Partnership; and to complement work undertaken by the EU Advisory Group in Armenia on the Government's communication strategy.</p> <p>There are no PSD/Competitiveness elements in this project</p>
2011	Support to the Government of Armenia for the implementation of the ENP Action Plan and preparations for the future Association Agreement-Phase II (EUR 24,000,000)	<p><b>Project purpose:</b> (1) to further improve Public Finance Management (PFM) systems; (2) to improve public sector transparency and performance; and (3) to assist in the regulatory approximation with the EU in the field of trade.</p> <p><b>Implementation:</b> budget support EUR 22 million, no information on expected contract date; service contract(s) EUR 2 million for monitoring of implementation of the budget support operation and for various other, tasks, among which enforcement of IPR legislation; no information on expected contract date</p> <p><i>With the exception of the service contract for IPR enforcement (estimated at EUR 1 million), neither the budget support programme nor the service contracts directly aim at support to the PSD/Competitiveness sector.</i></p>
2013	Support to regional development in Armenia (EUR 14 million)	<p><b>Objectives:</b> (1) to develop the competencies and institutional capacities of key national and regional institutions; and (2) to develop a project pipeline, ready to be financed.</p> <p><b>Implementation:</b>  One TA contract (EUR 2million, extended to EUR 4 million), to be signed Q1 2015  One grant scheme (EUR 10 million), to be launched Q1 2015</p>
2014	Support to SME Development in Armenia (EUR 7 million)	<p><b>Objectives:</b> to improve the national business and investment climate and to support the creation and development of SMEs.</p> <p><b>Implementation:</b> one contribution agreement (EUR 6.4 million) with GiZ; to be signed xxx  One grant scheme (EUR 0.2 million) for participation in COSME, under direct management by the EUD; to be launched Q4 2015</p>

Year*)	Title	Explanatory notes
2014	SME Finance and Advice facility (EUR 15.380.000)	<b>Objectives:</b> (1) to diversify the financing solutions available to SMEs and (2) to provide advisory services to SMEs in order to promote competitiveness and innovation <b>Implementation:</b> one contribution agreement (EUR 15 million) with the EBRD, to be signed on xxx
2015	none	none

Year	Armenia total (M€)	PSD/Comp (M€)	PSD/Comp (%)
2010	27.7	0.0	0.0
2011	24.0	1.0	4.2
2012	60.0	0.0	0.0
2013	41.0	4.2	10.2
2014	40.0	22.0	55.0
2015	30.0	0.0	0.0

#### 14. Moldova

Year*)	Title	Explanatory notes
2010	Support to the DCFTA process in the Republic of Moldova (1 M€)	Part of the 7 M€ Action Fiche "Support to implementation of priority actions agreed between the Republic of Moldova and the EU through Twinning, technical assistance and project preparation activities". This is basically a capacity and institution building action, although private sector and business representative organisations belong to the target group. Perhaps some 15% of the budget is used for PSD/Competitiveness-related actions
2010	Economic Stimulation in Rural Areas –ESRA (9M€)	Part of a 45M€ AF for budget support. Main supported activities in the field of PSD/Competitiveness are 2) Reduce the administrative burden of starting and doing business by creating one-stop shops at the State Registration Chamber and simplifying licence procedures; 6) Capitalize credit lines to stimulate competitiveness of producers and (potential) exporters in rural areas; 7) Raise the annual allocations to the Fund for Securing Loans; 8) Provide financing for the purchase of equipment by SME through existing credit lines financed by Japan and the EU (2KR) and World Bank (RISP); and 11) Create a network of business incubators and industrial parks; 12) Ensure the functioning of the regional development agencies and regions North, Centre and South. Impossible to identify which part of the action aims directly at PSD/Competitiveness. Assumption is 20%.
2011	Business development projects (2.3M€)	This is an action under component II of the 12M€ AF "Confidence building measures" and entails business school development, road map for local economic development and of a micro-finance facility, and Development of three Business Incubators.
2012	Regional Planning and Project Pipelines for Development Regions North, South, Central (5M€)	This is component II of the 7 M€ action "Pilot regional development programmes-PRDP". The focus is on the planning and project preparation process, much less on PSD/Competitiveness
2013	Business development 2.5 M€)	This is an action under component I of the 18M€ AF "Confidence building measures" and entails support to business

		activities, establishment of an enterprise support centre, certification of business consultants, capacity building for specialized business consultants from banks and establishment of a microfinance facility for SMEs.
2014	Promotion of local entrepreneurship (6.5 M€)	This is an action under the complementary support to “confidence building measures” of the 64M€ (budget support) AF “ENPARD” and entails enhancement of SMEs development, strengthening existing business support infrastructure; promoting the culture of entrepreneurship through various innovative actions.
2015	One-stop-shop for opening and closing business (1.5 M€)	Part of a service contract for “re-engineering of selected public services delivery”, which belongs to the 20 M€ Action Document for Support to Public Administration Reform (PAR). Impossible to attribute PSD/Competitiveness budget in this stage. Estimation is 1.5 M€

<b>Year</b>	<b>Moldova total (€)</b>	<b>PSD/Comp (€)</b>	<b>PSD/Comp (%)</b>
2010	66.0	10.0	15.1
2011	78.6	2.3	2.9
2012	94.0	5.0	5.3
2013	100.0	2.5	2.5
2014	101.0	6.5	6.4
2015	90.0	1.5	1.7

## Annex 6 Report SME web survey

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## 1. Survey design, administration and treatment strategy

### 1.1 General aspects

As stated in the Inception Report (IR) and the Surveys Strategy document (Annex A1 to the Desk Phase Report), two types of surveys shall be used in this evaluation exercise:

	Institutional survey	SME surveys
<b>Purposes</b>	Key and complementary findings	Analyses related to final beneficiaries (e.g. SMEs; individuals)
<b>Targets</b>	Stakeholders and beneficiaries in general	Large (uniform) groups of beneficiaries (particularly indirect)
<b>Means</b>	Structured questionnaires	Short structured questionnaires
<b>Application</b>	All	Relevance Effectiveness Impact Coherence EU value added

The target group of the SME Survey is composed of SMEs in the six selected countries that have at any time directly benefited from EU projects under the country national programmes and the relevant regional (multi-country) programmes, through e.g. grants, financial assistance, advisory services or other kinds of EU-funded assistance.

The SME Survey was used as wide-range investigative tool. The survey targeted MSMEs having benefitted from EU- and/or other donor-funded PSD/Competitiveness projects, thus not having had direct intervention as programme and/or project executioners. The SME Survey is useful for complementing other types of instruments, by providing to the evaluation team the senses and perceptions of the end-users of EU assistance in the field of PSD/Competitiveness support.

By targeting those with an indirect stake in interventions, this tool is direct and incisive, posing very straightforward questions which answers may be given quickly, being short enough not to discourage the response and indeed allowing such response in maximum 10 minutes. It is by nature a structured type of tool.

The SME Survey was administered to an as wide as possible SME beneficiaries base, only in the countries selected for desk study.

In order to contribute to higher and more reliable levels of response, the SME Survey's answers are anonymous.

## **1.2 Surveys administration tool**

The survey was administered through Survey Monkey (<https://www.surveymonkey.co.uk>), a well-recognised and widely used web-based survey tool.

## **1.3 Survey design**

The SME Survey allows for:

- Characterising the respondents base and categorising it along age and size (nr of employees), as well as country of establishment. Data on percentage of female and/or disabled employees was also collected.
- Understanding which kind of PSD/Competitiveness support was received, and from which Donor(s).
- Collecting data on:
  - Training and respective improvement
  - Growth in international trade
  - Job increase
  - Support received from Business Support Organisation(s) and/or participation in Clusters
- A set of questions concerns specifically Environmental Protection, Climate Change, Energy Efficiency or correlated activities and/or investments. Those companies having implemented such kind of activities and/or investments were asked several correlated details. All the other respondents could skip these questions.
- Questioning on project results achieved

Relevant Evaluation Questions / Indicators

- 8.1.a – what was the increase in entrepreneurial learning opportunities 2010-2015, caused by (a) EU interventions and (b) interventions of other donors?
- 8.1.a – what was the increase in entrepreneurial learning opportunities for women 2010-2015, caused by (a) EU interventions and (b) interventions of other donors?
- 8.2.b – What was the number of entrepreneurs who obtained non-financial support through (a) EU projects and (b) projects of other donors?
- 8.2.c – what was the number of entrepreneurs that showed growth in international trade thanks to (a) EU projects and (b) projects of other donors?
- 8.2.d – what was the number of entrepreneurs that received support from BSOs thanks to (a) EU projects and (b) projects of other donors?
- 8.2.e – what was the number of entrepreneurs that joined a cluster thanks to (a) EU projects and (b) projects of other donors?
- 9.1.a – What was the growth in jobs since 2010 within assisted enterprises and their supplier chains?
- 10.1.a – Which environmental friendly technologies were implemented as result of EU support?
- 10.1.b – Change in volume of energy-efficient building materials used as result of EU support?
- 10.1.c – Change in volume of energy and environment labelling products/services as result of EU support?
- 10.1.d – Change in volume/quantity of intelligent cooling and heating systems installed as result of EU support?
- 10.1.e – Change in volume/quantity of eco-friendly products produced as result of EU support?
- 10.2.a – Did the project you participated in deliver the expected results? If no, reasons?

Room was given at the end of the survey for free comments.

The content of each respondent's answers was automatically stored every time s/he clicked "Next" and moved to a following page during the answering process. This allowed the respondent to suspend answering at any time and resume answering at his/her next convenience, provided that the same computer is used. Answers are only stored for one computer for each respondent.

Respondents could at all time review any answer previously provided by navigating within the whole survey through the buttons "Prev" and "Next" at the bottom of each page.

The survey had English and French versions, the latter of which was used in the Maghreb sub-region of EU's South neighbourhood (only Algeria in the case of the SME Survey).

#### 1.4 Survey's administration

The geographical scope of the SME survey – the six countries selected for more in-depth analyses and field visits – is logical since it permits the evaluators to investigate whether the outcomes of the desk study and field visits are corroborated by the opinions of the final beneficiaries.

The lists of MSMEs having benefitted from EU- and/or other donor-funded PSD/Competitiveness projects have been provided by the relevant EUDs to the evaluation team.

E-mails with requests for SME addresses were sent on 13 June by the Team Leader to all six relevant EUDs and –where deemed necessary – to the country managers at DG NEAR; the follow-up (reminders, explanations, producing unified address lists) was in the hands of the three junior experts.

- Algeria: A list of around 160 SMEs was received as early as 15 June, 25 of which with valid e-mail addresses<sup>5</sup>. *This number is considered sufficient* and, besides a re-launch made to all the previously valid targets, request for additional support was made to the competent EUD.
- Armenia: In an e-mail of 20 June the EUD responded that all projects between 2007 and 2014 supporting SMEs were regional projects managed by EC HQ mainly through NIF EBRD, and that only in rare cases (SBS) these projects provide this type of information as they provide loans through commercial banks. The advice was to contact the EBRD for SBS, Eurochambre (East-Invest) although they only provide support to BSOs, and the government agency SMEDNC.

EBRD and SMEDNC were contacted on 27 June. The efforts have resulted in a list of 312 SME addresses, 271 of which with e-mail addresses. This number is considered sufficient

- Bosnia and Herzegovina: The EUD decided to ask (external) managers of completed and on-going grant schemes to provide the contact details of their grantees. Information was received by the end of June from EBRD (18 addresses), the COBEAR project (33), the Home Grown Business Project (16), the Inclusive economic growth and employment generation in Eastern BIH-BIRAČ Region project (10), the Sarajevo Economic Region Development Agency (15),

The EUD later-on added a list of 100 SMEs having received assistance under the IPA 2009 technical assistance project for ISO 9000 certification. The number of available addresses is considered more than sufficient.

- Egypt: The EUD informed on 4 July that they do not have SME addresses, but that these should be asked from the National Charter Coordinator, EBRD and UNIDO. Contact was established with the EBRD which led to a list of 160 SMEs, received on 13 July 2016. The national charter coordinator was addressed on 7 July 2016, but did not reply yet. No contact with UNIDO was established. Whilst the only source of SME addresses is the EBRD, the quantity that was provided, if proven reliable, is considered sufficient for the purposes of the survey. An additional issue that came up is that national security regulations stipulate that both the SMEs and Institutional surveys would need being subject to an ex-ante security clearance. The contents and web links for trials were sent to the EUD on 15 September 2016 (immediately after having received the "go-ahead" from the ISG) and clearance was eventually granted on 20 September 2016. The surveys were immediately administered and respective responses shall integrate the subsequent analytical work. A re-launch was administered by mid-November in order to try and maximise the final response rate.
- Moldova: After the initial e-mail of 13 June, reminders were sent on 22 and 28 June. On 29 June contact details were received of six SMEs that benefitted from EU assistance through the PARE 1+1 Migrants' remittances grant programme, however without e-mail addresses. On the same date the contact details were received of grant scheme managers (presumably, since in

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<sup>5</sup> Addresses which did not return "permanent failure" or "out of office" reply



Moldavian language), some with, some without e-mail addresses. These relate to Institutions (not beneficiary SMEs) only and could thus not be considered for the SME survey. As a consequence, and although the team had provisionally considered that the Moldova list of SMEs could be considered just about sufficient for the purpose of the survey, the inexistence of e-mail addresses for the SMEs that were listed ultimately determined the exclusion of Moldova from the SME survey.

- Serbia: The EUD responded immediately, with the message that they do not have a database of the SMEs that benefited from our projects, but that a detailed list of companies supported by the Serbia Innovation Project and the Support to SME Development project can be obtained from the Innovation Fund and the EBRD. Both institutions were contacted which led – on 27 June- to a list of 61 SME contacts from the Innovation Fund and 240 SME contacts from EBRD. The number and composition of available addresses are sufficient for the purpose of the survey.

E-mails with invitation to respond were sent to all relevant targets in English or French (in the case of Algeria).

Dates of invitation e-mails:

- Initial invitation: Late September 2016 (except for Egypt, for which authorisation for survey administration was only received later;
- Reminder invitation (initial for Egypt, following receipt of relevant authorisation): 2nd half October 2016;
- Final reminder: mid November 2016.

### **1.5 Data collection and treatment**

Data collection was closed at the end of November 2016.

Answers to the survey were automatically stored by Survey Monkey and fully accessible to the evaluation team.

The Survey Monkey tool provides a wide variety of data analytical outputs, from simple (aggregate and/or detailed) graphics to statistical analyses. It enables for instance data filtering and cross tabbing, which allow seeing only the questions and responses that meet specific criteria. In general, with Survey Monkey the following is possible/available:

- Real-time results
- Text analysis
- SPSS integration
- Custom reporting

It is furthermore possible to export data tables (detailed and/or aggregate) to e.g. Excel in order to perform specific analytical work that may not be directly made available by the tool.

The team thus treated the data in order to obtain relevant answers to the evaluation questions covered by the survey, in order to complement the findings obtained through both desk study and field visits/interviews.

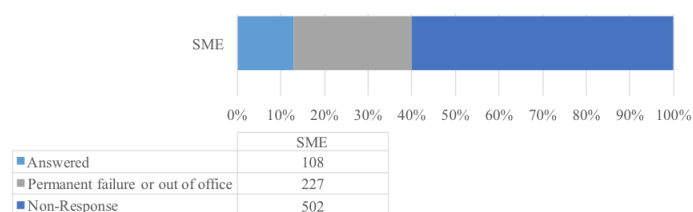
## 2. Characterisation of the sample

Countries	SME		
	Number of person survey sent	Answered	Permanent failure or out of office
Algeria	123	12	62
Armenia	174	5	123
Albania			
Azerbaijan			
Belarus			
Belgium			
Bosnia	53	6	3
Egypt	127	30	31
France			
Georgia			
Germany			
Israel			
Jordan		3	
Kosovo		2	
Lebanon			
Luxembourg			
Macedonia			
Moldova			
Morocco		1	
Montenegro			
Multi Country			
Serbia	360	46	8
Tunisia		2	
Turkey		1	
Ukraine			
United States			
<b>Total</b>	<b>837</b>	<b>108</b>	<b>227</b>

Whilst the invitations were sent to MSMEs in five countries (Algeria and Egypt in ENI South; Armenia in ENI East; Bosnia & Herzegovina and Serbia in IPA), a few answers were also received from Jordan (3), Kosovo (2), Morocco (1), Tunisia (2) and Turkey (1), these cases corresponding most certainly to companies which representatives' e-mail addresses and/or locations at time of responding were different from their companies' actual locations. Such occurrences are very minor (less than 10% of total responses received) and do not justify any specific treatment.

The turnout rate for the SME survey is thus as follows:

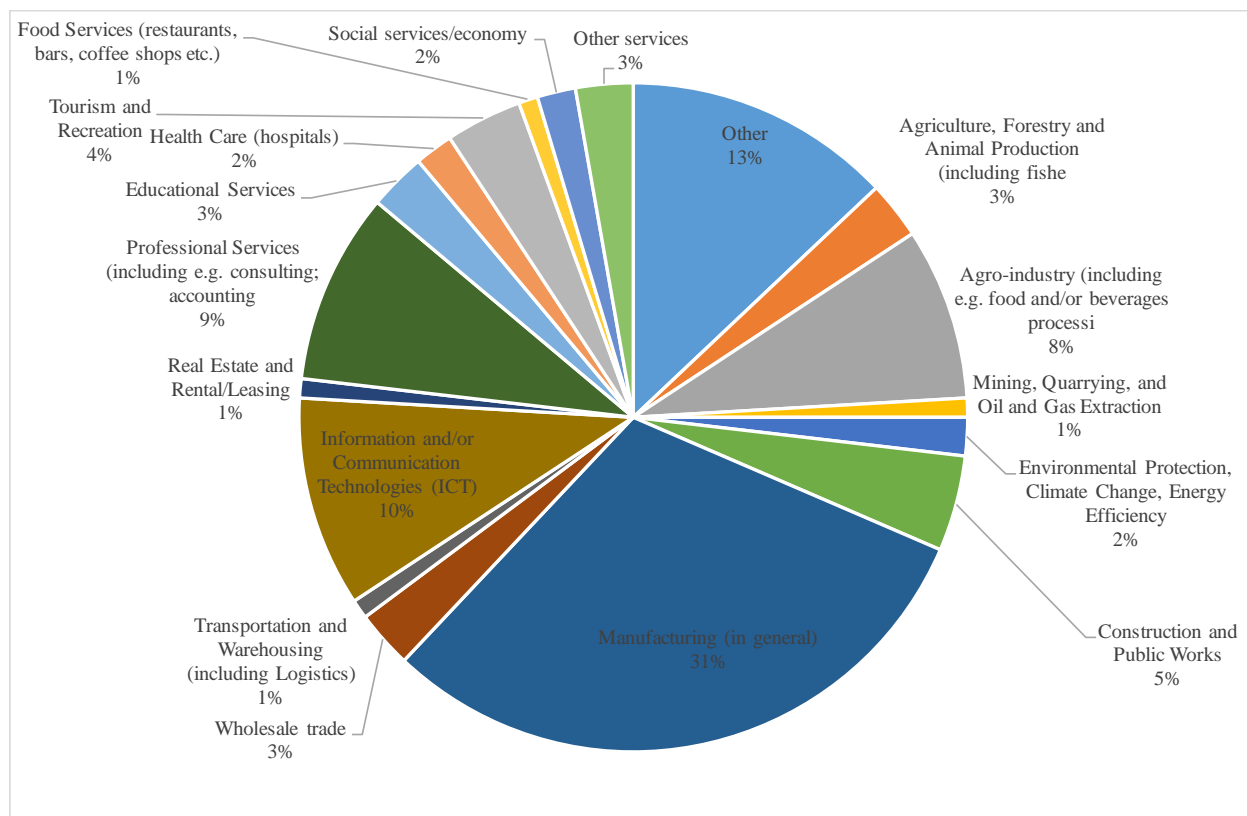
- Total invitations sent: 837
- Permanent failure / out-of-office automatic replies: 227 (27%)
- No response: 502 (60%)
- Answers received: 108 (13% of total; 18% of valid invitations)



Although invitations for Egypt were sent later, the response rate for this country is the second highest.

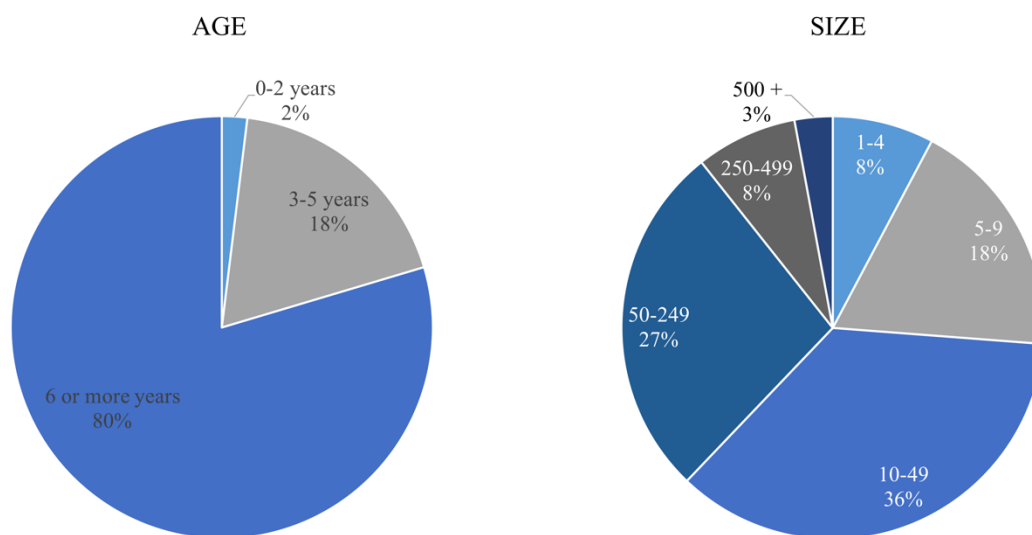
In terms of geographical distribution of the responses received:

- 42% came from Serbia;
- 28% came from Egypt;
- 44% originate from ENI South;
- 5% originate from ENI East;
- 51% originate from IPA

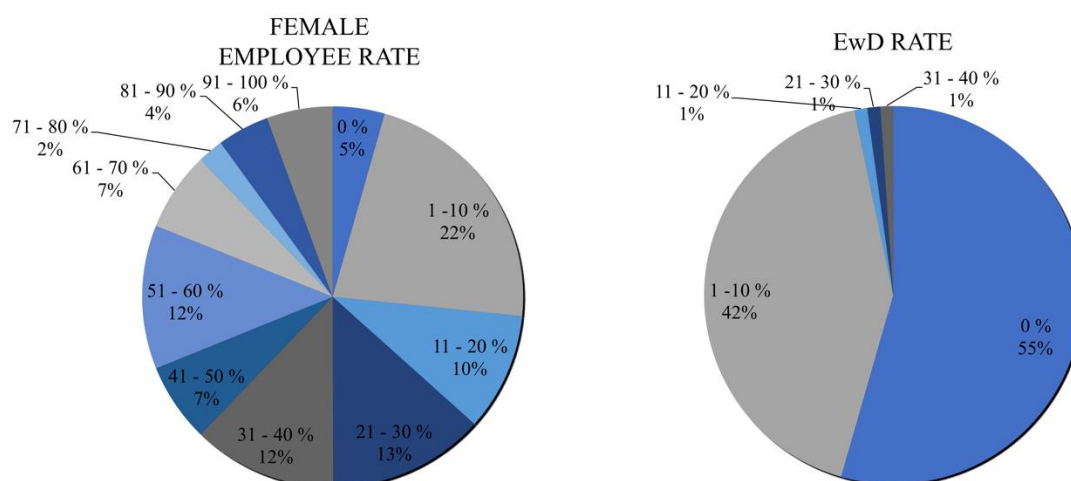


As shown in figure above, almost 1/3 of the respondent SMEs' economic activity is manufacturing (31%), seconded by ICT (10%) and agro-industry (8%). About 1/4 of the responses received originate from multiple services sectors.

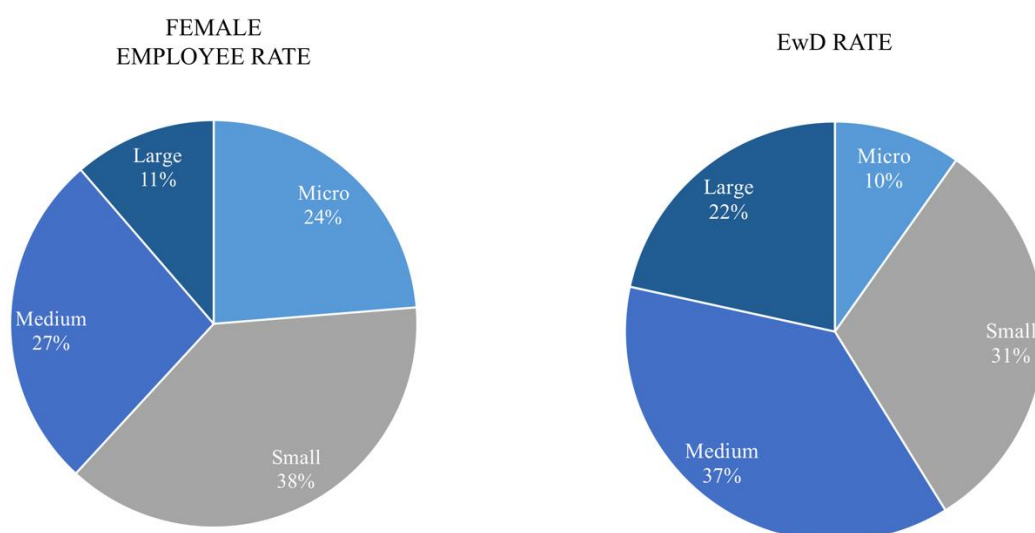
Regarding age, the graph below shows that the number of start-ups is residual (2%), with 80% of the sample corresponding to enterprises with 6 or more years of existence.



The same graph also shows the companies' size distribution (considering number of staff as respective proxy), showing that about 1/4 (26%) are micro enterprises (fewer than 10 persons employed), ca. 1/3 are small (10-49 staff) and 1/4 (27%) are medium-sized (50-249 staff). The remaining 16% are large enterprises, with 250 staff or more (3% with 500 or more employees). Hence, a total of 84% of the responders corresponds to the concept of MSME.



The graph above shows the distribution of the sample along two other important dimensions of female and employees with disability (EwD) rates, where it is demonstrated that the female employee rate is around 35% (above 1/3), with 50% of the sample employing between 10% and 60% women (of which 38% near parity), whilst the EwD rate is only 4%. Responding SMEs employ more female staff than large enterprises, as shown in the graphs below, which also show that the same occurs in relation to employment of EwD. In fact, such rate, equivalent in both cases, is about 2/3 in SMEs and well below in large companies.



### 3. Analysis

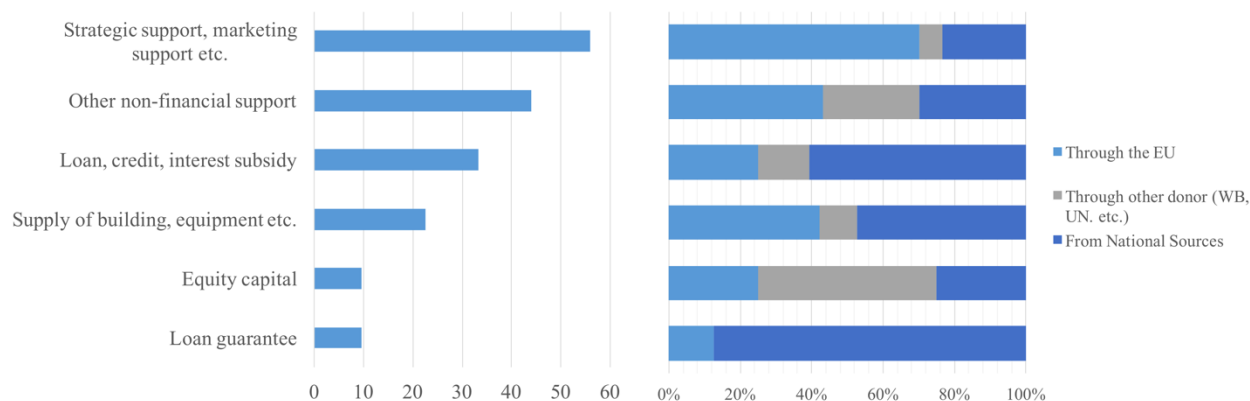
#### 3.1 Relevance: Relation with Donor funding & programmes/projects

##### 3.1.1 Number of entrepreneurs that obtained non-financial support through (a) EU projects and (b) projects of other donors

Almost 3 out of 4 (77%) responding enterprises declared that they received support from the EU, while only 2 out of 5 declared that they benefitted from funding from another donor. Furthermore, there is a positive correlation in receiving national funds with using the EU funds. Both factors together highlight the relevance and the visibility for SMEs of EU funding to Private Sector Development and Competitiveness. In the figure below:

- The graph on the left shows the number of responding enterprises that benefitted from some kind of public funding (National, from the EU and/or from other International Donors) between 2010 and 2015, and which kind of support was enabled by such funding (multiple answers were allowed in relation to this response and therefore the total exceeds the number of respondents).
- The graph on the right allows to understand the distribution of the sources of the funding received for each of the uses detailed on the left.

Soft (non-financial) support benefitted ca. 100 enterprises, against less than 80 for hard support. EU funding was the major source for soft support, whilst distribution is more balanced for hard support, with National funding being pervasive in the case of Loan Guarantees and Other Donors being more present in Equity Capital. It must be noted that this corresponds to the perceptions of the respondents, whilst reality may be different: For instance, what is perceived by National source may in fact correspond to a State-managed fund with EU and/or other donor funding, and more than one donor (including the EU) may be involved in e.g. equity funds made available to SMEs in the relevant markets.

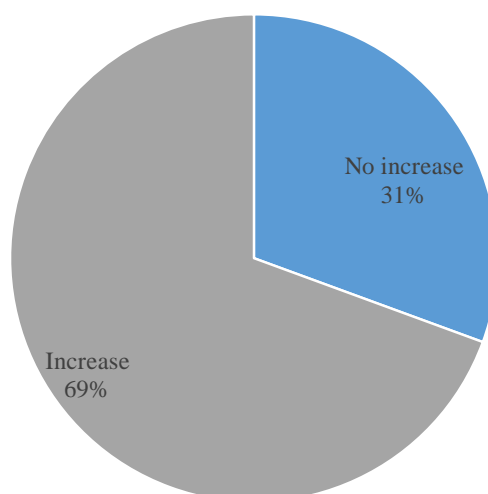


This shows, however and in general terms, that the EU is clearly perceived as the major source of soft support to SME development, and not so much so in relation to financial support to SMEs.

### 3.2 Effectiveness

#### 3.2.1 Increase, as compared to 2010, of entrepreneurial learning opportunities, including those for women entrepreneurship

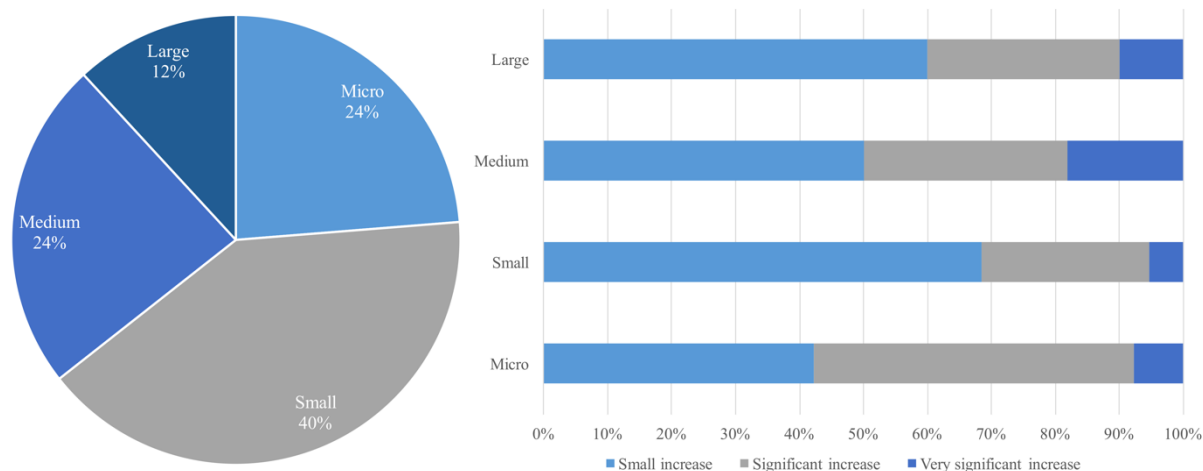
The graph below shows whether there was an increase in entrepreneurial learning opportunities between 2010 and 2015, induced by use of any kind of funding source, with more than 2/3 of the enterprises responding positively to this question.



When looking at entrepreneurial learning capacity increase by company size, the graph on the left, below, shows that the distribution is rather similar to that of the sample itself, which indicates that, as far as the survey may indicate, the effect is rather uniformly distributed and not too sensitive to companies' size. In relation to efficiency, however:

- The best score is achieved by micro enterprises, with a rate of almost 60% of significant or very significant increase;
- The second best score is found in medium-sized, which report a rate of 50% or above of significant or very significant increase.

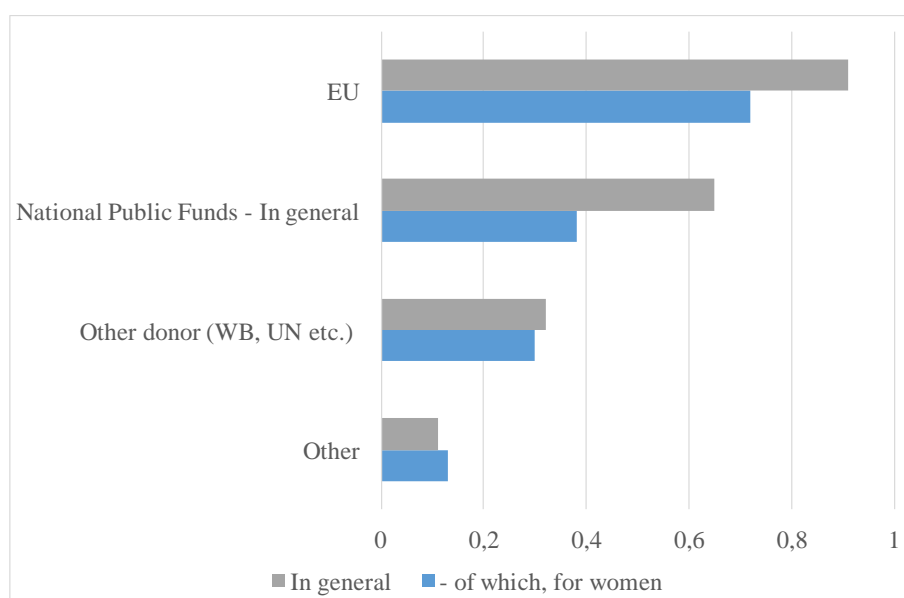
This does therefore not allow inferring about a relationship between companies' absorption capacity in entrepreneurial learning and their size. In any case, the minimum score of significant or very significant increase observed is above 30%. It is, however, relevant that micro enterprises seem to be those better benefitting from this kind of donor support.



When we look at the countries distribution (see table below), and although the size of the sample is in most cases not statistically sufficient, it may be noted that Serbia seems to be the country where use of funds for entrepreneurial learning is more effective.

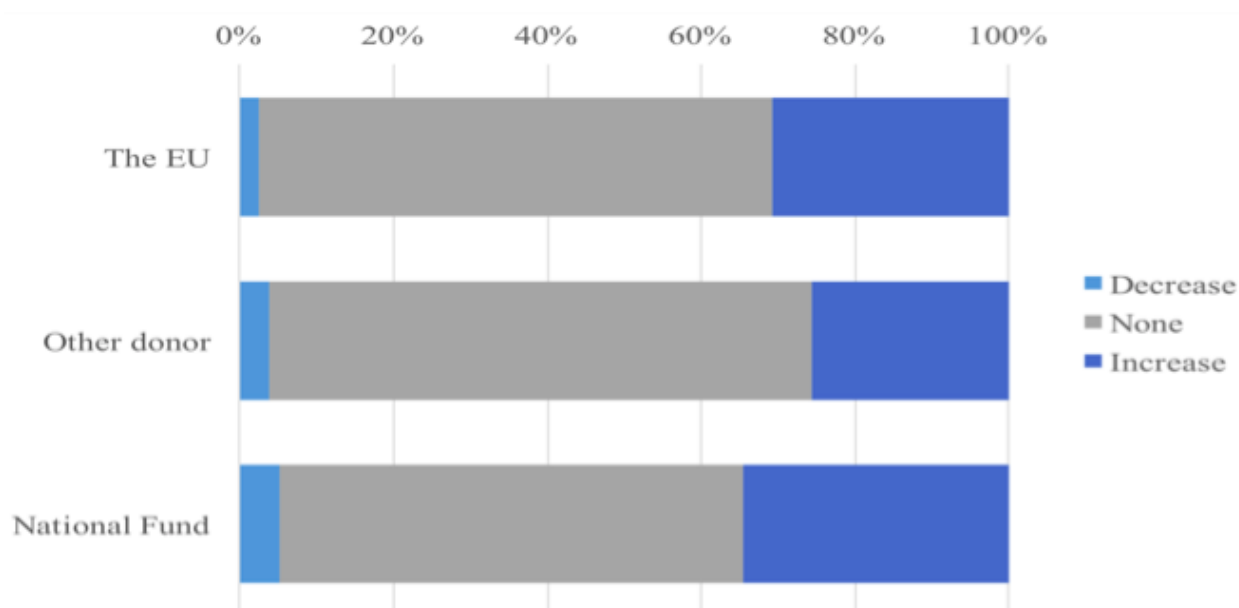
	Small increase	Significant increase	Very significant increase
<b>Algeria</b>	6	1	0
<b>Armenia</b>	1	1	0
<b>Bosnia &amp; Herzegovina</b>	1	1	1
<b>Egypt</b>	13	5	1
<b>Jordan</b>	0	1	1
<b>Kosovo</b>	1	0	0
<b>Serbia</b>	16	13	5
<b>Tunisia</b>	1	0	1
<b>Turkey</b>	1	0	0

In terms of effectiveness of donor funding for entrepreneurial learning, the graph below shows that the EU is perceived by the SMEs as the most effective funding source, both in general and in relation specifically to women. National funding (which may sometimes have been misperceived, as noted above) comes in second place. Other donors are significantly worse perceived in this respect.

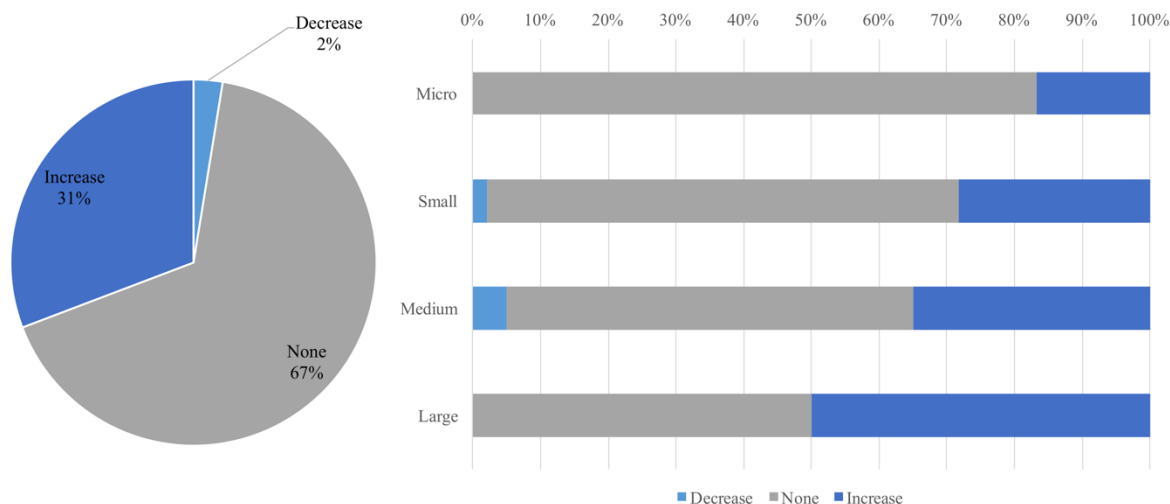


### 3.2.2 Growth in turnover thanks to EU projects and/or projects from other donors

The graph below shows that public (National- and/or donor-originated) funding was in most cases non-influential to growth in businesses. For those having experienced growth in result of external funding, National funding (which, as noted before, may sometimes have been misperceived) seems to have been the most effective source, followed by EU funding.

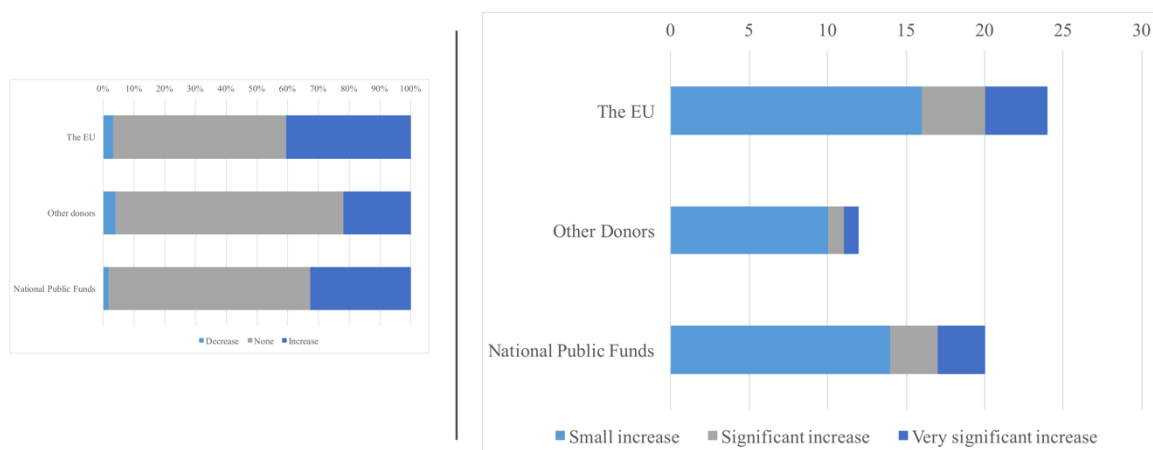


The survey shows a linear relationship between the companies' sizes and the effectiveness of funding to support growth. This may be due to a combination of converging factors, for instance capacity to put in practice more effective growth strategies and likelihood of funding specific aiming at growth preferably targeting larger companies, as it may well be the case of many IFI-led interventions (except those specifically supporting e.g. microfinance).



### 3.2.3 Growth in international trade thanks to EU projects and/or projects from other donors

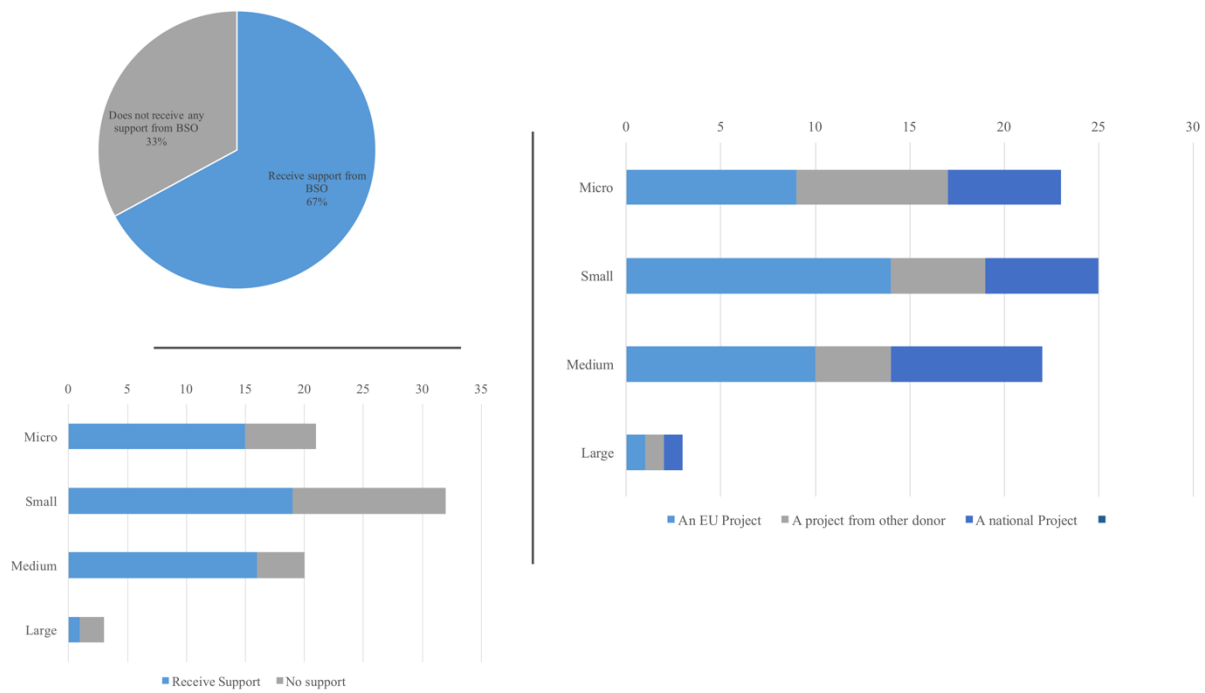
The EU is the most effective source of funding in supporting internationalisation of enterprises. The right graph below further shows that the EU was also the most efficient: Within those enterprises having experience growth in international trade, the highest number of answers reporting significant or very significant increase is that from enterprises having gained such increase with EU support. In this area, other donors are the least efficient.



### 3.2.4 Support received from BSOs thanks to EU projects and/or projects from other donors

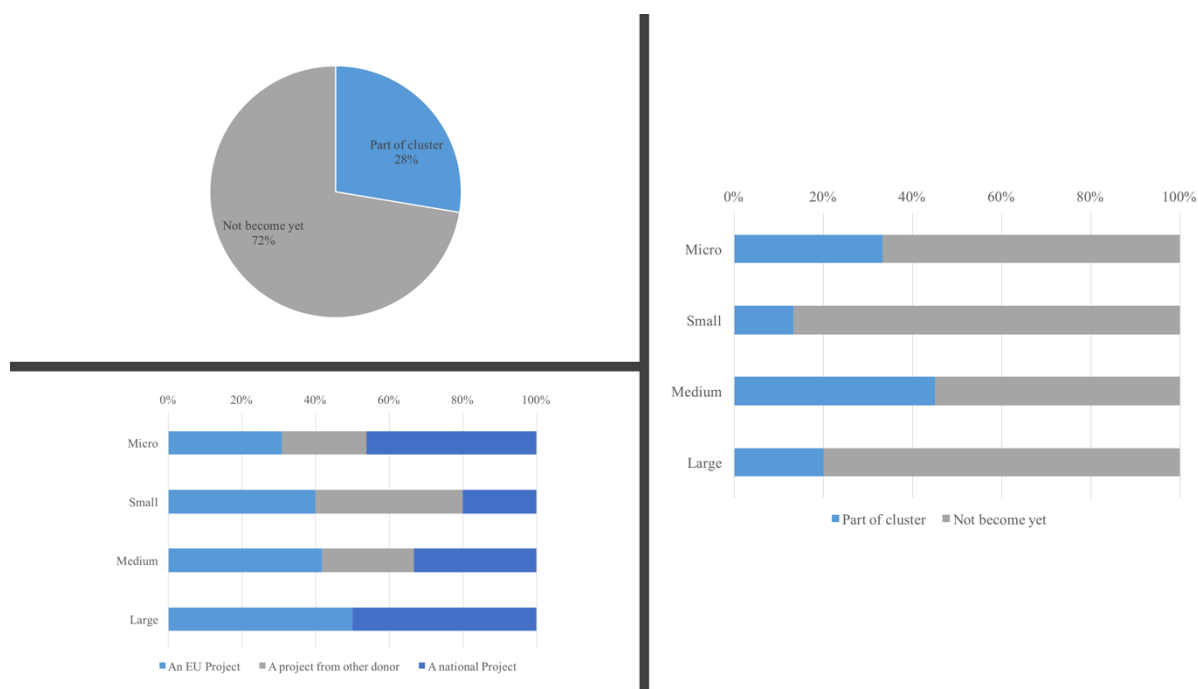
About 2/3 of the respondents confirm having received support from BSOs during the period 2010-2015. In terms of percentage, the highest rate is observed in micro, followed by medium-sized enterprises. Large enterprises are those showing the smallest percentage.





In terms of support origin, the EU comes in first, however in the case of micro enterprises the differences among the 3 sources are minimal (with the reserve, made already, that national funding may hide donor origin of the funds used). Although not shown in graph, the survey also shows some positive linkage between age and percentage of BSO support, which may allow inferring that there may exist a learning path to cover, or a maturity level to reach, by SMEs for better benefitting from BSOs' support.

### 3.2.5 Clustering thanks to EU projects and/or projects from other donors?

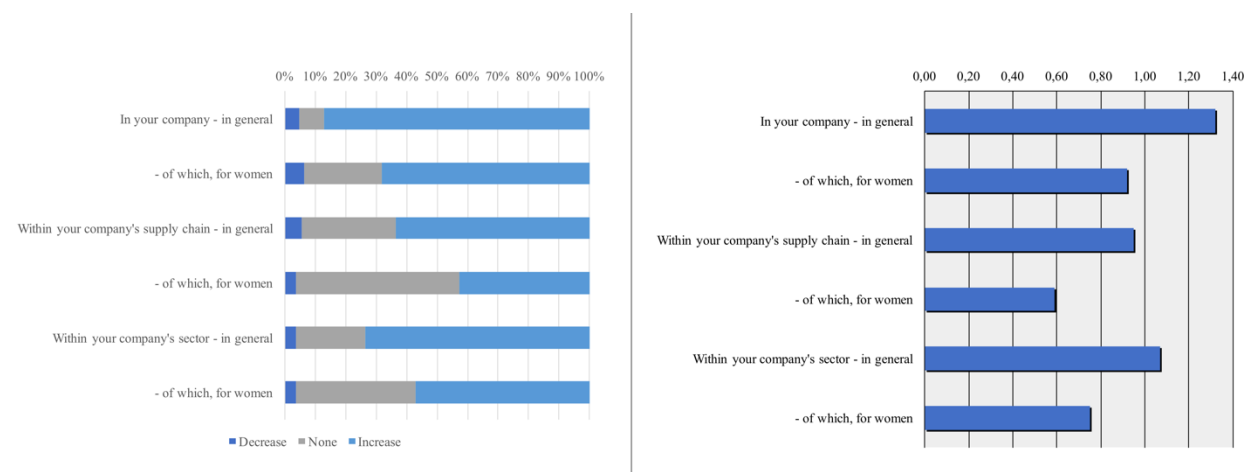


Participation in clusters as result of funding was made by more than 1/4 of the responding enterprises. EU and national funding are clearly the most effective sources of funding for this, with other donors not even being reported in the case of large companies. Medium-sized and micro enterprises are those reporting higher levels of participation.

### 3.2.6 Growth in jobs since 2010 within assisted enterprises and their supplier chains and sectors

The two graphs below provide different readings in relation to jobs growth at the levels of the individual firms, their value chains and their sectors. Data are also specified for female jobs:

- The graph on the left shows the percentage of responses decrease in jobs; no variation; increase in jobs).
- The graph on the right shows the result of applying a score to each response (from -1 to 3, for decrease, no growth, small increase, significant increase, very significant increase, respectively), turning out an average score for each response, which tries to reflect the jobs growth “power” in relation to each of the questions.



A vast majority of the respondents reported growth in jobs in the period 2010-2015, this being higher for men than for women (90% in general, against 70% in female jobs growth). Whilst the answers received show lesser strength in relation to both respondents' value chains and sectors (with identical gaps for female jobs growth), this difference should not be over-evaluated, as it may be natural that respondents apply a level of caution in estimating behaviours of wider groups, for which information may naturally be

less accurate. In fact, for both value chains and sectors it is very likely that answers are based on perceptions rather than on hard data.

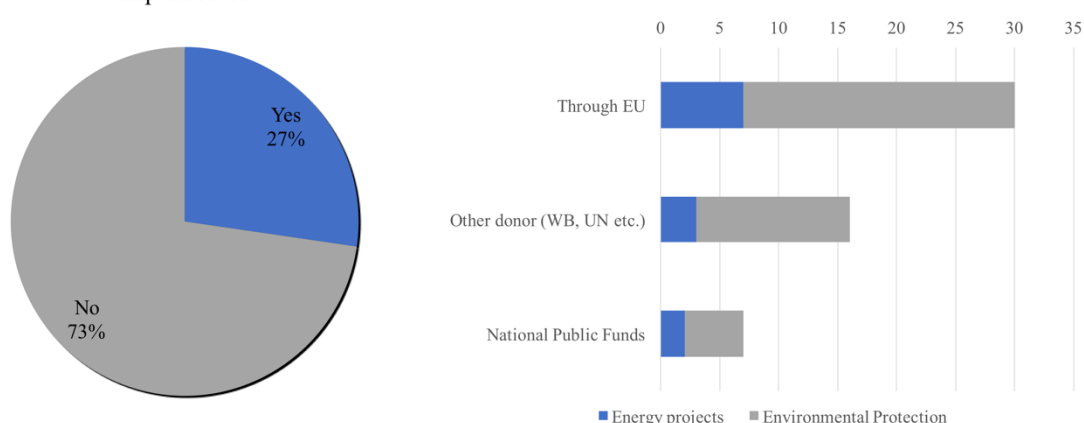
The table below details the responses received in relation to jobs creation:

Answer Options	Decrease	None	Small increase	Significant increase	Very significant increase	Don't know / Not applicable
<b>In your company - in general</b>	3	5	27	25	3	6
<b>- of which, for women</b>	4	16	27	13	3	6
<b>Within your company's supply chain - in general</b>	3	17	19	12	4	14
<b>- of which, for women</b>	2	29	15	5	3	15
<b>Within your company's sector - in general</b>	2	13	23	17	2	12
<b>- of which, for women</b>	2	22	22	8	2	13

### 3.3 Impact

#### 3.3.1 Implementation of Environmentally-friendly and/or Energy-efficiency Projects

Environmental Protection, Climate Change, Energy Projects  
Implemented



About 1/4 of the enterprises confirm having carried out some kind of Environmentally friendly and/or Energy-efficiency actions in relation to / as result of funding. For those who did implement these actions, and as in other types of improvements, the EU is reported – by far in this case – as the main source of funding for such type of actions. Environmental protection was the focus of more than 3/4 of the projects carried out by respondents, with no significant sensitivity to respective funds origin.

The following table depicts answers by type of actions carried out, as well as origins of respective funding.

	None	Through EU	Other donor (WB, UN etc.)	National Public Funds
<b>Energy efficiency</b>	11	3	2	1

	None	Through EU	Other donor (WB, UN etc.)	National Public Funds
Energy conservation	14	1	0	0
eGain forecasting	13	1	1	1
Renewable energy	12	2	0	0
Water consumption efficiency	11	3	1	1
Water purification	13	1	0	0
Liquid waste recycling / reutilization	9	2	1	0
Liquid waste treatment	10	1	2	0
Air / gas emissions reduction	11	2	2	1
Air / gas emissions reutilization	13	0	1	0
Air / gas emissions valorisation	12	1	1	2
Air / gas emissions treatment	13	0	0	0
Solid waste reduction	9	4	2	0
Solid waste reutilization	12	1	2	1
Solid waste recycling	12	2	1	0
Solid waste valorisation	12	2	0	0
Solid waste treatment	10	4	0	0

### 3.3.2 Use of the new technologies as a result of funding

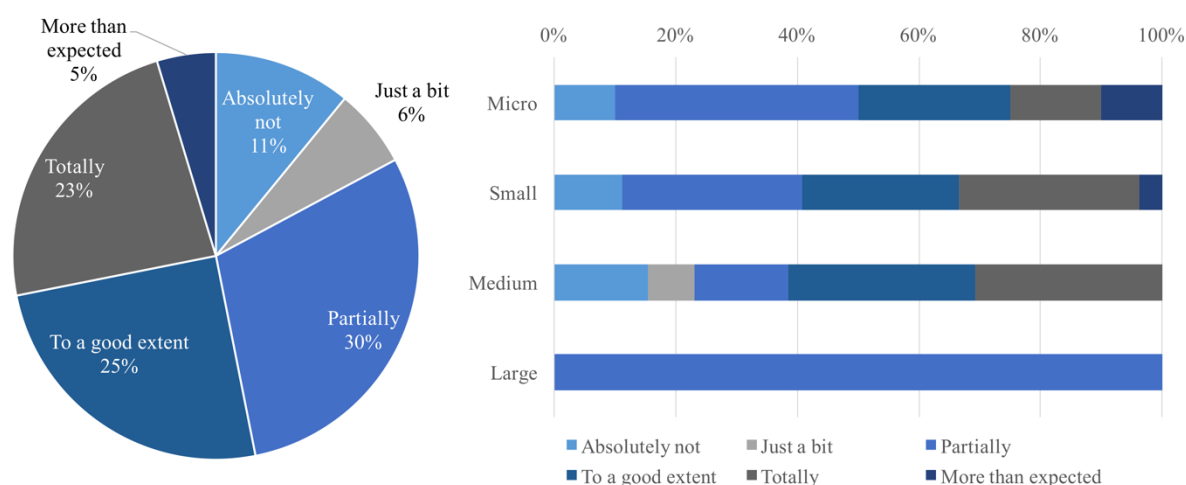
The table below details answers by type of Environmentally friendly and/or Energy-efficient technologies adopted/implemented, as well as origins of respective funding, showing a positive rate of only 4% to 7%, (thus in the vicinity of 1/4 of those having taken such actions), depending of the new technologies listed.

	Through EU	Other Donor	National Fund
Use of energy-efficiency building materials	3	3	1
Intelligent cooling and/or heating systems installed	3	3	1
Use or adoption of energy- and/or environment- labelled products/services	2	2	1
Eco-friendly products produced	4	2	2

Whilst a rate of 27% in implementation of any kind of Environmentally friendly and/or Energy-efficiency actions may be seen as rather positive, in face of the fact that, from the sample programmes/projects analysed by the team, not so many did have such kind of focus, in terms of related technology adoption the rates are rather low, which may mean that, in their majority, the actions that were taken were either of soft nature or did not involve significant structural changes (for which technology adoption may be taken as a good proxy).

### 3.4 EU added value and visibility

#### 3.4.1 Satisfaction with project results



More than 50% of the respondents report significant or very high satisfaction (measured in terms of results achieved as compared to expectation) with the EU and/or other donor-funded projects they participated in, with about half (28% of total) stating that expectations were totally met or even exceeded. Only 11% of the implementers are absolutely not satisfied with the results. Small and medium-sized enterprises are the most satisfied ones. It deserves being noted that all participating large enterprises report only partial satisfaction, whilst data shown in previous points confirm that large enterprises are not among those having less benefitted from donor support. This lower level of satisfaction may be linked, on the one side, to the small sample size (for large firms) and to a higher degree of expectations from these bigger, more organised and better structured companies.

Satisfaction rate is highest in Jordan, followed by Serbia and Bosnia & Herzegovina. The satisfaction rate is lowest Armenia, followed by Kosovo and Turkey. These rankings should however be taken with caution, due to the non-uniform distribution of the sample by countries.

#### 3.4.2 Comments received on satisfaction with project results

A selection of comments received from respondents regarding the reasons for their responses above is reproduced below. This selection does not intend to justify either positive or negative evaluations, but to rather highlight some elements that may serve for better understanding how beneficiary SMEs perceive the benefits of EU assistance and how such assistance may be improved in the future.

- EBRD support has boosted our marketing capabilities
- GIZ project, Managers training in Germany has positively affected our young female manager
- It was very hard to find suitable persons for the job that we developed through the project
- The local contractor (consultant) has limited capacity
- The distance between the HQ of the local contractor (same respondent)
- The short period of the service for the capacity building of the staff at the project (same respondent)
- Capacity building & study visits through TAIEX and SIGMA
- Workshops through Council of Europe
- Clear, transparent & fair process of choosing the projects
- Clear & Standardised reporting on project progress (same respondent)
- Received way more than just money, mentorship, networking, everything needed to succeed (same respondent)
- Poor management of the project by the consultant

- Bad choice of specialists (same respondent)
- Impossibility of continuing the project after the first phase (same respondent)
- We moved from prototype to mass serial production with an innovative EE product
- We positioned our start-up not only on national and EU market, but globally (same respondent)
- A lot of contacts and negotiations with industry leaders and prospective investors (same respondent)
- We have resolved a long lasting organisational problem, which was identified years ago
- We have got a tangible result (prepared document) of our work with consultants hired by EU (same respondent)
- We learned a lot (same respondent)
- Simple application
- Enough support, enough sources (same respondent)
- Fast answer on the application (same respondent)

General considerations about the comments received:

- Focus on concrete issues and objectives and achievement of tangible (measurable) results during / at the end of project implementation is a key factor for beneficiary satisfaction
- Practical “hands-on” interventions are valorised by the SMEs
- Exposure to (international) external contexts is valorised by SMEs
- Quality of consultants / project teams is key to success in soft support to SMEs
- Combining soft and hard (material/financial) support may in some cases leverage results and satisfaction
- Simple, fast, clear and intelligible project processes and administration are also appreciated by SMEs

### **3.5 Free comments**

A selection of free comments received from respondents is reproduced below. Same selection reasoning as for comments to results achieved.

- Some of the projects are just theoretical technical support, without implementation. A lot of money is spent on consultants, hotels, dinner, etc. Less goes to the beneficiary company. I consider the GIZ, NEP project is the role model of the projects because the money was spent on material items that benefited the company and the employees
- Low coordination between the donors. Sometimes the scope of work of more than a project is similar in some areas (same respondent)
- The survey doesn't probe on how to improve quality and efficiency of the donor programmes
- There was no clear policy for designers' IPR
- Thanks to EBRD, we had chance to work with experts and learn a lot from them. As a director of the company, I find that a new approach and new ideas in business remove us from product to the buyer. It helps a lot and we start with a new era of our business
- A new catalogue and free participation in fairs removed us from domestic to other markets. B2B meetings are the best way for finding partners (same respondent)
- We are aware of the importance of caring about environment and without any help we built a production using renewable energy resources and thermal energy released during the production process
- The beneficial effect of EU projects may also be measured by the effectiveness of the processes that are implemented

General considerations about the comments received:

- Some overlapping situations in donor-funded PSD interventions are perceived and negatively appreciated by SMEs
- Value for money (even if from donor funds) should be well explained and perceived by SMEs
- Quality of project process management (and respective transparency to enable visibility) is valorised by SMEs
- Better monitoring and traceability of project results (and respective visibility / scrutiny) would be appreciated by SMEs

## Annex 7 Report institutions web survey

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  - 1.1. General aspects
  - 1.2. Survey administration tool
  - 1.3. Survey design
  - 1.4. Survey's administration
  - 1.5. Data collection and treatment
2. Characterisation of the sample
3. Analysis
  - 3.1. Participation in EU-funded projects
  - 3.2. Project implementation and results
  - 3.3. Efficiency and effectiveness
  - 3.4. Impact and sustainability
  - 3.5. EU value-added
  - 3.6. Questions specific to ENI regions
  - 3.7. Good practices in private sector development projects

## 1 SURVEY DESIGN, ADMINISTRATION AND TREATMENT STRATEGY

### 1.1 GENERAL ASPECTS

As stated in the Inception Report (IR) and the Surveys Strategy document (Annex A1 to the Desk Phase Report), two types of surveys shall be used in this evaluation exercise:

	Institutional survey	SME surveys
<b>Purposes</b>	Key and complementary findings	Analyses related to final beneficiaries (e.g. SMEs; individuals)
<b>Targets</b>	Stakeholders and beneficiaries in general	Large (uniform) groups of beneficiaries (particularly indirect)
<b>Means</b>	Structured questionnaires	Short structured questionnaires
<b>Application</b>	All	Relevance Effectiveness Impact Coherence EU value added

The target group of the Institutions Survey consists of:

- DG Near (the persons managing regional PSD and Competitiveness projects and/or programmes)
- EUDs (the task/sector managers for PSD and Competitiveness)
- International Donors and Financial Institutions
- Beneficiaries such as ministries, other national agencies, regional and sub-regional agencies
- Business support organisations and other intermediaries, such as banks
- All other entities having taken active role(s) in Donor-funded projects, not listed above

The Institutional Survey was used as a means to expand on the information collected during the Desk Study phase and complement findings from field interviews in selected countries.



By targeting only actors with a direct stake in programmes/projects, this tool allows for deepening specific aspects of the analysis, in fields where, for instance, document information may be incomplete, inexistent/insufficient or even contradictory. The Institutional Survey has similar aims as personal interviews, being by nature a structured research tool.

The Institutional Survey is designed so that, whilst allowing for good levels of depth and detail, adequate response would be expected within reasonable period of time and level of effort.

## 1.2 SURVEYS ADMINISTRATION TOOL

The survey was administered through Survey Monkey (<https://www.surveymonkey.co.uk>), a well-recognised and widely used web-based survey tool.

## 1.3 SURVEY DESIGN

The Institutions Survey shall allow for:

- Identifying and characterising the respondents' base and categorising it along type of institution.
- Only Institutions having participated in any EU-funded Private Sector Development (PSD) project(s) in the period 2010-2015 shall be invited to respond. Those not confirming having had such participation shall be waived from responding.
- Each respondent shall be asked to specifically identify up to 3 projects in which it has participated during the relevant period. This shall enable project-specific analyses if and when appropriate, as this may be very useful to complement the Desk Study carried out in relation to the same countries from which Institutions are responding.
- Collecting data on:
  - The role and motivation of the respondent in each of the identified projects
  - Interactions among PSD projects (those not confirming having had such kind of interactions shall jump the respective questions)
  - Continued use of benefits by beneficiary SMEs (those not confirming that the beneficiary SMEs continue to benefit from any of the identified projects shall jump the respective questions)
  - Respondents' degree of satisfaction in relation to the selected projects
  - Implementation factors that contributed to successful performance of PSD projects
  - Projects' impact and sustainability (respondents' opinions/perceptions)
  - Respondents' opinions/perceptions on the contribution that the PSD projects had to institutional, organizational and/or staffing capacities development, at either project participants and/or beneficiaries level
  - Projects' complementarity and/or overlapping
  - Participation of different types of Organisations in projects
  - Identification of good practices in projects

Depending of the type of the Institution responding, the following areas of questioning shall then apply:

Question groups Types of Institution	EUDs	International Donors	Public Bodies	IFIs	NFIs	BSOs	Other
<b>Questions related to:</b> <ul style="list-style-type: none"> <li>• <b>European Neighbourhood Policy (ENP)</b></li> <li>• <b>EU Budget Support</b></li> <li>• <b>NIF</b></li> <li>• <b>DCFTAs</b></li> </ul>	Only in ENI East and South regions				No		

Question groups Types of Institution	EUDs	International Donors	Public Bodies	IFIs	NFIs	BSOs	Other
<b>Growth in jobs within Business Support Organisations (BSOs)</b>	Yes				No		
<b>Effectiveness of Private Sector Development (PSD) support in a number of fields</b>	Yes				No		
<b>Effectiveness of assistance received from International Financial Institutions (IFIs) in terms of sustainable results in relation to both business sectors and business support areas</b>	Yes				No		

There will exist different versions of the Survey for IPA and ENI regions, as it stems from the table above on questions specifically related to European Neighbourhood Policy (ENP), EU Budget Support, NIF and DCFTAs, which are specific to ENI regions.

#### Relevant Evaluation Questions / Indicators

- 5.2.a - Frequency and format of professional interaction: to what extent have you established working relations with beneficiaries of other projects; does this cooperation strengthen the realisation of EU policy?
- 5.3.a - Beneficiaries utilise outputs of at least one national and one multi-country PSD/Competitiveness project
- 7.1.a - Projects identified which succeed, or are likely to succeed, in delivering quality outputs and results on time and within budgetary limits
- 7.1.b - Factors related to design and implementation identified which are at the basis of successful performance
- 9.1.b - What was the growth in jobs since 2010 within BSOs
- 12.1.a - Likelihood of key project effects lasting at mid-and long-term
- 12.2 a - Likelihood of key project effects to leverage/multiply at mid-and long-term
- 13.1.a - Sustainability success and failure factors and respective root causes are identified and may be generalised
- 14.1.a - Degree of ownership over R&D and innovation activities
- 15.1.a – How did institutional, organisational and staffing provisions evolve over time, in qualitative and quantitative terms?
- 15.1.b – Which and how many organisations in business support, R&D, innovation, trade enhancement are actively involved in implementation of EU funded projects?
- 18.2.a - Innovative character of EU assistance
- 19.1.a - Degree of complementarity and non-contradiction or overlapping with national or regional programming
- 20.1.b - Success (impact) of EU assistance versus that of donor assistance
- 20.1.c - Areas/sub-sectors effectively covered by financial assistance from IFIs

For ENI East and South, the ToR request that the following additional items are analysed, some of which are not, or are only in a limited way, captured by the EQs:

- Practices of Budget support operations related to reforms of the business environment and structural reforms in the neighbourhood regions
- Study revised European Neighbourhood Policy (ENP)

- Study Deep and Comprehensive Free Trade Areas (DCFTAs)
- Study Neighbourhood Investment Facility (NIF): link with the priorities of the bilateral and regional programmes
- Remarkable practices of budget support on Private Sector Development in the neighbourhood regions

Room was given at the end of the survey for free comments.

The content of each respondent's answers was automatically stored every time s/he clicked "Next" and moved to a following page during the answering process. This allowed the respondent to suspend answering at any time and resume answering at his/her next convenience, provided that the same computer is used. Answers are only stored for one computer for each respondent.

Respondents could at all time review any answer previously provided by navigating within the whole survey through the buttons "Prev" and "Next" at the bottom of each page.

The survey had English and French versions, the latter of which was used in the Maghreb sub-region of EU's South neighbourhood (i.e. Morocco, Algeria and Tunisia).

#### **1.4 SURVEY'S ADMINISTRATION**

E-mails with requests for relevant Institutions addresses were sent on 13 June by the Team Leader to all relevant EUDs, in complement to the preliminary lists that were prepared by the Team in result of the document analysis performed during the Desk Phase. The follow-up (reminders, explanations, producing unified address lists) was in the hands of the three junior experts. The lists of Institutions with a direct stake in PSD/Competitiveness programmes/projects were provided by / populated in close collaboration with the relevant EUDs and the evaluation team, and then further treated by the team in order to make sure that only relevant players are targeted.

In most countries, the Institutions addresses lists that were achieved are satisfactory for survey administration purposes, as summarised below:

E-mails with invitation to respond were sent to all relevant targets in English or French (in the case of Algeria).

Dates of invitation e-mails:

- Initial invitation: Late September 2016 (except for Egypt, for which authorisation for survey administration was only received later;
- Reminder invitation (initial for Egypt, following receipt of relevant authorisation): 2nd half October 2016;
- Final reminder: mid November 2016.

#### **1.5 DATA COLLECTION AND TREATMENT**

Data collection was closed at the end of November 2016.

Answers to the survey were automatically stored by Survey Monkey and fully accessible to the evaluation team.

The Survey Monkey tool provides a wide variety of data analytical outputs, from simple (aggregate and/or detailed) graphics to statistical analyses. It enables for instance data filtering and cross tabbing, which allow seeing only the questions and responses that meet specific criteria. In general, with Survey Monkey the following is possible/available:

- Real-time results
- Text analysis
- SPSS integration
- Custom reporting

It is furthermore possible to export data tables (detailed and/or aggregate) to e.g. Excel in order to perform specific analytical work that may not be directly made available by the tool.

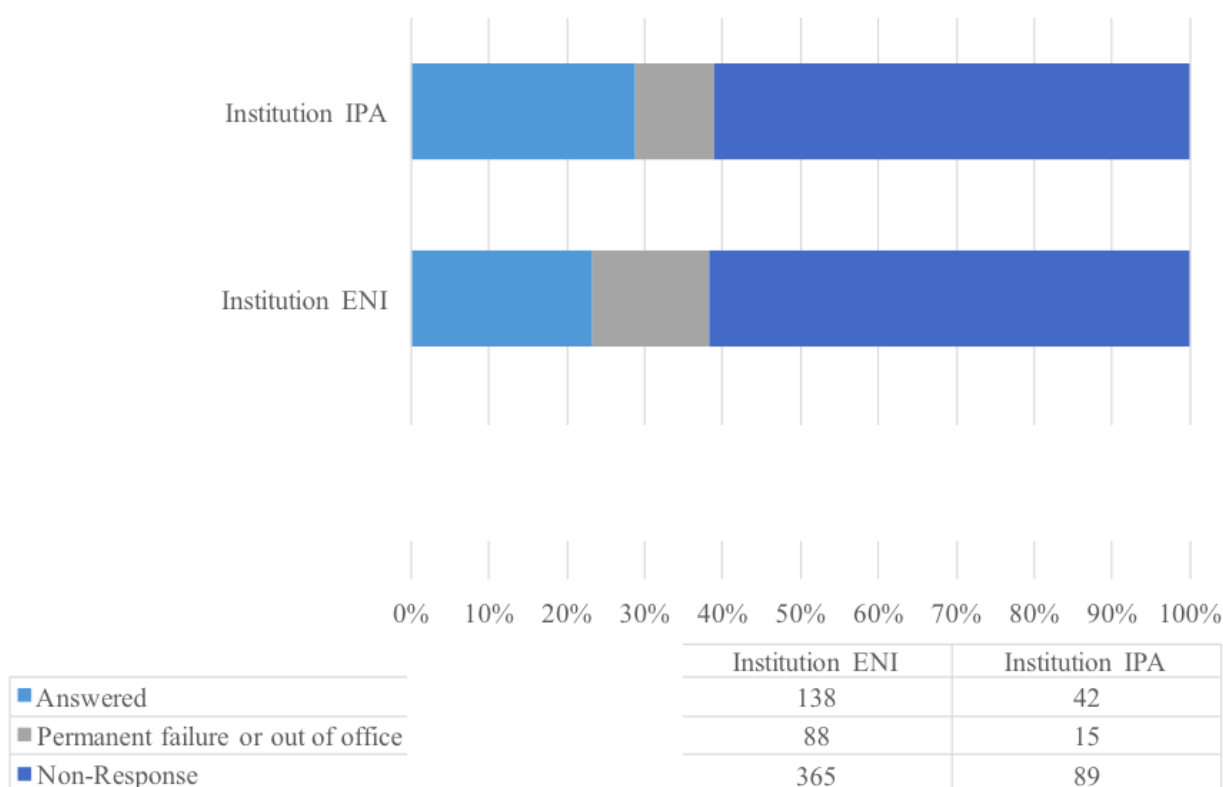
The team thus treated the data in order to obtain relevant answers to the evaluation questions covered by the survey, in order to complement the findings obtained through both desk study and field visits/interviews.

## 2 CHARACTERISATION OF THE SAMPLE

Countries	Institution ENI			Institution IPA		
	Number of person survey sent	Answered	Permanent failure or out of office	Number of person survey sent	Answered	Permanent failure or out of office
Algeria	34	5	1			
Armenia	55	22	17			
Albania				24	8	4
Azerbaijan	16	5				
Belarus	31	6	3			
Belgium		5			3	
Bosnia				7	2	3
Egypt	37	14	4			
France		1				
Georgia	31	9	9			
Germany		1				
Israel	2	1				
Jordan	115	15	28			
Kosovo				18	5	1
Lebanon	24	7				
Luxembourg					2	
Macedonia				4	2	3
Moldova	89	16	9			
Morocco	14	6	1			
Montenegro				12	7	
Multi Country	29		3	10		
Serbia				69	12	3
Tunisia	73	18	7			
Turkey				2		1
Ukraine	41	7	6			
United States					1	
Total	591	138	88	146	42	15

The turnout rate for the Institutions survey is as follows:

- Total invitations sent: 737
- Permanent failure / out-of-office automatic replies: 103 (14%)
- No response: 454 (62%)
- Answers received: 180 (24% of total; 28% of valid invitations)



Although invitations for Egypt were sent later, the response rate for this country is among the highest.

The highest participation is from Armenia within the ENI regions and Serbia within the IPA region.

In terms of geographical distribution of the responses received:

- 77% originate from / relate to ENI (South and East) regions;
- 23% originate from / relate to IPA region

As for the type of institutions, and as detailed in the table below, the highest participation is from Business Support Organizations in ENI countries and European Union Delegations in IPA countries.

Institution	ENI	IPA
European Union Delegation	16	11
International Donor (other than the EU)	2	5
International Financial institution	3	3
National Financial institution	2	0
Ministerial department	8	2
National, regional or local Development Agency	6	6
National, regional or local SME Support Centre	7	1
Other public institution	3	1
R & D & I Centre	3	
Business Incubator	5	3
Business Support Organisation	26	0
Private for-profit organisation/company	8	1
Other	22	0
<i>Not indicated</i>	27	5
<b>TOTAL</b>	<b>138</b>	<b>42</b>

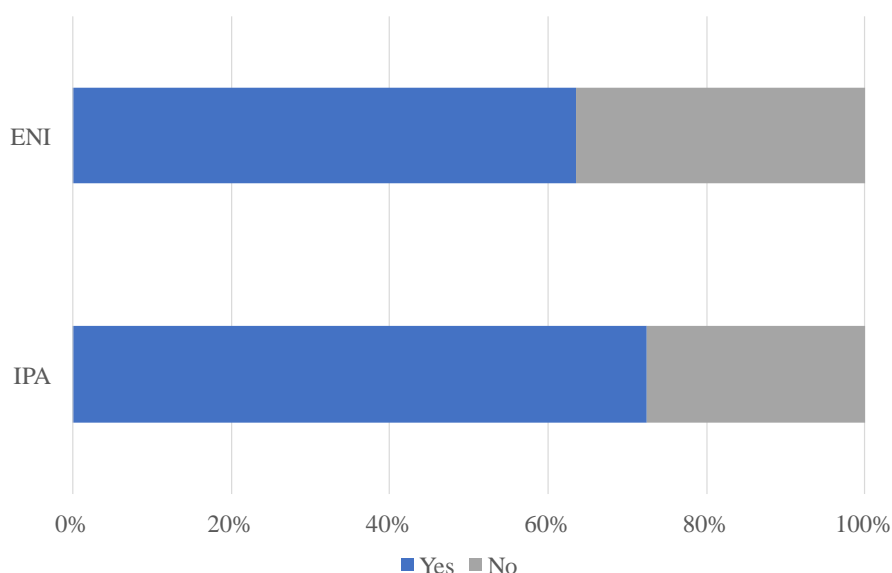
The respondents having chosen “Other” that detailed their type mentioned

- EC / European Union HQ / European Commission HQ (3 equivalent instances)
- International development agency
- Business Association Union of Legal Entities
- The ESFD is a permanent Organization for poverty alleviation, established as an autonomous department at the Council for Development and Reconstruction (CDR)
- Ministry
- Sectorial Employers’ Organisation
- Intergovernmental Organisation
- Intellectual Property Office of Montenegro, independent public authority under surveillance of the Ministry of Economy of Montenegro

### 3 ANALYSIS

#### 3.1 PARTICIPATION IN EU-FUNDED PROJECTS

##### 3.1.1 Level of participation



The figure above shows participation in any EU funded Private Sector Development (PSD) Project by responding Institutions. About 2 out of 3 respondents declare that their institutions participated in EU-funded projects between 2010 and 2015. Rate of participation by respondents is higher in IPA (above 2/3) than in ENI (below 2/3).

##### 3.1.2 Institutions’ roles in projects

The table below shows that the most important roles played by the responding institutions (both regions together) were those of international donor and project implementation/member of implementation consortium. There are however significant differences in terms of institutions’ stratification between the two regions:

- In ENI countries, project implementation/member of implementation consortium institutions (29 mentions) and international donors (23 mentions) clearly emerge as the most frequent (3rd position goes to project direct beneficiary with no implementation role, with 16 mentions);
- In the IPA region, international donors get 16 mentions, followed by a group composed of project financing institution (other than donor, e.g. IFI), project contracting party (public institution) and project implementation/member of implementation consortium, all with 9 mentions.

It is thus apparent that there is a higher variety of institutions involved in EU-funded PSD projects in the IPA region, whilst in ENI countries the landscape is to a large extent more simply composed of international donors and project implementers. This may however not be taken as a firm conclusion because the composition of the initial sample of the questionnaire may bias the result.

ENI Countries			
Role of the respondent institution	1. Project	2. Project	3. Project
International Donor	9	8	6
Project Financing Institution (not Donor, e.g. IFI)	2	1	0
Project contracting party (Public Institution)	4	3	2
Project design	4	2	2
Project management / member of Project Management Body/Unit	5	4	1
Project monitoring / member of Project Steering Committee	4	4	4
Project implementation / member of implementation consortium	16	8	5
Project direct beneficiary (with no implementation role)	9	5	2
IPA Countries			
Role of the respondent institution	1. Project	2. Project	3. Project
International Donor	9	5	2
Project Financing Institution (not Donor, e.g. IFI)	3	4	2
Project contracting party (Public Institution)	4	3	2
Project design	2	0	0
Project management / member of Project Management Body/Unit	1	0	0
Project monitoring / member of Project Steering Committee	0	1	1
Project implementation / member of implementation consortium	5	3	1
Project direct beneficiary (with no implementation role)	1	0	1

For the few cases marked by respondents as “Other”, the following details were provided (exact non-edited transcriptions):

- Also from Ukrainian side we had the local project coordinator and focal point for each project
- Design and project monitoring was also ensured by EC
- Participated at seminars/trainings
- Just participation
- Participant of the project implementation
- The Ministry is the national co-ordinator of co-operation with donors. It is in charge of the follow-up of the projects from conception/formulation until implementation
- Design and implementation
- Project implementation
- In all cases a form of delegated management
- It is EU funded project. DG NEAR together with the national authorities is responsible for project design and monitoring
- Education, mentoring workshops, connect businessmen from Serbia and Bosnia and Herzegovina

None of the above constitute significant inputs for considering “Other” as a relevant category.

In terms of the motivation of institutions to participate in projects (see table below), the most important in both ENI and IPA is supporting business growth and competitiveness. In ENI Countries, this motivation

appears clearly detached from all the others, with implementation of institutional development, policy priorities and sector development closely clustering in a distant second group. However, respondents from IPA countries declared that the second motivation is “international aid to development”, and this is in a very close position to the more preferred one. Whilst this is certainly influenced by the roles played by the respondents (see above), the differences in motivations may not be fully explained by this factor. It thus seems that, in ENI countries, institutional motivations to participate in EU-funded PSD projects are more driven by the end results to be achieved than by a more general intent of providing aid to development, as it is more the case in IPA region.

ENI Countries			
Motivation for participation	1. Project	2. Project	3. Project
International aid to development	4	1	2
Finance of private sector	0	3	1
Implementation of Donor strategy/priorities	2	3	1
Implementation of National/sector/regional priorities	8	3	1
National/regional/local development	4	3	3
Sector development	5	3	2
Institutional development	4	6	4
Increase of visibility/notoriety	0	0	0
Additional funding to Institution and/or its activity	0	1	3
Support to business growth/competitiveness	26	14	5
IPA Countries			
Motivation for participation	1. Project	2. Project	3. Project
International aid to development	7	6	1
Finance of private sector	1	1	3
Implementation of Donor strategy/priorities	1	0	0
Implementation of National/sector/regional priorities	1	2	1
National/regional/local development	2	1	1
Sector development	1	2	0
Institutional development	1	2	2
Increase of visibility/notoriety	0	0	0
Additional funding to Institution and/or its activity	1	0	0
Support to business growth/competitiveness	10	4	2

For the few cases marked by respondents as “Other”, the following details were provided (exact non-edited transcriptions):

- SME adaptation to DCFTA rules
- Business internationalisation and innovation
- Sectorial development
- Support to business growth and competitiveness also very important /synonymous
- Support to SME to identify IP as an asset for competitiveness and growth



- EU funding supports not only development but also the national strategies and capacity building of the institutions

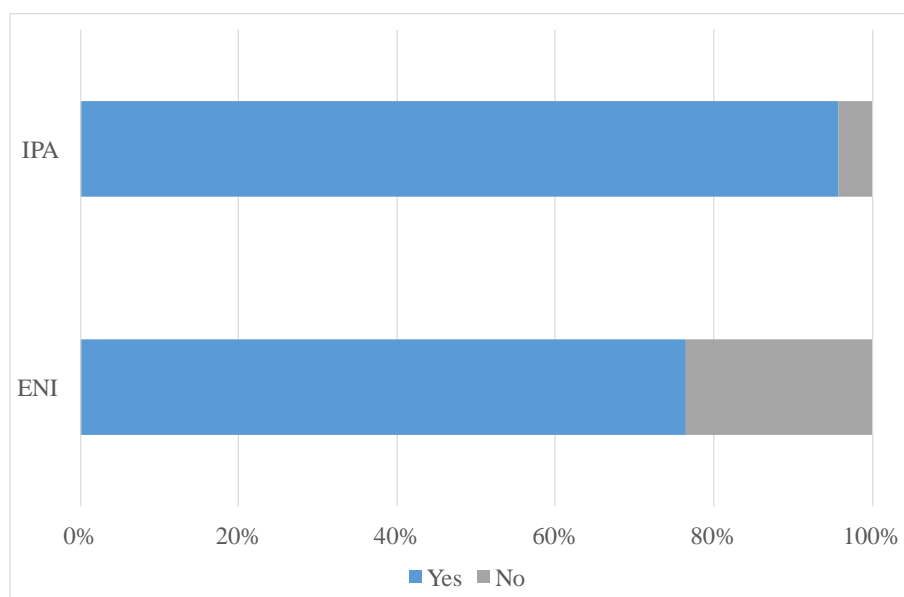
None of the above constitute significant inputs for considering “Other” as a relevant category.

## 3.2 PROJECTS IMPLEMENTATION AND RESULTS

### 3.2.1 Interactions between PSD projects by Institutions

As the graph below illustrates, interaction and/or establishment of working relations with other PSD project(s) and/or respective beneficiaries was high among respondents. The gap between IPA (nearing 100%) and ENI (about 3/4) is now wider than in relation to participation, which means that in IPA region Institutions that are involved in EU-funded PSD projects almost always interact with outer PSD projects and/or respective beneficiaries.

The two readings above (level of participation and frequency of interaction), higher in IPA than in ENI, may be justified that, in IPA region, the appealing element of EU accession may not only induce higher relative levels of EU funding but also more effectively attract participants to seek collaboration and exchanges among them.



When asked about the type of interactions that took place, and as shown in the table below<sup>6</sup>, whilst the most intensive (but not the most frequent) one in ENI countries is “exchange of contacts”, “avoiding overlaps between projects” comes first in IPA countries. The less intensive type of interaction (excepting “other”) is “co-funding actions” for ENI countries and “collaboration in specific areas of intervention” for IPA countries.

Interactions	ENI				IPA			
	Sporadically	Regularly	Intensively	Score	Sporadically	Regularly	Intensively	Score
Exchange of contacts	9	20	7	70	7	14	1	38
Exchange of information	8	23	5	69	7	10	4	39
Participation in events	11	18	7	68	9	9	3	36
Avoiding overlaps between projects	5	21	7	68	5	13	3	40
Alignment of project interventions	9	20	6	67	6	12	2	36
Joint actions for same beneficiaries	15	18	3	60	9	8	1	28
Joint planning for future action	13	17	4	59	7	10	1	30
Co-funding of actions	22	6	1	37	8	8	1	27
Collaboration in specific areas of intervention	12	18	3	57	8	7	1	25
Other	1	3	1	10	1	1	2	9

<sup>6</sup> The “score” is calculated by attributing the value 1 to “Sporadically”, 2 to “Regularly” and 3 to “Intensively” and then adding the three parcels.

For the few cases marked by respondents as “Other”, the following details were provided (exact non-edited transcriptions):

- Guarantee of financing for the projects proposed to the upgrade of the SMEs
- Joint design of new projects
- When planning its assistance the Coimmission consults other donors in the relevant sector/area or ask for collaboration

None of the above constitute significant inputs for considering “Other” as a relevant category.

In the ENI region, only “co-funding of actions” scores detached below all the other types of interactions. In the IPA region, however, “joint actions for same beneficiaries”, “joint planning for future action”, “co-funding of actions” and “collaboration in specific areas of intervention” form a cluster of less preferred types of interaction. Linking this to the fact, noted above, that project interaction is an almost certainty in IPA countries, it may be concluded that there is more focus in this region in terms of what institutions interact for, which may allow to infer that interaction is more purpose-driven, which reinforces the possible catalysing effect of EU accession.

When asked about the contribution of interactions with other projects to the realisation of EU policy (see table below), both respondents in ENI and IPA countries mostly prefer to use “exchange of information”. The second preference is “collaboration in specific areas of intervention” for respondents in ENI countries, whilst it is “exchange of contacts” for respondents in IPA countries. In terms of the less effective types of interactions, institutions in ENI countries clearly detach “co-funding of actions”. In IPA countries, this type of interaction is also the one perceived as least efficient, however the difference to all factors is much less significant. Again linking this result with a lesser interaction frequency and intensity, it thus appears that the institutions in ENI countries have a more frequent perception of EU-funded PSD projects as “stand-alone” initiatives in terms of funding. On the contrary, “collaboration in specific areas of intervention”, being perceived as second in effectiveness to the realisation of EU policy in ENI countries, ranks 3<sup>rd</sup> lowest in the IPA region (where it is also the less intensive, as seen above). It would be appropriate to deepen the analysis to try and find why this type of interaction is seen so favourably in one case and rather less positively in the other.

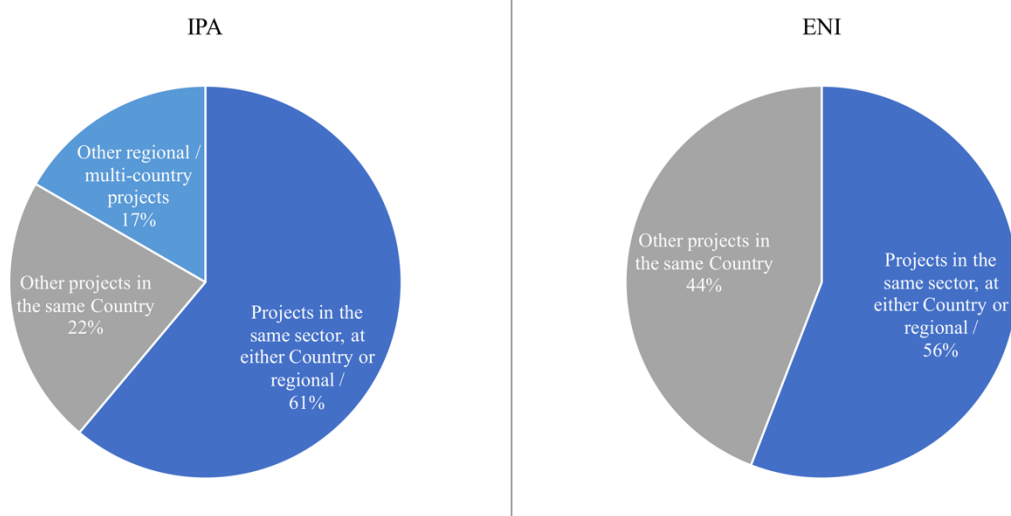
For the few cases marked by respondents as “Other”, the following details were provided (exact non-edited transcriptions):

- CGCI contribution to the instrumentation of the MEDA counter-guarantee fund

The above does not constitute significant input for considering “Other” as a relevant category.

Interactions	ENI				IPA			
	None	Low	High	Score	None	Low	High	Score
Exchange of contacts	1	15	19	88	1	8	12	53
Exchange of information	1	9	25	94	0	4	17	59
Participation in events	0	13	21	89	1	10	9	48
Avoiding overlaps between projects	3	15	16	81	1	6	13	52
Alignment of project interventions	1	14	18	83	2	7	11	49
Joint actions for same beneficiaries	2	15	16	80	1	9	7	40
Joint planning for future action	1	15	17	82	1	8	11	50
Co-funding of actions	6	12	12	17	2	9	6	38
Collaboration in specific areas of intervention	3	12	21	90	1	5	11	44
Other	4	0	0	4	1	2	0	5

In terms of projects’ areas and geographical scope, the picture is also different between ENI and IPA Regions (see graphs below):



Whilst sector is the main driver for project collaboration in both regions, the level of collaboration reported in IPA in relation to multi-country projects in other sectors than that of the respondent's is significant (17%), but totally inexistent in the ENI region. This may, again, be leveraged by the multidisciplinary of the acquis and the need to articulate policies and interventions in multiple fields (including possibly several with cross-cutting nature), and to do this at a multi-country level. This may mean that the multi- and cross-country aspects of policy in PSD are perceived as assuming particular relevant in the framework of the EU accession process.

### 3.2.2 Type of project outputs and results utilized by the final beneficiaries (SME)

In both country groups, advisory support (national consultancy and international advice) is the most frequent output for SMEs. At a distance, management/strategic and operational/marketing tools (other than IT) appear as the second most frequent group of outputs in ENI countries, whilst in IPA countries management/strategic tools (non-IT) come in second together with other non-financial outputs and two types of financial outputs (linked to loans facilitation/access). According to responses received from EU Delegations, use of / access to loans, together with national and international advice, was more utilised. This is a characteristic of several of the analysed IFI interventions. Respondents from ministerial departments and other public institutions declare that there was an intensive and/or regular use of national and international advisory, operational/marketing tools and non-financial outputs, which means that they may be less sensitive to the effectiveness of combining financial and non-financial support to SMEs, perceiving each of them as being relatively autonomous from the other.

One aspect also deserving attention is that supply of equipment ranks higher in IPA countries (1/3 of maximum score) than in the ENI region (17% of maximum score). The team cannot suggest a plausible explanation for this difference.

ENI Countries					
Opinions on impact and sustainability	None	Sporadically	Regularly	Intensively	Score
Advisory support: National consultancy	1	10	15	10	70
Advisory support: International advice	2	12	16	6	62
Management / strategic tools: IT tools	7	11	9	4	41
Management / strategic tools: Other tools	1	19	11	3	50
Operational / marketing tools: IT tools	6	11	10	3	40
Operational / marketing tools: other tools	3	11	14	5	54
Other non-financial outputs / results	4	12	11	4	46
Financial support / tools: Loan, credit, interest subsidy	11	7	12	3	40
Financial support / tools: Loan guarantee	12	7	6	4	31
Financial support / tools: Equity capital	16	6	3	1	15
In-kind provisions: Supply of land	21	2	1	0	4
In-kind provisions: Supply of building	20	2	2	1	9
In-kind provisions: Supply of equipment	16	7	1	1	12
Other In-kind provisions	9	1	1	0	3
IPA Countries					
Opinions on impact and sustainability	None	Sporadically	Regularly	Intensively	Score
Advisory support: National consultancy	1	1	14	3	38
Advisory support: International advice	2	4	8	4	32
Management / strategic tools: IT tools	3	9	4	0	17
Management / strategic tools: Other tools	2	7	8	0	23
Operational / marketing tools: IT tools	4	5	6	1	20
Operational / marketing tools: other tools	3	8	3	0	14
Other non-financial outputs / results	2	6	7	1	23
Financial support / tools: Loan, credit, interest subsidy	4	4	5	3	23
Financial support / tools: Loan guarantee	4	6	1	5	23
Financial support / tools: Equity capital	8	6	1	1	11
In-kind provisions: Supply of land	10	5	0	0	5
In-kind provisions: Supply of building	10	5	0	0	5
In-kind provisions: Supply of equipment	7	6	2	1	13
Other In-kind provisions	1	2	1	0	4

For the few cases marked by respondents as “Other”, the following details were provided (exact non-edited transcriptions):

- NB there are also TA associated benefits passed through other 'pillars' of WBEDIF
- The projects are currently under implementation and it is difficult to say

None of the above constitute significant inputs for considering “Other” as a relevant category.

### 3.3 EFFICIENCY AND EFFECTIVENESS

#### 3.3.1 Satisfaction with projects' quality and delivery timeliness

Proj 1		Quality of outputs / results				Timeliness of delivery				Available budget			
		P	R	H	N/A	P	R	H	N/A	P	R	H	N/A
ENI - Type	National	0	12	11	2	2	18	4	1	0	17	5	3
	Multi-country / regional	0	8	10	0	1	7	9	1	2	14	1	1
IPA - Type	National	0	9	5	2	1	7	6	2	1	10	5	0
	Multi-country / regional	0	4	4	0	0	4	3	1	0	7	1	0
Proj 2		Quality of outputs / results				Timeliness of delivery				Available budget			
		P	R	H	N/A	P	R	H	N/A	P	R	H	N/A
ENI - Type	National	2	11	5	1	2	12	5	0	3	9	3	4
	Multi-country / regional	1	4	6	0	3	4	4	0	3	7	1	0
IPA - Type	National	0	2	5	1	0	1	6	1	0	5	3	0
	Multi-country / regional	2	3	5	0	1	5	3	1	1	6	2	1
Proj 3		Quality of outputs / results				Timeliness of delivery				Available budget			
		P	R	H	N/A	P	R	H	N/A	P	R	H	N/A
ENI - Type	National	2	5	1	0	1	6	1	0	1	7	0	1
	Multi-country / regional	0	6	2	0	0	4	3	1	0	6	1	1
IPA - Type	National	0	1	5	0	0	3	3	0	0	5	1	0
	Multi-country / regional	0	1	2	0	0	1	2	0	0	3	0	0

(P = Poor; R = Reasonable; H = High)

The table above shows satisfaction of respondents with the quality, timeliness of delivery and available budget of the projects they participated in.

In general terms, quality of outputs/results (effectiveness) are mostly considered reasonable or high, small differences among regions not being too significant. Multi-country/regional projects appear to deliver higher perceived quality (which sustains the information gathered by the team from document and field work).

In terms of timeliness of delivery (efficiency), the average appreciation by respondents is a bit less positive, with the majority of responses falling in the “reasonable” category. As it happens with effectiveness, there is a slight advantage multi-country/regional projects.

In relation to budget availability (which may be linked to quality of design), the “reasonable” grading is pervasive, with few cases of “high” classification (nearly as many as for “poor”. It thus seems that, in average, project budget availability is just enough, but not comfortable, for the activities that need being carried out.

#### 3.3.2 Implementation factors that contributed to successful performance of the PSD projects

The following table (below) identifies and shows the weight of the implementation factors that contributed to successful performance of the PSD projects in which respondents were involved. All factors are over the significant satisfactory level for ENI countries, but there are 6 factors in IPA countries falling are below “significant” satisfactory level. These are:

- Good governance
- Respect of planning budget
- Good application of LFA
- Inclusiveness
- cross-cutting factors
- coordination-collaboration with other projects

For ENI countries, the most relevant factor for successful project performance is “management quality” (score: 2.47, above the “significant” level), whilst for IPA it is “technical quality of team(s)/experts involved” (score: 2.63, approaching the “very significant” level). The second most relevant factor for IPA is “reaching the defined target groups” (score: 2.63) and for ENI is “technical quality of team(s)/experts

involved" (score: 2.44). The average score of all factors listed is very similar for both regions and close to "significant" level: 2.13 for IPA and 2.14 for ENI.

For the few cases marked by respondents as "Other", the following details were provided (exact non-edited transcriptions):

- IPOM is involved in the IPA 2014 , its implementation has not started yet
- Please note that the implementation of the projects is mainly followed by the EUD. The projects are currently under ipmplementation and we face certain difficulties

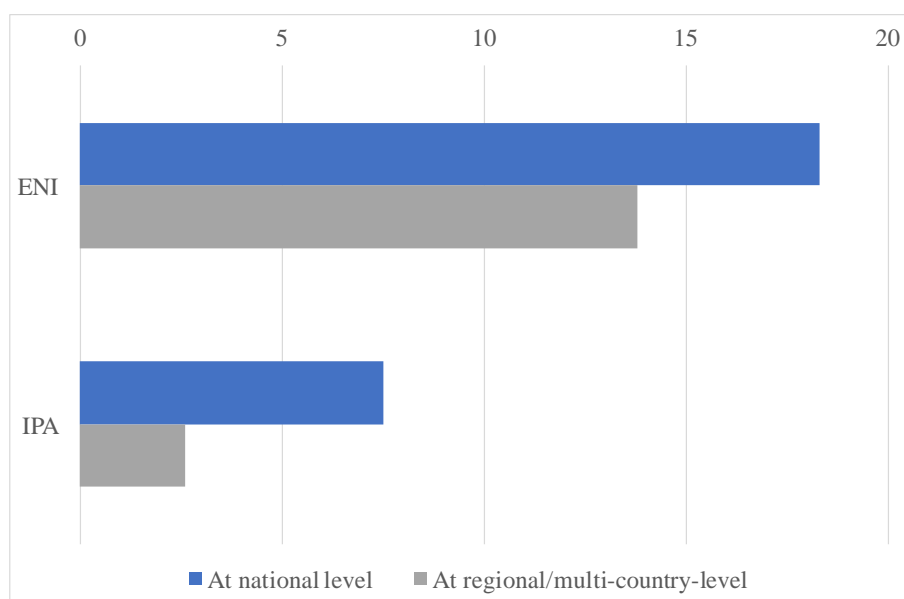
None of the above constitute significant inputs for considering "Other" as a relevant category.

	ENI Countries				
	None	Small	Significant	Very significant	Score
Effectiveness	0	5	19	15	2,26
Efficiency	0	3	20	16	2,33
Good governance	1	4	13	19	2,42
Management quality	2	1	17	19	2,49
Technical quality of the team(s) / experts involved	1	2	19	20	2,44
Participated actions	1	3	15	15	2,36
Respect of planning/budget	0	5	15	17	2,32
Flexibility/adaptability	2	5	13	19	2,38
Good application of the Logical Framework Approach	1	11	15	11	2,00
Good monitoring	0	9	17	14	2,13
Choice of roject partners	1	4	16	17	2,35
Reaching the defined target groups	0	3	16	18	2,41
Geographical scope / coverage	0	6	13	19	2,34
Inclusiveness	3	4	16	15	2,31
Cross-cutting factors	3	8	16	10	2,06
Coordination / collaboration with other projects	2	9	13	15	2,16
Other	1	1	4	1	5,00
IPA Countries					
Effectiveness	1	2	10	7	2,26
Efficiency	0	0	12	6	2,33
Good governance	0	5	9	4	1,94
Management quality	1	0	9	8	2,47
Technical quality of the team(s) / experts involved	0	0	7	12	2,63
Participated actions	0	2	13	3	2,06
Respect of planning/budget	0	4	12	3	1,95
Flexibility/adaptability	0	0	13	7	2,35
Good application of the Logical Framework Approach	1	2	15	1	1,94
Good monitoring	0	1	15	3	2,11
Choice of roject partners	1	1	10	7	2,33
Reaching the defined target groups	0	1	6	13	2,60
Geographical scope / coverage	1	4	10	4	2,00
Inclusiveness	1	3	13	2	1,94
Cross-cutting factors	1	8	7	1	1,56
Coordination / collaboration with other projects	3	7	6	2	1,67
Other	0	0	1	0	5,00

### 3.4 IMPACT AND SUSTAINABILITY

#### 3.4.1 Jobs growth in BSOs

The graph below shows growth in jobs within Business Support Organisations since 2010. The growth rate in ENI countries is three times higher than that of IPA countries, the difference being even more perceptible at the regional/multi-country level.



#### 3.4.2 Impact and sustainability of PSD projects

The table below shows opinions of respondents on EU-funded PSD/Competitiveness projects' impact and sustainability. Respondents in ENI countries (average score: 2.22, above "significant" level) are more positive than their colleagues in the IPA region (average score: 1.93, below "significant" level). In both regions, the highest rank goes for project relevance, followed by likelihood of lasting project effects, and the lowest rank is given to ownership on R&D and innovation.

ENI Countries					
Opinions on impact and sustainability	None	Small	Significant	Very significant	Score
Project relevance in terms of meeting concrete needs	0	2	19	19	2,43
Likelihood of key project effects lasting at mid-and long-term	0	4	16	17	2,35
Likelihood of key project effects to leverage/multiply at mid-and long-term	0	5	17	16	2,29
Degree of ownership by (most relevant) beneficiaries	0	4	16	16	2,33
Degree of ownership over R&D and innovation activities	3	10	10	8	1,93
Other	0	0	3	0	2,00
IPA Countries					
Project relevance in terms of meeting concrete needs	0	3	11	6	2,15
Likelihood of key project effects lasting at mid-and long-term	0	3	11	4	2,06
Likelihood of key project effects to leverage/multiply at mid-and long-term	0	3	14	0	1,82
Degree of ownership by (most relevant) beneficiaries	0	4	10	5	2,05
Degree of ownership over R&D and innovation activities	1	9	6	1	1,50
Other	0	0	2	0	2,00

For the few cases marked by respondents as "Other", the following details were provided (exact non-edited transcriptions):

- The project implementation has not started



- Good impact of the projects could be achieved only if there is political will of the beneficiary. The impact will be measured at the end of the project. The projects have good potential on impact

None of the above constitute significant inputs for considering “Other” as a relevant category.

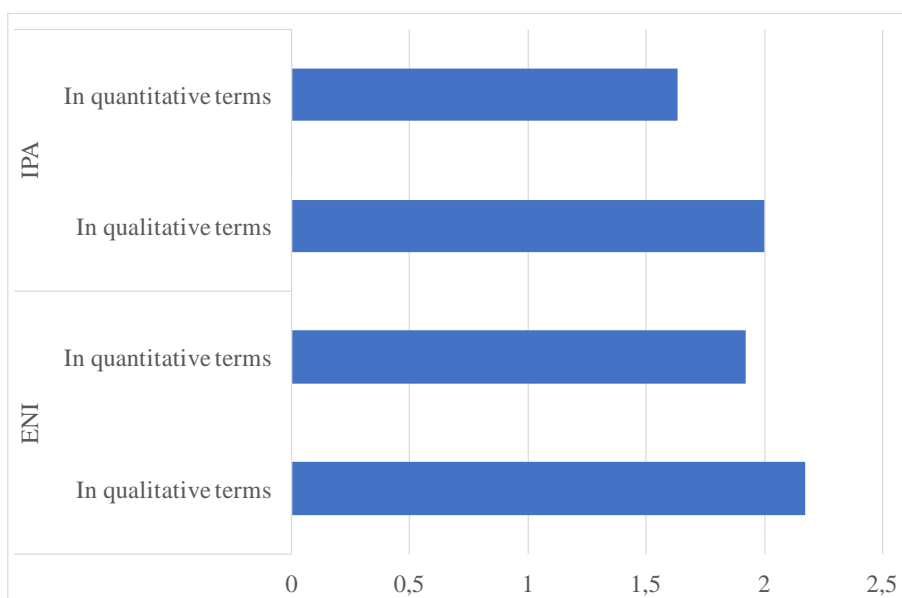
### 3.4.3 Ownership over R&D and innovation activities

Looking in more detail at the factor lowest ranked in both regions, and as detailed in the table below, highest ranks were given in ENI region by International Donors (other than the EU), followed by (other) BSOs. In IPA, highest rank was given by IFIs and Other Public Institutions. Lowest ranks were given by IFIs in ENI and by Business Incubators in IPA.

Institutions represented	ENI Countries					IPA Countries				
	None	Small	Significant	Very significant	Score	None	Small	Significant	Very significant	Score
European Union Delegation	0	3	1	2	1,83	0	5	2	0	1,29
International Donor (other than the EU)	0	0	0	1	3,00	0	0	0	0	0,00
International Financial institution	0	2	0	0	1,00	0	1	1	1	2,00
National Financial institution	1	0	0	0	0,00	0	0	0	0	0,00
Ministerial department	1	0	1	0	2,00	0	0	0	0	0,00
National, regional or local Development Agency (public)	0	0	0	0	0,00	0	1	2	0	1,67
National, regional or local SME Support Centre (public)	0	1	2	0	1,67	0	0	0	0	0,00
Other public institution	0	0	1	0	2,00	0	0	1	0	2,00
R & D & I Centre	0	0	0	0	0,00	0	0	0	0	0,00
Technology Park or Centre	0	0	0	0	0,00	0	0	0	0	0,00
Business Incubator	0	1	1	1	2,00	0	1	0	0	1,00
(other) Business Support Organisation (private not-for-profit)	0	1	3	3	2,29	0	0	0	0	0,00
Private for-profit organisation/company	1	0	0	0	0,00	0	0	0	0	0,00
Other (please specify)	0	2	1	1	1,75	1	1	0	0	1,00

### 3.4.4 Evolution of organisational and staffing provisions

The graph below shows the evolution of organisational and staffing provisions over time in qualitative and quantitative terms. In both regions, qualitative increase is higher than quantitative increase. “2” is the level of significant increase. Therefore, it can be said that increase in qualitative terms was classified as having been significant (IPA) or more than significant (ENI)



### 3.4.5 Number of organisations in business support, R&D, innovation, trade enhancement that are actively involved in implementation of EU funded projects

The table below details responses in relation to which kind and how many organisations in business support, R&D, innovation, trade enhancement are actively involved in implementation of EU funded

projects. As perceptions vary a lot among respondents, what should be looked at are the mean and the median responses.

As it can be seen, active participation is higher in the ENI regions than in the IPA region. This difference is visible in all types of organisations, with a peak on trade enhancement-related organisations (which is natural due to the fact that international trade faces much higher barriers in ENI than in IPA). Financial Institutions and other relevant Organisations also present differences higher than other types of organisations, but still far from what is observed in relation to trade enhancement.

One factor deserving attention, which may be linked to the low rank awarded to ownership on R&D and Innovation (see points 3.4.2 and 0), is that the number of Innovation-related Organisations is the lowest in both regions (and where the inter-regional gap is also smallest). It may thus be appropriate to seek for higher involvement of this type of organisations to enhance ownership on R&D and Innovation.

Organizations	ENI Countries				IPA Countries			
	Minimum	Maximum	Mean	Median	Minimum	Maximum	Mean	Median
Business Support Organisations (BSOs)	0	200	28	10	1	100	13	3
R&D Institutions / Organisations	0	80	7	2	0	20	4	2
Innovation - related Organisations	0	15	3	2	0	8	2	1
Trade enhancement - related Organisations	0	600	40	3	0	15	3	2
Financial Institutions	0	50	8	6	0	8	2	1
Other relevant Organisations	0	30	9	4	0	16	3	1

### 3.5 EU VALUE-ADDED

#### 3.5.1 Innovative character and success of EU assistance

The table below shows that IPA projects are perceived as having less innovative character than those in ENI. This difference is higher in relation to National than to regional/multi-country projects. In both regions, these latter are however more innovative than the former.

ENI Countries						
		None	Low	High	Very High	Score
The innovative character of EU assistance	National projects/programmes	1	7	7	2	1,69
	Multi-country / regional project(s) / programme(s)	1	3	8	1	1,83
The success (the impact) of EU assistance as compared to what was achieved by other donors' assistance	National projects/programmes	0	7	6	3	1,75
	Multi-country / regional project(s) / programme(s)	1	6	5	2	1,69
IPA Countries						
The innovative character of EU assistance	National projects/programmes	0	9	5	0	1,36
	Multi-country / regional project(s) / programme(s)	0	4	8	1	1,77
The success (the impact) of EU assistance as compared to what was achieved by other donors' assistance	National projects/programmes	0	2	11	0	1,85
	Multi-country / regional project(s) / programme(s)	0	3	7	1	1,82

In both regions, EU assistance is also seen as being more successful in terms of impacts generated than the assistance from other Donors. Contrarily to what happens in relation to its innovative character,

however, it is in the IPA region that this difference is better perceived. Differences at this level between National and regional/multi-country projects are smaller though, and actually not much significant.

### 3.5.2 Complementarity and non-contradiction or overlapping with national or regional programming

The table below shows the survey results in relation to complementarity and non-contradiction or overlapping of EU PSD/Competitiveness assistance with national or regional programming. Complementarity very much approaches a “very high” rank in both IPA and ENI. Non-overlapping, however, is better ranked in ENI (above mid-level between “low” and high” than in IPA (just above “low” level).

		None	Low	High	Very High	Score
Complementarity	ENI	0	10	21	8	1,95
	IPA	0	3	16	2	1,95
Overlapping	ENI	11	14	9	4	1,63
	IPA	4	14	2	0	1,13

### 3.5.3 Business areas/sub-sectors effectively covered at national level by financial assistance from IFIs – National level

The table below lists business areas/sub-sectors, in relation to which respondents were asked to indicate the extent to which they were effectively covered at national level by financial assistance from IFIs.

Results in ENI indicate that:

- The sectors best covered are Construction and Public Works, Manufacturing (in general) and Utilities, with ranks above the “high” level;
- A following cluster of sectors, ranking “high”, is composed of the agriculture and agro-industry, wholesale trade and food services;
- Real estate and rental/leasing, social services and other services are the three sectors ranking near or equal to the “low” level.

Results in IPA indicate that:

- No sector ranks on or above the “high” level;
- The sectors most approaching the “high” level are agro-industry, professional services and health care, closely followed by utilities and construction and public works;
- Three areas are ranked “low”, such as the primary sector (agriculture, forestry and animal production), real estate and rental/leasing and food production.

It may thus be concluded that, according to the responses received:

- Financial assistance at the national level from IFIs is perceived as being more effectively covering business sectors in the ENI regions;
- However, IFIs seem to have more difficulty in covering services sectors in ENI than in IPA;
- On the contrary, IFIs seem to better address needs of the agro-food value chain in ENI than in IPA;
- Real estate and rental/leasing are not perceived as being well covered by IFIs in any of the regions.

Sectors	ENI Countries					IPA Countries				
	N	L	H	VH	Score	N	L	H	VH	Score
Agriculture, Forestry and Animal Production (including fisheries)	0	1	4	1	2,00	1	6	0	0	1,00
Agro-industry (including e.g. food and/or beverages processing/production)	0	2	6	2	2,00	1	2	5	0	1,71
Mining, Quarrying, and Oil and Gas Extraction	0	2	0	1	1,67	1	2	1	0	1,33
Utilities (including e.g. production and/or distribution of electricity; distribution of natural gas; water and sewage)	0	1	2	2	2,20	0	2	3	0	1,60
Environmental Protection, Climate Change, Energy Efficiency and correlated activities	0	5	2	3	1,80	0	4	3	0	1,43
Construction and Public Works	2	1	1	2	2,25	0	2	3	0	1,60
Manufacturing (in general)	1	1	4	3	2,25	0	4	1	0	1,20
Wholesale trade	1	1	2	1	2,00	0	3	2	0	1,40
Retail trade	1	2	1	1	1,75	0	2	3	0	1,60
Transportation and Warehousing (including Logistics)	0	3	2	1	1,67	0	2	3	0	1,60
Information and/or Communication Technologies (ICT)	0	3	4	2	1,89	0	3	4	0	1,57
Finance and Insurance	0	4	1	0	1,20	0	4	2	1	1,57
Real Estate and Rental/Leasing	2	2	0	0	1,00	0	5	0	0	1,00
Professional Services (including e.g. consulting; accounting; engineering)	1	3	1	2	1,83	1	3	2	1	1,67
Educational Services	0	4	3	0	1,43	1	3	4	0	1,57
Health Care	1	2	1	1	1,75	0	2	4	0	1,67
Tourism and Recreation	0	3	4	1	1,75	0	3	4	0	1,57
Food Services (restaurants, bars, coffee shops etc.)	1	2	4	2	2,00	2	3	0	0	1,00
Social services/economy	1	3	1	0	1,25	0	2	2	0	1,50
Other services	0	2	0	0	1,00	0	0	0	0	0,00

### 3.5.4 Business areas/sub-sectors effectively covered at national level by financial assistance from IFIs – Regional/multi-country level

The table below lists business areas/sub-sectors, in relation to which respondents were asked to indicate the extent to which they were effectively covered at regional/multi-country level by financial assistance from IFIs.

Results in ENI indicate that:

- No sector ranks above the “high” level;
- The sectors best covered are Mining, Quarrying and Oil and Gas Extraction, Utilities, Wholesale trade and Health Care, all ranking on the “high” level;
- The sectors approaching (but not reaching) the “high” level are Environmental Protection, Climate Change, Energy Efficiency and correlated activities, Manufacturing (in general) and agro-industry;
- Several services sectors rank “low” or just a little below: Finance and Insurance, Real Estate and Rental/Leasing, Professional Services, Social services/economy and Other services.

Results in IPA indicate that:

- No sector ranks above the “high” level;
- The sectors best covered are Agro-industry, Mining, Quarrying and Oil and Gas Extraction, Utilities, Wholesale trade, Retail trade, Transportation and Logistics, Information and Communication Technologies and Tourism and Recreation, all ranking on the “high” level;
- The sectors approaching (but not reaching) the “high” level are the Primary sector (agriculture, forestry and animal production), Construction and Public Works and Educational Services;
- Two services sectors rank “low”: Food Services and Social services/economy.

It may thus be concluded that, according to the responses received:

- Financial assistance at regional/multi-country level from IFIs is perceived as presenting a rather balanced efficiency in both regions, with no sectors ranking above the “high” level;
- As it happens at the national level, IFIs seem to have more difficulty in covering services sectors in ENI than in IPA;
- Transportation and Logistics and Information and Communication Technologies are better covered by IFIs in IPA than in ENI;
- Contrarily, IFIs serve better in ENI the sectors of Utilities, Environmental Protection, Climate Change, Energy Efficiency and correlated activities and Health Care;
- Only the Social services/economy sector is not perceived as being well covered by IFIs in any of the regions.

Sectors	ENI Countries					IPA Countries				
	N	L	H	VH	Score	N	L	H	VH	Score
Agriculture, Forestry and Animal Production (including fisheries)	0	1	4	1	2,00	1	6	0	0	1,00
Agro-industry (including e.g. food and/or beverages processing/production)	0	2	6	2	2,00	1	2	5	0	1,71
Mining, Quarrying, and Oil and Gas Extraction	0	2	0	1	1,67	1	2	1	0	1,33
Utilities (including e.g. production and/or distribution of electricity; distribution of natural gas; water and sewage)	0	1	2	2	2,20	0	2	3	0	1,60
Environmental Protection, Climate Change, Energy Efficiency and correlated activities	0	5	2	3	1,80	0	4	3	0	1,43
Construction and Public Works	2	1	1	2	2,25	0	2	3	0	1,60
Manufacturing (in general)	1	1	4	3	2,25	0	4	1	0	1,20
Wholesale trade	1	1	2	1	2,00	0	3	2	0	1,40
Retail trade	1	2	1	1	1,75	0	2	3	0	1,60
Transportation and Warehousing (including Logistics)	0	3	2	1	1,67	0	2	3	0	1,60
Information and/or Communication Technologies (ICT)	0	3	4	2	1,89	0	3	4	0	1,57
Finance and Insurance	0	4	1	0	1,20	0	4	2	1	1,57
Real Estate and Rental/Leasing	2	2	0	0	1,00	0	5	0	0	1,00
Professional Services (including e.g. consulting; accounting; engineering)	1	3	1	2	1,83	1	3	2	1	1,67
Educational Services	0	4	3	0	1,43	1	3	4	0	1,57
Health Care	1	2	1	1	1,75	0	2	4	0	1,67
Tourism and Recreation	0	3	4	1	1,75	0	3	4	0	1,57
Food Services (restaurants, bars, coffee shops etc.)	1	2	4	2	2,00	2	3	0	0	1,00
Social services/economy	1	3	1	0	1,25	0	2	2	0	1,50
Other services	0	2	0	0	1,00	0	0	0	0	0,00

### 3.5.5 Business support areas effectively covered at national level by financial assistance from IFIs

#### 3.5.5.1 ENI region

BUSINESS SUPPORT AREAS	AT NATIONAL LEVEL					AT REGIONAL / MULTI-COUNTRY LEVEL				
	None	Low	High	Very high	Score	None	Low	High	Very high	Score
SMES AND MICROENTERPRISES	0	3	7	2	1,92	1	3	4	0	1,38
AGRIBUSINESS	0	4	4	3	1,91	0	5	3	0	1,38
INNOVATION	0	7	3	0	1,30	0	6	1	0	1,14
JOBS PROMOTION	0	3	4	1	1,75	1	4	1	0	1,00
HUMAN RESOURCES DEVELOPMENT / CAPACITY BUILDING	1	2	5	1	1,67	0	3	3	0	1,50
INCLUSIVE BUSINESS MODELS	0	2	2	0	1,50	0	3	1	0	1,25
INVESTMENT CLIMATE REFORM	0	4	0	0	1,00	0	3	0	0	1,00
ENVIRONMENT / ENERGY EFFICIENCY / CLIMATE CHANGE	0	6	3	0	1,33	0	3	3	0	1,50
OTHER	0	0	0	0		0	0	0	0	

in ENI, support to MSMEs and agribusiness ranks highest, but below “high” grade, at the national level, whilst the highest score (but just half-way between “low” and “high”, is shared by human resources development / capacity building and environment / energy efficiency / climate change.

Investment climate reform ranks lowest, with “low” grade, at both levels, as does jobs promotion at the regional/multi-country level.

#### 3.5.5.2 IPA region

BUSINESS SUPPORT AREAS	AT NATIONAL LEVEL					AT REGIONAL / MULTI-COUNTRY LEVEL				
	None	Low	High	Very high	Score	None	Low	High	Very high	Score
SMES AND MICROENTERPRISES	0	5	4	1	1,60	0	1	3	1	2,00
AGRIBUSINESS	1	3	2	1	1,43	0	0	2	0	2,00
INNOVATION	1	5	2	0	1,13	0	4	1	1	1,50
JOBS PROMOTION	0	4	3	0	1,43	0	1	1	2	2,25
HUMAN RESOURCES DEVELOPMENT / CAPACITY BUILDING	0	5	1	2	1,63	0	2	2	1	1,80
INCLUSIVE BUSINESS MODELS	1	3	1	0	1,00	0	3	0	0	1,00
INVESTMENT CLIMATE REFORM	0	2	2	0	1,50	0	2	0	0	1,00
ENVIRONMENT / ENERGY EFFICIENCY / CLIMATE CHANGE	0	5	0	1	1,33	0	2	1	0	1,33

BUSINESS SUPPORT AREAS	AT NATIONAL LEVEL					AT REGIONAL / MULTI-COUNTRY LEVEL				
	None	Low	High	Very high	Score	None	Low	High	Very high	Score
OTHER	0	0	0	0		0	0	0	0	

In IPA, Support to MSMEs and agribusiness ranks highest, with “high” grade, at regional/multi-country level. Rating below “high”, human resources development / capacity building is the best ranked business support area in terms of IFI coverage in IPA region at national level, closely followed by support to MSMEs and agribusiness.

Inclusive business models rank lowest, with “low” grade, at both levels, as does investment climate reform at the regional/multi-country level.

### 3.5.5.3 Total

BUSINESS SUPPORT AREAS	AT NATIONAL LEVEL					AT REGIONAL / MULTI-COUNTRY LEVEL				
	None	Low	High	Very high	Score	None	Low	High	Very high	Score
SMES AND MICROENTERPRISES	0	8	11	3	1,77	1	4	7	1	1,62
AGRIBUSINESS	1	7	6	4	1,72	0	5	5	0	1,50
INNOVATION	1	12	5	0	1,22	0	10	2	1	1,31
JOBS PROMOTION	0	7	7	1	1,60	1	5	2	2	1,50
HUMAN RESOURCES DEVELOPMENT / CAPACITY BUILDING	1	7	6	3	1,65	0	5	5	1	1,64
INCLUSIVE BUSINESS MODELS	1	5	3	0	1,22	0	6	1	0	1,14
INVESTMENT CLIMATE REFORM	0	6	2	0	1,25	0	5	0	0	1,00
ENVIRONMENT / ENERGY EFFICIENCY / CLIMATE CHANGE	0	11	3	1	1,33	0	5	4	0	1,44
OTHER	0	0	0	0		0	0	0	0	

When looking at the accumulated figures, no business support area is well covered by IFIs support according to the responses received.

Support to MSMEs is the business support field most effectively covered by IFIs at the National level, coming slightly below human resources development / capacity building at regional/multi-country level.

Agribusiness ranks second at the National level, where Innovation and inclusive business models rank lowest. At the multi-country/regional level, it is investment climate reform that ranks lowest, with “low” grade, followed by inclusive business models.

### 3.5.5.4 Conclusion

As it would be expected and is confirmed by both document analysis and interviews, support to MSMEs is the area where IFIs perform best in terms of business support areas. Whilst there are differences between regional spaces and National and regional/multi-country levels, two areas emerge as being perceived as less effectively covered by IFIs: investment climate reform and inclusive business models, which is a bit surprising as both may be considered as being well within the scope of IFI’s specialties. It might thus deserve to further work with IFIs in these areas to strengthen beneficiary countries’ and regions’ capacity to provide respective business support.



### 3.6 QUESTIONS SPECIFIC TO ENI REGIONS

#### 3.6.1 Effectiveness and appropriateness of EU budget support

In this question, ENI Institutions were asked to indicate to what degree they think that EU budget support is an effective and appropriate financing modality for realising structural reforms in general and improving the business environment in particular.

The table below summarises the responses received, showing that Institutions generally consider effectiveness and appropriateness of EU budget support to be above high (which score would be 2.00), with a slight advantage in relation to its contribution for improving the business environment.

AREAS OF EU BUDGET SUPPORT	None	Low	High	Very high	Score
STRUCTURAL REFORMS	0	1	9	3	2,15
IMPROVEMENT OF THE BUSINESS ENVIRONMENT	0	1	6	5	2,33

Some EU budget support operations specifically mentioned by respondents as interesting cases are transcribed below:

- TDMEP
- DCFTA-SME budget support
- Direct support to export/investment promotion organisations, BSO's – grants (the team has doubts that this corresponds to a concrete case)
- Direct support to business (top 30 innovative SME's) to strengthen competitiveness

#### 3.6.2 Linkage of the Neighbourhood Investment Facility (NIF) with the priorities of the bilateral and regional programmes

The ENI Institutions that responded to this question rate positively effectiveness of the linkage between the NIF and the priorities of the bilateral and regional programmes, but not quite reaching the “high” score. It is noticeable that such effectiveness is perceived as being higher at National than at regional/multi-country level, and in both cases also better in relation to bilateral than to regional programmes.

Effectiveness of the linkage (e.g. mutual leveraging effect) between the NIF and the priorities of the bilateral and regional programmes	At National level					At Regional / Multi-country level				
	None	Low	High	Very high	Score	None	Low	High	Very high	Score
BILATERAL PROGRAMMES	1	2	9	3	1,93	1	2	8	1	1,75
REGIONAL PROGRAMMES	0	3	8	1	1,83	1	3	4	2	1,70

This may indicate that the NIF, by nature a tool of regional character, is materialised through programmes and projects with better capacity for mutually interacting and leveraging at National level. Such perception may be linked to the fact that many EU-NIF interventions, particularly those carried out by IFIs, target more directly SMEs, which level of concern tends to be higher in relation to issues in their close proximity (being it physical or in terms of their business scope and management).

#### 3.6.3 Effectiveness of EU's Private Sector Development (PSD) to promote/strengthen the European Neighbourhood Policy (ENP)

In relation to the effectiveness of EU's Private Sector Development (PSD) to promote/strengthen the European Neighbourhood Policy (ENP), the ENI Institutions that responded to this question rate positively such effectiveness, but again not quite reaching the “high” (2.00) score. As it happens in relation to NIF linkages (see previous point), it is noticeable that such effectiveness is perceived as being higher at National than at regional/multi-country level, and in both cases also better in relation to bilateral than to

regional programmes. The difference, however, is much smaller in relation to bilateral than to regional programmes, with these latter scoring almost neutrally (about mid-point between “low” and “high”) at regional/multi-country level.

Effectiveness of EU's PSD to promote/strengthen the ENP	At National level					At Regional / Multi-country level				
	None	Low	High	Very high	Score	None	Low	High	Very high	Score
<b>BILATERAL PROGRAMMES</b>	1	1	10	2	<b>1,93</b>	1	2	7	2	<b>1,83</b>
<b>REGIONAL PROGRAMMES</b>	0	3	10	1	<b>1,86</b>	2	2	7	1	<b>1,58</b>

This last observation might justify additional research as to the reasons why EU's PSD is apparently failing to, or at least not sufficiently conveying the message of, being effective in regionally implementing initiatives that materialise in tangible advancements of the ENP at a supra-national level.

### 3.6.4 Effectiveness of EU's Private Sector Development (PSD) to promote/develop Deep and Comprehensive Free Trade Areas (DCFTAs)

Regarding the effectiveness of EU's Private Sector Development (PSD) to promote/develop Deep and Comprehensive Free Trade Areas (DCFTAs), the ENI Institutions that responded to this question rate highly (score 2.00 or above) such effectiveness at the regional/multi-country level, but only neutrally (about mid-point between “low” and “high”) at the National level. As it happens in relation to the two previous points, perception is higher in relation to bilateral than to regional programmes, however the gap is not too significant.

Effectiveness of EU's PSD to promote/develop DCFTAs	At National level					At Regional / Multi-country level				
	None	Low	High	Very high	Score	None	Low	High	Very high	Score
<b>BILATERAL PROGRAMMES</b>	1	4	4	2	<b>1,64</b>	0	2	3	3	<b>2,13</b>
<b>REGIONAL PROGRAMMES</b>	1	4	4	1	<b>1,50</b>	0	2	4	2	<b>2,00</b>

It is interesting to notice that, whilst DCFTAs are by nature bilateral deals, it is at the regional/multi-country level that perception of EU's PSD to their promotion is highest. The team cannot advance a specific explanation for this fact, other than a guess that such agreements tend to be rather similar from the EU's perspective, as well as very complex in their nature, which might justify a more efficient and effective treatment at a supra-national level. This in spite of the fact that they shall ultimately need to be translated into the legislation of each individual country.

### 3.6.5 Common note about EU's PSD and NIF, ENP and DCFTAs

In the three points above, perception by Institutions of effectiveness of EU's PSD is consistently higher in relation to bilateral than to regional programmes. This observation may be correlated to the fact, observed during field interviews, that most regional/multi-country programmes/projects are largely unknown (or just vaguely known) to those Institutions in the ENI countries that are not directly involved in their respective implementation. There may thus exist an issue of communication and/or ownership capacity to be looked at in future regional/multi-country programming to try and counter this effect.

## 3.7 GOOD PRACTICES IN PRIVATE SECTOR DEVELOPMENT (PSD) PROJECTS

Among the most remarkable practices in Private Sector Development (PSD) projects that were mentioned by respondents, the following deserve being noted:

- The practice of the Idea Corridor that can be used as a methodology for evidence based policy formulation methodology
- The very participatory planning approach adopted by the Ministry of Trade and Industry in defining the scope of action of the TDMEP TA contracts, which has certainly led to higher level of

ownership and strengthened beneficiary engagement – perhaps at the cost of timeliness of delivery

- Introduction of open call for proposals scheme(s) enforcing the academia and industry to work together in a consortium
- International advisory programme helps companies with high potential to internationalise, become leaders in the domestic market and competitive in export. They also become more bankable and innovative, more open to implement new investments
- Training "Grow your consulting business" series developed by EBRD helps local consultants develop their skills and abilities. As such, it grows the consulting market in the country and develops a more sustainable market of services
- The cost-sharing model for supply of Business Development Services within the EBRD SBS programme, which strengthens the commitment, ownership and sustainability of the provided support at the enterprise level. In going forward, more nuanced "capacity and willingness to pay" methodologies could be developed to ensure that the market for BDS is developed on commercial terms.
- Good combination mechanism: Use of commercial banks to lend to SMEs, and use of BDS teams to intermediate between banks and SMEs
- A 90% loan guarantee for innovative start-ups in technology, conditioned that banks do not ask for a collateral, and start-ups contribute 10% of project cost in cash or in kind
- First loss risk cover for participating financial institutions in Belarus under Women in Business Programme, which resulted in easier access to finance for sub-category of borrowers such as women – can be launched in other projects aiming at access to finance
- Co-financing: Whether between IFIs or even at EU level, combining various sources of funding (although often complex initially) can leverage the effect so much further
- Good SME financing risk evaluation and rating
- The follow-up and monitoring system set up in PECAM
- Reliability and traceability of results delivered to clients
- Establishment of tighter linkages between R&D and PSD (two-sense mobility)
- The MOBIDOC instrument set up by PASRI

General considerations about the comments received:

- Suggestions made in relation to strengthening project design (e.g. better evidence-based methodologies and participatory approach practices) are aligned with the team's conclusions
- Good practices in terms of advisory provision (some refer specifically to the EBRD) and their combination with financial or material support are seen as good means of achieving strong results in terms of PSD support
- Some innovative practices in terms of financial instruments, also highlighted by the team's findings, find support in the Institutions' suggestions received
- Strong risk evaluation, monitoring and evaluation systems and procedures are argued for by the Institutions, and coincide with the team's conclusions as means to strengthen projects' efficiency, effectiveness and impacts
- Some examples of effective experiences in linking R&D and PSD, namely linked to mobility, deserve attention for future programming.

## Annex 8 Findings sample projects

**Judgment criterion 1.2** – *The quality of design of individual projects/interventions/contracts is adequate in terms of intervention logic and definition of indicators.*

### Bosnia and Herzegovina.

*IPA 2009 – Business infrastructure:* The project's intervention logic was clear. The planning of resources and available time was adequate. The PF contains a log-frame matrix, in which the only indicator is "ten studies for business zones, with design documentation, available". This is a measurable indicator, but it does not provide insight in the expected impact. In actual fact, it could have been clear from the very start that with no national money for actual investments, the studies would be neglected.

*IPA 2011 – Intellectual Property Rights:* The activities were clearly and adequately defined and divided into a number of sub-components in order to follow a logical sequence. There were many result indicators, most of which were well measurable (and have been achieved). The contractor has regularly updated the log-frame matrix and used it as a management tool.

*IPA 2011 – Capacity building for trade policies and analysis:* Belongs to the same project fiche as IPR. The indicators mainly concern the preparation and enforcement of trade-related regulations, but also enhanced capacities through institution building. The first set of indicators is well-defined, the second set limits itself to "enhanced capacities" which is a flexible concept, difficult to measure. The log-frame matrix provided with the PF is not very helpful as a management tool, but the contractor makes regular updates to ensure its use as a reference document throughout the project.

*IPA 2011 – Support to local economic development:* This grant scheme is fully managed by the EUD. Its PF contains a multitude of indicators which are well defined and should be measurable. The intervention logic is (too) simple: the EUD launches a call, the applicants do the rest. There is no explicit provision for project preparation support, information meetings, project implementation support, etc. Despite the well-defined indicators, the project approach lacks baseline studies and interim and ex-post checks of indicator achievements. Grant projects are still on-going, but the evaluators did not find proof of actual monitoring mechanisms.

*IPA 2013 – Support to SME Competitiveness:* Being one of many TAM/BAS/EGP projects executed by the EBRD, the intervention logic is straightforward and has been duly transposed in the project log-frame. SMART indicators have been identified at all levels. The "novelties" related to BiH's alignment with the SBA were smoothly incorporated in the overall logic. The Project Log-frame specifies target values for the indicators identified; baseline values are unfortunately lacking.

### Serbia

*IPA 2010 – Integrated Innovation Support Programme:* - the ROM report of August 2012 says: "An initial intervention logic was designed in the Project Fiche (PF) which has a complex Log Frame Matrix (LFM). It was further refined in the project inception phase. The LFM provides Objectively Verifiable Indicators (OVI), which are deemed SMART". Project reports duly refer to evolving log-frame matrices, but unfortunately, they were not available to the evaluators. There is a good link between needs analysis, objectives, results expected and activities. However, contrary to the ROM report, the evaluators found that some indicators in the project fiche were poorly formulated (e.g. Improved SMEs performance, increased adoption of technologies, improved productivity and new product development, increased awareness of innovation and technology issues amongst key stakeholders and decision makers at local level) and their measurement at the end of the project could only be tentative.

*IPA 2011 – Regional Socio-Economic Development Programme II:* The LFM with the PF provides reasonably sound intervention logic, although as often the case, most indicators are difficult to measure. The LFM created by the contractor is not available.

*IPA 2011 – Enforcement of Intellectual Property Rights:* There is a LFM attached to the PF, which is of moderate quality as regards the description of the intervention logic. No LFM was made by the twinning partner, yet the implementation of the project has been efficient and successful, judging the achievement of the benchmarks set at the very beginning.

*IPA 2012 – Improving e-business environment:* The intervention logic is of high quality with clear objectives and project purpose. The main project rationale, elaborated across three well defined implementation components represents a suitable mix of interventions comprising of institutional capacity strengthening, e-Commerce development, and preparatory actions for technological innovation such as establishing a Government-to-Business (G2B) and e-Invoicing/e-Ordering support. Proper measurement of progress and achievement of results is enabled through adequately defined indicators and targets. The TOR Deliverables Matrix and Component Work Plans have consistently been used as a management tool by the project team to ensure that activities leading to deliverables are met within the planned time-frame.

References to tasks in the TOR Deliverables Matrix are used in all project documentation such as timesheets and reports. In view of the multifaceted nature of this project separate TOR Deliverables Matrices have been prepared for Component 1, 2 and 3. An extra TOR Deliverables Matrix has been prepared in order to include the agreed 7 Added Value Tasks.

At the level of the IPA multi-beneficiary (MB) programme, the evaluation led to the study of seven projects, two of which concerned the same beneficiary with (at least) three allocations each.

*IPA 2009; 2013; 2013 – Regional entrepreneurial learning centre SEECCEL*: Three direct grants were given to SEECCEL. The rationale for SEECCEL is that it is preferable to have a regional entrepreneurial learning system than various national ones. The intervention logic for all three projects is laid down in the respective project fiches (one for 2009, one for both 2013 projects) and was further elaborated in three DoAs. At the overall objective and the purpose level, one is inappropriate, namely “increase in number of new businesses”. There is no activity in the project that would foster new businesses. Also, a weak indicator is “beneficiary progress in component I and IV of the SBA”, since measuring is cumbersome especially without a baseline. Result indicators detail out the purpose indicator but suffer from the same flaw. The 2013 projects unfortunately use indicators that are tantamount to quantified outputs. There is no indicator showing impact, at the level of country cooperation, joint actions or SME participation; advantages of a unified system in the Western Balkans and Turkey.

The causal effect between activities-outputs-results-impact cannot be distinguished in the project design, although it certainly exists. The above would seem to indicate that the three combined projects were badly designed and hence, did not achieve result or impact. This is not the case; as later sections will show. SEECCEL is a professional organisation and has managed to grow out above the limitations of the design during implementation.

*Cards 2006; IPA 2007; 2008; 2009 – European Fund for South-East Europe (EFSE)*: The first accessible PF dates from 2007 and does not include an intervention logic or indicators of achievement, although the tasks of EIF are well defined. From EIF and EFSE reports over time, evaluators and the general public can gauge the overall investments, the financial position of the fund, local financial institutions they work with, and repartitions of costs and expenditures. It would have been appropriate to include in the PF requirements for reporting on issues such as the growth of jobs in assisted firms, the portion of investments in innovative firms, the evolution of innovative products and actions, the use of environmentally friendly production and products, etc., all with baselines at the beginning of EFSE involvement in each company. It is altogether possible that such information exists, but as far as the Commission Services possess it, it was obviously deemed not relevant for this evaluation.

*IPA 2013 – Next generation competitiveness Initiative*: The overall purpose of the NGCI project is to improve the competitiveness of the Western Balkan economies by supporting the implementation of the SEE 2020 Vision. One argument for mounting this regional project is that there may be regional value chains that require reinforcement. Additionally, the SEE 2020 vision is per definition a regional initiative and should therefore be tackled at the regional level. Yet, the project’s design is not very strong; it allows the implementer to engage in actions that do not directly and tangibly alleviate the problems in individual countries. Measures to secure sustainability do little to tackle the specific needs (and ownership) of individual countries. The PF includes a log-frame matrix, with objectively verifiable indicators. Abbreviated quotes illustrate these indicators:

- For the overall objective: Positive macro-economic benefits such as improved trade performance, increased government receipts from a more productive business sector, and positive labour market developments.
- For the project purpose: functioning regional sector specific working groups in three sectors; new and/or adapted policy actions which support value chain development in three sectors, identification of synergies at regional level and policy recommendations to expedite development of key sectors, a revised Investment Reform Index.
- For the results: Establishment of three regional, sector-based, industry working groups; identification of barriers which limit the development of regional value chains in three sectors; implementation of regional capacity building projects in three sectors; practitioner-oriented guidance and recommendations for SEE 2020 implementation; vision in at least eight policy dimensions leveraging the methodology used for the IRI; and identification of specific policy constraints and reform priorities which should enable the full implementation of SEE 2020.

The approach is one of conferences and working groups at the regional level, complemented with dedicated research.

## Armenia

*ENPI 2011 – Strengthening the Enforcement of Intellectual Property Rights* – this is part of an overall Action Fiche on support to the Government of Armenia for the implementation of the ENP Action Plan and preparations for the future Association Agreement-Phase II. The action fiche contains a great number of activities under budget support, in the areas of public finance management, public sector transparency and performance, trade/DCFTA as well as complementary actions in the field of PIFC, public procurement, customs, quality infrastructure, removal of barriers to trade, sanitary and phyto-sanitary control, data protection and e-governance. The budget support has no bearing on PSD/Competitiveness, while no intervention logic was found for complementary actions such as IPR. Therefore, the evaluators give a negative judgment regarding the design of the project.

*ENPI 2013 – Support to regional development in Armenia* – the action fiche does not contain a log-frame matrix, but the contractor has used a “monitoring targets matrix” that serves well as a management tool. It was updated each quarter; the intervention logic is sound; it is structured around the result indicators: number of new jobs created, number of enterprises supported, number of public–non-public partnerships established, number of organisations providing services to enterprises supported and number of organisations providing services to job seekers supported.

*ENPI 2014 – Support to SME Development in Armenia* – The delegation agreement with GiZ contains a log-frame matrix of very high quality. It shows an intervention logic that establishes a clear causal relationship between activities–outputs–results–purpose. Indicators as such are well defined and in general SMART, although the evaluators are under the impression that some of them are perhaps even slightly too ambitious. Studies to establish baseline values are foreseen.

*ENPI 2014 – Armenian SME finance and advice facility* – Although no log-frame matrix was encountered among the design documents, the description of the action as well as the delegation agreement with EBRD provide a clear and sound intervention logic, including sufficiently quantified and quantifiable outputs and indicators. The project is ambitious but feasible with the resources available. There is a need to establish baseline values for the indicators, so that continuous measurement will be possible.

## Moldova

*2010 – Economic Stimulation in Rural Areas* – the overall action fiche relates to a budget support programme; it appears to be usual that no intervention logic or log-frame matrices are produced at this level. The relevant partial PSD/Competitiveness actions selected for evaluation were part of a technical assistance package of EUR 3 million covering one-stop-shops, credit lines for SMEs, business incubators and industrial parks. The TA team has produced a log-frame matrix with its inception report; it provides a complete overview of activities and outputs, but is too complicated to serve operationally as management tool. Indicators, insofar as related to PSD/Competitiveness, are well defined and measurable. Broken down for the PSD/Competitiveness elements, the intervention logic is acceptable, but does not always illuminate cause-effect relationships.

*2011 – Business development projects under Confidence Building Measures* – a log-frame matrix was not found in the few available design documents/project reports. The overall action was planned to be a flexible response to needs encountered in the field, which makes a definition of the intervention logic a tentative process. Yet, regarding the business development component, some indicators were set, such as numbers of SMEs assisted, number of persons trained in the business school, establishment of a business incubator. In general, it is judged that for a project of this size (some EUR 13 million overall), both the intervention logic and the set of indicators are poor.

During the evaluation, the projects *2013 – Intellectual property rights* and *2015 – One-stop-shop for opening and closing business under PAR* were actually being tendered, so that information beyond the action fiches could not be provided. The action fiches themselves provide little insight in the intervention logic of the projects, which leads to a negative judgment on the quality of design.

## ENI-EAST regional programme

*ENPI 2009 – European Fund for South-East Europe (EFSE)* – The fund became active for the Neighbourhood East region in 2011. From EIF and EFSE reports over time, evaluators and the general public can gauge the overall investments, the financial position of the fund, local financial institutions they work with, and repartitions of costs and expenditures. It would have been appropriate to include in the PF requirements for reporting on issues such as the growth of jobs in assisted firms, the portion of investments in innovative firms, the evolution of innovative products and actions, the use of environmentally friendly production and products, etc., all with baselines at the beginning of EFSE involvement in each company. It is altogether possible that such information exists, but it was not shared with the evaluators.

*ENPI 2010 – SME finance facility* – The NIF action fiche 2010 formulates the expected results as better access to financing for SMEs, and creation of technological poles, enterprise incubators, etc. Related indicators are (1) amount of additional funding mobilised; (2) amount of loans granted by multilateral and national Development Finance Institutions; (3) establishment and functioning of SMEs financing schemes and number of SMEs benefiting from such schemes. At the contract level (KfW and EBRD window), the activities are well-described, with implicit and explicit causal relations between activities-outputs-results-purpose. The description of the action annexed to the contribution agreement states that “all projects implemented under the SME facility-EBRD/KfW window shall be evaluated against the relevant indicators as set out in article 3 of this annex I”, but unfortunately, article 3 does not contain explicit indicators.

*ENPI 2012 SBS I – Implementation of EBRD SBS programme – EGP and BAS* – Although there is no log-frame matrix in the design documents (the action fiche was not found), the intervention logic as set out in the description of the action is clear and sound. Since the project is a continuation of earlier, similar projects executed by the EBRD, the approach benefits from many lessons learnt. There are numerous result indicators, separately for the components EGP, BAS and the local BAS market level. They are well-formulated and can be quantified. A recent evaluation report of the EBRD small business support programme 2011-2016 shows that indeed, project performance is measurable for all indicators.

*ENPI 2013 – Supporting SME policy reforms in the Eastern Partner Countries* – This project has no logical framework matrix. Its stated intervention logic actually defines it as a series of national projects, while expected results at the regional level are few and “soft”. The latter are defined as “Increased capacity of policy makers in all EaP countries to undertake SME competitiveness reforms” and “Best practices in SME policy development shared with all six EaP countries through a ‘Competitiveness Roundtable’”. The intervention was designed so that one country would be addressed in depth in each year. The sequence was Armenia, Georgia, Belarus. Nevertheless, the intervention logic basically consists of a series of separate activities that could for the most part have been implemented under national programmes, without loss of efficiency or effectiveness.

#### ENI South

In general terms, interventions at the different economic framework levels are balanced and correspond to the nature and scope of the projects that were analysed by the evaluation team. In a few cases (e.g. TDMEP – TA – Industry, in Egypt), the level of ownership by key stakeholders and beneficiaries (thus likely enhancing sustainability potential) might have been better ensured through a higher degree of actions at the meso level. In Algeria, the resource to participatory approach at both design and implementation phases contributed positively to balance interventions of the DIVECO I project.

In relation to clarity of the intervention logic in selected projects, all projects analysed at the regional level present well intelligible intervention logics. The cases of e.g. EuroMed Invest, Euro-Med TIFM and EBESM have simple and straightforward intervention logics. In relation specifically to EBESM, however, it is referred in the ROM report dated 28 July 2016 that “the partial reorientation of the project resulted in a slight disconnect between some elements of the intervention logic (some outputs and indicators) and those specified in the Terms of reference. The project has not prepared a new logframe to reflect the change”. In the EuroMed Invest case, the OVIs are relevant and properly quantified.

In the Egyptian case, an improvement in the quality of the logic of intervention of the projects analysed is noticeable (between 2010 and 2015), however, weaknesses still persist as regards the formulation of indicators, their quantification and their attributability to the projects themselves. In the case of the two TDMEP projects, splitting the two strategies was not ideal, but these were the requirements of the Terms of Reference (ToR). The two strategies share topics/sectors and their synergy and complementarities were taken into account. The measures envisaged, and the concrete initiatives (programmes, projects) to be developed, will contribute to the attainment of the objectives of the 2030 vision.

In Algeria, the relevance of several projects might have been improved with more balanced intervention logic in their objectives. Of the four projects having been analysed, the Twinning project “Stratégie d’Innovation Industrielle” is the one which initial intervention logic is more clearly aligned with the needs identified and the established objectives.

**Judgment criterion 3.1** – *The process of preparation of contracting documentation does not show avoidable delays.*

Project	Contracting		Observations
	Programmed deadline	Actual date of award	
<b><i>Bosnia and Herzegovina</i></b>			
IPA 2011 – Intellectual Property Rights	Q1 2013	Feb 2013	No delay

Project	Contracting		Observations
	Programmed deadline	Actual date of award	
IPA 2011 – Capacity building for trade policies and analysis	Q1 2012	July 2015	Strong delay of 30 months due to unsuccessful evaluation leading to re-launch of procedure
IPA 2011 – Support to local economic development	Q2 2013	Dec 2013	Delay around 6 months
IPA 2013 – Support to SME Competitiveness	Q3 2014	Dec 2014	No significant delay
<b>Serbia</b>			
IPA 2010 – Integrated Innovation Support Programme	Date not available	27.7.2010.	The implementation started 27-10-2011, which represents an additional delay of more than one year.
IPA 2007 – Regional Socio-Economic Development Programme II	Date not available	26-05-2009	
IPA 2011 – Enforcement of Intellectual Property Rights	Date not available	Jan 2014	
IPA 2012 – Improving e-business environment	Q3 2013	Dec 2013	Three months' delay, but for unknown reasons activities started 23-05-14, which brings the delay to 8 months.
<b>Multi-beneficiary programme</b>			
IPA 2009 – SEECEL	01-10-09	Oct 2009	No delays
IPA 2013 – SEECEL	Q1 2013	Nov 2015	24 months' delay
IPA 2013 – SEECEL	QIV 2013	Dec 2013	No delays
IPA 2006-2011 – EFSE	No info		Probably no delays
IPA 2013 – Next generation competitiveness Initiative	Q1 2013	July 2013	3 months' delay
IPA 2016 EFSE	Q1 2019	Dec 2016	Trusteeship with EIF
IPA 2010 EFSE	Q4 2016	Nov 2011	EIF management, and shares
IPA 2008 EFSE	Dec 2016	Q3 2009	EIF management,
IPA 2007 EFSE	DEC 2015	Q1 2009	EIF management,

Project	Contracting		Observations
	Programmed deadline	Actual date of award	
<b>Armenia</b>			
ENPI 2011 – Strengthening the Enforcement of Intellectual Property Rights	Not stated	July 2012	
ENPI 2013 – Support to regional development in Armenia	Not stated	September 2013	
ENPI 2014 – Support to SME Development in Armenia	Not stated	No info	
ENPI 2014 – Armenian SME finance and advice facility	Not stated	No info	
<b>Moldova</b>			
2010 – Economic Stimulation in Rural Areas	Not stated	December 2011	
2011 – Business development projects under Confidence Building Measures	Not stated	September 2012	
2013 – Intellectual property rights	Not stated	No info	In tendering procedure
2015 – One-stop-shop for opening and closing business under PAR	Q2 2016	No info	In tendering procedure
<b>Regional programme</b>			
ENPI 2009 – European Fund for	Not stated	No info	



South-East Europe (EFSE)			
ENPI 2010 – SME finance facility	Not stated	Dec 2010	
ENPI 2012 SBS I – Implementation of EBRD SBS programme – EGP and BAS	Not stated	Dec 2010	
ENPI 2013 – Supporting SME policy reforms in the Eastern Partner Countries	Not stated	Dec 2013	

Project	Contracting		Observations
	Programme deadline	Actual date of award	
<b>Egypt</b>			
TDMEP - TA on trade & export	April 2015*	September 2015	Delays in tender documentation preparation – to be confirmed during fieldwork.
TDMEP – TA – Industry	March 2015*	September 2015	Delays in tender documentation preparation – to be confirmed during fieldwork.
Research, Development and Innovation Programme phase II			Multiple contracts, see below.
Promoting Inclusive Economic Growth in Egypt	January 2017**		Irregularities.
* Based on service contract notice			
** Based on second service contract notice			
<b>Algeria</b>			
DIVECO I		End 2009	Delay in mobilising the project's chartered accountant.
P3A III (ALGEX)		April 2014	No information available.
P3A III (Strategie d'Innovation Industrielle)		Mid 2016	No information available.
PME II (multiple contracts)		March 2008	Not applicable.
<b>Regional programme</b>			
SANAD		August 2011	
EEBRD		November 2011	
EuroMed Invest	2013/12	December 2013	
Euro-Med TIFM		December 2013	
EBESM			Relevant information not provided.

**Judgment criterion 4.1** – *The activities are implemented, and outputs are delivered, as scheduled.*

**Bosnia and Herzegovina**

*IPA 2009 – Business infrastructure:* Activities were implemented, and outputs were delivered, on time. Taking into consideration the requirements of the ToR and the results of interviews, the outputs were of adequate quality.

*IPA 2011 – Intellectual Property Rights:* Activities were implemented, and outputs were delivered, on time. Taking into consideration the requirements of the ToR and the results of interviews, the outputs were of adequate quality.

*IPA 2011 – Capacity building for trade policies and analysis:* The project is still underway, but is on schedule as regards its activities and outputs. The contractor reports that the BiH counterparts are adequately responsive to project activities. Technical reports are highly specialised (and thus beyond the understanding of the evaluators) but beneficiaries have acknowledged their quality.

*IPA 2011 – Support to local economic development:* Important milestones have been achieved namely the launch of the call, the evaluation of proposals and the conclusion of contracts with successful applicants. It is beyond the scope of this evaluation to judge the outputs of a dozen individual grant

projects. Yet, many grantees were present during the focus group meeting in Sarajevo and the information obtained indicates that they are on the right way to deliver the required outputs at a high level of quality. The evaluators have not been informed on monitoring, evaluation and management reporting arrangements for the grant scheme. There should be some final closure detailing out achievements. Furthermore, the question of what can and will be done in case of failure of any individual grant project remains.

*IPA 2013 – Support to SME Competitiveness:* The annual progress report 2015 is clear on the achievements of the project in terms of numbers of SMEs assisted (56), numbers of consultants trained, awareness actions executed, and SBA related policy advice undertaken. The project suffers slightly from the fact that local consultants who were efficiently trained with EBRD, leave the project to become independent consultants or even, to work abroad. The project is on track and outputs are – as may be expected – of high quality.

#### Serbia

*IPA 2010 – Integrated Innovation Support Programme:* Due to a combination of unforeseen circumstances, delays in the approval of the required long-term and short-term experts and changes in the specific requirements from MoE and other beneficiaries, the research phase of the IISP encountered substantial delays. This was pointed out by the Monitoring Mission of the Contracting Authority in July 2013. "The project has reached 40% of its implementation lifetime but the expert resources used so far are under spent and imbalanced, according to the progress report as of June 2012. The use of Key Expert days is in proportion (41%) but the Junior Long Term Expert days are under used (9%), Senior Short Term Expert days were used even less (1%), and Junior Short Term Expert days were used least of all (0,8%)."

However, corrective action was taken in the third and fourth quarters of 2012, and IISP succeeded in catching up with its activities in early 2013. From the second quarter of 2013 onwards, activities were on time and were in fact completed ahead of schedule for many sub-activities.

The project was extended with 3 months: the initial project duration was from October 17, 2011 to October 16, 2013 and it was extended until December 31, 2013.

*IPA 2011 – Regional Socio-Economic Development Programme II:* The project has faced a number of structural changes – four Key Experts were replaced, followed by replacement of the Team Leader, which caused considerable disturbances in the implementation of activities. An Addendum has been approved by the EU Delegation to convert expert days into additional Incidental Budget to help the project through to the end of the programme. Based on the information available, the spending of means and inputs cannot be entirely considered efficient and cost-effective.

Throughout its implementation, the project maintained its schedule except for activities related to participation of RDAs in drafting their RDSs. Outputs however were not of excellent quality which induced the risk that not all expected results would be achieved. The management of the grant scheme may be considered a success story, but the project kept struggling with inter-institutional coordination. The project has adequately coordinated its activities with the project "Development of National policy for Regional Development", which ran in parallel.

*IPA 2011 – Enforcement of Intellectual Property Rights:* The project has been implemented smoothly without major delays. The only setback was that the Head of the IP Office was replaced twice during the implementation of the project, but the project team managed to compensate for this by investing more effort in briefing of new officials.

*IPA 2012 – Improving e-business environment:* The efficiency in the first project year was very low marked with significant delays of 8 months. Reasons for the delays were identified in the non-performance of the Team Leader and the Key Expert 2, and lack of proper backstopping by the contractor. The corrective measures undertaken by the contractor proved to be suitable in order to fully turn the project around, from complete failure to an exemplary success story. The management team was replaced, and the backstopping for the project was reinforced. The "Project Recovery Plan" developed as a risk management response proved to be effective for mitigating the efficiency issues. The quality of project implementation tools was reinforced ("ToR Deliverables Matrix" and various quality assurance tools). Project monitoring mechanisms were strengthened through increased coordination and communication between the Consultant, the beneficiaries, and the Contracting Authority.

Key factor for improving the quality of implementation was the new and innovative approach introduced by the newly appointed management team. These good practices included development of a project mission statement, introduction of an induction course for new project experts, and consolidating the organisational structure of the local support team in the office. The new KE2 has also managed to establish good working relations with the beneficiary (MTTT) which contributed to speed up implementation of delayed activities. Meanwhile, the project has been completed and all outputs have been delivered, on time and with good quality.

## IPA multi-beneficiary (MB) programme

*IPA 2009; 2013; 2013 – Regional entrepreneurial learning centre SEECEL:* The schedules of several SEECEL activities were modified due to the “geo-complexity of the region” which, in the opinion of the evaluators, is not a valid argument. Geo-complexity was known from the outset. Negotiations were necessary to iron out political and cultural differences, resulting in delays in confirmations of full participation. Serbia, the last country to confirm its full participation in the project did so at the end of February 2010. SEECEL understood that it was more prudent to postpone activities until all eight member states were fully committed, rather than begin activities and risk alienating late comers and diminishing the feeling of ownership of the programme. The establishment of pilot-schools was postponed until June 2011 due to protracted discussion with members about the activities and criteria. SEECEL staffing procedures originally called for secondment from SEECEL member states but this did not function due to difficulties with local employment laws. A comprehensive external evaluation of the SEECEL activities was planned for 2011, but postponed to 2012 because outputs and results were lagging behind. Clearly, the work programme experienced unexpected delays. At least one of the 2013 projects was started late because earlier activities had not yet yielded the expected outputs. Overall, SEECEL works well, produces adequate outputs but is maimed by the external (multi-country) environment.

*Cards 2006; IPA 2007; 2008; 2009 – European Fund for South-East Europe (EFSE):* If outputs are considered to be numbers of sub-loans granted to SMEs, the project has been successful. Other outputs are not defined and thus, not reported on.

*IPA 2013 – Next generation competitiveness Initiative:* The project design (PF, log-frame, DoA) does not contain outputs, but only results. If the OVIs to the results may be considered outputs, they are vague and not easily to quantify. The only way to judge efficiency is by checking whether activities were delivered on time. In relation to SEE 2020 monitoring actions, no significant deviations were detected. The project extension of 4 months was justified by the fact that a high-level conference for the publication of the Competitiveness Outlook (which itself was delivered in December 2015) could not be organised before the first quarter of 2016. Regarding the SEE 2020 sector specific capacity building actions, the number of pilot sectors was reduced from initially 3 to only 2 (tourism and food & beverages value chains), after discussions with stakeholders showed insufficient consensus to select a third sector. According to the contractor, this reduction was compensated by deeper and more thorough work than initially foreseen in the two selected sectors.

## Armenia

*ENPI 2011 – Strengthening the Enforcement of Intellectual Property Rights:* The terminology for outputs used in twinning contracts is “benchmarks”. There are 33 of them in the project; most benchmarks (29) were realised without delays, while the delays incurred amounted to a few months. The evaluators were not able to read all technical output documents, but a self-assessment performed by the project shows that in terms of quality, the outputs were all satisfactory or highly satisfactory. Interviews have confirmed these statements.

*ENPI 2013 – Support to regional development in Armenia:* This is a complex TA project, with some 24 partial and final outputs (called “deliverables and milestones”). They will not be summed up here. Both the project documents and the interviews at location have shown that the project is in the process of delivering all outputs, reasonably on time and of excellent quality. Many of these outputs have a strategic, policy and/or institutional character and the clear challenge is to turn them into results. See EQ08, EQ09 and EQ10 for details on results.

*ENPI 2014 – Support to SME Development in Armenia:* the contract was signed between the EUD and GiZ in May 2015. At the time of the writing of this evaluation report, the Inception Report was not yet approved. Therefore, it is not possible to report on the timeliness and quality of outputs.

*ENPI 2014 – Armenian SME finance and advice facility:* The Description of the Action defines project results, not the outputs to be delivered in support of those results. The evaluators have deduced that the project should lead to at least the following main outputs: (1) Armenian private equity fund established; (2) between 8 and 12 investments realised in Armenian SMEs in a period of 5 years; (3) risk-sharing agreements concluded with local banks, to an amount of at least EUR 35 million; (4) financing agreements concluded with SMEs, to an amount of at least EUR 53 million; (5) advisory support provided to SMEs; and (6) support provided to the local consulting industry. As indicated before, the documentary information provided to the evaluators gives no clues as to the status of the project, so that judgment is limited to the statement that it seems likely that these outputs will be realised.

## Moldova

*ENPI 2010 – Economic Stimulation in Rural Areas –* The project is completed; all expected outputs have been delivered reasonably on time. Yet, the TA project was too complicated, too dispersed over disparate

activities and beneficiaries. The impression is that it has had no other option but to produce outputs as stated in the ToR, regardless of their utility at the time of delivery. Without any criticism to the contractor, the existence of so many small activities and mandatory outputs has rendered the final report unreadable. Some notable outputs that could not be verified in the field, however, are:

- Business Access to Financial Instruments improved;
- ODIMM supported with the establishment of new business incubators, and improvement of performance of existing ones;
- Gender issues mainstreamed through close coordination with the Women Economic Empowerment Project;
- Capital of existing Loan Guarantee Funds increased;
- 120 guarantees for 35 new business entities, 10 of which owned and/or managed by women. 120 new jobs created of which 36 for women;
- Business Incubators supported, resulting in location of 15 new businesses 5 of which are owned and/or managed by women. 25 new jobs created, of which 7 for women.

*ENPI 2011 – Business development projects under Confidence Building Measures:* There is a shortage of written information on this project, so the evaluators can only repeat the text of the 2013 interim report, that says: “After 20 months of programme implementation (out of 36 in total), the use of financial resources and thus efficiency of the programme is very high. As it is detailed in the attached financial report, 65% of the total budget of 10.6 M EUR was committed, while around 47% was already disbursed. During the remaining 16 months, the programme will focus more on substantive aspects of the work, building synergies between the components and working on sustainability aspects. Changes in the Programme team and organizational structure have affected efficiency. The Programme Manager left in autumn 2012 and was only replaced in May 2013. Another key expert left in June 2013, but no good candidate for replacement was as yet found”. On outputs, their timing and their quality, the evaluators cannot comment for lack of independent information.

*ENPI 2013 – Intellectual property rights and ENI 2015 – One-stop-shop for opening and closing business under PAR:* Not contracted yet, so no report on outputs.

#### Regional programme EAST

Due to the large number of stakeholders and the wide geographical coverage, effective sequencing of the various stages of the project cycle has proved to be a difficult and crucial issue. The inherently “diffuse” nature of a Regional Strategy requires strong and efficient coordination mechanisms to ensure proper communication between policy discussion and project implementation, and an adequate level of information and involvement of the various actors.

Thematic platforms have been established in order to ensure the link between multilateral policy discussion and cooperation measures. This approach was expected to increase ownership, but the evaluators have not been able to find concrete evidence on this.

*ENPI 2009 – European Fund for South-East Europe (EFSE):* If outputs are considered to be numbers of sub-loans granted to SMEs, the project has been successful. Other outputs are not defined and thus, not reported on.

*ENPI 2010 – SME finance facility.* Both the EBRD and the EIB provide annual progress reports, showing the loan and sub-loan portfolios, several financial parameters and a global description of the technical assistance provided. Reports and statistics on the performance of the companies financed, in terms of, for instance, growth in turnover, growth in jobs, greening operations, internationalisation and innovations are sorely missing. Evaluators, therefore, can only judge whether the money was spent timely and properly; this appears to be the case. It would be helpful to have more information on the pace of “contracting” local banks in the various countries. Other outputs are not defined and thus, not reported on. No judgement on efficiency can be given, which in itself is an invitation for better design of these types of operations

*ENPI 2012 SBS I – Implementation of EBRD SBS programme:* During its lifetime, the project has executed the activities and delivered its outputs according to plan. Outputs were defined in terms of numbers of SMEs assisted with local advisers (BAS), and with international advisers (EGP), and number of market development activities carried out. The latter concern assistance to the consulting industries in the EaP countries, in order to enhance their impact on the performance of SMEs. The plan was to assist at least 500 SMEs with BAS-type advice, at least 37 SMEs with EGP-type support, and to train at least 100 business advisors. In practice, these numbers ended up as 702 for BAS and 71 for EGP, while the number of advisers/trainees is not clearly distinguishable but certainly higher than 1000. According to EBRDs own reports and information obtained in the field, the outputs were of good quality.

*ENPI 2013 – Supporting SME policy reforms in the Eastern Partner Countries:* The project assignment has obliged the contractor to deliver outputs such as (1) country-specific guidelines for reforms and SME roadmaps to enhance SME competitiveness developed for up to two priority policy dimensions each in Georgia, Armenia and Belarus; (2) Armenia, Belarus, Georgia, the Republic of Moldova and Ukraine prepared for peer review at the OECD Eurasia Competitiveness Roundtable; (3) capacity increased of policy makers to implement reforms; (4) capacity increased of policy makers in all EaP countries to undertake SME competitiveness reforms and (5) good practices in SME policy development shared with all six EaP countries. The evaluators consider these outputs to be weakly defined, all the more since there are no accompanying indicators. Real outputs are only (1) and possibly (2) and (5), although further definition in terms of “tangible products” is required. Outputs (3) and (4), but also (2) are actually results that can only be tangibly achieved if there are baselines and if the ensuing actions of policy makers can be measured. A time schedule for the activities and related outputs exists; it can hardly be expected that the evaluators judge their timely implementation if available progress reports cover only one third of the project period.

#### ENI South

In relation to other implementation aspects, no significant delays in implementation were reported in relation to the 5 projects being analysed at the regional level. In this respect, and according to the indicators used by the projects, implementation management seems to have been adequate in all projects.

In Egypt, however, some implementation difficulties have been reported, as for instance bottlenecks on the Beneficiary side in relation to e.g. decision-making capacity and existence of skilful staff in the case of TDMEP – TA on trade & export, and political changes (e.g. change of Members of Government, inducing changes in national action plans) in such projects intervene often. Similarly, the organisation of workflows and human resources, especially in a first phase, are not uncommon and have been the case for the TDMEP – TA – Industry project.

It was reported during field interviews that, common to both TDMEP sampled contracts, if before the revolution, the approach was vertical, now it is horizontal; attempts are made to create ownership and the more intense political dialogue was one reason for the lengthier inception phase (time was taken to see and understand how to most effectively implement the project). TDMEP effectively worked on building capacity, but resources barely compared to the needs.

In the Research, Development and Innovation Programme phase II project, delays were registered in launching and/or implementing all project components. Clarity and application of assessment criteria of the proposals received seem to have been at the root of these delays, which are hardly acceptable reasons. It was argued, during field interviews, that the implementation system, combining decentralised approach with EU's ex-ante control was alleged to be cumbersome; because of this some financing contracts were not signed (60% of funds under R&D&I were spent. This stronger control might be due to some irregularities encountered under R&D&I I. Furthermore, the application of the n+3 rule did complicate things and two calls were not launched at all.

In Algeria, the DIVECO I project had no less than 8 contract addenda: 1 addendum to Financing Agreement to extend project from 72 to 87 months; 7 addenda to service contract related to e.g. duration (36 to 51 months), budget (total budget and respective allocation) and Key Experts appointments. Logistical issues induced some problems in starting decentralised contracts; some supply contracts suffered from delays caused by inadequate performance of contractors. The P3A III (ALGEX) twinning project, problems with the quality and age of ALGEX's IT infrastructure induced delays and determined the reinforcement of the IS component. Delays were observed in (lack of capacity for?) integrating CRM at the PMU and Ministerial levels, signalled since the first meeting of the Project Steering Committee (COPIL, Comité de Pilotage). In the case of PME II (three contracts), some budget reallocations to favour consolidation of professional organisations could not be used. No major deviations were reported otherwise.

#### **Judgment criterion 7.1 – Timeliness and quality of outputs and results.**

For the project *IPA 2009 – Business infrastructure*, the implementation was generally of good quality, judging the outputs. Yet, results were not realised in their full potential. It seems that during the programming phase, no pre-feasibility study in relation to the possibilities for financial follow-up of the project was performed. Perhaps the expectation was that once there would be feasibility studies, the money would flow in automatically. Although “failure” is not an appropriate qualification here, it is clear that projects aiming to prepare documentation for infrastructure need, at the programming phase, to ensure that there is at least a good perspective of actual funding of the works. A good illustration is the WBIF, where TA for project preparation is only engaged once one of the financing institutions has “adopted” the project, which happens only if a minimum of ex-ante assessments are performed.

The basic two success factors for the project *IPA 2011 – Intellectual Property Rights*, as far as implementation is concerned, were the sound design and the excellent cooperation with the beneficiary, the IP Institute. The main strength of the design was that it limited itself to provide an answer to the need of the beneficiary; the implementation was successful thanks to the high quality and dedication of the expert team.

The project *IPA 2011 – Capacity building for trade policies and analysis* is the third one in a row; as in the two preceding projects, MoFTER is the main beneficiary, with the entity governments of Federation BiH and Republika Srpska also being involved. Other institutions benefited indirectly from the project activities. Yet, according to the contractor the role of MoFTER as counterpart was reinforced in this project, which considerably enhances the chances for achieving success, since this provides for short lines of contact and direct reaction to any implementation problems. A potential factor for failure is the fact that BiH authorities may not be ready to adopt the project's legislative and regulatory proposals., but according to information received from the EUD this is certainly not the case for the amended Federation BiH law on international trade, since it has been adopted by the BiH Parliamentary Assembly and is currently in the process of public consultation. Adoption is expected in the first quarter of 2017.

*IPA 2013 – Support to SME Competitiveness* testifies to the fact that well-tested approaches are often more efficient than all types of innovative or experimental methodologies.

All signs point to the fact that the project *IPA 2011 – Support to local economic development* is successfully implemented by the grantees. For now, there are no indications that capacity shortages at the EUD will negatively affect the project's overall performance. Yet, in general, grant scheme projects are more efficient when parallel TA is hired.

*IPA 2010 – Integrated Innovation Support Programme* is one of the examples of projects in which strong, professional and flexible key experts manage to cope with external setbacks and still manage to deliver all outputs. One of the reasons for the initial efficiency problems was the complex design of the project.

The project *IPA 2012 – Improving e-business environment*, contained such a wide variety of tasks that the implementing team had trouble organising them according to priority and complexity. This caused the project to first go through a long period of sub-standard performance before a new team brought in new élan. In fact, the critical success factor was in the quality of the second team of experts.

No significant conclusions can be derived from the projects SEECEL and EFSE.

*IPA 2013 – Next generation competitiveness Initiative* suffered from a weak design, following the belief that a large number of high-level meetings and events will automatically deliver some result. The main flaw of this project – as observed in more regional project – is that it did not make provisions for national ownership.

### ENI South

At the regional level, and in general terms, all 5 projects analysed seem to have robust approaches, which enable efficient deployment and effective implementation:

- The two projects which main activities consist of setting up and managing financial instruments (which are then provided to MSMEs through intermediary Financial Institutions) have a nature, and normally embed specific rules and procedures (e.g. integrity checks; financial due diligence; requirement of business plans) that constitute standard practice in the sector. This in itself is a significant differentiation factor. Furthermore, the implementation partners have themselves solid track record in performing to good level in this kind of projects.
- In relation to the three other projects, EBESM's ROM report dated 28 July 2016 highlights that "the general relevance of the project has been augmented by the demand-driven orientation of the support provided and by the project team's new approach". An evidence-based approach was followed in this process, and this seems to be a relevant success factor for the project. As the ROM report notes, "thanks to its real demand driven and activity orientation, project ownership has been enhanced to a level which can be assessed as very good among both the primary (the SBA coordinators from MED countries) and secondary target groups (other stakeholders representing public and private sectors)". For the two other regional projects, simple and clear intervention logics, quality of the implementation strategy (and the teams responsible for field deployment) and (analytical and/or participative) procedures to track progress and enable local ownership are the factors which appear as most relevant for quality project implementation.

In relation to national projects in Egypt, information on this matter is rather scarce at this point. It is either not presented in the documents at disposal, or projects are not sufficiently advanced to be able to provide such details. However, some of the necessary preconditions for success identified are: high relevance of

activities planned, the tight planning of the implementation process and fast elaboration and approval of the ToRs for the NKEs.

In the Algerian analysed projects, the following factors emerge:

- Participatory approaches are mentioned as one relevant factor for successful performance of the DIVECO I project.
- In the P3A III (ALGEX) Twinning, adaptation of the intervention to changing reality, quality of the expertise inputs provided, particularly in relation to capacity building, are the two main factors mentioned as sustaining positive project performance.
- For PME II (3 contracts), the rather vague formulation of the Logical Framework played positively in allowing for some implementation flexibility. Regarding implementation, the quality of management and respective establishment of priorities, the capacity to gather and mobilise field operators and smart allocation of resources are considered the most important positive factors.

**Judgment criterion 8.1** – *Expected results as stated in project designs, related to aspects of the business environment, are realised or likely to be realised.*

In Albania, no sample projects were selected. Judging the general reports on the country, some progress in the field of entrepreneurial learning was made, but a systematic approach by the national authorities is lacking. EU projects programmed in the period 2010-2015 do include actions to secure youth and women entrepreneurship. They are largely successful in reaching the expected results but their volume is insufficient to have wider effects. In the field of institutional and regulatory framework, key institutions and strategies are in place, the introduction of e-government is progressing well and Albania continues to perform above the regional average for the cost and efficiency of company registration. Most business support services are being provided by the government and co-ordinated by AIDA but suffer as yet from low up-take by the market. For innovation support, the necessary strategic documents exist or are in preparation (e.g. National Strategy for Science, Technology and Innovation for 2016-2020). The institutional support infrastructure to promote innovation within SMEs is limited, while funding remains a bottleneck. Finally, national policies do not include clearly defined environmental policies specifically directed towards SMEs, regulatory and financial incentives for the greening of SMEs are absent.

#### Bosnia and Herzegovina

The project *IPA 2009 – Business infrastructure* could have had the ultimate effect of establishing new hard infrastructure (business zones, business incubators), but its primary aim was to produce studies. Later actions of entity governments did indeed result in investments in business infrastructure, but this cannot be regarded as a result of the project itself, since the feasibility studies produced were not used to inform these investments. In the opinion of the evaluators, the project has had little to no effect on the improvement of the business environment.

The project *IPA 2011 – Intellectual Property Rights* touches upon the regulatory and institutional framework for SME policy making; in essence, it was an institutional capacity building project. It was found that the services of the IP Institute are in high demand, mostly however from the side of private individuals rather than the entrepreneurs. For the rest, the realisation of results awaits action from the side of the authorities, such as the adoption –and implementation– of the IPR strategy developed by the project. In conclusion, the project has been moderately successful in improving the country's business environment.

The project *IPA 2011 – Capacity building for trade policies and analysis* is also an institution building project. It is still on-going and it is likely that all expected outputs will be delivered. Judging the progress in processing project outputs in the legislative system, there is a good likelihood that project outputs will be turned into results, beneficial to the SME sector. Legislation needs adaptation before WTO membership is possible; country-wide policy documents on agriculture, on export promotion, on SME development are required. There are positive signs concerning the effects of this project on the well-being of SMEs through an improvement of the business environment.

*IPA 2011 – Support to local economic development* consists of a number of individual grant projects. The ROM reports are positive on the likelihood of realising the outputs, but there are no provisions for further financing them. Results have already been achieved in terms of additional capacity for advice to entrepreneurs, cooperation between groups of SMEs, actual advisory trajectories for SMEs and many more. Alas, there are no financial provisions to continue the activities in order to consolidate the results, so the ultimate effect in terms of an improved business environment is expected to be modest.

*IPA 2013 – Support to SME Competitiveness* – The results are well-defined but their indicators of achievement for the larger part describe simple project outputs, such as numbers of companies reached

through awareness-raising events, numbers of companies assisted, numbers of advisors engaged, etc. Moreover, although there is little doubt that the project has given a much needed impulse to enterprise development, it was not aimed at improving the business environment as such. Once EBRD ceases to provide the services, there is no national business support infrastructure to continue the work. To be clear, some indicators are indeed related to results; see judgment criterion 9.1

#### Kosovo

As for entrepreneurial learning, Kosovo as yet lacks the necessary regulatory framework; not much is happening in primary and secondary education but during the period 2010-2015, entrepreneurial learning in higher education improved at all levels. Existing initiatives are mainly part of programmes co-ordinated by the South East European Centre for Entrepreneurial Learning (SEECCEL); it is expected that they will provide a valuable basis for scaling up the implementation of entrepreneurial learning in the coming years. It is significant that Kosovo shows relatively advanced accomplishments in the field of women entrepreneurship; the legislative and strategic framework is in place (Gender Equality law, Kosovo Programme on Gender Equality (2007-2013) and the National Platform for Women Entrepreneurs in Kosovo, established in 2013). Furthermore, dedicated institutions and training possibilities exist, but monitoring and evaluation mechanisms are lacking. Kosovo's institutional framework for SME development is reasonably strong; a broad Private Sector Development Strategy 2013-2017 is in place, a Better Regulation Strategy for 2014-2020 was adopted in 2014, envisaging RIA and ex-post analysis of regulatory impacts on SMEs. Company registration procedures have improved since 2012, institutions in charge, such as the Kosovo Investment and Enterprise Support Agency (KIESA) function well and provide financial and non-financial services to SMEs.

In terms of Innovation policy and innovation support, Kosovo exhibits limited domestic gross expenditure invested in research and development, while there is no inter-governmental body to co-ordinate innovation policy. An innovation strategy is non-existent and the support programmes for innovation the country does have rely heavily on donor funding. Finally, actions aimed at the greening of the economy are scarce; efforts are being made by the Ministry of Environment and Spatial Planning to promote and support recycling activities among SMEs but financial incentives, such as tax incentives, favourable loans/grants, to encourage the greening of SMEs, are not in place due to limited budget as environmental policy is not considered a budget priority

#### The Former Yugoslav Republic of Macedonia

The country has greatly improved its business enabling environment over the period 2010-2013 as reflected in the country's rise in several international rankings, for example 10 places in the World Bank "Cost of Doing Business" to rank 25 in the 2013 index. However, specific difficulties remain especially in relation to administrative reform necessary to bring administration in line with legal requirements, in enhancement of quality standards and their assessment, in Government repayment of VAT and payment for supplies from SMEs. The performance of the Former Yugoslav Republic of Macedonia regarding entrepreneurship is above the EU average. Female entrepreneurship has also been strengthened through targeted initiatives. In regard to the regulatory and institutional framework for SME policy making, it is noted that since the 2011-13 SME strategy expired, it has not been replaced with a comprehensive SME strategy to address policy fragmentation, improve inter-agency co-ordination, and enhance public-private dialogue. Regarding innovation policy, government intentions are positive but concrete measures do not yet exist. Yet, the Former Yugoslav Republic of Macedonia has developed a national innovation strategy with the support of the OECD and adopted a new law on innovation in 2013 covering the period until 2020. An action plan for its implementation covers the period from 2013 to 2015, and clearly outlines the time frame, activities and responsible institutions for the measures to be taken. In regard to improved services to SME's progress has been made on the range of support services offered, which now include consultancy, training, mentoring programmes and promotion. These come under the Support Programme for Entrepreneurship, Competitiveness and Innovation of SMEs in 2015. As for green economy, eco-innovation and eco-efficiency among SMEs, none of the policies with environmental provisions are explicitly focused on SMEs. To date, there are no financial and regulatory incentives in place to encourage companies to adopt more environmentally friendly practices.

#### Montenegro

The SBA profile of Montenegro presents a rather positive picture. Several principles score above the EU average, such as entrepreneurship and "second chance". Performance on "responsive administration" is below the EU average. The focus was on enhancing skills & innovation, promoting entrepreneurship and providing access to finance, while also entrepreneurial learning is high on the agenda. Much work is still needed in the areas of enterprise and industrial policy, administrative procedures for issuing permits and licences, improvement and diversification of business services, and financial public-sector support for SMEs. In terms of policy, Montenegro complies with the principles of the Small Business Act.



## Serbia

As concerns skills development, during the reference period for the evaluation, the government adopted the “Proposal for the introduction of a dual education system in secondary vocational schools”. It will support the development of practical skills in young people about to enter the labour market. The practical work experience is to be integrated into secondary education curricula. The government also announced a “Support programme for associations engaged in entrepreneurship education”. The measure will consist in providing financial grants to organisations dealing with youth entrepreneurship education. Its budget amounts to EUR 81,215. Serbia's public administration offers below-average quality of service to SMEs. Since 2008, Serbia introduced policy measures that responded to two SBA recommendations: the single point of contact for starting up has been introduced and improvements were made to the process of interaction between businesses and government services. The law on planning and construction was amended with the aim to speed up delivery of new construction and usage permits. It sets a maximum waiting period of 100 days and reduces the number of procedures from 16 to 11. The advancement of electronic communication between business entities and the tax administration is a step forward; finally, businesses can now use the “Electronic submission of annual financial reports” to the Serbian Business Registers Agency (SBRA). Key measures were the adoption of the strategy for the support of development of SMEs, entrepreneurship and competitiveness with an action plan for its realisation, and the strategy for regulatory reform and advancement of the system of public policy management for the 2015-2020 period. The strategy for the support and development of SMEs represents a framework for the implementation of the “think small first” principle for the period 2015-2020. Since Serbia is a non-EU country, there is no SME Envoy, but within the Ministry of Economy there exists an SBA Coordinator who is responsible for SBA implementation.

*IPA 2010 – Integrated Innovation Support Programme.* - The project design registers quantitative outputs and calls them results. Yet, study of all relevant documents shows that it is almost inevitable for the project to have realised results pertaining to the business environment. The Serbian Innovation Agency has assumed a leading role in innovation advice, RDA staff is working with SMEs on innovations, technology brokers are working on concrete products with SMEs, and financial instruments for innovation are operational. At least partially triggered by this project, numerous national programmes related to innovation continued to be implemented. The Ministry of Science and Technological Development provides grants for innovation projects in Serbia, namely for (1) development of new products, technologies, processes and services and (2) building infrastructure for implementation of an innovation project. Potential grant beneficiaries are: R&D centres, innovation centres, business incubators, science and technology parks. The Ministry of Economy and Regional Development launched in 2009 the grant scheme Support to Enterprise Investments in Innovation, aimed at SMEs for activities such as development of new or improvement of existing products of services, development and testing of prototypes, new design of product and packaging, introduction and testing of new production process, purchase of patent rights and patent documentation, as well as innovation in the area of marketing, development in ICT and organisational improvement. As for green economy-related issues, Serbia continues to underperform. The overall picture is that the project has indeed delivered a tangible contribution to the business environment.

*IPA 2011 – Regional Socio-Economic Development Programme II.* The project did not claim to produce results that are directly related to the areas of competitiveness mentioned above. Still, capacities of RDAs were enhanced to deal with local development issues, including working with SMEs. In general, the project delivered all its expected outputs, while the strong involvement of beneficiaries ensured that the outputs were turned into sound results. Although modest, a contribution to the improvement of the business environment was indeed delivered by the project.

*IPA 2011 – Enforcement of Intellectual Property Rights.* This twinning contract has mandatory results, the achievement of which presupposes active work of the beneficiaries with the project outputs. Generalising, the outcome of the project should be a functional IPR enforcement system being implemented by the authorities. Delays in the mobilisation of beneficiaries have forced the project to postpone important result-related activities, with the effect that the project itself could only partially report on the effects in terms of actual implementation. Field work provided additional information: IPO is considered a success story. It provides free of charge services to businesses, among which IP diagnoses. IPO is present at all relevant business fairs, regularly holds seminars for customs, inspectors, tax officers, SMEs, legal sector. For two years it has been the formal national enforcement body. These are the – very positive – results of several Cards and IPA projects, and a number of other donor interventions.

*IPA 2012 – Improving e-business environment* – The project was a blend of legal support, strategy development, institution building, system development and direct SME support. It has contributed to several aspects of the business environment mentioned above. Significant results were (a) the establishment of a pool of advisors on e-business in RDAs, (b) the introduction of e-commerce in around

50 SMEs, (c) the inclusion of “e-business” as module in the national SME support programme managed by MoE and implemented by the RDAs, (d) the implementation of a programme on electronic payments, financed with national funds. It is concluded that the project has had a strong positive effect on various aspects of the business environment, namely the regulatory and institutional framework, support services to SMEs and perhaps even innovation support to SMEs. There were no entrepreneurial learning or green economy aspects in this project.

### Turkey

The following information is mainly based on EU progress reports and the various SME Policy Index reports. Turkey has finalised its industrial strategy and action plan, ensured wider availability of enterprise and industrial policy instruments and adopted various sector strategies and roadmaps. The business environment remains problematic, but was slowly improving until the emergence of the current political instability. Overall, Turkey maintains a sufficient level of alignment with the acquis in the field of enterprise and industrial policy. Turkey further improved in the areas of technical regulations, regulatory framework and SME support services. There is still a lot of work to do before SBA criteria are met on entrepreneurial learning and women entrepreneurship, bankruptcy and public procurement. As for the greening of the economy through dedicated support to SMEs, Turkey, like most other IPA countries, has not yet succeeded in linking their environment policies and SME development policies. There are (too) few resources to offer regulatory and financial incentives to help SMEs with the greening of their enterprises.

### IPA multi-beneficiary (MB) programme

*IPA 2009; 2013; 2013 – Regional entrepreneurial learning centre SEECCEL.* The three projects granted to SEECCEL have a common objective, namely to contribute to the implementation of the Small Business Act for Europe using the experience and the instruments developed in the application of the European Charter for Small Enterprises, in particular the elements of entrepreneurship and education and improved skills for enterprises. Expected results as listed in the design documents are for the first (2009) project:

- (1) entrepreneurship developed as a key competence in all Beneficiaries at primary school level;
- (2) cross-campus entrepreneurship education established in pre-accession universities;
- (3) Advisory Network for Enterprise Training established, training needs analysis methodologies provided and applied.

The second project (2013) adds to these results:

- (4) existing entrepreneurial learning instrument further developed, strategically piloted and disseminated for ISCED 1, 2 and 5/6 level institutions;
- (5) in-service teacher-training tools further developed, strategically piloted and disseminated;
- (6) second generation TNA questionnaire deployed at regional level;
- (7) countries actively participate in the SBA assessment and show progress in the implementation of principles 1 and 8;

The third project (2013) adds to these results

- (8) entrepreneurial learning instrument further developed, strategically piloted and disseminated for ISCED 3 level institutions;
- (9) entrepreneurial learning instrument for ISCED 3 strategically piloted in 32 schools in 8 countries;
- (10) peer-to-peer exercise of SEECCEL entrepreneurial schools conducted in 32 schools in 8 countries;
- (11) Community of Practice platform further improved and recognised as a reference source for all entrepreneurial learning developments.

All project activities are aimed at the entrepreneurial learning aspect of the business environment. The first project reached all its intended results in 2013. The two other projects were recently completed; the evaluators base their judgment on (a) an external evaluation report on SEECCEL activities dated July 2016 and (b) comments received during interviews with stakeholders in the region. The picture emerges that SEECCEL is succeeding in realising the results pledged in its 2013 grant applications. At the same time, there remain problems with full mobilisation of country members, some of whom regard SEECCEL as too much of a Croatia-only venture. Yet, there is overall great satisfaction with the outputs and results of the current three grant projects.

Finally, it was found that in parallel, SEECCEL’s partner educational institutions in the countries develop educational products that can be used directly by entrepreneurs, probably on a commercial basis.

Therefore, it is likely that more educational services for entrepreneurs will emerge, not as a direct result, but as a side effect of the EU funded projects.

*Cards 2006; IPA 2007; 2008; 2009 – European Fund for South-East Europe (EFSE):* This project does not affect any of the aspects of the business environment mentioned above.

*IPA 2013 – Next generation competitiveness Initiative:* The expected results of the project are (1) strengthening the competitiveness of three key economic sectors in the Western Balkans and (2) monitoring, evaluating and assessing the policy reforms and institutional settings necessary for meeting the commitments contained in the SEE 2020 vision. Furthermore, the project claims that “the actions should result in improved policies in key sectors of the economies”. The only aspect of the business environment the project could possibly influence is that of the regulatory and institutional framework for SME policy making. Apart from what was found in the field, the project documents contain much information on meetings and roundtables held, but do not allow to gauge the extent to which the expected results were realised. They are, frankly speaking, somewhat ambitious for a project of this type.

## Armenia

*ENPI 2011 – Strengthening the Enforcement of Intellectual Property Rights:* This was a twinning contract, as a rule executed in full cooperation between the teams of the Member State and the Beneficiary State. That is why instead of outputs and results, twinning contracts use the terms benchmarks and mandatory results. Of the latter there were 25, of which 19 were fully realised. The remaining five hinged on the adoption of legislation and the thereby facilitated implementation of organisational and institutional changes. This had not yet taken place by the end of the project. It is concluded that the results as stated in the project design were largely achieved, leading to an improvement in the area of regulatory and institutional framework for SME policy making. No other aspects of the business environment were promoted by the project.

*ENPI 2013 – Support to regional development in Armenia:* There is a long list of 16 expected results in this project; although regional development clearly encompasses PSD/Competitiveness, the project first and foremost works on the building of capacities, strategies and development instruments. Yet, there are several expected results listed in the project design that are directly related to the business environment. One of them is the preparation and possible establishment of a regional development fund that would finance investments in regional development projects among which also business infrastructure. A second such result is incorporated in a grant scheme for regional operators, which aims at fostering – among others – hard and soft local and regional business support infrastructure. Outputs that would feed into these results are steadily being delivered; some related activities have been interrupted because they wait for the adoption of the country's regional development strategy (produced by the project). The establishment of the regional development fund is one of them. The grant scheme is expected to have the most direct effects on the business environment. It has been launched, but implementation runs till 2018 so no results are as yet manifest. The likeliness of the project contributing to improved support services for SMEs is considered high.

*ENPI 2014 – Support to SME Development in Armenia:* This ambitious project envisages a number of results that directly touch upon several aspects of Armenia's business environment as listed above. The project has started in 2015 and no implementation report has reached the evaluators as yet. Therefore, the only sources of information are the action document, the description of the action and field interviews. This unfortunately makes it impossible to judge to what extent the project is on its way to realise what it promised.

Relevant expected results are (1) improved policy making process and coordination of supports to SME development – predominantly institution building, capacity building, tools development and strategy design; (2) strengthened private sector organisations to implement SME policies – mainly a grant scheme for professional business associations, with many interesting and relevant potential eligible activities; (3) improved process of commercialisation of ideas linking research institutions and businesses via cooperation networks – development of systems and tools for innovation support and participation in H2020; (4) improved design and management of economic clusters (incubators, techno parks and Free Economic Zones (FEZ)); (5) diversified access to finance for innovative start-up and existing small businesses, design of technology transfer instruments, and a grant scheme for SMEs in the field of technology and innovation.

Clearly, the focus of the project is on innovation within SMEs. If successful, the project will deliver a major contribution to practically all aspects of the business environment in Armenia.

*ENPI 2014 – Armenian SME finance and advice facility:* The project has a strong element of direct advisory support to SMEs; more important for this judgment criterion is that it envisages to actively develop the Armenian SME consulting industry, which would have long-lasting effects in terms of improved business environment. No other aspects of the business environment (entrepreneurial learning,

regulatory and institutional framework, innovation support or green economy) are addressed by the project. It is too early to measure any results, or even to predict the likelihood of their achievement.

#### Moldova

*ENPI 2010 – Economic Stimulation in Rural Areas* – The action fiche for the overall budget support programme, of which this technical assistance project was a part, lists a number of expected results that are related to the improvement of the business environment. The relevant results to be achieved by both types of intervention together were: (1) one-stop-shops for business registration created at the state registration chamber; (2) credit lines established for producers and potential exporters in rural areas; (3) existing credit lines from Japan, EU (2KR) and World Bank mobilised for purchasing equipment by SMEs; (4) female economic activity in rural areas empowered; (5) network of business incubators and industrial parks created; and (6) functioning of RDAs ensured. As reported above (section 5.2), the project has been reasonably successful in realising the related outputs. Turning these outputs into results, however, was the responsibility of the Moldavian authorities, for which, after all, they had received budget support. The evaluators found that indeed, several business incubators were officially opened during the project period, but for the rest did not encounter much evidence on results realised. Reports on the budget support operation were not made available to them, while none of the persons interviewed were sufficiently acquainted with the project to give reliable information. General feedback from the field suggests that Moldova is on average not very successful in consolidating the results of assistance projects, whether in the field of business support or not. Only based on that, the evaluators judge it unlikely that this expensive action has led to many positive effects on the country's business environment.

*ENPI 2011 – Business development projects under Confidence Building Measures* – The action fiche for this project uses very general definitions of expected results; they cannot be connected to the above-mentioned aspects of the business environment. As indicated before, the latest document available is the second progress report covering March until November 2013. Field interviews with national authorities did not result in more information, while the interview with UNDP showed that a follow-up of the project is ongoing and developing new activities, partly related to the business environment. The business school established with help of the project does function under the local Chamber of Commerce, but cannot finance itself and therefore charges fees to trainees. The planned business incubator did not materialise, since the authorities withdrew their support to the idea. No further results were reported on. The overall impression is that the project has left few real results behind, the sustainability of which is questionable.

*ENPI 2013 – Intellectual property rights and ENI 2015 – One-stop-shop for opening and closing business under PAR* were not contracted yet.

#### Regional programme EAST

*ENPI 2009 - European Fund for South-East Europe (EFSE)*: This project does not affect any of the aspects of the business environment mentioned above.

*ENPI 2010 – SME finance facility*: Instead of expected results, the design documents describe objectives to be achieved. They are, slightly reformulated: (1) confidence of financial intermediaries to extend financing to SMEs rebuilt; (2) capacity of financial intermediaries enhanced to manage their SME financing and assess and monitor the related risks; (3) SME credit markets strengthened and deepened; (4) financing options available to the real economy expanded; (5) market-based financial institutions further developed through institution building; and (6) private and entrepreneurial initiatives increased. Clearly, this project does not affect any of the aspects of the business environment mentioned above.

*ENPI 2012 SBS I – Implementation of EBRD SBS programme*: Several expected results are listed in the design documents; only one of them pertains to the business environment, namely “sustainable infrastructure of local business advisory services”. Related indicators are (1) 100 local consultants trained to deliver business support on the local market and (2) strengthened institutions in the market (industry associations, local associations of consultants, or accreditation of local associations of consultants with international bodies). The project implementation reports show that indeed, more than 100 advisers have been trained, but do not give information on the achievement of the second indicator. Field research did not come up with more information, either. Yet, the project is considered moderately successful in this area of the business environment.

*ENPI 2013 – Supporting SME policy reforms in the Eastern Partner Countries*: In a very remote and indirect fashion, the project has contributed to the business environment aspect of regulatory and institutional framework for SME policy making. High-level policy makers were indeed brought together to discuss these issues. Some specific activities of the project may indeed have accelerated policy development. Unfortunately, there are no means to measure these effects, in the first place because the project has just finished its interventions, but more importantly since there are no policy makers available to interrogate.

## ENI South

As far as the sample ENI South regional projects are concerned, significant contributions may be found to the advancing of SBA dimensions; I (entrepreneurial learning and women entrepreneurship), III (institutional and regulatory framework for SME policy making), V (support services for SMEs), VIII (innovation support to SMEs) and IX (green economy, eco-innovation and eco-efficiency). The following aspects deserve being noted in relation to this judgment criterion:

- The EBRD project reports a total of 17 companies having so far benefitted from support on both entrepreneurial learning and improved support services, particularly in the agribusiness value chain, as a result of the Advice for Small Businesses being provided by the project.
- In relation to EuroMed Invest project, its results – (1) Renewed interest from SMEs to make business and invest within the EuroMed countries, (2) Increased flow of inclusive investment and business projects between the EuroMed countries, (3) Improved services for SMEs to start-up (new ventures), establish (foreigners) and develop (nationals and foreigners) within the South Mediterranean countries, (4) Establishment of sustainable EU-MED Alliances to drive the growth of business within the major sectors of common interest (Agrifood, Water and New Energies, Tourism, Transport and Logistics, Cultural and Creative Industries) and (5) Establish strong and lasting EU-MED business networks – contribute to this judgement criterion.
- The EuroMed TIFM project has as declared outcome “Better informed trade decisions of companies doing business in Euro-Med countries”.
- In relation to EBESM, one of its themes is “entrepreneurship, in particular for youth and women”, and one of its specific objectives is to increase the capacity of the Euro-Mediterranean Charter/SBA Coordinators network to advocate for MSMEs development and linkages in the region.
- The EBRD project reports a total of 19 companies having so far benefitted from support within the Energy efficiency audit framework for project preparation component.

In Egypt, SBA is not an acronym well spread, and this reveals a limitation of the regional programmes. Information is not shared and import of concepts from outside is not very popular. Several contributions may however be found, such as:

- Opinions expressed in the Focus Group meeting carried out in Cairo were in the sense of recognising improvement in terms of regulatory reform, but further needs remain. The Private sector representatives highlighted that the Administration lacks capacity to respond to needs and economic changes, and that subcontracting of some tasks (e.g. inspections) should be encouraged. Outsourcing of technical support and twinning would also be positive.
- The following information on supporting services to businesses was collected:
  - BSOs in Egypt are organised based on the continental system (as in Europe); there is in general low governance level in their organisation and functioning
  - In total, the federation of Egyptian chambers has 4.2 million members
  - There are several Federations of BSOs: of Industry, Banks, Tourism, etc.
  - Furthermore, there exist many business associations
  - These entities are consulted in the process of strategy- and policy-making and have in general a good relationship with the Parliament.
- The project TDMEP – TA – Industry is expected to contribute significantly to SBA dimension III.
- The “Promoting Inclusive Economic Growth in Egypt” project will increase access of MSME to business support services: Under the project, one-stop-shops for MSMEs at Governorate level will be supported, to enhance the consistency in implementation of business related regulations. Under the subcomponent 1 of the Grant Scheme, the project will support MSME development initiatives to foster local development, generate decent employment and foster business linkages. The themes of the related calls for proposals are expected to revolve around “entrepreneurship and innovation”, “cluster development” and “value chains upgrading” in sectors with high potential for inclusive growth.
- The project “Research, Development and Innovation Programme phase II” contributed to increasing innovation support to SMEs, but no concrete figures are available at this point.

In Algeria, the following should also be mentioned:

- The PME II (contract “Mise en Oeuvre du Centre d’Expertise du Programme d’Appui aux PME/PMI et à la Maîtrise des Technologies d’Information et de Communication: Mission d’Études et d’Assistance Technique de Courte Durée”) reports a total of 229 SMEs supported, of which 162 through individualised development assistance, with 82 of them having received specific follow-up. 110 companies benefited from one or more grouped technical assistance or training, conducted in partnership with professional associations/federation. The project reports strengthening of 3 ministries and the National Accreditation Agency (ALGERAC).
- Reinforcement of ministerial institutional and respective regulatory framework set-up capacities in targeted sectors is mentioned in DIVECO I. The P3A III Twinning project with ALGEX reports reinforcement of ALGEX and the Ministry of Trade (MdC) in support to Algerian exports. The P3A III Twinning project “Stratégie d’Innovation Industrielle” mentions in its contract the reinforcement of the Ministry of Industry and Mining (MIM) and network of Business Support Organisations (BSOs) in support to industrial innovation in Algeria. The PME II “Mise en Oeuvre du Centre d’Expertise d’Appui à la Qualité du Programme PME II” contract reports 42 Conformity Evaluation Organisations diagnosed, of which 27 benefited from support to accreditation and 15 were accredited; Several HR from professional and business associations were trained.

**Judgment criterion 8.2** – Expected results as stated in project designs in the IPA area, directly related to the adoption and implementation of the *acquis*, are realised or likely to be realised.

#### Bosnia and Herzegovina

*IPA 2009 – Business infrastructure*: The project, in its design and in its implementation, did not include *acquis*-related measures.

*IPA 2011 – Intellectual Property Rights*: Thanks to this and predecessor projects (also those funded by other donors), BiH’s IPR infrastructure is now largely in line with EU systems. Notably enforcements systems have been established. Some legislation still needs to be adopted before full alignment exists.

*IPA 2011 – Capacity building for trade policies and analysis*: The project, in its design and in its implementation, did not include *acquis*-related measures.

*IPA 2011 – Support to local economic development*: The project, in its design and in its implementation, did not include *acquis*-related measures.

*IPA 2013 – Support to SME Competitiveness*: The project, in its design and in its implementation, did not include *acquis*-related measures.

#### Serbia

*IPA 2010 – Integrated Innovation Support Programme*: Although innovation support is one of the focus areas of the EU’s PSD/Competitiveness support endeavours, it appears not to be part of the *acquis*.

*IPA 2011 – Regional Socio-Economic Development Programme II*: The project, in its design and in its implementation, did not include *acquis*-related measures.

*IPA 2011 – Enforcement of Intellectual Property Rights*: The project activities are directly related with negotiation chapter 7. As maintained earlier, the project has been highly successful in establishing IPR enforcement mechanisms, although it still awaits legal harmonisation.

*IPA 2012 – Improving e-business environment*: e-government, e-commerce and e-business are connected with chapter 10 of the *acquis*. The envisioned results are fully realised.

#### IPA multi-beneficiary (MB) programme

*IPA 2009; 2013; 2013 – Regional entrepreneurial learning centre SEECCEL*: The projects focus on introduction of principles 1 and 8 of the Small Business Act. This is not part of the *acquis communautaire* but is anyway expected to result in approximation to the internal market, by fostering the competitiveness of individual companies.

*Cards 2006; IPA 2007; 2008; 2009 – European Fund for South-East Europe (EFSE)*: The project, in its design and in its implementation, did not include *acquis*-related measures.

*IPA 2013 – Next generation competitiveness Initiative*: The activities of the project, as designed, would help the countries in the region to work on enterprise and industrial policies. No tangible results in these fields were encountered as yet.

**Judgment criterion 9.1** – Expected results as stated in project designs, directly related to access to services, are realised or likely to be realised.

#### Bosnia and Herzegovina

*IPA 2009 – Business infrastructure:* The project, in its design and in its implementation, does not address issues related to access to services.

*IPA 2011 – Intellectual Property Rights:* The project has assisted BiH in establishing a well-functioning IPR institute; private companies have easy access to its services, which are mostly provided at no cost. There is no information on the numbers of SMEs utilising the services of the institute.

*IPA 2011 – Capacity building for trade policies and analysis:* This project was designed to assist the BiH government with regulatory and institutional aspects of international trade. It contains no activities directly aimed at SMEs, so it is not relevant for a judgment on the aspect of improved access to services.

*IPA 2011 – Support to local economic development:* Various grant projects have established advisory services for SMEs, in the field of management, human resources, innovation, technology and the like. Therefore, access to services has at least temporarily been improved for those companies that are located in the vicinity of the project locations. Lack of government support, however, may lead to many of those services to fade away after EU funding stops, or become unaffordable to SMEs.

*IPA 2013 – Support to SME Competitiveness:* The project has indeed improved the access to services for a number of companies in BiH. Unfortunately, EBRD's standard interim reports on project implementation either do not divulge monitoring data on the result indicators, or are still under preparation. This information would have been very helpful to understand which numbers of SMEs have actually benefited from the project's services.

#### Serbia

*IPA 2010 – Integrated Innovation Support Programme:* A total of 500 SMEs was expected to have received innovation advice and support; there is no evidence on the actual numbers. Still, the project has had considerable success in terms of providing services to SMEs, financial (grants for innovations) as well as non-financial. A further positive feature is that the fund implements various other grant schemes, financed by the national government and the World Bank, which ensures a steady increase in the numbers of SMEs actually supported.

*IPA 2011 – Regional Socio-Economic Development Programme II:* It appears that statistics on the numbers of SMEs benefiting from the individual grant projects are not kept. This number may be anywhere between 10 and 100 and will grow steadily if a solution is found for the on-going funding of the operations started with the grant projects.

*IPA 2011 – Enforcement of Intellectual Property Rights:* Thanks to this and predecessor projects, IPO has become a success story. It provides free of charge services to businesses, among which IP diagnosed for 283 companies up to 2015, 48 in 2016. The costs were covered by the EPO but this stopped after 2016. IPO is present at all relevant business fairs, regularly holds seminars for customs, inspectors, tax officers, SMEs, legal sector. For two years it has been the formal national enforcement body. These are the results of several Cards and IPA projects, and a number of other donor interventions.

*IPA 2012 – Improving e-business environment:* Direct support was provided to around 50 SMEs with the introduction of e-commerce. The future effects of the project are much larger. In the first place, a pool of e-business advisors who will continue providing their services to the business world was established. Secondly, and perhaps most importantly, the MoE decided to include "e-business" as a module in the national SME support programme that is implemented by the RDAs and basically provides free of charge services. Many thousands of SMEs will benefit from this.

#### IPA multi-beneficiary (MB) programme

*IPA 2009; 2013; 2013 – Regional entrepreneurial learning centre SEECEL:* As designed, the SEECEL projects primarily aim at the development of systems and tools on entrepreneurial learning for educational institutions. Results in terms of SMEs receiving support from or through the project were not foreseen and are not realised. It was found that in parallel, SEECEL's partner educational institutions in the countries develop educational products that can be used directly by entrepreneurs, probably on a commercial basis. Therefore, it is likely that educational services for entrepreneurs will emerge, not as a direct result, but as a side effect of the EU funded projects.

*Cards 2006; IPA 2007; 2008; 2009 – European Fund for South-East Europe (EFSE):* The fund is having a remarkable social and economic impact: With an aggregate loan volume of more than EUR 2 billion invested with partner lending institutions throughout its target regions, the EFSE ultimately served about

860,000 sub-borrowers and plays an instrumental role in securing more than 717,000 new jobs and helping to create more.

*IPA 2013 – Next generation competitiveness Initiative:* The project, in its design and in its implementation, does not address issues related to access to services.

### Armenia

*ENPI 2011 Strengthening the Enforcement of Intellectual Property Rights:* Only a small part of the project's mandatory results related to service delivery. An IPR Enforcement Information Centre (IC) was established and is operational, although it is predominantly covering the needs of authorities. And a Handbook for SMEs on IPR was developed and published.

*ENPI 2013 – Support to regional development in Armenia:* The global objective of the programme is to create new jobs, especially quality and high productivity jobs; increase the economic competitiveness of regions and to diversify the regional economies in the ten regions of Armenia by delivering services to SMEs among other activities envisaged. The grant scheme, aimed at RDAs and BSOs, may end up in additional services delivered to SMEs, but since grants have not been awarded yet, it is too early to report on this.

*ENPI 2014 – Support to SME Development in Armenia:* The project expects to facilitate improved access to services for at least 10,000 SMEs per year. Furthermore, the target is to create at least 450 new businesses per year, between 10 and 30% of which will be led by women. These targets are ambitious but not impossible to reach with the resources available. The contractor pledges to closely monitor progress, so it is likely that in the course of 2017 data will be available to judge the project's actual performance.

*ENPI 2014 – Armenian SME finance and advice facility:* The design of the project leaves no doubt that large numbers of SMEs will benefit in terms of having gained access to finance and/or access to non-financial support, from project advisors as well as business support organisations, it may lead to a growth in jobs within the BSOs, too. Given its current status of implementation, it is too early to measure any of these results, but the likelihood of their achievement is high.

### Moldova

*ENPI 2010 – Economic Stimulation in Rural Areas:* Referring to the judgment under criterion 8.1 above, it is judged that this project has yielded few tangible results as regards the improvement of access to services. The business incubators are a positive example. At any rate, the evidence available does not show direct work with/for any number of SMEs, although according to the project design, at least some should have gained access to finance and/or to non-financial support. The same applies to business support organisations such as the RDAs, who were a direct target of the project and should now be better functioning entities. The overall judgment on this criterion is neither positive nor negative.

*ENPI 2011 – Business development projects under Confidence Building Measures –* referring to earlier comments on this project, the judgment is that although the project did provide services to a limited number of SMEs, and reports results in terms of trade increases from the left to the right bank (41% in the first 10 months of 2013, up from 36% in 2012, and 8% in 2007), and a 37% increase in value added produced by SMEs, it will have little to no effect in terms of greater use of financial or non-financial services by enterprises.

*ENPI 2013 – Intellectual property rights and ENI 2015 – One-stop-shop for opening and closing business under PAR* did not start yet.

### Regional programme EAST

*ENPI 2009 – European Fund for South-East Europe (EFSE):* Quote from the EFSE KfW annual narrative progress report 2015: *By the end of 2015, EFSE had disbursed more than 125,000 loans in the total amount of EUR 879 million to 33,637 end-borrowers in the ENR (on a cumulative basis).* In the ENR, 64% of loans are given to micro and small enterprises. EFSE itself also produces annual reports on its operations, but these do not provide information on loans to individual end-borrowers. The available documents, although there are many, do not clarify which part of the EFSE operations is managed by KfW, in relation to the total volume in the ENR. Still, the conclusion is justified that EFSE delivers a strong contribution to the accessibility of finance for SMEs.

*ENPI 2010 – SME finance facility:* By the end of 2015, some 2,500 SMEs in the EaP region had received a loan from any of the local partner banks of EIB. The total amount disbursed was some EUR 56 million. The annual report of EBRD seems to indicate that the entire EBRD/KfW window was used to finance (some 20,000!) small agricultural holdings. This sector is outside the scope of the evaluation.



*ENPI 2012 SBS I – Implementation of EBRD SBS programme:* The core business of this project has been to provide SMEs with advisory services. The relevant expected results included in the project design were (1) SMEs in priority sectors successfully assisted through EGP; (2) improved access to finance for assisted SMEs; (3) best practices and EGP models disseminated in priority sectors. These results were realised; by the end of the project, 71 projects with international advisers and 702 with local consultants had been implemented.

*ENPI 2013 – Supporting SME policy reforms in the Eastern Partner Countries –* The project, in its design and in its implementation, does not address issues related to access to services.

#### ENI South

In relation to ENI South regional projects, the following elements may be found:

- Increased access to finance by SMEs is reported by the EBRD project, within e.g. the Financial Institutions component (i.e. the SMEs access to finance through the intermediary FIs), and EuroMed Invest's result 5 (Establish strong and lasting EU-MED business networks) is also a contributor to this indicator.
- In terms of non-financial support having been obtained by SMEs, the EuroMed Invest project reports that a total of 1134 companies and start-ups participated in project's activities. It is however not possible to confirm how many of these are from the ENI South region.
- Regarding SME assistance from business support organisations (BSO), no project may be mentioned as having had a direct measurable effect. However, EuroMed Invest's result 3 (Improved services for SMEs to start-up (new ventures), establish (foreigners) and develop (nationals and foreigners) within the South Mediterranean countries) presents, as one of the specific OVIs, "Increased number of SMEs supported by South ENPI BSO". It was, however, not possible to find the measurement of the progress along this specific indicator in the second <sup>project</sup> interim report. Also, EuroMed TIFM is aimed at supporting directly SMEs in facilitating and enhancing international trade, and this is achieved through support from BSOs.
- In relation to clustering, EuroMed Invest does not report such direct effect. It should nevertheless exist in result of the project's action, in relation particularly to its result 5 (Establish strong and lasting EU-MED business networks), where one of the specific OVIs is "Number of consortia formed through the engineering". It was, however, not possible to find the measurement of the progress along this specific indicator in the second project interim report. There is nevertheless an indirect information, which indicates that 6 of the 9 planned EuroMed Invest Academies had been initiated, with a total number of 656 participants, of which 59% are from ENI South + IPA origin (not necessarily all being SMEs).

In Egypt, the project "Research, Development and Innovation Programme phase II" contributed to this SBA dimension. 2 out of 6 clusters proposed as a result of the specific call were financed (Renewable Energy and Social Innovation). The energy cluster was created under the project on renewable energy.

The "Promoting Inclusive Economic Growth in Egypt" project may be accounted for as contributing to improved SME performance, in areas such as access to finance, increased MSME access of to business support services general mentions to improved BSO support to SMEs and cluster development, but no concrete figures are available to enable actual measurement.

In Algeria, potential effect exists in the case of the P3A III Twinning project "Stratégie d'Innovation Industrielle", which contributes to the reinforcement of the Ministry of Industry and Mining (MIM) and network of Business Support Organisations (BSOs) in support to industrial innovation in Algeria.

**Judgment criterion 9.2** – *Expected results as stated in project designs, directly related to SME performance, are realised or likely to be realised.*

#### Bosnia and Herzegovina

*IPA 2013 – Support to SME Competitiveness:* As concerns performance of SMEs, the project design provides the following indicators on expected results: At least 40% of assisted enterprises declared to have engaged a consultant again within one year after project completion; at least 70% of projects rated successful or highly successful; at least 65% of assisted enterprises report an increase in turnover one year after the project; at least 55% of assisted enterprises report an increase in number of employees after the project; and at least 20% of all companies seeking external financing obtain the financing one year after project completion. EBRD's standard reports on project implementation either do not divulge monitoring data on the result indicators, or are still under preparation. This information would have been very helpful to form a judgment on the present criterion.

## Serbia

*IPA 2010 – Integrated Innovation Support Programme:* The project's main target group was the SME sector, and more specifically a group of over 500 SMEs that participated in the various training and support activities of the IISP. It was designed to lead to various relevant results such as improved production processes and technologies in SMEs, new products developed, SMEs having received funding for innovative action, SMEs having used the voucher scheme for innovation advice. The information obtained during the field visit points at success of the project in realising the results.

### IPA multi-beneficiary (MB) programme

*Cards 2006; IPA 2007; 2008; 2009 – European Fund for South-East Europe (EFSE):* The design documents for this project do not describe expected results related to the performance of SMEs. Instead, there are mainly financial performance indicators for the fund itself, such as number of loans, sizes of loans, overall portfolio, cash position, etc. Looking at the fund's track record, it is considered likely that the cumulative effect of financing operations has been a global increase in performance of SMEs financed by the fund. This (positive) effect is in all likelihood considerable.

## Armenia

*ENPI 2014 – Support to SME Development in Armenia:* Clearly, no information on improved business performance is available yet. The contractor has designed an interesting set of indicators that will provide excellent information on the effectiveness and impact of the project, in due course. The main indicators envisaged are: (1) number of businesses that benefited (increased turnover, reduction of operating cost e.g. RIA) from the support provided by the project; (2) number of new businesses created within the framework of this project (disaggregated by targeted sectors and by sex); (3) number of new jobs created within the framework of this project (disaggregated by targeted sectors and by sex).

*ENPI 2014 – Armenian SME finance and advice facility:* Through delivery of financial and non-financial services to SMEs, the project intends to achieve the following improvement of performance of enterprises: (1) at least EUR 45 million net increase in the aggregate turnover of assisted SMEs within one year of project completion; (2) at least 50% of assisted SMEs report increase in turnover within one year of project completion; (3) at least 1100 new jobs created within one year of project completion; (4) at least 50% of assisted SMEs report increase in employment within one year of project completion; and (5) at least 25% of assisted SMEs successfully obtain external financing within one year of project completion.

Since the project is in an early phase of execution, these numbers cannot yet be verified. Yet, the likelihood of it delivering a strong contribution to SME performance over time is high.

## Moldova

No relevant projects.

Regional programme EAST

*ENPI 2009 – European Fund for South-East Europe (EFSE) –* The design documents for this project do not describe expected results related to the performance of SMEs. Instead, there are mainly financial performance indicators for the fund itself, such as number of loans, sizes of loans, overall portfolio, cash position, etc. Looking at the fund's track record, it is considered likely that the cumulative effect of financing operations has been a global increase in performance of SMEs financed by the fund. This (positive) effect is in all likelihood considerable.

*ENPI 2010 – SME finance facility:* the only information that could be retrieved is that under the EIB window of the facility, some 2,000 new jobs were created within SMEs that obtained a loan thanks to the project.

*ENPI 2012 SBS I – Implementation of EBRD SBS programme:* Some relevant results in terms of enterprise performance realised by the project are:

- EGP: 78% of assisted enterprises showed an increase in turnover, of 22% on average;
- BAS: 78% of assisted enterprises showed an increase in turnover, of 64% on average;
- EGP: 71% of the assisted enterprises experienced growth of jobs, of 10% on average;
- BAS: 50% of the assisted enterprises experienced growth of jobs, of 39% on average;
- EGP: 57% of assisted enterprises received external funding;
- BAS: 13% of assisted enterprises received external funding.

In conclusion, this project has delivered a sound contribution to the performance of SMEs.

## ENI South

In relation to ENI South regional projects, the following elements may be found:

- In terms of support to growth in international trade by SMEs, the EuroMed TIFM project does not directly report this effect; it exists indirectly however because of the project's action, as it is aimed at supporting directly SMEs in facilitating and enhancing international trade, which may also be an indirect effect of the EBESM project.
- In relation to jobs creation, SANAD conducted an impact study in two countries with 1,000 randomly selected MSME clients of SANAD PIs, results showing positive development impact on income and employment generation through access to finance, which was facilitated by SANAD. Whilst not specifically reported, the EBRD should be capable of providing accurate information in relation to the 17 SMEs in the agribusiness value chain as a result of the Advice for Small Businesses being provided by the project, as the EBRD collects this information as part of the instrument's application procedure. The same applies to growth in turnover data.

In Egypt, only the "Promoting Inclusive Economic Growth in Egypt" project may be accounted for as contributing to improved SME performance, in areas such as grants made available to help SME to internationalise and increase their activities in other markets, by facilitating business cooperation and matchmaking activities, but no concrete figures were made available to the evaluation team.

In Algeria, potential effect exists in the case of the P3A III Twinning project with ALGEX through reinforcement of ALGEX and Ministry of Trade (MdC) in support to Algerian exports. No concrete figures could be retrieved though.

In both Egypt and Algeria, no sustained and structured information could be retrieved from the consulted documents and the interviews made in relation to either jobs creation or growth in turnover.

### **Judgment criterion 11.1** – Degree of gender equality/balance in projects design and implementation.

#### Bosnia and Herzegovina

Project	Quote from design document	Quote from project report(s)
IPA 2009 – Business infrastructure	No mention of gender equality requirements	Gender equality not mentioned
IPA 2011 – Intellectual Property Rights	No mention of gender equality requirements	Gender equality not mentioned
IPA 2011 – Capacity building for trade policies and analysis	No mention of gender equality requirements	Gender equality not mentioned
IPA 2011 – Support to local economic development	The project is not specifically aimed at achieving equal opportunity objectives. However, it is recognised that within the context of the assistance to be provided, special attention will be given to ensuring that women and young entrepreneurs are recipients of the training and other support provided.	The progress reports of individual grant projects were not subject of study; an overall summary of achievements does not exist.
IPA 2013 – Support to SME Competitiveness	Equal opportunity principles and practices in ensuring equitable gender participation and non-discrimination within the project will be guaranteed.	BAS projects: 1 project with a gender component out of 55 total.

#### Serbia

Project	Quote from design document	Quote from project report(s)
IPA 2010 – Integrated Innovation Support Programme	Implementing organisations will be encouraged to take the different roles and responsibilities of men and women into consideration when planning interventions. Considering the special difficulties faced by women engaged in business activities such as production, manufacturing, trading, enterprise development etc. special	The project adopted a mainstreaming approach to these issues as there was no scope for direct activities targeting cross-cutting issues. In the event, the project achieved a good representation of women among its participating SMEs. 35% of SMEs that applied for innovation training programmes (182 of 339) were run and/or owned by female entrepreneurs. The group of actual participants in the training events showed an even higher

Project	Quote from design document	Quote from project report(s)
	measures to address the needs of women will be pursued.	percentage of women in several events. Also, the three top-ranked SMEs from the investment readiness programme were all run by women.
<i>IPA 2011 – Regional Socio-Economic Development Programme II</i>	Throughout project implementation there will be no discrimination on the grounds of health, status, race, sex, sexual orientation, mother tongue, religion, political or other opinion, national or social origin, birth or other status. Equal opportunities for all will be ensured during project implementation. EU and national laws and regulations concerning equal opportunities will be followed strictly. Equal opportunity for men and women to participate in the project will be measured by recording the experts and consultants employed.	Gender equality issues not mentioned in the final report.
<i>IPA 2011 – Enforcement of Intellectual Property Rights</i>	The project will be implemented in a way which provides equal opportunities for participation for those within the ministry of trade and services and within other line ministries. No discrimination will be made on the basis of gender and activities such as training will be organised in a way which makes them accessible for both men and women. The number of men and women participating in training events will be monitored during the project and this information will be used to identify any potential discrimination.	Gender equality issues not mentioned in the final report.
<i>IPA 2012 – Improving e-business environment</i>	The project will address gender equality and broader gender related issues as an increasingly important component of the transition process, in particular in terms of helping to better realise the potential of women to contribute to economic development in emerging markets. The gender disaggregated data on who benefits from the support will be developed. During all stages of the operation, the project will aspire to promote non-discriminatory practices and procedures and to prohibit any form of unlawful discrimination including race, colour, religion, national origin, political affiliation, sex, age, marital status, or disability.	Gender equality issues not mentioned in the latest project progress report

IPA multi-beneficiary (MB) programme

<b>Project</b>	<b>Quote from design document</b>	<b>Quote from project report(s)</b>
<i>IPA 2009; 2013; 2013 – Regional entrepreneurial learning centre SEECCEL</i>	2009 DoA does not refer to gender equality; 2013 DoA (1) does not refer to gender equality; 2013 DoA (2) does not refer to gender equality. Activities in this area are not foreseen in any of the three design documents.	Complementary to this project, SEECCEL organized the kick-off for the “Women Entrepreneurship – a Job Creation Engine for South East Europe (financed by Sweden) SEECCEL, together with ETF, developed the Women’s Entrepreneurship 2nd Generation Indicators and transferred it into the new OECD’s SBA 2015 Assessment methodology instrument.
<i>Cards 2006; IPA 2007; 2008; 2009 – European Fund for South-East Europe (EFSE)</i>	Not mentioned in the design documents.	Not mentioned in annual reports.
<i>Next generation competitiveness Initiative</i>	The OECD implementation team will emphasise at the outset that the composition of any of the project structures – such as the operational contact points, sector-specific working groups, and pilot implementation teams, should reflect a gender balance.	The one narrative report in the evaluators’ possession does not devote attention to gender aspects. The interview with OECD points out that apart from some gender-specific indicators included in the SEE 2020 monitoring actions, the project was gender-neutral, in the sense that it neither included gender-specific actions or indicators nor suffered from any kind of gender-related discriminatory effect.

Armenia

<b>Project</b>	<b>Quote from design document</b>	<b>Quote from project report(s)</b>
<i>ENPI 2011 – Strengthening the Enforcement of Intellectual Property Rights</i>	Not available.	Gender equality not mentioned.
<i>ENPI 2013 – Support to regional development in Armenia</i>	This project will further promote equal opportunity and ensure that women and vulnerable groups will fully benefit from the regional development activities promoted. This implies putting in place specific provisions to encourage them in the grant call scheme.	Gender equality not mentioned.
<i>ENPI 2014 – Support to SME Development in Armenia</i>	Of new businesses created within the framework of this project the target is from 10% to 30% of businesses led by women and increasing overall ratio of businesses led by women. Of the new jobs created within the framework of this project the target is from 10% to 30% women.	No project reports have reached the evaluators.
<i>ENPI 2014 – Armenian SME finance and advice facility</i>	The DoA contains no paragraph or section related to gender equality.	No project reports have reached the evaluators.

Moldova

<b>Project</b>	<b>Quote from design document</b>	<b>Quote from project report(s)</b>
<i>ENPI 2010 - Economic Stimulation in Rural</i>	Mainstream gender aspects, empowering female economic	The project has carried out a number of short-term missions on “Support to

<i>Areas</i>	activity in rural areas. Gender issues are widely addressed in this programme and were the subject of a specific study in the formulation period.	ODIMM in women entrepreneurship communication". A Women Entrepreneurship Communication Strategy was produced; a 3-Year Strategy/Business Plan for the Women Entrepreneurship Platform (WEP) was drafted. Challenges at this point in time include mainly the identification of a sustainable funding source and the difficulty to adopt a long-term vision in an unstable institutional landscape.
<i>ENPI 2011 – Business development projects under Confidence Building Measures</i>	Considering the specificity of the region, good governance, gender equality and human rights, as well as sustainable development are promoted throughout the activities proposed within the new CBM package. These principles will be further incorporated in the proposed package during the next programming stages of the project's management.	443 people (196 women), beginner entrepreneurs (28 men, 22 women), mid and top-level managers attended Business School classes; 16 business school trainers (8 women) became better qualified business trainers; 12 top-level managers (6 women) participated at a study visit in the Czech Republic; Campaigns took place promoting business education and entrepreneurial culture, as well as women role-models; 252 SME representatives (85 women) improved their understanding of legislative aspects of cross-river business exchange.
<i>ENPI 2013 – Intellectual property rights</i>	Not contracted yet; design documents not accessible.	Not contracted yet.
<i>ENI 2015 – One-stop-shop for opening and closing business under PAR</i>	Not contracted yet; design documents not accessible.	Not contracted yet.

#### Regional programme EAST

<b>Project</b>	<b>Quote from design document</b>	<b>Quote from project report(s)</b>
<i>ENPI 2009 – European Fund for South-East Europe (EFSE)</i>	Not mentioned in the design documents.	Not mentioned in annual reports.
<i>ENPI 2010 – SME finance facility</i>	Not mentioned.	Not mentioned.
<i>ENPI 2012 SBS I – Implementation of EBRD SBS programme</i>	In addition to objectives that concern the enterprises themselves, SBS activities seek to promote gender equality through women in business initiatives.	Gender equality as cross-cutting issue played a role in 4 EGP projects and 19% of the BAS projects.
<i>ENPI 2013 - Supporting SME policy reforms in the Eastern Partner Countries</i>	The project is expected to positively impact a number of cross-cutting issues, among which <b>gender diversification</b> . The project recognises the gender equality issue and will address this by encouraging a balanced number of men and women taking part in the working groups, consultations and other activities. The gender issue is also considered in the framework of the project through a focus on women entrepreneurship and the role of SMEs providing specific	Gender equality is not mentioned in the project progress report. The opinion expressed by the contractor is that in particular, the relevant indicator on women entrepreneurship is handled in collaboration with ETF, which carries data collection and respective treatment. At the project's own level, gender balance is sought in working groups.

	opportunities for women's economic empowerment through the development of their own businesses.	
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### ENI South

At the ENI South regional projects level, in the case of SANAD, gender balance is assumed (but not expressly visible) to be taken into account (within the framework of environmental, social and governance principles) as an eligibility criterion for Partner Institutions. Gender balance is also a key element of EBRD's institutional positioning. There is however no relevant information in the available documents. Although available project documentation does not specifically show this, EBESM should contribute to improving gender balance as one of the project's themes is "entrepreneurship, in particular for youth and women".

In general terms, therefore, gender balance is a standard element of programme and project documents, but there is little evidence to be found on available reporting (implementation; evaluation) documentation on gender mainstreaming in practice. On the other side, the lack of mention to this aspect may mean that gender discrimination is generally not a concern in the projects either.

In Egypt, there is little project information in relation to gender issues. In the case of the "Promoting Inclusive Economic Growth in Egypt" project, the action programme plans to "mainstream gender considerations and promote gender equality in the implementation of the activities. As significant economic opportunities are vested in the deeper involvement of women in economic activities, the new project will pay specific attention to facilitating gender equality in the MSME sector." However, it does not identify any concrete measure in this sense. The Service Contract Notice does not refer to this matter in any way however, and it remains therefore to be seen how these intentions will be materialised at contract and even more so at implementation level.

In Algeria, there is also little reference to gender issues: In the DIVECO I project, Gender balance was taken into account and practically implemented, particularly in the agro-industry and tourism sectors. In the two P3A III Twinning projects, no gender-related concerns have been raised (the "Stratégie d'Innovation Industrielle" project has not started yet. It was however mentioned during field meetings that in general women are promoted (only P3A was referred to, no other institutions), and in projects, the gender dimension is taken into account in all components: when asked details on how this is happening, the example of an expert that has been recently hired to help them design concrete measures<sup>7</sup> was given. In the three PME II contracts, cross-cutting issues such as gender balance do not seem to have been considered. In the case of P3A, an expert has been recently hired to help design concrete gender-sensitive measures to promote female participation and empowerment.

### **Judgment criterion 12.1 – Sustainability of key project effects.**

In Bosnia and Herzegovina, the situation in the IPR field is less advanced. The IPR Enforcement Strategy was not adopted and serious concerns exist on the sustainability of the project results. The risks to sustainability derived from the political (lack of) support for reforms in the IPR field may be mitigated if the project results are closely correlated with the negotiations for the EU membership, in other words if continued utilisation and implementation of project results become a conditionality for the BiH in this process. However, as in Serbia, the extent to which the project effects are sustainable depends also on how institutions directly involved in applying the IPR legislation understand to make use of the enhanced capacity and tools at disposal e.g. if training continues to be delivered by in-house trainers qualified by the project.

The limited engagement of State and Entity level institutions and the lack of adequate financing resources from Bosnian institutions are the key factors undermining the sustainability also in the case of the *IPA 2013 – Support to SME Competitiveness* project, at least from the perspective of continuing the implementation of a successful scheme with national funds to sustain and further stimulate economic growth. It is unclear at this point whether other donors expressed interest to back such interventions in the future although the involvement of EBRD as an institution with long-standing experience in the sector would guarantee its impact and there is a clear need for SBSs in more complex areas and for smaller companies. However, there is strong evidence as regards the SMEs and consultants' ownership under this scheme and thus effects such as increased capacity at SMEs level and of the supply side of SBSs

<sup>7</sup>

<http://www.p3a-algerie.org/action-ponctuelle-lintegration-de-la-dimension-genre-dans-les-projets-du-p3a/>

may continue in medium- and long- run and may be reflected in the enterprise level of development, demand for SBSs and, consequently, of the quantity and quality/diversification of SBSs supply.

From a more strategic perspective, embedding the scheme in the SBA principles strengthens the sustainability prospects of its outcomes, as the SBA will continue to be used as main performance framework in the EU economic governance process.

The private sector, i.e. in this case the enterprises benefiting of business infrastructure made available under the project *IPA 2011 – Support to local economic development*, contribute to the sustainability of the business centres themselves and, consequently, the continuation of their effects in time. In all cases analysed (the Regional Centre for Economic and Rural Development (CERD) in Sava garden, the Business Innovation and Investment Support in the Una Sana Canton – BINOVA and the Entrepreneurship Centre in Orasje) the close collaboration with SMEs, i.e. which pay affordable fees for the services provided and/or are co-owners of the centre, and the local municipalities involved, i.e. which ensure location and cover operational costs for a number of employees, constitute a good practice in terms of ensuring sustainability of project results, although some uncertainty regarding the availability results are also flagged. This is facilitated by the environment of communication and coordination strengthened by the project and by the noteworthy human and physical resources put and maintained in place. The business centres act as “umbrellas” for SMEs in the region and support them in different areas, including fund raising and will continue to do so in the medium and long run.

Threats to the sustainability of the project effects derive from the challenging work to be done in rather rural and underdeveloped areas, with underdeveloped “competitiveness”/SMEs support systems in place and with human resources difficult to motivate and maintained outside central areas of BiH.

In Serbia institutions set up and/or developed under IPA project continue to have effects after the projects’ closure, in the sense that most of them manage to carry out activities initiated during project implementation, however, they are struggling in terms of ensuring a continuous flow of funds. This is possible if non-governmental sources are involved as it is the case with the Innovation Fund which implements more recent EU-funded R&D&I grant schemes and RDAs which are much involved in the implementation of CBC programmes. The latter still constitute partners and implement programmes developed by the Ministry of Economy although the dismantling of the National Agency for Regional Development (NARD) and creation of Development Agency of Serbia (DAS), which reportedly brings together only one third of the NARD and SIEPA (Serbia Investment and Export Promotion Agency) rendered some of the effects of projects analysed (RDSEP II) unsustainable.

The *IPA 2010 – Integrated Innovation Support Programme* continued to have some effects after its closure, mainly related to the activity of the Innovation Fund. However, as clarified during interviews carried out, Serbia was not prepared to implement the new concept of innovation and this unfamiliarity, which the project did not break, remains one of the reasons for the lack of/limited continuity of investments through the Innovation Fund, including the discontinuation of the National Innovation Voucher System. Similarly, the more limited external pressure, e.g. from the World Bank, on the government continues investing in this direction, only partially compensated by the available EU funding. It is worth mentioning that most members of staff capacitated during IISP are still working with the IF and this still uses the procedures for calls and project appraisal, monitoring etc. developed under the IISP.

While the 11 Technology Brokers set up under the project dissolved, it is unclear at this point how effective the 27 Local Access Points (initiated under the project but changed at a later stage) are. Equally unclear are the true effects occurring as a result of the training programmes for innovation management in SMEs and Investment Readiness as these are not monitored beyond the project lifetime. Similarly, although the knowhow and curricula for these trainings exist in the house, they are provided only to the extent where external funds are available, and not systematically. The efforts made to develop a Venture Capital framework haven’t materialised in relevant legislation in force and utilisation of this finance source for enterprises in Serbia.

Better sustainability of results is registered in the area of Intellectual Property Rights, at least in key institutions involved. The administrative procedures for Market Surveillance in Serbia were developed and capacity built, including in the case of the Ministry of Interior (the key enforcement agency) and its local structures. The procedures are widely known and applied, including by IPR holders and a system was put in place (INES+) to record and monitor cases. To the extent to which information from project documentation and interviews could be triangulated, we find that at a more strategic level some measures have been taken to further the application of IPR provisions in place at national and European level (i.e. a strategy was drafted and attention is paid to statistics and awareness raising in the field), however, their pace is slow and efforts are not continuously sustained. Fortunately, at technical level institutions capacitated, including the IPO, continue to carry out their tasks at European standards and a new project was developed and approved for financing under IPA based on the remaining needs of the system. The



Serbian IPO is regionally present and shares their experience, gained under the IPA project, with neighbouring countries (BiH and Slovenia). The impossibility to charge for the services provided is a threat to the IPO sustainability, given the scarcity of resources in the current economic context.

The impact of the *IPA 2012 – Improving e-business environment* is tangible even at this early stage, immediately after closure (November 2016). Project managed to mobilise successfully the government actors in the improvement of the e-Business environment through selection of EU standards. The basis for improvement of legal and regulatory framework is set. The achievement of the specific objectives, however, remains subject to ensuring adequate sustainability prospects and proper external conditions for action, especially through the continued private sector reform efforts of the Government of Serbia and political will and commitment to the e-Agenda. The project has a strong policy support component as it is in line with the prevailing strategies mainly in the ICT and private sector development. The main issue as seen presently is the lack of a fully clear picture of how the variety of outputs will be taken on by the national government and local partners. The interviews confirmed that the topic “e-business” is taken over as module in the SMEs national training programme managed by MoE and implemented by the RDAs, i.e. a Set of Standard Services for the enterprises, encompassing free training, information and mentoring. The RDAs and the informal network of consumer protection organisations were actively involved in the awareness raising activities of the project and this positively influences the potential for further effects beyond the project lifetime. Another programme on electronic payments is in place, implemented with national funds and this takes into consideration the activities and outputs of the EU project. The up-take of the recommendations made in terms of legislation, depends of the new government (including the Serbian Digital Agenda Authority) position and plans, which are not clear, yet.

The three regional projects analysed represent different types of interventions. At least in medium run (up to 2020) the *European Fund for South-East Europe* (EFSE) will continue to ensure its own sustainability as a revolving fund and no threats in this respect, i.e. high level of non-performing loans, was identified. The EC investments / subscriptions in EFSE (so far) have been with an unlimited tenor, which is the reason why there is no exit strategy. In conceptual terms of utilization of EU funding there is an argument that the funds invested in EFSE have reached their end beneficiaries multiple times over and have therefore ‘served their purpose’. No return of funds to the EC is foreseen.

The *South East European Centre for Entrepreneurial Learning* (SEECEL) has proven effects on teachers and learners involved in its activities; however, these effects perpetuate to the extent SEECEL itself continues activities and there is little evidence that tools and methods developed by the programme are taken up at national level and implemented systematically. And the longer-term impacts determined by improved entrepreneurial learning, such as increased competitiveness or improved social inclusion largely depend on the extent to which the SEECEL member countries and their respective national institutions embed the good practices identified by the project into timely national policy amendments, education curricula and entrepreneurial training services. It is estimated that by 2020 the number of relevant national institutions introducing the LLEL systems will be increased by at least 30% but it is unclear how this target was constructed and, thus, if it is realistic.

One pre-condition for the Centre success was the active participation, engagement and financial contribution of the region's Beneficiaries. Evidences collected during the fieldwork identified beneficiaries not involved in the SEECEL activities and not perceiving their added value. Similarly, while elsewhere the involvement in the SEECEL projects positively influenced the quality of cooperation between Ministries of Economy and Ministries of Education, which, in turn, placed higher on the agenda of entrepreneurial learning issue, such a development did not occur in some of the countries visited.

From a financial perspective SEECEL seems to be yet another (new) institution rather dependent on donors' resources, at least up to this moment. It is unclear to which extent it is realistic to expect that other sources of finance (i.e. annual budgets of member countries and revenue generating activities) will provide sufficient means to ensure self-sustainability of the Centre. An exit strategy would clarify this matter and pave the way towards a sustainable development and growth of SEECEL.

As regards *IPA 2013 – Next generation competitiveness Initiative*, the key indication of sustainability is the extent to which “streamlined, inter-related and sustainable regional structures” were created, are still in place and “continue to act as engines for the development and implementation of competitiveness enhancing policies”. The documents at disposal allow a limited assessment of the state of affairs beyond project completion in spring 2016. Only two Expert Groups were set up (one less than initially planned) in the sectors Food and Beverages Processing and Tourism and only the latter is still functional, with the OECD involvement. It is unclear how many best practices were identified and policy recommendation made and taken up by government, during but also after project closure.

On a positive note, the tool developed under the projects and improved with the support of the Eurostat continues to be used to monitor the implementation of the South East Europe 2020 Strategy. Similarly, a follow-up project seems to continue some activities of NGCI and thus, contributes to its sustainability.

In Armenia in the area of Intellectual Property Rights evidence identified in the documents analysed indicate that elements needed for the projects to register effects beyond their completion are in place. The capacity of the Armenian Intellectual Property Agency and other involved institutions was built and sufficient financial means were available for them to continue providing the services developed under the project. A compulsory training curriculum for judges on enforcement and protection of intellectual property rights was to be introduced beginning with 2014 by the Academy of Justice thus continuous capacity development is available for this category of stakeholders, for the long run. The private sector is informed on the importance of the IPR and supports developments in this area.

Although there is room for improvement as regards the alignment of the Armenian IPR enforcement legislation with the TRIPS agreement at least at the end of the project, good prospects existed as regards the implementation of the IPR Strategy and Action Plan although the process did not unfold in a transparent manner at all times.

The project *ENPI 2013 – Support to regional development in Armenia* paved the way towards subsequent interventions as it piloted a grant scheme dedicated to private and public operators but also NGOs involved in economic development at regional level and implemented capacity building activities targeting stakeholders particularly at macro and micro level on strategic topics and project development and implementation. Although in some cases it reached a lower number of participants compared to initial estimations and progress at individual level was slow, the trainings registered the expected effects in terms of capacity building but the extent to which these are sufficient and maintained, i.e. the extent to which the Regional Development Strategy adopted in 2016 is adequately implemented, monitored and improved is still to be seen.

With a strategic framework in place and a certain level of capacity and experience gained in designing and implementing interventions to enhance regional socio-economic development by supporting enterprises a more favourable context was put in place for the project recently initiated, i.e. the *ENPI 2014 – Support to SME Development in Armenia*. The latter builds on the 2013 project, capitalises on lessons previously learned and thus contributes to its sustainability, as confirmed also during the interviews carried out. However, as the system is still fragile the sustainability of the future actions to be implemented will depend on the extent to which the RDS is taken seriously (including in terms of data collection and adequate justification of objectives, priorities and measures proposed) and on the capacity of the involved institutions to further the results to be booked.

The *ENPI 2014 – Armenian SME finance and advice facility* has recently been launched and for the moment no risks to sustainability were identified, except for some incumbent risks related to equity funds, the survival of which depend on EBRD finding sufficient external risk capital. The capacity and experience of EBRD in providing SBSs is a guarantee for the impact and sustainability of the project's effects of this project.

Recently, efforts have been made to systematically collect information on the effects of the projects beyond their completion and their sustainability. The initial picture sketched on this data is less positive than hoped for, with information available rather at output than at outcome level and lack of evidence for genuine effects and their continuation in time. Further than the problematic data availability, sustainability is negatively affected also by the lack of a unique/representative voice of the private sector, to enter the policy dialogue with the government.

In Moldova, solid evidence was identified as regards the permanent attention that sustainability of results has received under the *ENPI 2011 – Business development projects under Confidence Building Measures*. The private sector related activities were implemented with notable results, however, it is unclear at this point if the communication platforms put in place are still active, or if the Business School set up continues to provide courses to entrepreneurs. The new Business Consultancy Unit established in the northern town of Rybnitsa which extended the Moldovan Chamber of Commerce's outreach to local companies is still in place but no confirmation was found that it is still offering on a permanent basis consultancy for cross-river business with all 8 trained consultants. The increased participation of companies from the Transnistria region to the Moldovan Chamber of Commerce does facilitate the continuation of project effects in the medium- and long-run through access to information and further consolidation of cross-river networking and cooperation. The capacity built at company and entrepreneurs' level, including for young, female and innovative representatives may perpetuate effects in terms of jobs creation and local development. The entrepreneurs trained will positively impact the local business market. A major threat to the sustainability of effects yielded is the support and openness of

authorities in Tiraspol, hopefully to be at least partially mitigated by the continuation of the project under ENI 2016.

In the case of *ENI 2015 – One-stop-shop for opening and closing business under the programme Support to Public Administration Reform (PAR)* the sustainability potential is shadowed by the apparent lack of coordination in design and implementation of the intervention with other similar (and numerous) initiatives and the Moldavian Government itself, as well as by the lack of alignment with the existing legislation in force (as argued in the interviews carried out).

Among regional programmes analysed the *EFSE* is in itself sustainable as a revolving fund and the repayment of loans remains at a very satisfactory level. The permanent increase in its portfolio proves its relevance to the existing needs particularly in terms of micro-finance. The EC investments / subscriptions in EFSE (so far) have been with an unlimited tenor, which is the reason why there is no exit strategy. In conceptual terms of utilization of EU funding there is an argument that the funds invested in EFSE have reached their end beneficiaries multiple times over and have therefore 'served their purpose'. No return of funds to the EC is foreseen.

Some regional programmes either are continued in a customised and improved format at national level, e.g. *ENPI 2012 SBS I – Implementation of EBRD SBS programme* or contribute to the adoption/update/improvement/enrichment of countries' SME strategies e.g. *ENPI 2013 – Supporting SME policy reforms in the Eastern Partner Countries*, which is evidence that key project effects shall last at mid- and long-term. In the case of the latter, a series of factors contributed to the leveraging/multiplication power of the project's outcomes, such as the ownership on the stakeholders' side, attained through consensus-building discussions, efficient management of activities, regular and effective communication and involvement approach and the issuing of evidence-based recommendations.

#### ENI South

In relation to the regional projects being analysed, and as it happens in relation to other EQs, the nature of the SANAD and EBRD projects, where deployment of financial instruments targeting MSMEs (through intermediary FIs) and providing complementary technical assistance (to both intermediaries and, in some cases, SMEs and other actors in the MSME competitiveness environment), sustains a high likelihood of key project effects lasting and leveraging/multiplying at mid- and long-term. Reporting provided for evaluation supports this reasoning, as both projects show sustained growth dynamism. Furthermore, these actions tend to nurture market strengthening, which in its turn would normally sustain leveraging.

It is however more difficult for other types of projects, such as the other three being analysed in the ENI South region, to ensure continued effects after conclusion. This is linked to the mostly non-commercial nature of the effects generated by the projects, as the continued "push" factor disappears with end of funding. The structural nature of the effects being envisaged by these projects would tend to continue generating positive effects in the mid- and long-term and, in this respect, the degree of their appropriation by beneficiaries and/or intermediaries, and the existence of strong demonstration capacity, capable of captivating interest for further investing in the strengthening and deepening the approaches and, as much as possible, tend to generate market dynamics (where economic interest would constitute a "definitive" sustainability/leveraging element), constitute key factors for sustainability success.

In this respect, the three projects demonstrate potential for reaching positive outcomes. This is confirmed on EBESM's ROM report dated 28 July 2016, which states: "the overall prospects of sustainability of project benefits are good". Also, confirming the above indications, the "good level of human and institutional capacity maintained by the direct project counterparts" constitutes the main sustainability factor, whilst "the main element limiting the sustainability is clearly linked with the financial means available to further support results achieved". The "development of some tangible initiatives by the project" is also reported as a favourable sustainability factor for EBESM. Likewise, SANAD's ROM report dated 29 August 2016 indicates that "SANAD's actions demonstrate a very high degree of sustainability", with all involved parties having "the necessary human resources and capacity to continue service delivery" as the main sustainability enabler.

In Egypt, available documents provide relevant information in relation only to two of the four projects being analysed: In the case of TDMEP - TA on trade & export, sustainability is systematically taken into account in the Inception Report and the project approach was designed with attention for strengthening, as much as possible, the potential sustainability of actions undertaken. For example, an innovative (as considered by the IR) action was proposed and approved by the PSC, in the form of a Policy Unit, newly set up, which would take further the Trade Strategy developed under the project, beyond its lifetime. The "Research, Development and Innovation Programme phase II" project, foresees sustainability by institutionalising the Innovation Fund and the FP7 network developed under C2. It is unclear at this stage if these plans were materialised and if they have had effect beyond this institutionalising phase. In general, however, information on sustainability and leveraging/multiplication power is relatively scarce.

Main risks that are identified in this respect relate mostly to human and Institutional capacities, as well as to political changes.

According to the TDMEP Team, sustainability is ensured mainly through trainers created under the project of Training of Trainers (ToTs, who could continue the capacity building process beyond the lifetime of the project) and through the Policy and Strategy Unit – if the latter becomes strong enough, it will be capable of furthering the process, including the implementation of the strategies. The MIT 2020 takes into account, as one of its 10 elements, the human resources & governance aspects. However, without a conducive political framework the envisaged effects will not be obtained and these will not be sustainable. Currently there is a favourable political context in Egypt, which may facilitate the transformation process. Involving the private sector in the implementation is also important for sustainability. There may exist an issue of funding continuity affecting sustainability. Sustainability of the “TDMEP – TA on trade & export” project may be made particularly difficult because the Ministry decided to restrict import by imposing higher taxes.

In relation to the “Research, Development and Innovation Programme phase II” project, it was alleged by the representative of the R&D&I project that, under Horizon 2020, the condition of cooperation with different/a number of countries does not exist anymore and if this is not specified in the call, Egyptian partners rarely find their way in proposal. Horizon 2020 is all in all less flexible than FP7. There are, however, projects that continued under Horizon 2020, such as Sheraca.

In Algeria, it was noted during field meetings that in the current context (diminished resources to the budget due to low oil price) the state took some (insufficient and slow) measures (e.g. metrology, normalisation, etc.), particularly in terms of institution building, however, for example ANDPME could not be organised properly because the tasks of this institution were too numerous for its capacity as such (in terms of both number of employees and their qualification and expertise), and also it did not have the necessary political weight. This interviewee continued saying that the situation of ANDPME has not changed (recommendations of evaluation not taken on board), although some pieces of legislation have been recently improved (Law on SMEs) and the Agency for the Promotion of Investment was set up (with an identical approach, where institutions are set up but it is not clear whether they actually are or shall become effective). The annual finance laws are further regulating the sector. The budgetary framework is allegedly not an encouraging factor either.

In other exchanges, it was possible to conclude that: No systematic follow-up is done to see what happened to results booked, after projects closure; PME I was not replicated by the state, although this was the original intention; Institutions are created but they do not book results after project closure (e.g. privatisation); knowledge is absorbed at the beneficiaries’ level but the results at this point are more in terms of preparing the ground for real reform.

In relation, specifically to the Algerian projects, viability and sustainability of the three projects that had been started is evaluated in a moderately positive manner in the existing reports. In the case of DIVECO I, an exit strategy was designed and implemented and this constitutes a positive factor, as it allows for smooth and more effective transfer to key stakeholders in targeted sectors. Twinning projects (2 started; 2 projected) are mentioned as additional leveraging factors. One person met during field visit mentioned that DIVECO I project was overambitious, although needed because diversification is a real need. Transformation in terms of integrating/creating linkages between industry and agriculture is essential, but transforming agricultural production is difficult because of the distance (including cultural) between the two sectors. The challenges with the equipment of CTIAA were solved in September 2015. In the Tourism sector, there are also difficulties as e.g. in some cases authorisations are not issued by the Government and overall significant workstill needs to be done.

In relation to the P3A III (ALGEX) Twinning project, sustainability of effects is evaluated positively, with a question mark in relation to the existence of an adequate level of human and institutional capacity in order to continue delivering the project’s benefits. The fact that the services being improved/enhanced by the project shall be free of charge for the beneficiary SMEs constitutes a positive factor in this respect as it allows for leveraging and multiplying mid- and long-term impacts. The level to which the relevant authorities have taken/are capable of timely taking the financial measure to ensure the continuation of services after the end of the project may however cause some concern, as the beneficiary SMEs will quickly become accustomed (addicted) to receiving a free service from ALGEX. In the long term, introducing a success fee might constitute a positive development to continue ensuring sustainability.

Regarding PME II (three contracts), great care was taken by PME II management in ensuring transfer of project results to relevant institutions. Sustainability of Programme effects was evaluated positively at the SME level, potentially positive at the Quality component level and less positively at the institutional level, due particularly to the weakness of e.g. Algerian professional Associations. In general, the overall sustainability of the Programme is classified as aleatory and insufficiently ensured until key enabling

decisions and actions are taken and assumed. Leveraging/multiplication of PME II's effects will be very much linked to the quality and the intensity of appropriation of results within the National Development Programme (Programme National de Mise à Niveau, PNMAÑ) and the institutional strength of the National Agency for SME Development (ANDPME) to guarantee appropriate push and momentum for effectively spreading the effects. It was referred during field meetings that PME II contributed to the dialogue between private parties and the government, which might lead to a setting aside some of the currently persisting obstacles to exports, and increased interest of companies to sell internationally.

Another note was made in the sense that PME II impact on enterprises was not sustained or at least not visible. Contribution of enterprises to the project was not spent, and this money consisted the seed for CAP-PME.

***Judgment criterion 12.2 – Leveraging/multiplication power of key project effects.***

In Bosnia and Herzegovina leveraging of interventions at central level is hampered by lack of political support and of financial resources to continue certain activities in the IPR area or SBSs schemes targeting SMEs. At local level the business centres have potential to leverage their effects and support more SMEs and their development, as well as local development, as in most cases a successful business model for their continuation was adopted.

In Serbia interventions in the area on innovation currently have leverage effects from the perspective of the capacity built at IF level, capacity which is used for the deployment of further funds (granted by donors, mainly EU) and training to SMEs and R&D institutions. The awareness built through the projects implemented may have multiplication effects if good practices of Innovative SMEs are widely disseminated and if the national government will continue to focus on innovation and initiatives such as the 2016 Entrepreneurship year; although in general there is commitment at governmental level in the competitiveness area, the current political situation does not allow for immediate, strong initiatives to be taken. The potential for the leveraging of the projects is substantially diminished by the limited replication of the grant schemes and training programmes developed with national funds.

The leveraging potential of IPA 2012 – Improving e-business environment is high as numerous elements were put in place for the tools developed under the project (e.g. for e-invoicing, e-trademark) to be used by enterprises. An essential precondition in this sense is the adoption by the government of all legislative changes proposed in the framework of the project. The awareness raising efforts need to continue to register a multiplication of, for example, e-consumer certificates awarded or use of electronic invoices. Another element which will positively influence the multiplication potential of this project is the ownership and involvement of institutions.

In the area of Intellectual Property Rights, the leveraging effect depends substantially of the IPO capacity to work with (more) enterprises as regards the IPRs protection, and this capacity is stable as no supplementary resources are available for a staff increase, while the training of new staff may be realised in house. Perspectives in the case of enforcing agencies are positive, as their capacity was consolidated during the project analysed, they have at disposal tools to carry out their activities and a new project will be implemented to cover remaining needs.

The only leverage the *IPA 2011 – Regional Socio-Economic Development Programme II* has produced is through the RDAs which continue their activities at local/regional level despite their financial insecurity. The regional development idea and institutions were abandoned by the Serbian government.

The key challenge to the multiplication of IPA multi-beneficiary (MB) programmes' effects is their uptake in the national system which does not seem to be the case, yet (SEECEL, NGCI). As argued during interviews carried out, the latter's leveraging effect is triggered mostly through the new project being carried out by the OECD as a sequence to the NGCI project. However, this manner adopted to leverage the effects of a project is rarely sufficient.

In Armenia, the leveraging effect depends, as in other countries, by actions to be taken by the national government. Two projects prepared the grounds for and contributed to regional and local development through SMEs support and these effects will be multiplied to the extent to which the government will implement the newly adopted Regional Development Strategy and will continue to support the SMES and other local actors to develop and implement effective projects. Projects such as the *ENPI 2014 – Armenian SME finance and advice facility* have by design maximum leveraging capacity as the EBRD pledges to mobilise 8 times the capital invested by the EU into the project.

In Moldova, measures such as setting up new structures under the Chamber of Commerce in the Transnistria region have strong leveraging effect as they combine the strength of an already existing organisation with the extended reach offered by the branch. The networking of enterprises on both sides of Nistru and the involvement of Transnistrian enterprises is facilitated and stimulated, including through the business support the trained staff may offer.

Among regional programmes implemented in the EAST the *ENPI 2010 – SME finance facility* distinguishes as it pledges, in its design, to leverage 9 times more funds from the Finance Institutions to financial intermediaries, for on-lending to SMEs in EaP countries.

**Judgment criterion 14.1** — *Degree of ownership over R&D and innovation activities.*

Bosnia and Herzegovina

*IPA 2009 – Business infrastructure:* The project – as designed and as implemented – did not contain activities, outputs or expected results related to research & development, or innovation.

*IPA 2011 – Intellectual Property Rights:* Conceptually, IPR enforcement facilitates innovation in the sense that it diminishes the risks of other people running away with the results of inventions. Thanks to this and earlier EU projects, the IP Institute in BiH has become an important player, supported by the government. Therefore, it is deemed that sufficient policy and tools ownership exists.

*IPA 2011 – Capacity building for trade policies and analysis:* The project – as designed and as implemented – did not contain activities, outputs or expected results related to research & development, or innovation.

*IPA 2011 – Support to local economic development:* Several individual grant projects are dedicated to the establishment of centres of excellence, SME advisory centres including innovation support, and technological cooperation between business and academia. Even where these projects claim sustainability, however, the distinct risk exists that when EU funding comes to an end, the projects will have difficulty in finding continuing funding. This is mainly so because BiH does not have country-wide policy instruments to finance research & development, or innovation, while those at the entity level are of limited size.

*IPA 2013 – Support to SME Competitiveness:* Innovation-related activities are not explicitly included in the project design, although it is possible that through the SBA component, improvements in policies and tools will be introduced.

Serbia

*IPA 2010 – Integrated Innovation Support Programme:* This project was fully dedicated to innovation support. The Innovation Fund has adopted the methodologies of the project and was enabled to continue similar activities through national budgetary financing and with funds from the World Bank. Ownership is strong.

*IPA 2011 – Regional Socio-Economic Development Programme II:* The project – as designed and as implemented – did not contain activities, outputs or expected results related to research & development, or innovation.

*IPA 2011 – Enforcement of Intellectual Property Rights:* Conceptually, IPR enforcement facilitates innovation in the sense that it diminishes the risks of other people running away with the results of inventions. Thanks to this and earlier EU projects, all Serbian institutions with responsibilities related to IPR protection and enforcement are cooperating in a coordinated manner and the IPR Office provides the administrative and technical support for the Coordination Body established by Government. The downside is that the National Strategy on IPR and related legislation is still awaiting adoption. Another issue potentially affecting policy and tools ownership lies in the fact that with each change of leading political party, IPO's top management is changed. Finally, pursuant to decisions of various government coalitions in the past and present, the staffing of IPO is in continuous decline. The picture on ownership, therefore, is mixed.

IPA multi-beneficiary (MB) programme

*IPA 2009; 2013; 2013 – Regional entrepreneurial learning centre SEECEL:* The project – as designed and as implemented – did not contain activities, outputs or expected results related to research & development, or innovation.

*Cards 2006; IPA 2007; 2008; 2009 – European Fund for South-East Europe (EFSE):* The project – as designed and as implemented – did not contain activities, outputs or expected results related to research & development, or innovation.

*IPA 2013 – Next generation competitiveness Initiative:* The project – as designed and as implemented — did not contain activities, outputs or expected results related to research & development, or innovation.

Armenia

*ENPI 2011 – Strengthening the Enforcement of Intellectual Property Rights:* Conceptually, IPR enforcement facilitates innovation in the sense that it diminishes the risks of other people running away with the results of inventions. The project however focused on administrative, institutional and legal

issues and did not contain activities, outputs or expected results related to research & development, or innovation.

*ENPI 2013 – Support to regional development in Armenia:* The project – as designed and as implemented – did not contain activities, outputs or expected results related to research & development, or innovation.

*ENPI 2014 – Support to SME Development in Armenia:* The ownership of R&D and Innovation activities is well planned, by inclusion of actors at meso and micro level and with promotion of their activities, together with incentives envisaged for other parties involved who can bring added value in this regard. The local partner EIF has a target group consisting of only IT and innovative companies that bring value to the whole community. EIF will manage the grant component of EUR 1.2 million. Furthermore, project result 3 is defined as an improved process of commercialisation of ideas linking research institutions and businesses via cooperation networks. The project will provide the relevant Armenian authorities with EU best practice in this field. The prospects for ownership of R&D and innovation look promising.

*ENPI 2014 SME – Finance and Advice Facility:* Innovative companies are explicitly part of the target group for finance and for advice. It is to be expected (although not stated as such in the design documents) that where work is done on the improvement of the local SME consulting industry, this will also include training and capacity building in the field of innovation support. Recipients of the capacity building activities are private consultants and they will be keen to apply the new knowledge in commercial advisory projects once the EU financed project has come to an end.

#### Moldova

*ENPI 2010 – Economic Stimulation in Rural Areas:* The project – as designed and as implemented – did not contain activities, outputs or expected results related to research & development, or innovation.

*ENPI 2011 – Business development projects under Confidence Building Measures:* The project – as designed and as implemented – did not contain activities, outputs or expected results related to research & development, or innovation.

*ENPI 2013 – Intellectual property rights and ENI 2015 – One-stop-shop for opening and closing business under PAR* have not started yet.

#### Regional programme EAST

*ENPI 2009 – European Fund for South-East Europe (EFSE):* The project – as designed and as implemented – did not contain activities, outputs or expected results related to research & development, or innovation.

*ENPI 2010 – SME finance facility:* The project – as designed and as implemented – did not contain activities, outputs or expected results related to research & development, or innovation.

*ENPI 2012 SBS I – Implementation of EBRD SBS programme:* The project – as designed and as implemented – did not contain activities, outputs or expected results related to research & development, or innovation.

*ENPI 2013 – Supporting SME policy reforms in the Eastern Partner Countries:* The project – as designed and as implemented – did not contain activities, outputs or expected results related to research & development, or innovation.

#### ENI South

None of the ENI South regional projects has activities directly linked with/aimed at R&D and innovation.

In the case of Egypt, there is a strong ownership on R&D&I activities, although overall this country does not score highly at this dimension under the SBA – almost 3 points out of 5 under dimension 8.b Innovation in 2013. The situation has not evolved significantly in the meantime: in 2015, under the Competitiveness Index, dimension 12. Innovation, Egypt was on the 120th place among the covered countries, with 2.7 points out of 7. However, as described in the annual progress reports, Egypt is active in the field, also with the support of the two Research Development and Innovation Programmes implemented with EU funds (the second one was launched in 2011, is closed and is covered by this evaluation) and the EU-Egypt Innovation Fund. Very important is the synergy created between the RDI II programme and Egypt's participation under the FP7 programme. Under the EU's RDI II programme, the Egyptian authorities put in place an effective network, across the country, of contact points for the EU's Seventh Framework Programme for Research and Technological Development (FP7). This contributed to a good participation of Egypt in the programme – every year around 50 partners, 100 and above participants, and a total budget of EUR 10-13 million. Moreover, Egypt plays an important role regionally: the EU launched "Horizon 2020", for the South Med region in Cairo in February 2014. Under Horizon 2020, the Sheraca+ project, following Sheraca implemented under the FP7 programme, aiming to

strengthen bi-lateral cooperation between the EU and Egypt in science, research, innovation and technology, was launched in January 2014. Key stakeholders actively involved are the Ministry of Higher Education and Scientific Research as well as the Academy of Scientific Research and Technology.

In the particular case of the already mentioned “Research, Development and Innovation Programme phase II” project, the lack of ownership/leadership and capacity in the Ministry of Scientific Research constituted one of the key obstacles to implementation, as there was incapacity to retain resources and keep momentum after funding completion.

In Algeria, and in relation to the P3A III (Stratégie d’Innovation Industrielle) project, the inclusion of actors at the meso level and the promotion of Innovation-related networking constitute factors with potential for increasing ownership over R&D and innovation activities. The PME II (multiple contracts) does not directly mention R&D and innovation activities; indirect ownership over factors, processes, tools and practices related to innovation is nevertheless possible. The linkage with R&D would in any case likely be minimal.

It was highlighted during field meetings that innovation is really not done because it is not stimulated somehow from EU level – the focus is more on respecting rules, which is difficult already, not to do something outside the box. It was thus suggested that some incentives should be developed from the policy level in future programming. It was also noted that the innovation system in Algeria has a lot of stakeholders, involved through e.g. twinning projects in the set up and consolidation of this system. There are SMEs in Algeria that innovate, but they are not aware of this. There is no “detecting system” to identify their innovations as such. Under DIVECO I, component II, innovation should have been (at least) influenced through the Technical Centres and the laboratories and metrology activities carried out. But this does not seem to be the case because the results realised came late and seem not to be fully sustainable.



## Annex 9 Stakeholders' workshop

### Synopsis of the consultation with stakeholders, 5 April 2017

Persons attending:

Bernard Brunet – NEAR A3	Ingrid Schwaiger – NEAR B2
Odoardo Como – NEAR A3	Anna Soltysik – NEAR C1
Andrea Baggioli – NEAR A3	Davor Percan – NEAR D3
Youssef Tadros – NEAR A3	Alessandra Kostova – NEAR D5
Vlad Rosanski – NEAR B2	Hans Blankert – DAI Europe
Dragan Crnjanski – B6S Consulting	Pedro Almeida – DAI Europe

Welcome by Bernard Brunet.

Personal introductions by all participants.

Hans Blankert invited to present the evaluation's conclusions, supported on provided PowerPoint presentation. Key points having deserved discussion:

- Relevance
  - Relevance positively evaluated, problems/inefficiencies exist in relation with HQ / regional / national programmes co-ordination
  - No overlapping; complementarity
- Efficiency
  - Delays in contracting and implementation
  - Poor interaction, particularly at beneficiaries level
  - Local actors rather unaware of regional programmes/projects
  - Beneficiaries not very keen on implementing sector approaches
  - Except ROM, monitoring systems are insufficient
- Effectiveness
  - IFI reporting on SME performance (e.g. growth; jobs; exports; technology adoption; green economy) insufficient – all actors in the SME financing value chain already have or may easily collect relevant information, however this is not passed (at the appropriate aggregate level) to Donors (e.g. the EU).
- Impact
  - Non-financial support with variable impact
  - IFI support likely (see above about lack of relevant SME performance information) to be considerable
  - Not possible to judge on SME performance, impact seems however likely
  - Gender mainstreaming not existing. Gender neutrality is however widespread within the analysed projects, at both regional and national levels.
- Sustainability
  - Dependency from further financing is in many cases clear, which means that sustainability (particularly at the level of institutions/organisations survival and/or continued use of tools) may be questioned
  - Slow pace in adoption of legislation & admin procedures
- Coherence
  - Participation in FP7 / CIP exists but rarely through PSD/Competitiveness
  - SBA strongly represented, except for green economy
- EU Added value

- Cooperation between regional / national levels insufficient

After completion of presentation of conclusions, Andrea Baggioli and Hans Blankert exchanged on follow-up work, with the latter highlighting that, having timely and systematically highlighted need for additional information, the team is at this late stage not planning to collect new information or open new issues, but only to correct factual mistakes and to the appropriate extent review recommendations.

Andrea Baggioli mentioned that some conclusions lack adequate grounding, which was contested by Hans Blankert.

Hans Blankert invited to present the evaluation's recommendations, supported on provided PowerPoint presentation. Key points having deserved discussion:

- R01
  - Subsidiarity
    - Bernard Brunet has fundamental issues about this, as regional cooperation is in itself an objective, which may not be appropriately developed at national level
    - Discussion generalised, with several other participants sustaining Bernard Brunet's remarks.
    - IMF in WB as a good example of non transfer to national level
    - The team highlighted that the principle of subsidiarity in itself, and the way the recommendation is made, do not imply the suggestion of "blind" "once-size-fits-all" transfer of regional programmes to national level.
    - Conclusion: Recommendation shall be either adapted to stress that the principle of subsidiarity should be applied within proper assessment of advantages and disadvantages and in respect to the principles underlying regional policies and programming, or deleted altogether.
- R03
  - Intervention logic (particularly in regional programming) should be strengthened: Results of needs assessment, and how they are specifically addressed by programmes and projects, are currently not visible in programming documents.
- R04
  - Conditionality and accountability
  - Odoardo Como and Davor Percan made comments on the extent and practical feasibility of the recommendation, highlighting that, whilst respective principle is valid, it must be applied in ways that must be credible and practically feasible.
- R06
  - The Representative of Moldova EUD (attending by videoconference) – made remarks on R06, which were clarified by Hans Blankert
- R08; R09
  - Progress exists, after evaluation period. It should become more systematic. Better auditing & enforcement capacity
  - Davor Percan highlighted that there is a monitoring system in WB countries
- R10
  - Check the rationale of this recommendation
- R12
  - Aleksandra Kostova noted that there are studies (e.g. OECD). Youssef Tadros confirmed that a systematic and thorough discussion process exists with IFIs.
- R13
  - SMEs are not aware (and made aware by their local banks) of all possible financial instruments made available by EU-funded IFIs

- R14
  - Odoardo Como noted that the recommendation is appropriate but difficult to implement
- R15
  - Youssef Tadros noted that some elements of the proposed 4-steps approach already exist. Progress is on-going

## **Annex 10 PSD/Competitiveness strategies in the selected countries**

Albania's relevant strategies feeding into the IPA programmes of 2010-2013 emphasise the need for improving the general business climate (especially the regulatory environment, informal economy and occurrence of corruption), developing tourism as a priority sector, scientific development, including technology transfer and innovation. EU programming only in a very limited way connects to these needs; interventions in the period 2010-2013 consisted of support for participation in Union Programmes, such as FP7 and CIP. Merely one EU intervention (2013) directly addressed SMEs. With the adoption of the Business and Investment Development Strategy for the Period 2014- 2020, the focus changed only slightly. Although the first objective is to "Increase the SME competitiveness, stimulating the increase of new enterprises and employment", the only real needs identified were lack of access to finance, the improvement of training and management skills focused on potential entrepreneurs and the upgrade of the competitiveness of domestic products, to increase exports. Again, for the programme period after 2013, the focus was on support for participation in Union Programmes, now COSME and H2020. It is true that the regional IPA programme covers some of the identified needs, such as access to finance and trade enhancement.

Bosnia and Herzegovina does have strategies related to PSD/Competitiveness, but several of them have never taken effect, either because they were not adopted or because they were not implemented. The current situation is that there is an SME development Strategy 2014–2018 of Republika Srpska, a Development Strategy of the Federation of Bosnia and Herzegovina (2010-2020) an Economic Reform Programme 2016-2018 proposed by the Federation BiH, and a Brčko District 2008 –2012 Development Strategy. An overall BiH Strategy for Development of SMEs 2009-2011 also exists, but has never been implemented, for obvious reasons. Any effort to seek links between national strategies and the EU programmes is futile; the persistent efforts of the Commission to contribute to the PSD/Competitiveness sector in the country are laudable, but they have no roots in national policies; instead, common sense has driven programming.

As far as Kosovo is concerned, there is a national development strategy 2016–2021 (NDS), targeting sustainable economic and social development through four thematic pillars: human capital, the rule of law and good governance, development of competitive industries and development of infrastructure. This strategy is a follow-up to various partial strategies produced in the past and it can therefore serve as a good benchmark for EU programming. It was found that there is a high level of correspondence of EU country assistance objectives in the 2010-2015 programmes with the needs identified at the country level in terms of PSD policies/strategies.

The Macedonian government programme 2011-2015 gave high priority to socio-economic development through fostering economic growth and creating employment. Particular foci were the improvement of the business climate and competitiveness, decentralisation, regional development, infrastructure and public administration reform. Related to PSD/Competitiveness, the national policies emphasised the importance of topics such as e-Business, simplified procedures for obtaining permits and licenses, links between companies and universities to decrease the technological gap with Europe, access to finance including export credits, attracting foreign direct investments. Support to SMEs should especially target crafts. Although in general the MIPDs followed this priority setting, actual interventions only marginally answered the needs expressed. In the programming period 2010-2013, means were scattered over manifold interventions, most of which only with indirect effect on the entrepreneurial sector. The actions envisaged under the Action Programme 2014 are only aligned to one specific programme for creating competitive advantages of the planning regions of the Regional Development Strategy 2009-2019 and Law on balanced Regional Development, focusing on promotion of tourism and its strategy but not with any other national or EU priorities and strategies envisaged for PSD/Competitiveness.

Montenegro is a peculiar case. The country has produced numerous strategies touching upon PSD/Competitiveness, such as the strategy for enhancement of competitiveness 2011-2015, an SME development strategy 2011-2015 (preceded by the SME strategy 2007-2010), a strategy for sustainable economic growth through the introduction of Business Clusters 2012-2016, an industrial strategy addressing the metal and agro-processing industry, a sector strategy for the tourism sector. The relevant MIPDs acknowledge the existence of these strategies, but actual EU allocations to the PSD/Competitiveness sector have been extremely modest (see Annex 7.4) and did not follow in a perceptible way the needs expressed in the country strategies. Other sectors were given priority.

Serbia has an abundance of strategies, so many even that some authorities question the usefulness of partial strategies for basically minute sub-sectors. The EU has encouraged the development of these strategies, and financed a goodly part of their production costs. A digest of these strategies is the National Strategy for Economic Development 2006-2012, which defines six key economic goals for Serbia namely: creating an attractive business environment; knowledge-based development;

development of efficient economic infrastructure; balanced developmental and social role of the state; more balanced regional development; and sustainable development. The National Strategy of Regional Development 2007-2012 prioritises sustainable development, regional competitiveness, (...) and continuation of the decentralisation process. The Strategy for Development of Competitive and Innovative Small and Medium-sized Enterprises 2008-2013 is built on five pillars covering: entrepreneurship and start-ups; human resources for a competitive SME sector; financing SMEs and taxation of SMEs; competitive advantage for SME on export markets; and the legal, institutional and business environment for SMEs. All Serbian strategic priorities were consolidated in the document "Needs of the Republic of Serbia for International Assistance 2011-2013 (NAD)" which identifies a series of mid-term sector objectives; for PSD/Competitiveness they are (1) to increase competitiveness and export by improving the business environment and by increasing investment in research and development; (2) to ensure effective competitiveness and market operations through full approximation of national legislation with the EU acquis; and (3) to reduce disparities and promote balanced development by focusing on the development of economic and business related infrastructure and services, as well as strengthening the capacities of local and regional stakeholders.

The MIPDs 2008-2010 almost seamlessly follow the strategic priorities defined in national programmes. And interventions in the period 2010-2013 – of course limited by budget constraints – all aim at realising the national strategic objectives. For the period after 2013, the SME strategy was updated by a new one covering the period 2015-2020. Although the terminology changed a bit, it basically repeats the 2008-2013 pillars: business environment, access to finance, human capital, competitiveness and innovation, export promotion, and women's entrepreneurship. These priorities also feature in the EU's Indicative Strategy Paper 2014-2020 (IPA II) and Serbia's sector planning document 2014-2017, which points at good alignment. Yet, information from the field indicates that the Commission Services, during the annual programming process, tend to one-sidedly deviate from the planning document, which may endanger the consistency with national needs.

In Turkey, the Regional Competitiveness Operational Programme 2007-2013 and 2014-2020 define the interventions since 2007. The OPs can be considered to integrate the sector strategies covering the relevant programming periods, but are limited to fields of EU interventions. Wider strategies are Turkey's 9<sup>th</sup> Development Plan (DP) 2007-2013 and its 10<sup>th</sup> DP 2014-2018. EU strategies as laid down in the MIPDs are well in line with the strategies (and needs) formulated by Turkey. As part of the programming process in 2010-2013, only projects that have achieved sufficient readiness for implementation have been accepted, as also those focusing on the political priorities of the accession process. There has been an insufficient direction and lack of specific criteria to determine the priorities of EU assistance and insufficient measurability of achievements of assistance given to Turkey. Given the often insufficient strategic underpinning of assistance provided, the revised MIPD for 2011-2013 aimed to be a step in the direction of establishing a more strategic and focussed programming framework for IPA. For the period 2014-2020 the level of alignment is higher: On the enterprise and industrial policy principles there is a clear alignment between the policy objectives defined in the EU strategies and assistance objectives on the one hand and the Industrial strategy of Turkey for 2015-2018 on the other hand. Turkey's targets have become aligned with EU's 2020 strategy in Science, Innovation and Industry policy fields. The national innovation and entrepreneurship system targets have been renewed and targets have been set for the year 2023.

Finally, the *raison d'être* of the IPA multi-beneficiary (MB) programme is to complement and add value to the national programmes, and to enhance regional cooperation. The idea is that the MB interventions address common needs of the IPA beneficiaries in a manner that is more efficient than when addressing them in individual national programmes.

The MIPD 2009-2011 has five priority axes; one of them is "Economic criteria" where assistance focuses on Competitiveness of the economies, cooperation with IFIs and education and youth. It claims that "following discussions within the European Commission and with the IPA beneficiaries, and on the basis of the needs identified in the region, it has been agreed to extend the scope of strategic choices to include competitiveness of the economies in this MIPD". The needs analysis must surely exist, but it has not reached the evaluators.

Within the MIPD 2011-2013, there are 7 priorities, only one of which touches upon PSD/Competitiveness, namely, (6) to help beneficiaries overcome the economic and financial crisis by jointly working on increasing competitiveness and investments in infrastructure. Private sector development is an explicit focal sector.

The Indicative Strategy Paper 2014-2020 changes the terminology, but maintains the principles of earlier strategies. Competitiveness and innovation is a sub-sector under "competitiveness and growth", other sub-sectors being education, employment and social policies, transport and energy, and environment and climate action. The IPA MB programme sets out to boost competitiveness and innovation to allow

countries to participate in the global economy and to improve the overall business environment including the capacity for research and innovation, by invigorating trade, integration and export-led growth. A particular focus is on private sector development and SMEs.

Apart from the national needs of beneficiaries, the programme takes into account the needs formulated in the Regional R&D Strategy for Innovation and the South-East Europe 2020 strategy, EU Strategy for the Danube Region and the Adriatic-Ionian Strategy.

Each of the countries places great emphasis on private sector development; at this level of abstraction, and assuming functional consultation processes, the MB programme can therefore be considered in line with the needs of the countries. However, this picture changes when looking at the individual interventions and especially, at their effects and impacts. As an example, we quote the PF 2009 for the SEECEL initiative, saying that *“Entrepreneurial learning does not, in general, feature in the national development plans of the Beneficiaries. The Beneficiaries need to determine how national learning systems can better contribute to overall economic progress”*. It follows that the need for the project was not rooted in perceived national needs, but rather in the Commission's perception of those needs.

Annual programmes for Armenia during the period 2010-2013 were based on the EU's Country Strategy Paper (CSP) 2007-2013 and on the EU-Armenia Action Plan. When selecting the priorities for action, reference was made to the Policy Areas defined in the ENP Action Plan, which are: (1) strengthening of democratic structures, of the rule of law; (2) strengthening of respect for human rights and fundamental freedoms; (3) encourage further economic development, enhance poverty reduction efforts and social cohesion; (4) further improvement of investment climate and strengthening of private sector led growth; (5) further convergence of economic legislation and administrative practices; (6) development of an energy strategy, including an early decommissioning of the Medzamor Nuclear Power Plant; (7) contribute to a peaceful solution of the Nagorno Karabagh conflict; and (8) enhanced efforts in the field of regional cooperation.

The CSP states that assistance provided under the national ENPI envelope for Armenia will focus on three priority areas which have been selected on the basis of joint EU- Armenia policy objectives. They are (1) Support for Democratic Structures and Good Governance; (2) Support for Regulatory Reform and Administrative Capacity Building; and (3) Support for Poverty Reduction Efforts. The latter priority area includes regional development, which potentially has some PSD/Competitiveness elements. Yet, apart from the above reference to “joint EU-Armenia policy objectives” the strategy does not hint at a needs analysis having been performed. Judging the interventions eventually implemented, SME/Competitiveness was not a priority sector.

Perhaps this was caused at least in part by the fact that several countries did not, at the time of programming, have valid national strategies. A Sustainable Development Programme representing the national strategy for economic and social development was adopted in 2008 but was never implemented. The Government's argument was that the international economic and financial crisis had rendered it irrelevant. Instead, a new Armenian Development Strategy (ADS) was produced and adopted (only) in 2014. The table in Annex 7.4 illustrates that under these circumstances, few concrete interventions affecting PSD/Competitiveness could be devised. For 2013, the Commission Services identified the need for Armenia to record satisfactory progress in the implementation of the EU-Armenia European Neighbourhood Policy Action Plan. One project on regional development was a tentative answer to this need, although it predominantly focused on systems and institutions, rather than on SMEs. EBRDs transition report for 2013 concluded that support for SMEs' growth could contribute not only to the national and local socio-economic welfare in a sustainable way but also reinforce demand for democratic change.

As of 2014, programming was based on the Single Support Framework for EU support to Armenia (2014-2017). The sectors selected for support are (1) Private sector development, (2) Public administration reform, and (3) Justice sector reform. Programming year 2014 marked a dramatic change in approach. An unprecedented amount of EUR 22 million (of a total annual EU contribution of EUR 40 million) was allocated to the PSD/Competitiveness sector, most of which for providing direct financial and non-financial support to SMEs. Since 2014, the EU support is fully in line with the priority needs as formulated in the ADS.

Overarching strategic documents for EU support to Moldova in the period 2010-2013 are the ENPI Strategy Paper 2007-2013, the MIPD 2007-2010 and the MIPD 2011-2013. Annual Action Programmes are based on one or more of these documents. Strategic priorities for 2007-2013 were: (1) support for democratic development and good governance, (2) support for regulatory reform and administrative capacity building, (3) support for poverty reduction, (4) economic growth and (5) implementation of the ENP Action Plan.

The annual action plans (AAP) reflect these priorities; the 2010 AAP repeats without amendment the strategic priorities. The AAPs of 2011, 2012 and 2013 all have the same set of priorities, namely (1) support for good governance, rule of law and fundamental freedoms, (2) support for social and human development and (3) support for trade and sustainable development.

There is no reference in the strategic documents to a needs analysis. However, the programmes were discussed with the Government before they were finalised, while the national authorities have participated in drafting procurement documents.

From 2014 onwards, the Single Support Framework (SSF) for the period 2014-2017 is the basis for programming of EU assistance. The three priority sectors of intervention to be financed through the national envelope are Public administration reform, Agriculture and rural development, and Police reform and border management. In actual fact, there is no explicit reference to, or action for, the PSD/Competitiveness sector. The AAP 2014 focused on PAR and agriculture and rural development, that of 2015 on public administration reform, police reform, border management and civil society.

In the early period, Some PSD/Competitiveness-related support was included in either multi-sector action documents, or action documents addressing other sectors than PSD/Competitiveness (e.g. confidence building measures, or public administration reform). Moldova does have relevant policies and strategies; the National Development Strategy 2008-2011 does not explicitly identify needs, but states a number of priorities, one of which is business environment. This is reiterated by the National Development Strategy "Moldova 2020" that points at the need for reducing financing costs by increasing competition in the financial sector, improving the business climate, promoting competition policies, streamlining the regulatory framework and applying information technologies in public services for businesses and citizens. Other relevant documents are the 2013 "Roadmap for increasing the competitiveness of the Republic of Moldova" and the National Strategy for Regional Development 2010-2012 of February 2010.

EU programming did take into account the needs expressed in national policies and strategies, but the attention for PSD/Competitiveness was limited. It is likely that other sectors were considered of higher priority during the programming years 2010-2015. Regional development issues have been addressed, as has also – in a modest way – the business environment. With the new financial perspective 2014-2020, landslide changes such as in Armenia did not take place, however.

At the regional (multi-beneficiary) level, annual programming in the Eastern Partnership Region during the period 2010-2013 was covered by the revised ENPI Interregional Programme Strategy Paper 2007-2013 and the ENPI East Regional Programme Strategy Paper 2010-2013. As of 2014, the ENI East regional programme is laid down in the Regional East Strategy Paper (2014-2020), while there is also a combined wider regional programme for ENI East and ENI South together, under the strategic heading "European Neighbourhood – wide measures' Priorities 2014-2020".

ENI has two types of programmes: two for ENI EAST and ENI SOUTH separately, and one so-called ENI Interregional Programme (IRP) that covers both regions. In practice, this means that there are national programmes, set up to address predominantly national needs, a regional programme focusing on those activities which, because they involve several Eastern partners and require cooperation amongst them, gain in effectiveness and efficiency when implemented at multi-country level. The rationale for interregional programmes is that they support initiatives which by their nature or size cannot be effectively supported through bi-lateral, regional or thematic programmes. Both strategy documents lack a needs analysis and appear to be mostly based on EU policy priorities. However, these priorities have been discussed with representatives of the beneficiary countries before the strategies were finalised.

At the same time, the evaluators did not manage to confirm the rationale behind the three-level division. While there are good arguments for having regional programmes, it is not immediately clear which need or shortcoming is covered by inter-regional programmes. Or why for reasons of efficiency within the Commission not all interventions are combined in one inter-regional programme. Rather cryptic statements such as *"while the SME funding facility will be an integral part of the SME flagship initiative, it will receive financial support through the inter-regional programme via the Neighbourhood Investment Facility"* do not really contribute to understanding this setup.

Needs expressed at both the Union for the Mediterranean (UfM) and the national levels give particular relevance to job creation and SME development, as key drivers not only for economic development but most crucially also for social development and socio-political stabilisation in the region. In complement to what precedes, promotion of exports, diversification of the economy (particularly in the case of Algeria), improvement of the business climate (particularly through Institutional strengthening and improvement of the overall competitiveness and quality/conformity levels), and promotion of foreign investment, also appear as relevant priorities. Technological development, business sophistication and innovation (through the development of a national innovation system) are also expressed at the Egyptian national level. At the regional level, advancing the digital economy and supporting creative industries in the region are also

cited. Improvements in terms of the Information Society, development of the Tourism sector, enhancing industrial cooperation and the establishment of a Euro-Mediterranean Free Trade Area also constitute issues where needs are expressed, particularly in the regional context.

To a very large extent, EU assistance programming during the period 2010-2015 is aligned with the priority needs as expressed in the relevant regional and national strategy documents:

- At the ENI South regional level, EU programming prioritises e.g. sustainable economic development, investment, regional integration, convergence towards EU' policies, regulations and standards and consolidation of a Euro-Mediterranean free trade area.
- At the Egyptian national level, EU's national strategy recognises the need for a solid technological base in the industrial sector as well as for innovation and quality assurance systems, which is paramount as Egypt wants to become a player in the EU and international markets. Improving business environment, with all the positive consequences including on export/trade, integrate EU's programming for the second half of the period, are priorities. The need to invest more and strengthen R&D&I capacity in Egypt is underlined in Egypt's Industrial Development Strategy (2005-2025), as well as in Egypt's Sustainable Development Strategy – vision 2030.
- At the Algerian national level, EU's national strategy recognises the need for economic diversification, SME development and lower unemployment, as well as for the reinforcement of Algeria's economic resilience and the development of a productive and competitive economy in all sectors (these latter in the 2<sup>nd</sup> programming period).

It may thus be concluded that, based on the evidence analysed, the topics of intervention are largely in line with those in the countries, the latter being supposedly – but with no clear evidence found by the evaluators – based on needs analyses.

As noted above, the evolution of national and regional priorities in relation to PSD has been gradual and coherent, with most of the priorities chosen at initial programming phase being still relevant. This is observed at both regional and national levels. In general terms, MSMEs funding continues to be an issue in the region; further advancing on e.g. internationalisation and networking with the EU is particularly relevant within a risk mitigation logic, as the socio-economic environment in several countries in the region continues to be unstable and uncertain. The decrease in tourism as a result of security concerns and the resilience of political instability in some of these countries remain major problems. In this context, proceeding in further aligning the SME policy/ies in the ENI South countries with the EU SBA also remains a key priority for both EU cooperation and each country's SME development policy.



**TERMS OF REFERENCE – Evaluation on the support to SME competitiveness in enlargement and neighbourhood countries**

Contracting Authority: European Commission

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**1. CONTEXT/INTRODUCTION**

**1.1 BACKGROUND**

Both the Enlargement and Neighbourhood policies support stronger and more inclusive economic development of partner countries. In this context, an important priority is the support to Small and Medium Sized Enterprises which are important drivers of innovation and job creation. The European Commission runs a number of programmes/projects aimed at promoting a business-friendly environment for SMEs whilst helping SMEs to access credit and Business Development services (BDS), find international partners, access technology, and developing research partners.

This evaluation, mostly with a backward looking perspective, is foreseen in the DG NEAR multi-annual evaluation plan and will feed into the Mid-term review of the Union's instruments for financing external actions planned for 2017<sup>8</sup>.

## 1.2 OBJECTIVES OF THE INITIATIVE

In the European Union, the Small Business Act for Europe (SBA)<sup>9</sup> adopted in 2008 put in place an SMEs-focused competitive agenda for the European Union and its Member States based on the principle "Think Small First"<sup>10</sup>. EU support for SMEs is also an important feature of the EU development policy. This includes: creating an enabling environment for SMEs, strengthening specific policies (e.g. trade, innovation, access to finance and competitiveness), capacity building of business intermediary organisations, chambers of commerce and business development service providers, and providing support benefitting individual enterprises.

The importance of improving the business environment, promoting a competitive local private sector and providing better and more targeted aid were reiterated in 2011 in the Agenda for Change<sup>11</sup>.

In 2014, the European Commission published its Communication to Council and Parliament on A Stronger Role of the Private Sector in Achieving Inclusive and Sustainable Growth in Developing Countries<sup>12</sup>, thus highlighting the importance of the Private Sector in the sustainable development of countries and presenting the EU strategic framework for strengthening the Private Sector role.

IPA I Council regulation<sup>13</sup> (No 1085/2006) covering the period 2007-2013 indicated as the overall objective "the progressive alignment with standards and policies of the EU, including where appropriate the *acquis communautaire*, with a view to membership." Competitiveness is one of the nine areas for which EC assistance is provided. In order to meet the very broad objectives of the IPA I, Multi-Annual Indicative Financial Frameworks (MIFFs) and Multi-Annual Indicative Planning documents (MIPDs)<sup>14</sup> were elaborated identifying country specific objectives and results.

In the Neighbourhood regions, the EU has supported inclusive economic development, and in particular private sector development, and employment, through SME development, with a focus on both macro, meso and micro level interventions, infrastructure development, support for job training and entrepreneurship through a range of policy initiatives, and financial support. The main relevant funds (from 2007-ongoing) include those from geographical instruments and programmes, i.e. the European Development Fund (EDF)<sup>15</sup>, the European Neighbourhood and Partnership Instrument (ENPI)<sup>16</sup>, the Development Cooperation Instrument (DCI)<sup>17</sup>, though DCI and DCI won't be part of the scope of this evaluation.

The evaluation is foreseen as a retrospective assessment to appreciate to which extent the challenges related to strengthening country competitiveness and enhance SME development have been addressed in the framework of past EU cooperation.

This evaluation will not only help evaluate the impact and outcome of IPA and ENPI funding along the criteria of the Better Regulation guidelines<sup>18</sup> (relevance, efficiency, effectiveness, coherence and EU value added) and two additional OECD-DAC criteria (impact and sustainability). It will also aim at providing guidance on how to improve programming and execution of the upcoming reform programs. It is for this reason that the evaluation will be forward looking in nature, with greatest focus on improving the policy dialogue and enhancing the ability to collect evidence for decision making and enhance the capacity in terms of thematic support, under the responsibility of the centre of thematic expertise dedicated to "economic governance". Practices of Budget support operations related to reforms of the

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<sup>8</sup> <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2014:077:0095:0108:EN:PDF>

<sup>9</sup> [http://eacea.ec.europa.eu/tempus/documents/tempus\\_ipa.pdf](http://eacea.ec.europa.eu/tempus/documents/tempus_ipa.pdf)

<sup>10</sup> <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52008DC0394&from=EN>

<sup>11</sup> [https://ec.europa.eu/europeaid/policies/european-development-policy/agenda-change\\_en](https://ec.europa.eu/europeaid/policies/european-development-policy/agenda-change_en)

<sup>12</sup> <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX%3A52014DC0263&qid=1400681732387&from=EN>

<sup>13</sup> [http://eacea.ec.europa.eu/tempus/documents/tempus\\_ipa.pdf](http://eacea.ec.europa.eu/tempus/documents/tempus_ipa.pdf)

<sup>14</sup> [http://ec.europa.eu/enlargement/news\\_corner/key-documents/index\\_en.htm?key\\_document=080126248ca659ce](http://ec.europa.eu/enlargement/news_corner/key-documents/index_en.htm?key_document=080126248ca659ce)

<sup>15</sup> [https://ec.europa.eu/europeaid/funding/funding-instruments-programming/funding-instruments/european-development-fund\\_en](https://ec.europa.eu/europeaid/funding/funding-instruments-programming/funding-instruments/european-development-fund_en)

<sup>16</sup> [https://ec.europa.eu/europeaid/funding/european-neighbourhood-and-partnership-instrument-enpi\\_en](https://ec.europa.eu/europeaid/funding/european-neighbourhood-and-partnership-instrument-enpi_en)

<sup>17</sup> [https://ec.europa.eu/europeaid/how/finance/dci\\_en.htm\\_en](https://ec.europa.eu/europeaid/how/finance/dci_en.htm_en)

<sup>18</sup> [http://ec.europa.eu/smart-regulation/guidelines/toc\\_guide\\_en.htm](http://ec.europa.eu/smart-regulation/guidelines/toc_guide_en.htm)

business environment and structural reforms in the neighbourhood regions will be explored in order to strengthen the quality of the evaluation findings.

### 1.3 DESCRIPTION OF THE INITIATIVE/INTERVENTION LOGIC

SME competitiveness and Private sector development (PSD) encompass a multitude of activities and cross over a broad range of economic sectors.

Five key areas of Commission intervention are:

- Support to governments to improve the necessary regulatory framework, and institution building related to PSD;
- Investment and inter-enterprise co-operation promotion activities;
- Facilitation of investment financing and access to financial markets, in general;
- Support for small and medium-sized enterprises (SMEs) in the form of nonfinancial services;
- Support for micro-enterprises.

Key elements include:

- Support for MSMEs;
- Support for private sector representative organisations;
- Fostering partnerships and knowledge/technology transfer between enterprises to improve enterprise competitiveness;
- Improvement of labour skills; increasing investment flows;
- Supporting institutional and regulatory reform and legal/tax frameworks, to enhance the business environment;
- Support for access to finance for enterprises and the fostering of a reliable banking system;
- Aid for restructuring and privatisation of firms.

The enlargement strategy 2013-14 proposed a new approach to help the enlargement countries tackle, among others, the economic fundamentals first and meet the economic criteria. Countries have been asked to strengthen their medium-term economic programmes, by putting more emphasis on the sustainability of their external position and on the main structural obstacles to growth, in line with Europe 2020 Strategy<sup>19</sup>. In addition, the countries were invited to enhance economic policy and its governance through the co-ordinated preparation and submission of an Economic Reform Programme (ERP), addressing both the overall macroeconomic policy and the sector reforms to also enhance competitiveness and growth perspectives, which addresses the most relevant issues that are in line with national priorities and jointly agreed recommendations. Moreover, the development of the private sector is linked to a number of policy areas covered by the Western Balkans Investment Framework (WBIF)<sup>20</sup>, a blending financial instrument established in 2009, including enterprise policy, public administration reform and infrastructure development. In particular the Western Balkans Enterprise Development & Innovation Facility (EDIF) is a new EU-funded initiative aiming at improving access to finance for small and medium-sized enterprises in the Western Balkans, helping to develop the local economy as well as the regional venture capital markets. It promotes policy reforms aimed to improve SME access to credit through dedicated financial vehicles. Approximately €145 million in of initial capital pulled together under this Facility by the EC, IFIs, governments of beneficiary economies and bilateral donors will translate into over €300 million of direct financing available for SMEs in the region. Within the WBIF, only EDIF and the Regional Energy Efficiency Programme for the Western Balkans (REEP) are looking at the longer term sustainability. Both regional facilities have been constructed such that some activities are provided with finance immediately and some activities have a longer term perspective. For example, the EDIF has an expansion fund for high growth Small and Medium-sized Enterprises (SMEs) and an innovation fund for seed capital. Before the EDIF was launched, there was no concept of seed capital. A complementary pillar is looking at the regulatory environment so that seed capital companies could be created and be sustained in the longer term. A similar situation can be recognised in REEP with two financing windows

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<sup>19</sup> Europe 2020 Strategy [http://ec.europa.eu/europe2020/index\\_en.htm](http://ec.europa.eu/europe2020/index_en.htm)  
<sup>20</sup> <https://www.wbif.eu/>

supplemented by one policy window (which looks partially at creating a policy framework for the creation of energy companies).

The EU's objective of developing a special relationship with its neighbouring countries, aiming to establish an area of prosperity and good neighbourliness is enshrined in Article 8 of the Treaty on European Union. The revised European Neighbourhood Policy (ENP), using all policy instruments at the EU's disposal, is the framework within which the EU works together with its partners. Key ENP objectives include increasing inclusive and sustainable development, progressive economic integration in the EU market through various bilateral agreements, notably Deep and Comprehensive Free Trade Areas (DCFTAs). A strong link needs to be ensured between the priorities of the bilateral and regional programmes and those of the Neighbourhood Investment Facility (NIF). The NIF notably promotes smart, sustainable and inclusive growth through support to small and medium sized enterprises, to the social sector, including human capital development, and to municipal infrastructure development.

#### **1.4 IMPLEMENTATION – STATE OF PLAY**

Small companies face multiple challenges: they struggle to grow-up, to innovate, to access financial and non-financial services, to integrate in global value chains and, to internationalise their business even with an open and fair trade framework in place. Going international may help increasing SMEs' performance, enhance competitiveness, and reinforce sustainable growth.

The European Commission's priority is to ensure that enterprises can rely on a business-friendly environment and make the most out of the growing markets outside the EU. Indeed, developing and emerging markets are expected to account for 60% of world GDP by 2030 and given increased market integration, SMEs can play an important role in global value chains.

To date, Enlargement countries, and especially the Western Balkan ones, specifically face major structural economic challenges of high unemployment<sup>21</sup>, low foreign direct investment and low levels of competitiveness.

Across both the Eastern and the Southern Neighbourhoods, the economic environment has remained challenging. Economic growth in most partner countries remained weak, as a result not only of the recession period and of high political and security instability, but also of the lack of progress on structural reform, insufficient export diversification and reduced access to finance.

#### **1.5 EVALUATION AND MONITORING PROVISIONS**

##### **1.5.1 Monitoring Provisions**

IPA I/II and ENPI/ENI projects are subject to the results-oriented monitoring system (ROM). ROM monitoring reports will be used by the evaluators during the Inception and Desk phases and to prepare the field missions.

##### **1.5.2 Previous evaluations and other reports**

The evaluation will take into account the following documents:

- Stronger Role of the Private Sector in Achieving Inclusive and Sustainable Growth<sup>22</sup>
- Small Business Act<sup>23</sup> and related implementation assessments for the Western Balkan countries and Turkey, for Eastern Partnership countries as well as for the Southern Mediterranean countries covered by the ENP.
- DG ECFIN (EC) assessments – Economic and Fiscal Programmes/Pre-Accession Economic Programmes.
- World Bank –Regular regional Economic Reports
- Economic Reforms Programmes (for reference "Joint conclusions of the Economic and Financial Dialogue between the EU and the Western Balkans and Turkey"<sup>24</sup>)

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<sup>21</sup> An average of 21% on average in the Western Balkans according to Enlargement Strategy 2014: COM(2014) 700 Final

<sup>22</sup> <http://ec.europa.eu/transparency/regdoc/rep/1/2014/EN/1-2014-263-EN-F1-1.Pdf>

<sup>23</sup> [http://ec.europa.eu/growth/smes/business-friendly-environment/small-business-act/index\\_en.htm](http://ec.europa.eu/growth/smes/business-friendly-environment/small-business-act/index_en.htm)

<sup>24</sup> <http://data.consilium.europa.eu/doc/document/ST-8603-2015-INIT/en/pdf>

- Progress reports<sup>25</sup> for enlargement countries
- Annual ENP packages.
- The policy framework for the European Neighbourhood Instrument
- The policy framework for the Western Balkans Enterprise Development & Innovation Facility (WB EDIF)
- Association Agreements (AAs) and Deep and Comprehensive Free Trade Areas (DCFTAs).
- Strategic evaluation of Private Sector Development interventions
- Private Sector Development capitalisation exercise
- Meta evaluation of budget support
- Third Interim evaluation of IPA assistance
- Evaluation of Trade Related Technical Assistances

## **2. SPECIFICATIONS OF THE ASSIGNMENT**

### **2.1 BENEFICIARIES AND STAKEHOLDERS**

The beneficiaries of this evaluation are the beneficiary countries of IPA and EN(P)I funding and the European Commission DG NEAR.

National stakeholders include (non-exhaustive list)

- National IPA coordinators (NIPAC);
- Financial authorities, Relevant Ministries such as the Ministry of Finance, the Ministry of Economic Development, the Ministry for Innovation and Public Administration; Economic and Finance Committee of the Parliament;
- Central banks, the financial institutions and the National Statistical Offices
- Sector regulators, Competition and State aid authorities.
- Private sector representative institutions and think tanks
- Trade Promotion Agencies

International Stakeholders (non-exhaustive list)

- The European Commission
- The World Bank
- International Finance Corporation (IFC)
- The European Central Bank (ECB)
- The European Investment Bank (EIB)
- The European Bank for Reconstruction and Development (EBRD)
- The Organisation for Economic Co-operation and Development (OECD)
- KfW Development Bank
- The Regional Cooperation Council (RCC)
- Civil Society Organisations (CSOs)
- Regional Cooperation Council
- Accelerate your Cooperation Project in the Mediterranean, ANIMA Investment Network

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<sup>25</sup> [http://ec.europa.eu/enlargement/countries/strategy-and-progress-report/index\\_en.htm](http://ec.europa.eu/enlargement/countries/strategy-and-progress-report/index_en.htm)

## 2.2 GLOBAL OBJECTIVE OF THE EVALUATION

DG NEAR will undertake Ex Post Mixed thematic evaluation on SME competitiveness and its findings and recommendations will feed into the Mid-term review of the Union's instruments for financing external actions (IPA and ENI) to be finalised by December 2017<sup>26</sup>. Some remarkable practices of budget support on Private Sector Development in the neighbourhood regions will be subject of the evaluation.

The evaluation shall assess:

- The performance of assistance according to the relevance, efficiency, effectiveness, impact, sustainability, coherence and EU value added of IPA and ENPI/ENI programmes that target competitiveness and growth both at the programming and at implementation level, looking at the good/bad practices in terms of the operation (the size of the projects, implementation modality, flexibility) as well as in terms of content (relevance of interventions, correctness of intervention, etc.).
- The relative performance/adequacy of the different aid delivery methods used in addressing the different dimensions of intervention.
- The quality of the monitoring systems in place in terms of the used indicators and official statistics, monitoring mechanisms of results, links with the evaluation function.
- Assess ability of DG NEAR to coordinate its interventions with International Financial Institutions (namely, the European Investment Bank, the European Bank for Reconstruction and Development, the International Finance Corporation, the World Bank, Agence française de développement, etc.), International Organisations (the Organisation for Economic Co-operation and Development and others) as well as local Financial Intermediaries (including commercial banks and non-banking financial institutions). Best practices shall be identified and presented.
- Propose key areas in which future work is required.
- Assess coherence and complementarity between different modalities of intervention, policy dialogue and other policies/measures implemented by the EU or other partners in this area.
- The approaches which work well within projects of SME competitiveness and PSD.
- The set of used aid delivery methods.
- The Internationalization process.

## 2.3 SCOPE OF THE EVALUATION, SPECIFIC OBJECTIVES

*Specific objectives:*

1) To provide a judgment on the performance of the efficiency, effectiveness, impact, sustainability, relevance, coherence and EU added value of assistance based on SME competitiveness and Private Sector Development. The judgment for each evaluation criteria should differentiate two levels of sources of evidence and analysis:

- At the programming level
- At the implementing level

2) Based on the relevant findings, conclusions and lessons learned as per the above objectives to provide relevant operational recommendations for:

- The future programming of EU assistance falling under competitiveness and growth/support to Private Sector Development. It can provide good practices which can be recommended for upcoming assistance, and 'weaknesses' as 'negative' programming examples.
- The cooperation with other actors in the field of enterprise development and innovation facility.
- The key policy priorities within SME competitiveness and Private Sector Development sectors.
- Relevant practices on cross-cutting issues, such as environment & climate change and equal opportunities.

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<sup>26</sup>

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2014:077:0095:0108:EN:PDF>

- Areas that do not require the involvement of EU assistance because they are well covered by other donors or require partial assistance to be coordinated with other donors present in the field;
- Improvement of the monitoring and evaluation frameworks, namely with regards to appropriate indicators.
- Strengthened thematic support on economic governance/competitiveness through DG NEAR centres of expertise.

It is important to keep in mind the different policy contexts and EU strategic objectives, policies and tools between Enlargement and Neighbourhood countries, both in the past and presently in place, when carrying out the evaluation. At the same time, despite the differences, it is believed that interesting lessons and best practices can be learned from the different countries/regions/instruments which will provide for useful cross-fertilisation between them.

## **2.4 REQUESTED SERVICES, EVALUATION QUESTIONS, METHODOLOGY AND QUALITY CONTROL**

### **2.4.1 Requested services**

The evaluation shall cover the main beneficiaries of DG NEAR assistance. A sampling methodology should be applied based on a pre-selection of the EUDs in the sample countries. A non-exhaustive list of relevant projects is enclosed in Annex 1 and should be assessed by the evaluators. Based on the received project lists the evaluators should harmonise the approach across the sample countries and propose a final list of sample projects. Key factors that led to project selection include: projects should be from Competitiveness and PSD sectors; there should be both projects preferably with higher budget/complexity and lower quality of implementation. Likewise, projects should preferably be completed. Furthermore, projects which are at different stages in the project cycle can be assessed as well.

Apart from comparing actual results to initial ones, to the possible extent looking at relevant indicators set out at the design stage, the assessment of impact has to provide concrete quantitative indications of the impact brought about by EU assistance. This means that when comparing the impact, it should be taken into account the average costs incurred to achieve that level of impact. The evaluators will provide relevant findings, conclusions and lessons learned as well as operation recommendations improving the programming and performance of IPA II and ENI assistances.

More specifically, it will assess and map the most recent IPA, ENPI interventions in the period 2010-ongoing, as well as Multicountry projects and initiatives, which targeted the overall competitiveness of SMEs in IPA and ENI regions. It will evaluate past and on-going projects/programmes supporting, both directly and indirectly SMEs development, exploring synergies of interventions, looking at dimensions such as business environment, access to finance, access to relevant business development services, integration in global value chains and innovation. It will analyse selected case studies and/or "success stories" of SME investments & strategies which comply with environmental regulations and promote energy efficient technologies and/or aim at increasing the perception and importance of gender dimension, namely on entrepreneurship and R&D.

Little coordination between bilateral programmes and regional programmes and investment facilities may create some confusion among stakeholders concerning the range of instruments available for SME competitiveness and PSD support. This evaluation can come up with useful conclusions on the design and management of EU support to SMEs, especially in the light of an encompassing approach to this sector.

Hence, the outputs of the evaluation will be used to:

- Provide recommendations on DG NEAR's policy approach on issues of innovation and SME competitiveness;
- Contribute to the design of future competitiveness and private sector development programmes in order to strengthen economic integration between EU, IPA and ENI partner countries;
- Provide recommendations on the improvement of the monitoring and evaluation frameworks, namely in regards to the appropriate indicators that should be embedded in the project design and the appropriate project-level data collection mechanisms that would generate the data necessary to populate the indicators;

- Outline corrective measures, if applicable, on the way in which the Instrument for Pre-Accession Assistance (IPA)<sup>27</sup> and the European Neighbourhood Instrument (ENI)<sup>28</sup> are implemented and monitored.
- Feeding the overall evaluation of IPA II<sup>29</sup> and ENI<sup>30</sup> in the framework of the Mid Term Review, to be finalised in 2017.

## 2.4.2 Evaluation questions

As regards the evaluation questions, the evaluation will be based on the criteria endorsed by the OECD-DAC: relevance, efficiency, effectiveness, impact and sustainability, complemented by coherence and value added of EU assistance. The evaluation questions will be further refined during the inception phase.

*Question related to relevance, effectiveness, coherence and EU added value concern both periods; efficiency would concern the earlier period and only to the extent possible, also the latter period; while impact and sustainability only relate to the earlier period.*

Indicative evaluation questions:

### Relevance:

- How relevant is the EU assistance in view of the priority needs of the countries in the regions?
- To what extent is the EU intervention still relevant? To what extent have the (original) objectives proven to be appropriate for the intervention in question?
- How relevant where the different levels of intervention (macro, meso, micro), having regard to the needs?

### Effectiveness:

- How did EU assistance contribute to tangible improvements on the business environment and on supported companies? Alternatively how did it help narrow the gap between the beneficiary and the acquis?
- How did the assistance provided respond to the real needs, in terms of quality, timing and duration?
- How effectively had the priorities and needs of the beneficiary been translated into provisions of actual assistance?

### Efficiency:

- How well did projects aim at enhancing competitiveness and Private Sector Development work together to reach the EU policy objectives?
- How can programming of support to SMEs projects be enhanced to achieve strategic objectives more effectively and efficiently?
- What was the most efficient approach in the various projects? And why was it better? How was the programming different vis-à-vis the other projects?

### Impact:

- To what extent was the assistance to private enterprises or financial intermediary effective in job creation,
- To what extent was the assistance to innovative SMEs effective in achieving the desired results, namely on environmentally better products manufacturing, green technologies, energy-efficient building materials, energy and environment labelling products and services, intelligent heating and cooling systems and eco-friendly products? And what possibly hampered its achievement?

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<sup>27</sup> [http://ec.europa.eu/smart-regulation/roadmaps/docs/2017\\_near\\_001\\_evaluation\\_ipa2\\_en.pdf](http://ec.europa.eu/smart-regulation/roadmaps/docs/2017_near_001_evaluation_ipa2_en.pdf)

<sup>28</sup> [http://ec.europa.eu/smart-regulation/roadmaps/docs/2017\\_near\\_002\\_evaluation\\_eni\\_en.pdf](http://ec.europa.eu/smart-regulation/roadmaps/docs/2017_near_002_evaluation_eni_en.pdf)

<sup>29</sup> [http://ec.europa.eu/smart-regulation/roadmaps/docs/2017\\_near\\_001\\_evaluation\\_ipa2\\_en.pdf](http://ec.europa.eu/smart-regulation/roadmaps/docs/2017_near_001_evaluation_ipa2_en.pdf)

<sup>30</sup> [http://ec.europa.eu/smart-regulation/roadmaps/docs/2017\\_near\\_002\\_evaluation\\_eni\\_en.pdf](http://ec.europa.eu/smart-regulation/roadmaps/docs/2017_near_002_evaluation_eni_en.pdf)



- To which extent will the EU assistance have an overall positive effect on the facilitation of the Enlargement process in the Western Balkans and Turkey and on promotion of smart, sustainable and inclusive growth through support to small and medium sized enterprises?
- Which are the appropriate SMART indicators that should be embedded in the upcoming projects?
- Are both genders equally affected by these projects? If not, why? If so, was this due to a specific element in programming or implementation?

#### **Sustainability:**

- To which extent are the outcomes of the EU assistance likely to continue producing effects after the end of EU funding?
- How can the programming of such assistance be enhanced to improve the impact and sustainability of financial assistance?
- To what extent are the beneficiaries with strategic/policy and management responsibility have and still are, demonstrating ownership of the results?
- Is there enough ownership over R&D and innovation activities? If so, how was this managed? If not, why?
- To what extent are the impacts sustainable and what further improvements are needed? What are the factors that hampered the impact and sustainability of the assistance?

#### **Coherence**

- To what extent is the EU assistance coherent with other interventions which have similar objectives? To what extent is EU assistance coherent with other action on the field, such as SMEs support in relevant areas of the European programmes, namely the Seventh Framework Programme (7FP)<sup>31</sup> and the EU's Competitiveness and Innovation Framework Programme (CIP)<sup>32</sup>? Is EU assistance coherent?
- To which extent beneficiary and regional programmers were complementary and aligned with the enhancement of the Business Act?
- To what extent has the EU assistance enhanced the coherence and visibility of EU aid, and promoted innovative approaches?

#### **EU-Added Value:**

- What is the added value resulting from the EU interventions, compared to what could be achieved by the beneficiary countries at a more national and/or regional level without such interventions?
- Which areas do not require the involvement of EU assistance because they are well covered by other donors or require a partial assistance to be coordinated with other donors present in the field?
- As far as SME access to finance is concerned, what is the added value of the EU financing, compared to funds provided by IFIs and/or national financial institutions?

The evaluation questions may be further refined during the inception phase.

### **2.4.3 Methodology**

The methodology should be based on DG NEAR's Evaluation guide<sup>33</sup>; the Commission Better Regulation guidelines concerning conducting an evaluation<sup>34</sup>, the concept of the theory-based impact evaluations<sup>35</sup> and, if appropriate, on specific methods to measure the impact and the effect of interventions.

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<sup>31</sup> [https://ec.europa.eu/research/fp7/index\\_en.cfm](https://ec.europa.eu/research/fp7/index_en.cfm)

<sup>32</sup> <http://ec.europa.eu/cip/>

<sup>33</sup> DG NEAR's Evaluation guide is available at [http://ec.europa.eu/enlargement/news\\_corner/key-documents/index\\_en.htm](http://ec.europa.eu/enlargement/news_corner/key-documents/index_en.htm)

<sup>34</sup> Commission's evaluation guidelines are available at: [http://ec.europa.eu/dgs/secretariat\\_general/evaluation/documents\\_en.htm](http://ec.europa.eu/dgs/secretariat_general/evaluation/documents_en.htm)

<sup>35</sup> [http://ec.europa.eu/regional\\_policy/information/evaluations/guidance\\_en.cfm#2](http://ec.europa.eu/regional_policy/information/evaluations/guidance_en.cfm#2)

The contractor will have a free choice as to the methods used to gather and analyse information and for making the assessment, but must take account of the following:

- The evaluation must be based on recognised evaluation techniques and triangulation methods are required.
- Considerable emphasis should be placed on the analysis phase of the evaluation. In addressing the evaluation questions, quantitative indicators should be sought and used as far as possible. The contractor must support findings and recommendations by explaining the degree to which these are based on opinion, analysis and objectively verifiable evidence. Where opinion is the main source, the degree of consensus and the steps taken to test the opinion should be given.
- Thus, the Contractors are invited to include an outline of their proposed methodology to undertake this assignment as part of their offer, including comments on the scope of the service, on the proposed methodology, the evaluation questions and on the elaboration on judgement criteria to answer the evaluation questions.
- The final evaluation questions and methodology for this assignment will be completed and agreed upon during the inception phase. Advantages, limitations and risks involved in using the proposed tools and techniques should be explained. There should be a clear link between the evaluation questions addressed and the corresponding methodology proposed. The evaluation questions can be further elaborated, e.g. by providing operational sub-questions under each question.
- It is not expected that all individual measures of the initiative/intervention be assessed, but the sample of measures examined should be drawn up in a manner suitable for each evaluation question addressed, and should be such as to enable the evaluators to draw general conclusions on the measures.

The evaluation will be divided into four phases:

#### 1) Inception phase

During the Inception phase, the experts will have to get preliminary contacts, starting analysing the available documents, updating the methodological approach. More specifically, they will:

- Collect and analyse available relevant documentation; Desk Review of the documents which will be subject to evaluation;
- Fine tune the assessment approach and methodology: scope, evaluation questions, judgement criteria and indicators;
- Put forward a consultation strategy, indicating the different tools to be used to approach the different stakeholders (phone/email/face to face discussions; use of interviews, surveys, questionnaires and other tools, etc.)
- Defining the sample of the projects for each country which will be covered in the evaluation (IPA and ENI regions);
- Drafting and submitting of the inception report.

The draft inception report will be sent to key stakeholders (HQ, Delegations and beneficiary country NIPAC/NACs) for comments and discussed in a meeting of the Interservice Steering Group (ISG) with the evaluators, before final endorsement by the contracting authority DG NEAR A3 Unit.

#### 2) Desk Phase

During the desk phase the evaluators shall:

- Complete the collection of relevant documentation;
- Update the level of information by means of interviews, e-mail questionnaires or any other relevant tools with relevant actors (EC officials, Government officials, other stakeholders);
- Analyse the documentation in compliance with the evaluation questions;

- Elaborate preliminary findings, conclusions, according to the scope and the requirements of the ToR (Desk phase report).

A meeting between the ISG and the consultants may take place in Brussels at the end of the desk phase.

### 3) Field Phase

During the Field phase several beneficiary countries will be visited by the evaluators. The evaluators will meet with the EU and national stakeholders relevant for IPA projects (from 2010-ongoing) and for ENPI (from 2010-ongoing), which (in)directly target Competitiveness and Private Sector Development, and also for Multi-country projects in the two regions.

The field will include, whenever relevant, personal interviews in DG NEAR and in the EU Delegations (IPA and ENI region). Phone interviews can be also conducted with the relevant players in the beneficiary countries, beneficiaries' public administrations, etc. Email questionnaires and other tools may adequately complement the interviews and data collection.

### 4) Synthesis Phase

A stakeholders' workshop/s will be held towards the end of the field phase before the elaboration of the Draft Final report to discuss the findings and preliminary recommendations; The Draft Final report will be sent for comments to the stakeholders listed above before its finalisation.

This phase is mainly devoted to the preparation of the evaluation report based on the work done during the desk and field phases and taking into consideration the outcomes of the briefing meetings and the consultation with stakeholders.

Recommendations should address the weaknesses identified and reported. Recommendations should be clear, well structured, operational and realistic in the sense of providing clear, feasible and relevant input for decision making. Recommendations should not be general but should address the specific weaknesses identified, and should clearly indicate the measures to be undertaken. Presentation of best practices and success stories stemming from different countries and the use of different modalities/tools to enhance SME competitiveness and Private Sector Development objectives should be highlighted. Recommendations for action will be addressed to the Commission. However, where appropriate, the evaluator should specify the role of any actor other than the Commission, including beneficiary institutions, in implementing the recommendations.

The Draft Final report will be sent for comments to the ISG and to other the stakeholders consulted during the evaluation.

Dissemination seminars/conferences will be held in Brussels/Western Balkans region/ENI regions once the evaluation has been completed.

## 2.4.4 Quality control

### *Quality control by the evaluator*

The evaluator should ensure an internal quality control during the implementing and reporting phase of the evaluation. The quality control should ensure that the draft reports comply with the above requirements and meet adequate quality standards before sending them to stakeholders for comments. The quality control should ensure consistency and coherence between findings, conclusions and recommendations. It should also ensure that findings reported are duly substantiated and that conclusions are supported by the relevant judgement criteria.

### *Quality control by the Commission*

The launching and the implementation of the evaluation are supported by an advisory Inter-service Steering Group (ISG) that ensures the quality of the evaluation and has the following responsibilities:

- Guide the planning and implementation of the evaluation to comply with the quality standards and pre-determined criteria (it will be consulted on all draft report);
- Assist the evaluation manager (DG NEAR A3 Unit) in the implementation of the activities;
- Provide an assessment of the quality of the work of the consultant, including endorsement of the inception, interim and the final reports;
- Ensure a proper follow-up action plan after completion of the evaluation.

The ISG includes representatives from DG NEAR, Directorates A, B, C and from the Secretariat-General, DG COMP, DG GROW, DG DEVCO and EEAS.

In particular, the ISG will perform a Quality Assessment of the final evaluation report in accordance with the grid presented in an Annex of these TORs. The Quality Assessment by the ISG judges the external contractor's report and its overall process. It is the final "sign off" by the ISG of the contractor's work and includes a judgement on whether key aspects of the work conducted meet the required standards and provides any related comments.

Once this process is completed, DG NEAR Unit A3 will decide on the endorsement of the reports for distribution to stakeholders and later presentation by the evaluator.

#### **2.4.5 Sources of information**

The sources of information to be used by the evaluators include:

- EU programming and planning documents – Annual Enlargement strategy papers, Progress reports, Financing Agreements, Country Strategy Papers, Annual and Multiannual Sector programs, the Single Support Frameworks (SSFs), the Multi-annual Indicative Programmes (MIPs) and the Regional cooperation and other-multi country programmes;
- IPA and ENI annual reports, monitoring reports, ROM reports;
- 7FP and CIP reports;
- Organisation for Economic Co-operation and Development OECD<sup>36</sup> reports;
- Small and Medium-Sized Enterprises (SME) Policy Index;
- Project fiches of the mentioned projects;
- Monitoring reports and other evaluations;
- Available publications, surveys, reviews and reports from stakeholders;
- Any other source of information the evaluators consider relevant;

All programming and strategic documents can be found on the DG NEAR internet site. The updated project fiches, monitoring reports and other relevant evaluations should be collected from the Commission and beneficiaries.

#### **2.4.6 Risk and assumptions**

Risks and assumptions cannot be listed exhaustively. It is assumed that services within both the Commission and the implementing authorities of the beneficiaries accept the evaluation as an integral part of the programme/project cycle management and are committed to provide the necessary information, and will subsequently act on recommendations and findings, as well as provide the follow-up information to the Commission.

The following are additional relevant assumptions for the above evaluations:

- Monitoring data is available on time and provide sufficient and adequate information;
- Access to requested documentation and information on the programmes is ensured by the Commission, national authorities and the project beneficiaries;
- The EU Delegations staff and implementing parties is regularly informed on objectives and methods of this evaluation, in order to ensure their full cooperation.

In the event that one or several of the above assumptions prove to be untrue, the evaluator should immediately inform the Contracting Authority. The evaluators will also report any limitations to the evaluations due to insufficient collaboration from key stakeholders.

### **2.5 REQUIRED OUTPUTS**

#### **2.5.1 General reporting requirements**

The outputs of this evaluation are represented by:

- An Inception Report;
- An Interim Report;

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<sup>36</sup> <http://www.oecd.org/>

- A Final Report, including a synopsis on the consultation process with stakeholders.

The reports shall be presented in the English language. The Executive Summary will be also produced in the French language.

All draft reports will be submitted to the EC project manager in electronic form by e-mail. No hard copies will be required. All electronic versions have to be submitted in format compatible with MS Office software. The EC reserves the right to request the necessary additional revisions of the reports in order to reach an appropriate outcome and quality control requirements.

### **2.5.2 Inception Report**

The Inception report will detail the final methodology, evaluation questions and judgement criteria, sources of information, timetable of the assignment and documents required and a tentative list of contacts to be met. The report must as a minimum provide:

- A summary of the objectives, scope and outputs of the evaluation;
- The population and the sample of the countries to be visited and of the projects to be covered including a description of the methodology used to establish the sample;
- The final evaluation questions, methodological approach, including the judgement criteria to be used and sources of information, samples of the questionnaires, etc.;

It shall not exceed 20 pages, annexes excluded

### **2.5.3 Interim Report**

The Interim report is to be produced towards the end of the field phase, and should as a minimum provide:

- An overview of the status of the evaluation;
- An assessment of the data, whether it meets expectations and will provide a sound basis for responding to the evaluation questions;
- A description of problems encountered and solutions found;
- A conclusion whether any changes are required to the work plan, or any other solutions should be sought in order to ensure that the required results of the evaluation are achieved;
- A proposal for the final structure of the Final Report

It shall not exceed 10 pages, annexes excluded

### **2.5.4 Document to be used for the stakeholders consultation at the workshop in Brussels**

The document to be used for the stakeholders consultation, max 20 pages, should present preliminary findings, conclusions and recommendations, including some open questions to provide structure for the possible inputs and to guide those wanting to contribute. The document needs to cover the evaluation criteria: effectiveness, efficiency, relevance, coherence, impact, sustainability and EU added value.

### **2.5.5 Final Report**

The Final report should address the specific objectives set out above, provide a judgment of the performance of the EU assistance instruments and offer recommendations for policy creation. It should include an overview, an executive summary, main findings, conclusions and recommendations.

The final report should specifically answer each of the evaluation questions and address the defined scope. The content and the format of the final report shall be elaborated and approved in the interim report.

The main part of the report, containing the analysis, the conclusions and the recommendations should be not more than 60 pages. The annexes must collate the technical details of the evaluation, and must include questionnaire templates, interview guides, any additional tables or graphics, and references and sources.

In addition, the Contractor should provide an abstract of no more than 200 words and, as a separate document an executive summary of maximum 6 pages. The purpose of the abstract is to act as a reference tool helping the reader to quickly ascertain the evaluation's subject. An executive summary is

an overview, which shall provide information on the (i) purpose of the assignment, (ii) methodology / procedure / approach, (iii) results / findings and (iv) conclusion and recommendations.

The Final report, the abstract and the executive summary should be provided in English. The executive summary and the abstract should be also provided in French.

The Contracting Authority will publish the Final Report, the Executive Summary, the Abstract, the annexes and the Quality Assessment Grid<sup>37</sup> providing assessment of the evaluation final report on the Commission's website.

In view of its publication, the final report by the contractors must be of high editorial quality. In cases where the contractor does not manage to produce a final report of high editorial quality within the timeframe defined by the contract, the contracting authority can decide to have the final report professionally edited at the expense of the contractor (e.g. deduction of these costs from the final payment)." This would be fully in line with Recommendation No. 6 of the Commission's Clear Writing Task Force<sup>38</sup>.

### **2.5.6 Progress Reports**

The Contractor will deliver Progress Reports at invoice intervals (in 3 hard copies and electronic version). They should bear record about the assignment. It should describe in a concise and structured way how the above described "required services" are being fulfilled (max 8 pages). In annex, it will include additional details as necessary.

The Contractor will report particularly on difficulties encountered and mitigation measures taken or suggestions to changes required to the work plan to ensure that the required results of the evaluation are achieved. The ISG might call for a meeting if the Progress Report raises concerns about progress of the works.

## **3. EXPERT PROFILE**

### **3.1 PROFILE AND EXPERTISE REQUIRED**

The Consultant shall provide an appropriate team of experts to complete the requested evaluation. The contract will entail a global price.

The contract requires the following categories of expertise:

#### Senior Expert (Team leader):

- University degree, preferably in social sciences or seven years of equivalent professional experience
- Minimum of 10 years post-degree relevant professional experience in evaluation, project management, performance audit, monitoring or academic research, including at least 5 years on evaluation;
- Advanced knowledge and experience in the development field.

#### Senior Expert 2

- University degree, preferably in Engineering or Economics or seven years of equivalent professional experience;
- Minimum of 8 years of post-degree relevant professional experience on private sector development issues;

#### Three Junior Experts:

- Minimum of 3 years post-degree relevant professional experience in evaluation, project cycle management, performance audit, monitoring or academic research.
- Strong knowledge of data processing in statistics for at least one of them is a requirement

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<sup>37</sup>

Annex II of these TORs

<sup>38</sup>

See page 4 of report available

[http://www.cc.cec/dgintranet/europeaid/resources/infrastructures/translation/documents/clear\\_writing\\_report\\_en.pdf](http://www.cc.cec/dgintranet/europeaid/resources/infrastructures/translation/documents/clear_writing_report_en.pdf)

The minimum requirement for the team as a whole are:

- Excellent oral and writing skills in English (all experts);
- Experience with Budget Support;
- Previous experience in the context of project evaluation and study in SME competitiveness and Private Sector Development;
- Knowledge of the Enlargement and Neighbourhood environment;
- One expert has to have working knowledge of French language;
- Two experts should have command of the Serbian and/or Croatian and/or Bosnian and/or Turkish and/or Albanian language(s).

The following would be considered as assets:

- Knowledge of languages spoken in Neighbourhood and Enlargement regions;

CVs must be attached to the tender bid for all experts. The technical proposal should include a table showing how the proposed key experts, both as a whole and for each individual expert, meet the above requirements.

	Team leader	Senior Expert	Junior Expert	Junior Expert	Junior Expert
	Mandatory requirements				
N+1					
N+2					
	Assets/advantages				
N+1					
N+2					

The technical proposals which do not meet the minimum requirements for the experts will be rejected.

The Contractor shall ensure that experts are adequately supported and equipped. In particular, sufficient administrative, secretarial and interpreting resources, as well as junior experts, must be available to enable senior experts to concentrate on their core evaluation tasks.

### 3.2 NUMBER OF REQUESTED EXPERTS PER CATEGORY AND NUMBER OF MAN-DAYS PER EXPERT

Five experts are requested for this assignment.

The experts will be expected to be available for the whole duration of the assignment. It is expected that the assignment will require 200 working days.

Expert	Working days	ENI	IPA
Team leader	60	15	45
Senior expert	50	12	38
Junior expert n. 1	30+30+30	8	22
Junior expert n. 2		8	22
Junior expert n. 3		8	22

### 3.3 WORKING LANGUAGE

The main working language of the assignment is English. At least one of the team members has to have working knowledge of French.

### 3.4 CONFLICT OF INTEREST

The contractor is responsible for carrying out an independent evaluation. Evaluators must be strictly neutral. Conflicts of interests must be avoided. The experts carrying out the evaluation shall have no involvement with the projects subject of this exercise. More specifically, the experts must fulfil the following criterion:

- No previous involvement in programming and/or implementation of EU assistance which will be evaluated as part of this evaluation;

The offers including one or more experts not meeting the above independence criteria will be rejected. The Contracting Authority requests the signed objectivity confidentiality and conflict of interest declaration to be submitted before the evaluation is launched.

## 4. ORGANISATION, TIMETABLE AND BUDGET

### 4.1 ORGANISATION

The contract will be managed by Unit A3 of the European Commission Directorate-General for Neighbourhood and Enlargement Negotiations.

It is important to note that the present assignment will be funded from two sources – IPA and ENI. Due to this, two separate Requests for services have to be launched, involving the same companies. Nevertheless, at the end of the tendering process, only one contract will be issued, covering both IPA and ENI sources. Please note that this separation between IPA and ENI sources of funding should be respected in all financial and contractual reporting, as per the requirements in point 3.2 and point 6.1 of these Terms of Reference.

A Steering Group will be involved in the management of the evaluation. The responsibilities of the Steering Group will include:

- establishment of the Evaluation Roadmap;
- establishment of the Terms of Reference;
- providing the external evaluator with access to information;
- supporting and monitoring the work of the external evaluator;
- assessing the quality of the reports submitted by the external evaluator, while ensuring that the Contractor's independence is not compromised.

### 4.2 MEETINGS

It is expected that the contractor participate in 5 meetings in Brussels with the ISG. For these meetings, **minutes should be drafted by the contractor**, to be agreed among the participants. In addition to these meetings a workshop may be organised at the end of the field phase and possibly a dissemination event at the end of the evaluation, both in Brussels.

### 4.3 TIMETABLE AND PLANNING

The indicative starting date is **January 2016**. The contract will start after both parties have signed it. The period of execution of the contract is **13 months**. The expected duration of the assignment is 13 months. The Assignment should be finalised by **January 2017**

The following outline work plan and indicative timetable are envisaged. This indicative planning will be confirmed in the Inception Report. The revised planning to be presented and agreed in the Inception report should indicate which countries, EU Delegations and NIPAC/NACs will be visited during field work.



Phase/Activity	Month
Kick off meeting in Brussels	January 2016
<b>Inception phase</b>	
- Draft Inception report- meeting with ISG	Mid-February 2016
- Final Inception report	Mid-March 2016
<b>Desk Phase</b>	Mid-March – End April 2016
- Possible ISG meeting at end of Desk phase	End April
<b>Field Phase</b>	May-July 2016
- Interim report/Document for the stakeholders consultation at the workshop	Mid-June 2016
- Workshop in Brussels on preliminary findings and conclusions	July 2016
<b>Synthesis phase</b>	September-December 2016
- Synopsis of the consultation with stakeholders	
- Draft Final Report	Mid-September 2016
- Final report including required translations	End October 2016
- Quality Assessment by ISG on the Final Report	End November 2016
	December 2016
Dissemination event of the Final Report in Brussels	January 2017

#### 4.4 LOCATION OF ASSIGNMENT

The desk research will be performed at the Consultant's office. The field research will take place mainly in Brussels, IFI's Headquarters, IPA beneficiary countries and selected ENI partner countries to be agreed during the inception phase. No travel expenses will be reimbursed in relation to desk work. Meetings in Brussels will take place at the beginning and end of the desk phase, with the presence of the team leader (other experts as appropriate).

#### 4.5 BUDGET

The estimated maximum budget for the evaluation of the action, covering all the results to be achieved by the contractor as listed above, is **EUR 229.000** split by instrument, namely IPA Fund (EUR 172.000) and ENI Fund (EUR 57.000). The offer and the invoices should show costs broken down by instrument.

The contractor should submit one technical offer, covering both IPA and ENI. As for the financial offer, the contractor is requested to prepare a global financial offer, divided between IPA and ENI, clearly indicating what is funded by ENI and IPA sources in accordance with point 3.2 and point 6.1 of these Terms of Reference.

Separate invoices should be issued for the costs incurred under ENI and IPA budget sources in accordance with point 3.2 and point 6.1 of these Terms of Reference.

The modality of the payment shall be global price.

### 5. REPORTING

All the reports and expected outputs shall be produced in excellent English, using the appropriate style and structuring the text in a clear and concise way. All draft reports will be submitted to DG NEAR A3 evaluation project manager (the contracting Authority) in electronic form by e-mail and in a format compatible with MS Office software. The EC reserves the right to request the necessary additional revisions of the reports in order to reach an appropriate outcome and quality control requirements.

The **draft Inception Report** has to be submitted no later than 5 weeks from the Kick off meeting in Brussels. Feedback will be provided by the ISG in maximum 2 weeks and the revised version of the report should be submitted in 1 week by the Contractor to DG NEAR A3 for final approval.

The **draft Final Evaluation Report** will be submitted 4 weeks after the reception and consolidation of the responses to the Stakeholders workshop in Brussels by the contractor. The ISG and stakeholders will have maximum 3 weeks to provide feedback to the Contractor. The revision of the report and resubmission to DG NEAR A3 should be done in no longer than 1 week. The revised document must take into account the feedback from the ISG on the draft Final Report, insofar as these do not interfere with the autonomy of the Contractor in respect of the conclusions they have reached and the recommendations made. Upon approval of the report by the Contracting Authority (DG NEAR Unit A3), 3 hard copies of the final report will be delivered to the EC. The Final evaluation report should be usable for publication.

## 6. ADMINISTRATIVE INFORMATION

The contract will be based on **global price**.

### 6.1 Items to foresee under 'Reimbursable'

Travel and per diem costs may be included in the reimbursable costs if justified by the methodology (which will be finalised in the inception phase). The number of working days for each expert in different locations will also be based on the methodology. For the purpose of making an offer, the following travel information/translation cost should be taken into consideration:

- International travel to EU max. 15 return trips;
- International travel to IPA Region, max. 30 return trips;
- International travel to ENI Region, max. 10 return trips;
- Inter-city travel (IPA and ENI regions), max 20 trips;
- Per diems in Belgium, max. 14 per diems in case the experts are based outside of Belgium;
- Per diems in UK, Germany and France, max 7;
- Per diems in IPA Region max. 95 per diems
- Per diems in ENI Region max. 25 per diems
- Translation costs for the abstract of no more than 200 words and an executive summary of max 6 pages in French.

Item	IPA funded	ENI funded
International travels to Brussels (in case experts are based outside of Belgium): max 12 return trips	11	1
International travels to UK, Germany and France: max 3 return trips	2	1
International Travel to IPA and ENI countries, max 40 return trips	30	10
Inter-city travel within the IPA and ENI regions: max 20	18	2
Per diems in Belgium: max 14 (in case the experts are based outside of Belgium)	12	2
Per diems in UK, Germany and France: max 6	5	2
Per diems in IPA and ENI countries, max 120	95	25
Translation costs for the abstract of no more than 200 words and the executive summary of max 6	10.000 words	

pages in French		
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In the event that the totals for a particular line in the budget will/could be impacted as a result of any circumstances not foreseen in these terms of reference (inter alia implementing modalities agreed with the EC task manager), the contractor must alert the EC task manager. In any case, should any modification be required to the budget agreed at contract signature, these will have to be properly justified and will be subject to the ex-ante written approval in line with the general conditions (Art.20).

#### IMPORTANT REMARKS:

During all contacts with stakeholders, the consultant will clearly identify him/herself as independent consultant and not as official representative of the European Commission.

All reports shall clearly indicate the number of the contract on the front page and on each of the pages and carry the following disclaimer: *"This report has been prepared with the financial assistance of the European Commission. The information and views set out in this [report] are those of the author(s) and do not necessarily reflect the official opinion of the Commission. The Commission does not guarantee the accuracy of the data included in this study. Neither the Commission nor any person acting on the Commission's behalf may be held responsible for the use which may be made of the information contained therein"*. The report shall apply EC Visual Identity.

In accordance with Article 14 of the General Conditions of the Contract, whereby the Contracting Authority acquires ownership of all results as part of the current assignment, these results may be used for any of the following purposes:

- (a) use for its own purposes: made available to the staff of the contracting authority, to the persons and entities working for the contracting authority or cooperating with it, including contractors, subcontractors whether legal or natural persons, Union institutions, agencies and bodies, Member States' institutions, installing, uploading, processing, arranging, compiling, combining, retrieving, copying, reproducing in whole or in part and in unlimited number of copies,
- (b) distribution to the public: publishing in hard copies, publishing in electronic or digital format, publishing on the internet as a downloadable/non-downloadable file, broadcasting by any kind of technique of transmission, public presentation or display, communication through press information services, inclusion in widely accessible databases or indexes, otherwise in any form and by any method;
- (c) modifications by the contracting authority or by a third party in the name of the contracting authority: shortening, summarizing, modifying of the content, making technical changes to the content necessary correction of technical errors, adding new parts, providing third parties with additional information concerning the result with a view of making modifications, addition of new elements, paragraphs titles, leads, bolds, legend, table of content, summary, graphics, subtitles, sound, etc., preparation slide-show, public presentation etc., extracting a part or dividing into parts, use of a concept or preparation of a derivate work, digitisation or converting the format for storage or usage purposes, modifying dimensions, translating, inserting subtitles, dubbing in different language versions:
- (d) rights to authorise, license, or sub-license in case of licensed pre-existing rights the modes of exploitation set out in any of the points (a) to (c) to third parties.

Where the contracting authority becomes aware that the scope of modifications exceeds that envisaged in the contract or order form, the contracting authority shall consult the contractor. Where necessary, the contractor shall in turn seek the agreement of any creator or other right holder. The contractor shall reply to the contracting authority within one month and shall provide its agreement, including any suggestions of modifications, free of charge. The creator may refuse the intended modification only when it may harm his honour, reputation or distort integrity of the work. All pre-existing rights shall be licensed to the Contracting Authority. The contractor shall provide to the contracting authority a list of pre-existing rights and third parties' rights including its personnel, creators or other right holders.

The evaluation questions and methodology for this assignment may need to be further elaborated by the evaluator in the inception report. The contractor may suggest additional sub questions and should indicate success criteria, relevant indicators and the sources for the indicators/methodology for gathering necessary evidence. The sub questions break down the overall questions into more manageable issues, and allow for a structured and logical response to the higher level questions

Attention is drawn to the fact that the European Commission reserves the right to have the reports redrafted as many times as necessary, and that financial penalties will be applied if deadlines indicated for the submission of reports (drafts and final, in hard and electronic copy) are not strictly adhered to.

In addition, the contract can be discontinued whenever the quality of the deliverables is insufficient in light of these terms of reference and the quality assessment criteria presented in Annex II, and when the contractors have not taken the necessary steps to remedy the insufficiencies.

## Annex II - CHECKLIST – Quality Assessment for (Draft) Final Evaluation Reports

Quality Assessment for Evaluation XXXXXXXX [Draft] Final Report	
DG/Unit	[DG/Unit]
Official(s) managing the evaluation:	[Name(s)]
Evaluator:	[Company/name]
Assessment carried out by <sup>(*)</sup> :	
Steering group	[ ]
Evaluation Function	[ ]
Other (please specify)	[ ]
(*) Multiple crosses possible	
Date of assessment	[DD/MM/YYYY]

Objective of the assessment	Aspects to be assessed	Fulfilled? Y, N, N/A	Comments
1. Scope of evaluation	Confirm with the Terms of Reference and the work plan that the contractor		
	a. Has addressed the evaluation issues and specific questions	[ ]	
	b. Has undertaken the tasks described in the work plan	[ ]	
	c. Has covered the requested scope for time period, geographical areas, target groups, aspects of the intervention, etc.	[ ]	
2. Overall contents of report	Check that the report includes:		
	a. Executive Summary according to an agreed format, in the three languages	[ ]	
	b. Main report with required components	[ ]	
	<ul style="list-style-type: none"> <li>Title and Content Page</li> <li>A description of the policy being evaluated, its context, the purpose of the evaluation, contextual limitations, methodology, etc.</li> <li>Findings, conclusions, and judgments for all evaluation issues and specific questions</li> <li>The required outputs and deliverables</li> <li>Recommendations as appropriate</li> </ul>		
	c. All required annexes	[ ]	
3. Data collection	Check that data is accurate and complete		
	a. Data is accurate	[ ]	
	<ul style="list-style-type: none"> <li>Data is free from factual and logical errors</li> <li>The report is consistent, i.e. no contradictions</li> <li>Calculations are correct</li> </ul>		
	b. Data is complete	[ ]	

Objective of the assessment	Aspects to be assessed	Fulfilled? Y, N, N/A	Comments
	<ul style="list-style-type: none"> <li>Relevant literature and previous studies have been sufficiently reviewed</li> <li>Existing monitoring data has been appropriately used</li> <li>Limitations to the data retrieved are pointed out and explained.</li> <li>Correcting measures have been taken to address any problems encountered in the process of data gathering</li> </ul>		
4. Analysis and judgments	Check that analysis is sound and relevant		
	a. Analytical framework is sound	<input type="checkbox"/>	
	<ul style="list-style-type: none"> <li>The methodology used for each area of analysis is clearly explained, and has been applied consistently and as planned</li> <li>Judgements are based on transparent criteria</li> <li>The analysis relies on two or more independent lines of evidence</li> <li>Inputs from different stakeholders are used in a balanced way</li> <li>Findings are reliable enough to be replicable</li> </ul>		
	b. Conclusions are sound	<input type="checkbox"/>	
	<ul style="list-style-type: none"> <li>Conclusions are properly addressing the evaluation questions and are coherently and logically substantiated</li> <li>There are no relevant conclusions missing according to the evidence presented</li> <li>Findings corroborate existing knowledge; differences or contradictions with existing knowledge are explained</li> <li>Critical issues are presented in a fair and balanced manner</li> <li>Limitations on validity of the conclusions are pointed out</li> </ul>		
5. Usefulness of recommendations	a. Recommendations are useful	<input type="checkbox"/>	
	<ul style="list-style-type: none"> <li>Recommendations flow logically from the conclusions, are practical, realistic, and addressed to the relevant Commission Service(s) or other stakeholders</li> </ul>		
	b. Recommendations are complete	<input type="checkbox"/>	
	<ul style="list-style-type: none"> <li>Recommendations cover all relevant main conclusions</li> </ul>		
6. Clarity of the report	a. Report is easy to read	<input type="checkbox"/>	
	<ul style="list-style-type: none"> <li>Written style and presentation is adapted for the various relevant target readers</li> <li>The quality of language is sufficient for publishing</li> <li>Specific terminology is clearly defined</li> <li>Tables, graphs, and similar presentation tools are used to facilitate understanding; they are well commented with narrative text</li> </ul>		
	b. Report is logical and focused	<input type="checkbox"/>	

Objective of the assessment	Aspects to be assessed	Fulfilled? Y, N, N/A	Comments
	<ul style="list-style-type: none"> <li>▪ The structure of the report is logical and consistent, information is not unjustifiably duplicated, and it is easy to get an overview of the report and its key results.</li> <li>▪ The report provides a proper focus on main issues and key messages are summarised and highlighted</li> <li>▪ The length of the report (excluded appendices) is proportionate (good balance of descriptive and analytical information)</li> <li>▪ Detailed information and technical analysis are left for the appendix; thus information overload is avoided in the main report</li> </ul>		

Overall conclusion		
The report could be approved in its current state, as it overall complies with the contractual conditions and relevant professional evaluation standards	<input type="checkbox"/>	

## Annex 12 List of persons and organisations consulted

Name	Institution	Position
<b>Algeria</b>		
Manuela Navarro	EUD	Deputy Head of Section "Operations"
Ze Alves-Pereira	EUD	Attaché Économie & Finances
Amar Aouidef	EUD	Retired
Noureddine Boudissa	ALGERAC – Algerian Accreditation Body	Directeur Général
Abdelakared Farid Makhoulfi	ALGERAC – Algerian Accreditation Body	Assistant du Directeur General
Wafa Boulesnane	ALGERAC – Algerian Accreditation Body	Chef de Departement Laboratoires
Abdelouaheb Toubal	ALGERAC – Algerian Accreditation Body	Chef de Departement Certification
Ali Hamani	APAB - L'Association des Producteurs Algériens de Boissons	President
Meriem Bellil-Medjoubi	APAB - L'Association des Producteurs Algériens de Boissons	Executive Director
Abdelghani MEBAREK	Ministère de l'Industrie - DG PME	General Director
Abdelkader Ould Slimane	Ministère de l'Industrie - DG PME	Director
Hassiba Ouagueni-Mokhtari	Ministère de l'Industrie - DG PME	Counseling Expert SMEs
Abdelaziz Habili	ALGEX	Director
Rachid Aoussat	ALGEX	Deputy Director
Djilali Lebibat	P3A – Programme for the implementation of the Association Agreement	National Director
<b>Armenia</b>		
Aghabekyan, Tigran	EBRD, SME Finance and Development Group	Principal manager
Aramyan, Argam	State Chancellery, Foreign Aid Division, national coordination unit	??
Avagyan, Hakob	SME cooperation association	President
Chilingaryan, Varduhi	EBRD, SME Finance and Development Group	Analyst
Ciechanowski, Ludovic	EUD, Trade and Private Sector Development	Sector manager
Davtyan, Mariam	EIF – Enterprise Incubator Foundation	PPP project manager
Gevorgyan, Karen	SMEDC	Director
Näher, Eva Maria	GiZ; Support for SME development Armenia	Team Leader
Sarumova, Diana	EBA-European Business Association	Executive director
Simonyan, ??	UNIDO	??
Yengibaryan, Bagrat	EIF – Enterprise Incubator Foundation	Director
Xxx, Marko	EUD, Cooperation sector	??
<b>Bosnia and Herzegovina</b>		
Alagić, Ismar	Co-Bear (grantee)	Project manager
Bejić, Jozo	Federal Ministry of development, entrepreneurship and craft	Secretary
Buljan, Višnja	Federal Ministry of development, entrepreneurship and craft	Expert adviser
Čerić, Tarik	Department for EU Integration	??
Džiho, Sead	Federal Ministry of development, entrepreneurship and craft	Expert adviser
Fratita, Carmen	Sofreco (EUTPA project)	Team Leader
Grković, Vesna	EUD	Programme manager



Name	Institution	Position
Hasović, Zihinja	EBRD SME Finance and Development Group	Principal manager, advise for small business
Latinčić, Milka	RS Ministry of industry, energy and mining	Head of department
Merdžo, Josip	Institute for Intellectual Property	Director
Pašalić, Zenad	Zenička razvojna agencija (grantee)	Project manager
Rosić, Rade	RS Ministry of Economic Relations and Regional Cooperation, dept. for EU integration	Senior associate
Sarac, Jovan	Institute for Intellectual Property	Deputy director
Schroeder, Ulrich	Sofreco (EUTPA project)	Senior legal expert
Spaić, Sanja	EUD	Programme manager
Nebojša Zečević	Department for EU Integration	??
<b>Egypt</b>		
TORPPA Riikka	EUD	Programme Manager, Private Sector Development and Trade
Kareem ABDEL MONEM	EUD	Programme Manager – Economic Cooperation Section
Shereen El Sabagh	Ministry of Trade and Industry	Head of the Strategy and Policy Unit
Hossam Shaaban	Ministry of Trade and Industry - TDMEP	Programme Director (also in FG)
Hossam ElCheikh	Ministry of Trade and Industry - TDMEP	TDMEP Advisor
George Myrogiannis	Ministry of Trade and Industry - TDMEP	Team Leader – TDMEP-T
Steven Lee	Ministry of Trade and Industry - TDMEP	Team Leader – TDMEP-I
Amr Taha	Industrial Modernisation Centre (IMC)	National Coordinator and focal point for the Euro-Mediterranean Charter for Enterprise
Jacinto Fabiosa	USAID	Team Leader, Trade and Investment Team Office of Economic Growth
Dr. Alaa Ezz	Confederation of Egyptian European Business Associations	Secretary General
Zeinab El Sadr	Ministry of Scientific Research	FP7 National Coordinator NCP and INCO NCP, Executive Director for the RDI Programme
Ehab Abdel-Rahman, PhD	American University of Cairo (AUC)	Vice Provost
Sebastian Lesch	Embassy of the FRG, Cairo	Counsellor
Markus Donath	GIZ	Programme Coordinator
Walid Adbel-Rehi	KfW	Deputy Director
Rana Yacoub	KfW	Project Officer
Reem El Saady	EBRD Cairo	National Programme Manager
Chantal Sabbagh	EBRD Cairo	Analyst
Osman Basmah	FEI – Federation of Egyptian Industries	Senior Advisor (only in FG)
Mamdouh Abdelbary	GOEIC - General Organization for Export and Import Control	General Manager (only in FG)
Dalya Mokhtar	Ministry of Trade and Industry - TAS (Trade Agreement Sector)	Senior Economist (only in FG)
Mostafa Abdelhafez	Ministry of Trade and Industry - TAS (Trade Agreement Sector)	Trade Researcher (only in FG)
<b>Moldova</b>		
Amihalachioae, Cornelia	e-government center	Performance and social innovation officer/M&E coordinator
Arpintin, Veronica	EBRD, SME finance and development group	Principal manager, advice for small business
Badanova, Olga	Ministry of Economy, general department of business environment development and investments	Deputy director and head of division investment policy and competitiveness
Croitoru, Valentin		??

Name	Institution	Position
Darie, Andrei	EUD	Programme manager, support to confidence building measures programme
Dragutan, Victor	UNDP	Programme analyst inclusive growth cluster
Gluscenco, Oxana	??	??
Gurgurov, Petru	ODIMM	Legal and general adviser
Labanji, Iulia	ODIMM	General director
Manoil, Vlad	e-government center	Senior e-services manager
Milcova, Inna	Ministry of Economy, division of investment policy and competitiveness	Principal consultant
Murahovschi	EBRD, SME finance and development group	Project specialist
Popa, Alexandra	State Chancellery	Head of division policy coordination and strategic planning
Santens, Philip	TA for the implementation of DCFTA	Team Leader
Sili, Eugenia	ODIMM	Adviser on economic issues
Turcanu, Iurie	e-government center	Executive director; Advisor to the Prime Minister; Chief information officer
Vitez, Renata	EU high level advisers' mission	EU high-level adviser on economy and trade
<b>Serbia</b>		
Atanašković, Dane	Innovation Fund	Senior associate
Budimir, Branko	SEIO	Deputy Director
Despotović, Vera	Ministry of trade, tourism and telecom	Senior Advisor for Coordination and Improvement Intersectional and Regional Cooperation in the field of Market Surveillance
Jovanović, Vladimir	RAS- development agency of Serbia	Senior advisor project management department
Obradović-Jovanović, Katarina	Ministry of Economy	Assistant Minister
Popović, Biljana	EUD	Programme manager
Popović, Stefan	Innovation Fund	Program manager
Rakonjac, Ivan	Innovation Fund	Interim managing director
Suvakov, Dejan	EUD	Programme manager
Totić, Branka	Intellectual property office	Counsellor
Žegarac, Ana	RAS- development agency of Serbia	Senior advisor project management department
<b>Others</b>		
Baggioli, Andrea	DG NEAR A3	??
Barnard, Andrew	EEAS MENA 6	??
Borzillo, Gianpiero	DG NEAR C1	International aid/cooperation officer Neighbourhood East
Caperman, Bo	DG NEAR D5	Programme manager
Capurso, Fulvio	DG NEAR A3	Programme manager EU policies, Thematic support, Monitoring and evaluation
Casillas Vacher, Christophe	DG NEAR C3	??
Cheri, Rossana	DG NEAR A5	??
Como, Odoardo	DG NEAR A3	??
Crescimbeni, Silvia	DG NEAR B1	??
Crnjanski, Dragan	B & S consultants	Team Leader
De Smedt, Patrick	DG GROW H2 - Enterprise Europe Network	Deputy head of unit
Đurica, Dragana	RCC – Regional Cooperation Council	Senior expert on competitiveness
Hauf, Michaela	DG GROW A4	Policy officer Eastern Partnership

<b>Name</b>	<b>Institution</b>	<b>Position</b>
Johansson, Dag	DG Competition A5	Policy coordinator International relations
Lindstrom, Mattias	DEVCO C	??
Lopez Hernandez, Isabel	DG GROW A4	Assistant policy officer Eastern Partnership
Negut, Gabriele	DG NEAR A3	??
Nemeth, Istvan	DG GROW H2 - Enterprise Europe Network	Policy officer
Nino Page, Fernando	DG NEAR B2	??
Pellier, Isabelle	DG NEAR C2	??
Przyludzka, Dorota	DG GROW H2 - Enterprise Europe Network	??
Rojanski, Vladimir	DG NEAR B2	??
Rive, Charlotte	SG – C4	??
Santuccione, Lucia	DG NEAR C3	??
Schwaiger, Ingrid	DG NEAR B2	Deputy Head of Unit
Srbová, Klara	DG NEAR C2	??
Turdiu, Gazmend	RCC – Regional Cooperation Council	Deputy secretary general
Vossou, Eleni	DG NEAR	??
Vrethem, Karolina	DG NEAR A3	??
Vuori, Lea	DG NEAR C1	International aid/cooperation officer

## Annex 13 Bibliography

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#### Albania

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EC Report on Albania, 2010
Annual Progress Report on Albania, 2011
Annual Progress Report on Albania, 2012
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Multi-annual Indicative Planning Document (MIPD) 2009-2011 for Albania
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The Business and Investment Development Strategy for 2007-2013
The Business and Investment Development Strategy for 2014-20
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Economic Reform Programme 2015-17
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SBA factsheet 2014 Albania
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Doing Business, Albania, World Bank, 2015

#### Algeria

European Commission, Algeria: Country Strategy Paper (2007-2013) and National Indicative Programme (2007-2010)
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Conseil de Ministres, PROGRAMME DE DEVELOPPEMENT QUINQUENNAL 2010-2014

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COMMISSION DECISION of 21.12.2010 on the 2010 Annual Action Programme for Armenia
Action Fiche for Armenia AAP 2011 part 1 - Framework Programme in support of EU-Armenia agreements
ACTION FICHE FOR ARMENIA AAP 2011 PART II - Support to the Government of Armenia for the implementation of the ENP Action Plan and preparations for the future Association Agreement
Annual Action Programme 2012 in favour of Armenia (Support for Justice reform in Armenia - part II)
COMMISSION IMPLEMENTING DECISION of 2.8.2013 on the Annual Action Programme 2013 in favour of Armenia
COMMISSION IMPLEMENTING DECISION of 25.11.2013 modifying the Commission Implementing Decision C(2013) 5182 on the Annual Action Programme 2013 in favour of Armenia
COMMISSION IMPLEMENTING DECISION of 29.10.2014 on the Annual Action Programme 2014 in favour of the Republic of Armenia
Annual Action Programme 2015 in favour of the Republic of Armenia

Overall country-level Framework Agreements/MoU for GBS/SBS/SRC
JOINT STAFF WORKING DOCUMENT - Implementation of the European Neighbourhood Policy in Armenia Progress in 2013 and recommendations for action
Armenia development strategy 2014-2025

### **Bosnia and Herzegovina**

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EU Bosnia and Herzegovina Country Strategy Paper (2014-2017)
ERP -Economic Reform Programme 2015-2018
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BiH 2015 Progress Report
Enlargement Strategy 2010 – 2011.
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Social inclusion strategies for 2008-2013
Draft RS Strategy for SME and Entrepreneurship Development 2011-2013
An action plan for implementation of its current 2009-2012 SME Strategy.
Brčko District draft 2008 –2012 Development Strategy

### **Egypt**

Annual (Action) Programmes Egypt 2010-2015, 2010-2015
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Project / Action Fiches: Regional economic development, 2010, 2011, 2012, 2013, 2014; Economic development - Intellectual Property Rights (IPR), 2011; Trade and Private Sector Development, 2013
Action Plan of the Economic Vision of Kosovo 2011-2014
SMEs Development Strategy for Kosovo 2012-2016 with Vision 2020
Private Sector Development Strategy 2013 - 2017
National Development Strategy 2016 – 2021 (NDS)
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Economic Reform Programme 2016
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Monitoring Report MR-146973.01, Strengthening the Intellectual Property System in Kosovo
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### **Macedonia**

Multi-annual Operational Programme "HRD" 2007-2013, IPA Component IV
Instrument for Pre-Accession Assistance (IPA) Multi-annual Indicative Planning Document (MIPD) 2009-2011 The F.Y.R Macedonia
Instrument for Pre-Accession Assistance (IPA) Multi-annual Indicative Planning Document (MIPD) 2011-2013 The F.Y.R Macedonia
Indicative Strategy Paper for The F.Y.R. Macedonia (2014-2020)
IPA II (2014) The F.Y.R. Local and Regional Competitiveness
Operational Programme 2012 2013 on PSD
IPA national programme 2011 (Sector 3 PSD)
IPA national programme 2010
The Action Plan for improvement of the Competitiveness of the country
The national Industrial Policy development strategy 2009-2020
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Revised National Development Strategy for Small and Medium-Sized Enterprises (2002 – 2013)
Operational Plan for Active Labour Market Initiatives 2012-2013
National Strategy for Sustainable Development 2008-2030
National Programme for Scientific Research & Development 2013-2017
Action Plan for implementation of Strategy for South-eastern Europe 2020
Government Programme 2011-2015
Draft Country Strategy Paper 2014-2020
2015 SBA (Small Business Act) Fact Sheet Macedonia
Ex-ante evaluation of private sector development - SECTOR PLANNING REPORT (July 2014)

### **Moldova**

COMMISSION IMPLEMENTING DECISION of 1.6.2010 on the Annual Action Programme 2010 in favour of the Republic of Moldova
COMMISSION IMPLEMENTING DECISION of 13.7.2011 on the Annual Action Programme 2011 in favour of the Republic of Moldova
COMMISSION IMPLEMENTING DECISION of 3.8.2012 on the Annual Action Programme 2012 in favour of the Republic of Moldova
COMMISSION IMPLEMENTING DECISION of 5.8.2013 on the Annual Action Programme 2013 in favour of the Republic of Moldova
COMMISSION IMPLEMENTING DECISION of 16.7.2014 on the Annual Action Programme 2014 in favour of the Republic of Moldova
Special measure 2014 in favour of Georgia and Moldova
COMMISSION IMPLEMENTING DECISION of 16.10.2015 on the Annual Action Programme 2015 in favour of the Republic of Moldova
National Strategy for Regional Development 2010-2012 (NSRD) of February 2010

### **Montenegro**

Project Fiche 2010 – Support to Local Self-Government for implementation of the NTS and provision of grants to municipalities
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COMMISSION IMPLEMENTING DECISION of 4.10.2012 amending the Commission Implementing Decision of 14 November 2011 adopting a National programme for Montenegro under the IPA TAIB Component for the year 2011
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COMMISSION IMPLEMENTING DECISION of 10.12.2014 adopting an Annual Country Action Programme for Montenegro for the year 2014
MIPD 2008-2010
MIPD 2011-2013
Indicative Strategy Paper for Montenegro 2014-2020

SME Development Strategy 2011-2015
Sector Planning Document Competitiveness and Innovation Montenegro 2015 (for the period) 2014-2020
Strategy for Sustainable Economic Growth through the introduction of Business Clusters 2012-2016
Accession Programme of Montenegro 2014-2018
Montenegro Development Directions 2013-2016
Industrial policy until 2020 (under development)
Strategy of Montenegro for the Implementation of EU Acquis in the Area of Free Movements of Goods 2014-2018
Strategy of Development of Standardization in Montenegro 2015-2018
Strategy for Accreditation Development 2015-2018
Strategy of Metrology Development 2016-2018 (under early development, adoption planned till the end of December 2015)
Strategy for Regional Development of Montenegro 2014-2020
Competition Protection Strategy 2008-2010
National Market Surveillance Programme 2015
Tourism Development Strategy until 2020
Strategy on Scientific Research Activities 2012-2016
Strategy for Sustainable Economic Growth through introduction clusters 2012-2016
Strategy for Regional Development of Montenegro 2010-2014
Strategy of Attracting foreign direct investment 2013-2015
Strategy of Establishing a Certification body in Montenegro
Strategy for lifelong entrepreneurship learning 2014-2018 (adoption expected)
Strategy for Enhancement of Competitiveness at micro-level 2011-2015
Montenegro Development Directions 2013-2016
Strategy of development manufacturing industry 2014-2018
National Strategy for Intellectual Property Rights 2012-2015
2015 SBA Fact sheet for Montenegro)
Commission Opinion on Montenegro's application for membership of the European Union 2010 (chapter 20)
Montenegro 2011 Progress Report (chapter 20)
Montenegro 2012 Progress Report (chapter 20)
Montenegro 2013 Progress Report (chapter 20)
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Montenegro 2015 Progress Report (chapter 20)

## Serbia

Multi-annual Indicative Planning Document (MIPD) 2008-2010 for Serbia
Multi-annual Indicative Planning Document (MIPD) 2011-2013 for Serbia
2010 National Programme Serbia under TAIB
2011 National Programme Serbia under TAIB
2012 National Programme Serbia under TAIB
2013 National Programme Serbia under TAIB
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SAA Serbia
Serbia 2010 Progress Report
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Serbia 2014 Progress Report
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IPA II – Indicative Strategy Paper Serbia 2014-2020
IPA – Serbia action programme 2014
IPA – Serbia action programme 2015
National Priorities for International Assistance in the Republic of Serbia 2014-17 with projections until 2020 (NAD)
Pre-accession Economic Programme 2014-2016
EBRD, Strategy for Serbia
National Economic Reform Programme

## **Turkey**

COMMISSION IMPLEMENTING DECISION of 11.12.2014 adopting a multi-annual Country Action Programme for Turkey on Competitiveness and Innovation
Competitiveness and innovation sector operational programme
Turkey multi-annual country action programme 2011-2013
National programme turkey 2011
National programme turkey 2010
Financial Proposal Turkey 2011 part 2
The Regional Competitiveness Operational Programme (RCOP) in Turkey 2007 -2013
9th development plan Turkey (2007-2013)
The Tenth Development Plan (2014-2018)
National Action Plan 2014 for EU accession
National Action Plan 2015-2019 for EU accession
European Union Strategy for Turkey's accession process 2010-2011
Progress reports 2010-2016
Economic Reform Programme (ERP)
Interim Evaluation 2011 - Regional Competitiveness Operational Programme 2007-2013
Evaluation of European Commission Support to Private Sector Development in Turkey Framework Contract Beneficiaries 2009 - Lot 10 Project No: 2012/286031 – 1 Final Report November 2013
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HRDSOP 20140909 (1).docx
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<a href="http://avrupa.info.tr/eu-funding-in-turkey/2007-onwards/ipas-components.html">http://avrupa.info.tr/eu-funding-in-turkey/2007-onwards/ipas-components.html</a>
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<a href="http://ec.europa.eu/regional_policy/en/funding/ipa/turkey/competitiveness/">http://ec.europa.eu/regional_policy/en/funding/ipa/turkey/competitiveness/</a>

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IPA Multi-beneficiary programme for the period 2007-2013
Multi-Beneficiary Multi-annual Indicative Planning Document (MIPD) 2009-2011
Sector Plan for PSD 2011-2013 under the IPA MB programme (EC, undated)
Multi-Beneficiary Multi-annual Indicative Planning Document (MIPD) 2011-2013
COMMISSION DECISION of 20 December 2010 amending the Multi-beneficiary Programme under the IPA TAIB Component for the year 2010
COMMISSION DECISION of 09 November 2010 adopting a Multi-Beneficiary programme 2 under the IPA TAIB Component for the year 2010
COMMISSION DECISION of 18 July 2011 adopting a Multi-Beneficiary programme 2 under the IPA TAIB Component for the year 2011
Amendment number 3 to MB Programme 2011 – re-allocations, adopted on 31 October 2012
COMMISSION IMPLEMENTING DECISION of 31 May 2012 adopting a Multi-Beneficiary programme under the IPA -TAIB Component for the year 2012
COMMISSION IMPLEMENTING DECISION of 13 November 2013 amending Commission Decision of 9 February 2013 adopting the Multi-Beneficiary programme under the IPA TAIB component for the year 2013
COMMISSION IMPLEMENTING DECISION of 13 November 2013 adopting the Multi-Beneficiary programme under the IPA TAIB Component for the year 2014
COMMISSION IMPLEMENTING DECISION of 22 July 2015 adopting a Multi-Country Action Programme for the year 2015
EU Multi-Country Strategy Paper (2014-2020)

## **ENI East regional programme**

ENPI REGIONAL EAST PROGRAMME STRATEGY PAPER 2010-2013 & INDICATIVE PROGRAMME 2010-2013
COMMISSION DECISION of 26.07.2010 on the Regional East Action Programme 2010 Part I
COMMISSION DECISION of 02.07.2010 on the ENPI Interregional Action Programme 2010 Part II
COMMISSION DECISION of 06.12.2010 on the modification of Decision C(2010)5018 of 26/07/2010 on the Regional East Action Programme 2010 Part I in favour of ENP countries and Russia
COMMISSION DECISION of 19.07.2010 on the Interregional Action Programme 2010 Part III in favour of ENP countries and Russia



COMMISSION DECISION of 23.11.2010 on the ENPI Interregional Action Programme 2010 Part IV
COMMISSION DECISION of 17.11.2010 on the ENPI Interregional Action Programme 2011 Part I
COMMISSION IMPLEMENTING DECISION of 28/11/2011 on the ENPI East Regional Action Programme 2011 Part II in favour of ENP countries and Russia
COMMISSION IMPLEMENTING DECISION of 31.7.2012 on the ENPI East Regional Action Programme 2012 Part I in favour of ENP countries and Russia
COMMISSION IMPLEMENTING DECISION of 21.9.2012 on the ENPI East Regional Action Programme 2012 Part II in favour of ENP countries and Russia
COMMISSION IMPLEMENTING DECISION of 27.11.2012 on the ENPI East Regional Action Programme 2012 part III in favour of Eastern Neighbourhood countries
COMMISSION IMPLEMENTING DECISION of 18.12.2012 on the ENPI East Regional Action Programme 2012-part IV in favour of Eastern Neighbourhood countries
COMMISSION IMPLEMENTING DECISION of 6.7.2012 on the ENPI Interregional Action Programme 2012 Part V
COMMISSION IMPLEMENTING DECISION of 12.11.2012 on the ENPI Interregional Action Programme 2012 Part VI
COMMISSION IMPLEMENTING DECISION of 26.6.2012 on the Eastern Partnership Integration and Cooperation programme 2012-2013 in favour of the Eastern Neighbourhood
COMMISSION IMPLEMENTING DECISION of 22.11.2013 on the ENPI East Regional Action Programme 2013 Part II
COMMISSION IMPLEMENTING DECISION of 20.8.2014 on the European Neighbourhood Wide Action Programme 2014
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EU support to SMEs in the Eastern Partnership countries 2014-2020 The way forward for the SME Flagship Initiative

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Council of the European Union, Second Euro-Mediterranean Ministerial Conference on Employment and Labour (Brussels, 21-22 November 2010)
European Commission, EUROPEAN NEIGHBOURHOOD AND PARTNERSHIP INSTRUMENT - ENPI INTER-REGIONAL PROGRAMME, REVISED STRATEGY PAPER 2007-2013 & INDICATIVE PROGRAMME 2011-2013
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European Commission, JOINT STAFF WORKING DOCUMENT - Implementation of the European Neighbourhood Policy Partnership for Democracy and Shared Prosperity with the Southern Mediterranean Partners Report, Accompanying the document JOINT COMMUNICATION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS: Implementation of the European Neighbourhood Policy in 2014
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Seventh FP7 Monitoring Report 2013, 2015
COMMISSION IMPLEMENTING DECISION of 25.8.2014 on the Annual Action Programme 2014 - Part 1 in favour of the ENI South countries to be financed from the general budget of the European Union
COMMISSION IMPLEMENTING DECISION of 13.10.2014 modifying Decision C(2013) 4391 on the Annual Action Programme 2013 (Part 1) in favour of the Southern Region of the European Neighbourhood Policy, to be financed from the general budget of the European Union

COMMISSION IMPLEMENTING DECISION of 13.10.2014 on the Annual Action Programme 2014 - Part 2 in favour of the ENI South countries to be financed from the general budget of the European Union
COMMISSION IMPLEMENTING DECISION of 1.9.2015 on the Annual Action Programme 2015 in favour of the ENI South countries to be financed from the general budget of the European Union

## 8.8.2 Sample project documents

### Algeria

ENPI 2007: PME II (3 contracts)
Project « Centre d'expertise de la qualité » - Signed contract and annexes I to VII
Project « Centre d'expertise appui institutionnel » - Signed contract and annexes I to VII
Project « Centre d'expertise PME » - Signed contract and annexes I to V
Brochure appui au pme
Brochure appui institutionnel
Brochure appui qualité
CAP-PME cadre logique présentation
CAP-PME étude impact présentation
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Evaluation finale PME II
Plaquette institutionnelle
Rapport de monitoring MR-PME II (1)
Rapport de monitoring MR-PME II (2)
Rapport de monitoring MR-PME II (3)
Rapport de monitoring MR-PME II (4)
Rapport de monitoring MR-PME II (5)
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