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META-EVALUATION CO-OPERATION INSTRUMENTS – WORKS AND SUPPLIES

Final Evaluation Report

July 2014

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META-EVALUATION CO-OPERATION INSTRUMENTS – WORKS AND SUPPLIES

Service Contract No. 2013/331299

Final Evaluation Report

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Table of contents

1. GLOSSARY OF ACRONYMS 6
2. ABSTRACT 7
3. EXECUTIVE SUMMARY 8
4. EVALUATION REPORT 14
4.1. INTRODUCTION 14
4.1.1. Background 14
4.1.2. Objectives and scope of the evaluation 15
4.1.3. Methodology 15
4.1.4. Structure of the report 17
4.2. RESPONSE TO EVALUATION QUESTIONS 18
4.2.1. EQ 1: Relevance and EU value added 18
4.2.2. EQ 2: Complementarity 24
4.2.3. EQ 3: Sequencing 27
4.2.4. EQ 4: Quality standards and timeliness 29
4.2.5. EQ 5: Value for money 32
4.2.6. EQ 6: Beneficiary capacities 34
4.2.7. EQ 7: Functioning and use 43
4.2.8. EQ 8: Accessibility 45
4.2.9. EQ 9: Maintenance 46
4.3. CONCLUSIONS 54
4.4. RECOMMENDATIONS AND LESSONS LEARNED 55
4.4.1. Lessons learned 55
4.4.2. Recommendations 55
5. ANNEXES 58
ANNEX 1: TERMS OF REFERENCE 59
ANNEX 2: METHODOLOGY USED 72
ANNEX 3: SCOPE OF THE EVALUATION 77
ANNEX 4: DETAILED EVALUATION RESPONSE FROM SAMPLE PROJECTS 101
ANNEX 5: PILOT SWOT ANALYSIS 127
ANNEX 7: LIST OF INTERVIEWS 141
ANNEX 8: LIST OF DOCUMENTS 146

1. Glossary of acronyms

AFCOS	Anti-Fraud Coordination Service
CFCU	Central Finance and Contracting Unit
CPI	Corruption Perception Index
DG	Directorate General
DIS	Decentralised Implementation System
DLP	Defects Liability Period
DSO	Digital Broadcasting Switchover
EC	European Commission
EIDHR	European Instrument for Democracy and Human Rights
ELARG	Enlargement
EQ	Evaluation Question
EUD	European Union Delegation
EUR	The Euro Unit of Currency
HETIP	Higher Education Teaching Infrastructure Programme
IT	Information Technology
ICT	Information and Communication Technology
IFI	International Financing Institution
IPA	Instrument for Pre-Accession Assistance
KOSTT	Kosovo Transmission, System and Market Operator
MIPD	Multi-annual Indicative Programme Document
MoU	Memorandum of Understanding
NIPAC	National IPA Coordinator
PAR	Public Administration Reform
PPF	Project Preparation Facility
R&D	Research and Development
ROM	Results-oriented Monitoring
SAP	Stabilisation and Association Process
SWM	Solid Waste Management
TCDD	Turkish Railways Administration
TCO	Total Cost of Ownership
TENT	Thermo-Electrical Power Plant Nikola Tesla
UXO	Unexploded Ordnance
VET	Vocational and Educational Training
VQA	Vocational Qualification Authority
WBIF	Western Balkans Investment Framework
WWTP	Waste Water Treatment Plant

2. Abstract

Purpose and scope

The specific objective of the evaluation is to assess relevance, EU value added and sustainability in relation to the inclusion of supplies and works in financial cooperation under the Instrument for Pre-Accession (IPA).

The scope of the evaluation covers five IPA countries and includes contracts concluded in the period 2005-2011.

Main Conclusions

In the main, the IPA work and supply projects seem to be well targeted. For the Western Balkans, the prevailing investment needs exceed the funding possibilities of IPA. In Turkey, regional competitiveness, environment and human rights represent sectors where IPA provides investments that might not have been made otherwise. Most sample projects confirm their accessibility and proper use in line with the project objectives.

Where works and supplies can still be improved is during their design phase. Prioritisation and selection processes need to consider sustainability and maintenance. Constant education of beneficiary staff in procurement matters is also needed. Beneficiaries and procurement staff require continuous training in identifying and detecting possible irregularities.

Main recommendations

The report provides recommendations in line with three actions: (i) Improve prioritisation, selection and preparation at programming stage; (ii) Improve beneficiary capacities; and (iii) Promote the identification and prevention of malpractice in procurement.

3. Executive Summary

PURPOSE AND SCOPE

The specific objective of the evaluation is to assess the relative relevance, EU value added and sustainability of supplies and work contracts included in financial cooperation under the Instrument for Pre-Accession (IPA).

The scope of the evaluation includes works and supplies projects concluded in the period 2005-2011. In geographic terms the evaluation covers Albania, Bosnia and Herzegovina, the former Yugoslav Republic of Macedonia, Kosovo[1], Montenegro, Serbia and Turkey. The evaluation has been based on a targeted sampling of projects considered representative per country of various priority areas and sectors.

BACKGROUND

For the period 2007-2013, the allocated IPA funds amounted to € 11.6 billion. Economic, social and rural development have been prioritised, as has regional cooperation in the Western Balkans. A significant element of IPA support has been provided in the form of infrastructure investments (so-called works and supplies). This has provided the 'hardware' for the development of the beneficiary countries within the context of their accession aspirations. This evaluation specifically examines the performance of these investments and seeks to identify critical factors underlying their cost-effectiveness, impact and sustainability.

KEY FINDINGS

Relevance and EU value added

There has been generally good relevance with most projects, which are well in line with association, stabilisation and enlargement agreements and strategies. However, the extensive needs, particularly in the Western Balkans, are not always appropriately counterbalanced with objective prioritisation and selection. Relevance for Turkey is also good where IPA intervenes in priority sectors/ institutions with insufficient means of funding, or focuses on accelerating the development of a specific strategic component.

The overall added value of EU-funded works and supplies is generally seen in enhanced strategic planning, technical assistance and capacity building for beneficiaries, stakeholders and accredited procurement institutions. Another added value lies in their combination with technical assistance focusing on the creation of capacities to use the provided infrastructure and equipment. EU value added is also visible with IPA as an additional funding source, often complementing or even compensating shortfalls of beneficiary budgets. IPA works and supplies are often setting appropriate sectoral

[1] This designation is without prejudice to positions on status, and is in line with the UNSCR 1244 and ICJ Advisory opinion on the Kosovo declaration of independence.

benchmarks and provide examples of best practise. Furthermore, they demonstrate the benefits of EU integration and increase the EU's visibility. IPA is often the main source of funding in the target countries and thus appears as a major driver for sectoral development.

Complementarity

Complementarity with other project parts has been ensured where IPA is the single or main funding source. Supplies and works are often complementary to technical assistance actions and directly support the achievement of overall project results. Works often come as a stand-alone component with complementary services for their preparation. Supplies often complement services or works, meaning that their absence would significantly reduce the impact of the primary action.

There is also good complementarity where IPA projects are fully integrated into national sector strategies, supported by relevant national legislation and endorsed by the beneficiary institutions. Supplies in particular are often implemented as part of a more comprehensive action and less as stand-alone projects. Over-arching/ complementary beneficiary investment programmes cannot always be performed in a way that ensures IPA projects are delivered in a timely way. Where other major donors are involved co-ordination processes are usually in place and the pace of implementation is better harmonised.

Sequencing

Sequencing and timetables for works are often too idealistically planned. This comes from ignoring or underestimating the major impediments posed by poor project planning and initial design. As a consequence, actual implementation time is often considerably reduced. The (re-)programming phase generally consumes more time than foreseen and the remaining time for tendering and implementation is consequently reduced. Works contracts in particular have often to be extended since projects had not been sufficiently prepared for implementation (e.g. project sites not ready, land ownership not resolved, missing building permits, and poorly prepared designs). Supplies are often adversely influenced by the time gap between supply identification and actual delivery and installation.

Quality standards and timeliness

Quality standards for works and supplies fully respect EU provisions and generally ensure the delivery and installation of up-to-date technologies. For works projects, obligatory supervision service contracts ensure compliance with quality standards and directly improve the quality of implementation.

Those quality problems that do occur tend to be related to the design phase. In many cases, insufficient or even erroneous project design had been approved, in other cases technical specifications had not been sufficiently clear or had become outdated and this had led to differing interpretations between contractor, beneficiary and/or supervisor. Poor quality of work projects appears particularly in cases of local construction works, often reflecting low quality contractors and high competition (low prices) among local

contractors. Whilst delays are evident in the implementation of many works and supplies, this seems to be a lesser problem in comparison to delays that occur during the programming phase.

Value for money

Overall value for money is difficult to trace since most projects took place in the absence of comparable similar actions. There are often no other large donors active and projects financed by national budget follow other rules, which affects prices but also standards.

Where comparable to similar national actions, there is evidence that, in general, IPA projects ensure good value for money e.g., less corruption due to intensive supervision and independent tender evaluation. On the other hand many IPA works and supplies are more demanding than comparable national actions (rule of origin, language, expertise requirements). Furthermore, reconstruction/rehabilitation of existing infrastructure is often not as cost-effective as new infrastructure. However, sufficient funds are not always available to deliver a more comprehensive solution.

Beneficiary capacities

Administrative capacities of final beneficiaries vary among projects, sectors and countries. Prevailing weaknesses in urban/spatial planning in the Western Balkan countries often undermine the initial planning of investments. Projects with local/municipal governments often suffer substantially from a lack of proper administrative and managerial capacities. The same is often true where investments/works require inter-institutional co-operation and co-ordination at national beneficiary level.

Sample projects did not provide for any significant red-flag situations in procurement. Where possible irregularities appear(ed) this can be often attributed to inexperienced beneficiaries and vague technical specifications, rather than to direct attempts of malpractice. In most IPA countries, decentralised national procurement organisations are just starting their activities. Staff in these institutions have already been given some training in the detection and prevention of irregular procurement. In Turkey, decentralised procurement has been in place for more than ten years, with the number of accredited institutions increasing. The more experienced institutions have already built sufficient capacity and systems to ensure the correct implementation of tenders and supervision.

Functioning and use

In all the completed projects that were subject to a site visit, the works and supplies were usually present and technically functioning, although it was not always being used as originally intended. Purchase of superfluous equipment was a clear exception. In general, IPA works and supplies corresponded to real needs and were being used where possible at full capacity. Beneficiaries had often complemented or expanded the IPA investments with their own or other donor funds.

Site visits largely confirmed the proper use of recently provided infrastructure and equipment. IPA assistance to infrastructure in general has delivered relatively quick,

tangible and sustainable results that are very much needed and appreciated. Roads, energy infrastructure and public buildings appeared to be clearly sustainable in most countries. Only in the case of environmental infrastructure is this positive impression less clear cut.

Accessibility

Overall, the assessed infrastructure/ equipment is accessible as envisaged. Where works and supplies cannot be put into operation as planned, this is often attributed to problems of the beneficiary in ensuring all necessary pre-conditions for use. IPA supplies usually provide state of the art equipment. Sometimes, however, it cannot be used to the full extent due to the lack of the knowledge of the beneficiary to operate and maintain such equipment.

Maintenance

Most projects show insufficient consideration of sustainability and maintenance. This is evident even at the initial design stage. The sustainability of projects varies among the IPA countries and depends very much on the nature of the project and of the beneficiary. The expectation that the beneficiary (through the State budget) will ensure sustainability cannot be confirmed for many projects, since most IPA countries are suffering from austerity policies. This is particularly the case for the Western Balkans, whilst the situation in Turkey is generally more satisfactory. In a number of cases maintenance and even consumable costs have exceeded the available beneficiary budgets. Thus there is a risk that these projects will cease operation in the near future. Municipal projects often have weaker financial sustainability than national IPA projects, even in Turkey.

High staff turnover is a systemic problem in many national institutions, where staff is frequently re-affected and set to other locations. The same is the case for accredited procurement institutions. As a result, capacity built by training and technical assistance is often not retained within beneficiary institutions.

CONCLUSIONS

In the main, the IPA work and supply projects seem to be well targeted, inasmuch as they closely fit a real demand from the beneficiary. For the Western Balkans, the huge investment needs there considerably exceed the financing possibilities of pre-accession programmes. In Turkey, regional competitiveness, environment or human rights represent sectors where IPA assumes investments that might not have been made otherwise. Most of the sample projects confirm full accessibility and proper usage of the provided infrastructure and equipment, in line with the given project objectives.

Where works and supply projects can still be substantially improved is during their design phase. Any prioritisation and selection process needs to include sustainability and maintenance considerations. Also, the beneficiaries' ability to operate and maintain their infrastructure/equipment properly has to be assessed and defined accurately before undertaking major investments. Realistic procurement plans and market analyses might be tools to improve some aspects of the lengthy tendering process, but only to a limited

extent. Increased efforts in constantly educating beneficiary staff in all aspects of procurement is also needed, particularly in those IPA countries that are now moving towards the Decentralised Implementation System. Beneficiaries and procurement staff need also to receive continuous training and guidance in identifying and detecting possible irregularities in procurement and implementation. Also, a dialogue between procurement agencies and the EU bodies dealing with malpractice would be a valuable capacity-building tool which is currently not in place in any systemic way.

LESSONS LEARNED AND RECOMMENDATIONS

Lessons learned

- The evident needs for reconstruction, rehabilitation and investment in the IPA countries heavily exceed the possibilities of IPA funding. IPA funding needs to focus on the strategically most relevant works and supplies.
- Where conditionalities/pre-conditions exist, their implementation/ sequencing is often too vaguely defined. Where commitments are not addressed in time, (temporary) suspension should be obligatory, in line with IPA II performance principles.
- IPA works and supplies do not consider the Total Cost of Ownership principle. This sometimes leads to a situation where the beneficiary receives relatively cheap investments/supplies which later cannot be properly maintained, bringing into question their longer-term cost-effectiveness.
- IPA accompanies and supports the transition from ad-hoc project development towards result- and impact-oriented programming and programme management. IPA often sets the standards for the quality of works and supplies, as well as for a transparent procurement process.

Recommendations

European Commission/National IPA Coordinators

- Strengthen the prioritisation of works and supplies by adopting and applying techniques for proper prioritisation and transparent selection; Feasibility Studies should be mandatory for all large IPA works; for supplies, market analysis should also be mandatory.
- Better project preparation/updating and assessment is still necessary. More efforts are needed for checking of project's technical, institutional, environmental, financial/economical maturity (e.g. soundness of technical solutions in designs, land ownership, affordability, etc.).
- Consider Total Cost of Ownership in the prioritisation of future projects, in particular for information technology and major investment projects. Maintenance costs should be applied for project prioritisation.
- Sustainability plans should be requested at the design stage, e.g. as part of Feasibility Studies, for bigger projects in order to anticipate the needs for maintenance.

National IPA Coordinators / Central Finance and Contracting Units

- Strengthen the provision of training on horizontal programme needs and ensure that training systems become sustainable. In particular for the DIS countries, Central Finance and Contracting Units need to increase and systematise their training on procurement and contracting for (potential) beneficiaries.
- In assessing implementation and absorption capacity of beneficiary institutions, National IPA Coordinators and Central Finance and Contracting Units should consider making a more detailed assessment of their technical capacities for preparing complex projects and conducting thorough market studies.

National IPA Coordinators / Central Finance and Contracting Units / National Fund/ relevant Audit Authorities

- Increase networking within and among the IPA beneficiary countries as concerns the exchange of practice in detecting, preventing possible malpractice in procurement.
- Increase co-operation with the Anti-Fraud Coordination Services and use the Services for the continuous education of procurement staff.
- National procurement rules should be gradually harmonised with EU good practice.
- Central Finance and Contracting Unit and accredited ministries should consider appointing an independent irregularity expert and providing a helpdesk for complaints related to irregularities.

4. Evaluation Report

4.1. INTRODUCTION

4.1.1. Background

Since the invitation to the candidate countries to become part of the European Union, the enlargement process has contributed decisively to achieving political stability, economic progress and social justice. The Stabilisation and Association Process (SAP) has provided a framework within which an assistance programme (CARDS) helped each country to progress at its own pace as potential candidates for EU membership. Regional co-operation was critical for the consolidation of stability and a vital component of the EU's commitment in South Eastern Europe and Turkey.

For the period 2007-2013, the Instrument for Pre-Accession (IPA) funds amounted to € 11.6 billion. Economic, social and rural development have been prioritised, as has regional cooperation in the Western Balkans.

EU value-added, on the one hand, and sustainability issues on the other are particularly relevant criteria when assessing supplies and works. In addition, budget allocations can be over or under estimated due to various constraints: in general budgeting for supply and infrastructure projects is less precise due to time differences between the time of preparation of technical specifications and the moment of implementation, beside the risk of inadequate market analyses, low project maturity and high complexity.

A significant element of IPA support has been provided in the form of infrastructure investments (so-called works and supplies)[2]. This has provided the 'hardware' for the development of the beneficiary countries within the context of their accession aspirations. This evaluation specifically examines the performance of these investments and seeks to identify critical factors underlying their cost-effectiveness, impact and sustainability.

[2] No overall breakdown of investments according to works/ supply/ service/ twinning/ grant categories could be obtained since the Operational Programmes of IPA III do not specifically indicate the type of contracts under which projects are to be implemented. However, for instance, the analysis of Turkish sample projects showed that works were the most important category with 50,7 % of the funds being allocated to, supplies second with 39,3 %, services third with 6,9 %. Twinning and grants had a relatively minor role with 1,2 % respectively 1,8 % of funds allocated to these categories. Concerning Turkey's overall IPA I, the importance of works and supplies decreased from 2007 to 2011 with the transfer of environment, transport, health, agriculture and industry related projects to IPA III.

4.1.2. Objectives and scope of the evaluation

The global objective of the evaluation is to provide lessons learned on financial assistance (works and supplies), to assess the capital investments for socio-economic development in all Western Balkans and Turkey region and to identify the constraints that works and supplies have generally faced achieving the planned level of impact.

The specific objective of the evaluation is to assess the relative relevance, EU value added and sustainability in relation to the inclusion of supplies and work contracts in financial cooperation.

The scope of the evaluation includes works and supplies projects concluded in the period 2005-2011. In geographic terms the countries subject to the evaluation were mainly Albania, Bosnia and Herzegovina, Kosovo, Serbia and Turkey.

4.1.3. Methodology

The methodology for this evaluation is outlined in Annex 2 of this report. Hereafter is a summary of its main elements.

Approach

The evaluation is of summative character and takes a qualitative approach to answer the evaluation questions contained in the evaluation terms of reference.

Evaluation Questions

The evaluation is structured around a set of eleven evaluation questions (EQ) that were laid out in the original terms of reference and further refined by the evaluation team in consultation with the DG Enlargement Evaluation Unit in the inception phase. The EQs are:

- *EQ 1: What is the relevance and EU value added of having a work or supply component, considering the level of development, the specific beneficiary budget limitations, the sector/ beneficiary needs?*
- *EQ 2: Were the work/supply components genuinely complementary to the other project components and such that its lack would have affected negatively the achievement of the project objectives?*
- *EQ 3: Was the sequencing and timetable for the procurement and implementation of the different components logical and realistic?*
- *EQ 4: Were the supplies/works delivered according to sufficient quality standards, timely and used according to the project objectives?*
- *EQ 5: Did the deliverables ensure value for money, especially compared to similar actions carried out outside donor intervention?*
- *EQ 6: Were the administrative capacities of the beneficiary sufficient to ensure proper and timely utilisation of funds and utilisation of the deliverables?*

- *EQ 7: Is the infrastructure/equipment purchased in the framework of the project still present, functioning and in use as per the project objectives?*
- *EQ 8: Is the infrastructure/supplies accessible and being used by the relevant parties as per the project objective?*
- *EQ 9: Is the beneficiary in charge of managing the use of the infrastructure/ supplies maintaining it on a regular basis? Is the beneficiary budget ensuring on a continuous basis the necessary recurrent expenditures to make the facilities fully operational? Are the infrastructure/supplies operating adequately and to a full extent?*
- *EQ 10: Which lessons can be drawn from implementing IPA works and supply projects?*
- *EQ 11: Are there any actions which would improve overall the sustainability of IPA works and supply projects?*

Tools

The evaluation deploys a mix of evaluation tools. These are sampling, document review, semi structured interviews, focus groups.

Evaluation Matrix

The evaluators created an evaluation matrix to guide them through the evaluation. This included a specific methodological tool developed by the evaluation team for answering the evaluation questions above. This methodology ensured uniformity of data collection in the field phase and its consistent analysis in the synthesis phase. This is to be found in Annex 2.

Evaluation Sample

The evaluation has been based on a targeted sampling of projects considered representative per country of various priority areas and sectors. According to the ToR, projects, which are completed and 'in use', have been primarily assessed. However, a limited number of uncompleted projects have been chosen as well. A sampling methodology has been applied based on a pre-selection of the EUDs in the five sample countries (Serbia, Albania, Bosnia and Herzegovina, Kosovo, Serbia and Turkey).

Risks

The key risk identified in the inception phase - lack of access to procurement documentation - presented a significant challenge to the evaluation team when conducting the desk review and field phase. In several cases certain parts of the procurement documentation, in particular tender evaluation reports were not made available to the evaluators. Another risk identified in the Inception Report, namely the unavailability of key stakeholders for interview, also became reality and affected the evaluation in some countries significantly. This happened because some key staff that were involved in project implementation had left their job or was not available for

other reasons. The evaluation team counterbalanced these risks by being highly flexible especially when gathering information during the field phase.

4.1.4. Structure of the report

The main body of this Evaluation Report comprises four sections. Apart from this Section 1 dealing mostly with background and methodological matters, there are three more sections:

- *Section 2* is devoted to the analysis of the evaluation questions mentioned above;
- *Section 3* presents the main conclusions at programme level; and
- *Section 4* identifies lessons learned and presents recommendations.

The main report is supported by a series of annexes, including a more detailed analysis of certain aspects or providing background information. In particular:

- *Annex 1* provides the full Terms of Reference for this evaluation;
- *Annex 2* presents details on the evaluation methodology;
- *Annex 3* provides the general scope of the evaluation;
- *Annex 4* comprises a detailed evaluation of the sample projects based on field findings;
- *Annex 5* provides a pilot SWOT analysis;
- *Annex 6* presents possible qualitative and quantitative indicators for detecting/ preventing red-flag situations in procurement;
- *Annex 7* lists the stakeholders and beneficiaries interviewed during field work;
- *Annex 8* comprises the list of documents reviewed in the course of this evaluation.

Comments on the draft evaluation report have been received from the Evaluation Reference Group and from national stakeholders in the IPA beneficiary countries. Where possible, those comments have been integrated into the final evaluation report.

4.2. RESPONSE TO EVALUATION QUESTIONS

4.2.1. EQ 1: Relevance and EU value added

EQ 1: What is the relevance and EU value added of having a work or supply component, considering the level of development, the specific beneficiary budget limitations, the sector/ beneficiary needs?

There is generally a good degree of project relevance; projects are well aligned with association/ stabilisation/ enlargement agreements and national strategies.
Works and supply projects correspond to IPA National Strategy or Multi-Annual Indicative Programme Documents (MIPD) for the respective years and are usually in line with national sector strategies. In the main, the projects are of satisfactory relevance for the respective sectors.

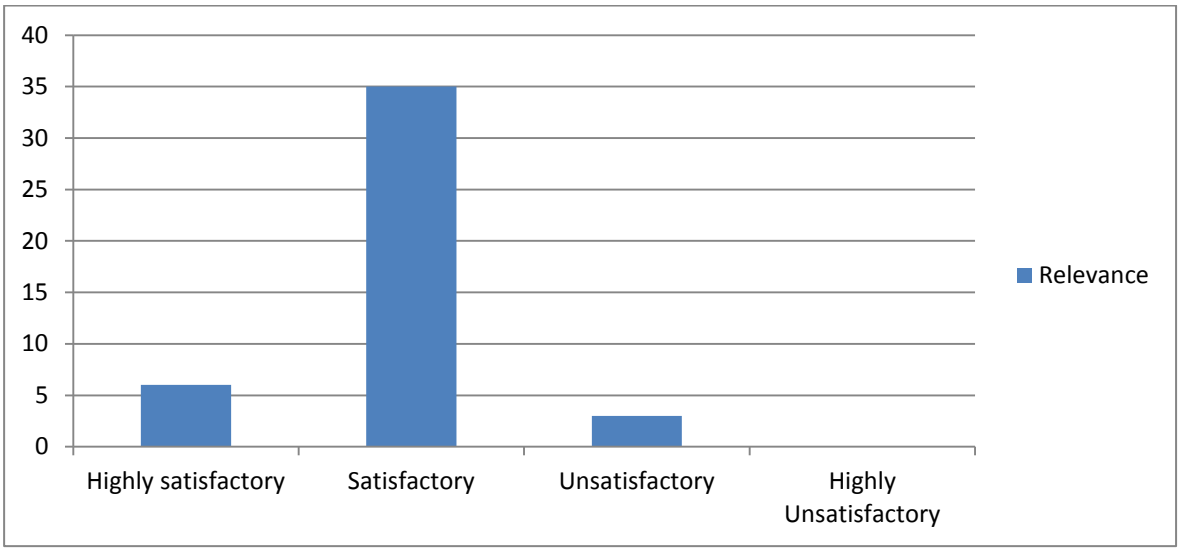
Good relevance is also confirmed by other evaluation reports or findings of the Results-Oriented Monitoring (ROM). For instance a recent evaluation conducted for Serbia concluded that *"…the works contracts sample received very high scoring for their relevance confirming that intended outputs or outcomes are fully in compliance with EU regulations established in CARDS, IPA, country sector strategies, national and local policies, priorities and the needs of intended beneficiaries*."[3] Similar positive observations are reported in previous Meta-evaluations and Country Programme Interim Evaluations[4].

Usually, the beneficiaries appreciate investments as these are supporting in a more balanced, inclusive and coherent way the achievement of the ultimate goals set in national development priorities and programming documents. The appreciation of importance of investments varies between sectors, with transport and environment in particular prioritising investments over institution building. This is no surprise given these sectors absorb most investments in the national development programmes supported by EU.

Sample projects also confirm a high degree of relevance.
Among the 44 projects that comprise the sample of the current evaluation, there is again a high degree of relevance visible. 93% of the sample projects score at least as "Satisfactory" when it comes to relevance. Projects with poor relevance hardly feature in the sample. However, strong relevance is often not balanced by an adequate quality of project design (see Table 1).

[3] Evaluation of works, supply and grant contracts, implemented and financed by IPA and CARDS Programme and EIDHR in Serbia.
[4] See for instance: Interim/ Strategic Evaluation of EU IPA Pre-Accession Assistance to Serbia (2011), Interim Evaluation of IPA 1 in Turkey for the years 2007-2009 (2012).

Table 1: Relevance of sample projects



The immense investment needs in the Western Balkans provide a challenge for IPA works and supplies.

The Western Balkans region still presents a 'matrix' of transition challenges, by country and mode, which vary significantly reflecting the diversity of the region, differences in the complexity of the transition challenges by mode, and the reform steps already taken. The financial crisis, political upheaval and recent developments in the global economy have had severe impacts on the public budgets of countries across the region. This in turn has profoundly impacted the availability of public finances to fund in particular infrastructure.

Funding gaps have materialised in major investment programmes, with many projects being phased or postponed. At the same time, the region is currently witnessing the withdrawal of many commercial banks and foreign direct investors due to liquidity constraints brought about by the financial crisis.

Furthermore, and in line with many other countries, Western Balkan countries reduced capital expenditure in favour of current expenditure, particularly social transfers. This is of particular concern given the importance of capital expenditure due to the inadequate state of physical infrastructure in most of the economies. These inadequacies also pose a major constraint on trade and growth.

Across the Western Balkans region, the needs in all sectors are still huge and continuous support of EU and other donors is required in order to fulfil basic sector requirements and support implementation of respective stabilisation and association treaties or EU standards. Road transport is the top investment priority for Western Balkans governments. Other common capital investment priority areas include railroads, the energy sector, wastewater and solid waste management, and rural development.

A few examples of investment needs may illustrate the substantial demand for funding (see Box 1):

Box 1: Selected investment needs in the Western Balkans

- Serbia needs at least EUR 1.7 billion of direct foreign investments this year (Tanjug 11/2/2014).
- Serbia: The General Master Plan for Transport until 2027 for road, railway, waterway and air transport is adopted, which stipulates to be invested each year 1.5 billion euros in transportation infrastructure, which is about 22 billion euros by 2027 (Ministry of Infrastructure and Energy 2008 Report).
- Kosovo: The investments in the water sector from international donor community and Government of Kosovo since 1999 to 211 are estimated to be at least €255.77 million in total. From this amount approximately three quarters are donations from the international community and one quarter is from Kosovo. Overall needs in the water sector are estimated anywhere between 1-1.5 billion Euros (Historical Investment Trends in the Water Sector in Kosovo, April 2012).

Besides such "heavy" investment areas, improvements in public systems, structures and resources as a part of the institution building process remains a high priority in line with the individual countries' expressed ambitions for intensified EU integration and eventual EU membership.

The overall investment situation in Turkey is somewhat different compared to the Western Balkans.

Turkey, classified as a newly industrialised country, has the world's 17th largest nominal GDP. While many economies have been unable to recover from the recent global financial recession, the Turkish economy expanded by 9.2% in 2010, and 8.5 percent in 2011, thus standing out as the fastest growing economy in Europe, and one of the fastest growing economies in the world. A series of large privatisations, the stability fostered by the start of Turkey's EU accession negotiations, strong and stable growth, and structural changes have so far all contributed to the rise in foreign investment. Turkey is also a source of foreign direct investment in Central and South East Europe and the Eurasian region.

Despite the loss of momentum in Turkish economic growth due to the political crisis of 2013/ 2014 affecting the confidence in the Turkish market, the Turkish economic outlook remains favourable. Economic growth was 4,0 % in 2013, and is expected to reach its bottom with 2,4 % in 2014, and then to increase again up to 4,2 % until 2017.[5]

As a consequence, the capacity of the Turkish government to invest in infrastructure is considerable, and large governmental institutions generally have very good capacity to absorb additional projects. Despite the EU accession process Turkish investment priorities are not always in line with EU priorities, and there remains the need to reinforce or re-

5 Source: World Bank, Turkey Regular Economic Note 2014.

align investment in some (sub-) sectors.

Another issue is the considerable gap between the economic situation of the large metropolitan municipalities and the hinterland municipalities; most large Western and Mediterranean municipalities have the capacity to take on investments into municipal infrastructure, however, this is not the case for smaller municipalities and municipalities in Anatolia. The central government provides support to these municipalities, but there is evidently still both a financial and a technical capacity deficit.

However, the immense needs for IPA works and supplies are not always appropriately counterbalanced with objective prioritisation and selection.

In particular, the prioritisation of works mainly follows two principles: 'ready to go projects' and projects of high political consideration. Strategic criteria, while important, are often not complemented by further specific parameters that would guide programmers in the prioritisation process[6]. The quality of the project proposal is taken into account to some extent, although the evaluation of sample projects indicates that design quality remains variable, which it turn suggests that this is not always key factor in its selection or rejection. Sometimes projects are added to the list of prioritised projects simply because of political needs.

The new sector-based programming approach under IPA II requires a more comprehensive and rigorous pre-selection processes. In this respect, the development of well-defined screening criteria to be used for prioritisation purposes appears to be an important condition, in order to improve the transparency and rationality of the process. This is valid for all IPA projects but is particularly relevant for works in the Western Balkans.

Significant attention has been increasingly paid to project prioritisation in Serbia. There, a methodology for infrastructure project prioritisation has been recently and formally adopted by the Government. If applied properly it could improve the selection and quality of major infrastructure investments.

In Turkey IPA works and supplies intervene in priority sectors/institutions with insufficient means of funding, or focus on accelerating the development of a specific strategic component.

The situation varies among different sectors of intervention, and the relevance of IPA contribution changes accordingly. As recently announced, Turkey expects to deliver transport infrastructure investments worth $200 billion within the next 10 years in order to meet the needs of its projected growth in trade. Similarly, Turkey has currently transport projects ongoing for 67 billion € (investment period 2005 – 2015). The IPA contribution of 1,36 billion € under the Transport Operational Programme 2007 – 2013 is

[6] See for instance: Interim Evaluation of IPA 1 in Turkey for the years 2007-2009 (2012), Strategic/ Interim Evaluation of EU IPA Pre-Accession Assistance to Albania (2010), Strategic/ Interim Evaluation of EU IPA Pre-Accession Assistance to Bosnia and Herzegovina (2010).

comparatively small in view of these huge investment needs, but intervenes with a strategic focus on supporting better trans-European connectivity, i.e., construction and upgrading of ports, international railway and road connections.

The particular case of the Ankara-Istanbul High Speed Train project - one of the largest projects the EU has funded for a non-EU country - might not be considered as an EU investment priority from a technical and financial point of view. On the other hand, it is important to show EU support for the modernisation of the long-time neglected railway system (as an alternative to highways and planes, where Turkey traditionally prefers to invest). The Turkish Government's decision finally to invest in railways is a change of paradigm and confirms a certain extent of political relevance.

The analysis of Turkish annual and multi-annual investment programmes shows that on the other hand, investments of the Turkish government into other priority sectors, such as regional competitiveness, environments or human rights are less substantial. In these sectors, the IPA intervention really assumes investments that might not have been done otherwise, thus providing well targeted and highly desired support.

For example, major investments in solid waste management infrastructure for cities with low technical and financial capacity are mostly done by IPA (currently Balıkesir, Çorum, Diyarbakır and Konya), whereas financially strong municipalities implement their own projects via credits and own financing (Eskişehir, İstanbul). Only a single project (Kayseri) is implemented by İller Bank with a World Bank credit. The situation is similar for the water and wastewater sector, where the IPA contribution is an important complement to Iller Bank investments (see Table 2 below):

Table 2: IPA contribution to Turkish water and wastewater sector

	Metropolitan municipalities (credit/ own funds)	Iller Bank (credit or government funds)	IPA
Number of projects	5	29	33
Total value (M€)	343.1	921.2	673.9
% of investment in the sector	17.7	47.5	34.8

Source: Turkish Official Gazette 2013/ 2014

Also permanent investment and upgrading of public institutions, particularly in line with EU requirements remains a highly desired achievement. The government foresees funds for capacity building, training and upgrading, but they are limited in comparison to the needs. Technical assistance accompanying the implementation of IPA programmes, but also general capacity building, remains necessary and highly relevant.

Overall EU added value from IPA works and supplies can be seen in enhanced strategic planning, technical assistance and capacity building (both technical and project/ programme management related) for beneficiaries, stakeholders and accredited procurement institutions.

The IPA programme has accompanied and supported the transition from ad-hoc project development towards result- and impact-oriented programming and programme management. Beneficiaries are nearly unanimous that the IPA programme contributed to setting standards for the quality of works and supplies, and that many completed IPA projects have served as an example for projects generated locally. Furthermore, IPA contributes also to awareness building on horizontal issues, holistic planning and sustainability.

Another added value of works and supply components lies in their combination with technical assistance.

Where works and supply components are combined with technical assistance either via service contracts or accompanying twinning projects they facilitate the creation of capacities for use and operation of the infrastructure and equipment provided by the IPA programme. This is a key feature of IPA Component I where capacity building is the overall strategic focus of the assistance.

EU value added is also visible with IPA as an additional funding source, often complementing beneficiary budgets or even compensating shortfalls in national financing.

Although not envisaged by the programme philosophy, the funding of infrastructure and equipment, particularly in the Western Balkans, is often done to resolve shortfalls in national financing. In general, the addressing of EU integration requirements has to be ensured by the partner country. However, particularly for institution building in the Western Balkans, the financial contribution from IPA is crucial for the implementation of measures that would otherwise have to wait for national funding. Given the scarcity of these funds, this could significantly delay the delivery of these projects. Thus IPA support accelerates the delivery of results, which would otherwise take some time to be in place. Where IPA is the key source of funding it serves as a major driver for sectoral development.

IPA work and supply projects are often setting appropriate sectoral benchmarks, they provide examples of best practice and may be easily replicated using national resources, where they are available.

IPA works and supplies provide often the most advanced technological solutions, and often pre-accession countries receive equipment that is sometimes not available in EU member states yet. Whilst latest technological development is usually desirable, in some cases it might also create problems for beneficiaries since they are sometimes not sufficiently equipped and resourced to operate such most modern technical solutions. Specific supplies for institution and capacity building provide reference investments that facilitate often a more comprehensive overall modernisation process in a particular sector or intervention area. An example from Serbia is given in Box 2 below:

Box 2: Assistance to the Digital Broadcasting Switchover in Serbia

Serbia must achieve digital switchover to be in line with the rest of Europe, but its geographic position makes it critical; if analogue broadcasting continues after other neighbouring countries have gone digital, the Serbia signal will cause significant transmission interference in the surrounding countries.
A major technical assistance project with the British Broadcasting Company supported this process, complemented by voluminous IPA supplies for network managements systems, transmissions, measurement, etc. Progress in implementation was difficult as reported by ROM. Political and structural issues had to be resolved to allow the introduction of digital broadcasting in Serbia. Sectoral commitment and government approval for a revised Strategy for Switchover from Analogue to Digital Broadcasting had to be put in place. The lack of free frequencies was another challenge. The equipment supply was instrumental in ensuring the technical pre-conditions for starting the switch. The switch-on of the initial phase of digital broadcasting took place in March 2012 and 75-80% digital switchover has been achieved so far.
Full digitalisation requires provision of an EBRD loan for further equipment. Negotiations over its provision are on-going and likely to be successful. Full digital switchover in Serbia is now expected by June 2015.

Another good example is from Albania, where significant inadequacies in the conditions for detainees and prisoners are well known. Given the low level of development and scarce budgetary resources the immediate enhancement of related infrastructure in this area is the most straightforward way in achievement of some short term priorities set in European Partnership outlines. The EU value added through investment into related infrastructure (e.g. the project *Construction of pre-detention centres in Elbasan/Fier*) set examples of how human dignity and personal safety of detainees has to be respected, as well as offering a model for similar projects throughout the country.

IPA works and supplies at all levels and sectors demonstrate the benefits of EU integration and increase the EU's visibility.
Successfully completed IPA infrastructure and equipment also demonstrate the political, legal, economic, social and cultural benefits related to the EU accession process. This is particularly evident where they immediately deliver direct socio-economic benefits for the intended beneficiaries and broader population. In this respect IPA works and supplies also symbolise the chance to make best use of the chances of globalisation and of overcoming the problems that come along with it, be they economic, political or social.

4.2.2. EQ 2: Complementarity

EQ 2: Were the work/supply components genuinely complementary to the other project components and such that its lack would have affected negatively the achievement of the project objectives?

Complementarity with other project parts has been quite well ensured where IPA is the single/main funding source.
For most sample projects assessed in the context of this evaluation, the complementarity of the works and supplies funded by IPA was very good. Strong complementarity was also noted where IPA projects were fully integrated into national sector strategies, supported

by relevant national legislation and endorsed by the beneficiary institutions. The gained benefits from complementary actions could even increase once a sector-based programming approach, as envisaged by IPA II, will be gradually implemented.

However, such good complementarity is not always achieved. One example of this was in the Kosovo project *Extension of water treatment in Mitrovica*. In this case a completely new facility to double production capacity of the plant has been built, but is technologically not well connected with the existing plant. Also, refurbishment of parts of the old treatment plant is not envisaged, although such minor activities would bring a quick and tangible result.

Works often come as a stand-alone component with complementary services for their preparation. In contrast, supplies often complement service or works.
Supplies in particular are often implemented as a part of a more comprehensive action or sector strategy, and less as 'stand-alone' projects. In such comprehensive projects the lack of supply would have significantly reduced the impact of the underlying service project or let the related works project as incomplete.

However, it is also true that some supplies may be considered as stand-alone components. For instance, the supply project for the General Prosecutor Office in Albania (supply of servers, workstations, copy machines, etc.) represents more a stand-alone activity. It strengthened the automation of the Albanian justice system by developing communications and information management systems for the prosecution offices. The reforms in the judicial sector and improvement of coordination between prosecutors and police are less dependent on such supplies, however, their installation made a big impact and significant improvement of effectiveness of prosecutors/police work at national scale.

The combination of works/supply and technical assistance is one of the main factors for the success of many IPA projects.
Some investment projects represent prime movers, with services (technical assistance, institutional building) having a complementary character. Such projects represent heavy investments in their sectors where technical assistance supports beneficiaries in proper project implementation, upgrading of institutional structures, development of staff skills and similar. Thus, it can be stated that a lack of service component would negatively affect the achievement of project objectives.

In the case of most environmental infrastructure projects, beneficiary personnel accompanied the works/supply projects from their start and gained considerable technical experience during the preparation and construction phases. For other projects, the physical infrastructure and equipment were determining the nature and extent of technical assistance (e.g. *forensic laboratories* in Turkey). In some cases, where the sequencing of interventions was either misconceived or disturbed, and works/ supplies were completed after the end of technical assistance, the results of technical assistance were much less sustainable, since key personnel left or moved to other areas of activity.

The majority of supplies provide highly specialised equipment; for its proper use extensive training is often required.

Small scale and standard supply projects are financially not efficient; financing of these items by IPA is receding and often done directly via beneficiary funds. This is particularly true for supplies in institution building where beneficiary institutions may not yet possess enough technical knowledge and experience to fully use the provided equipment. Often, the equipment is needed to fulfil certain requirements resulting from the EU integration process or accession requirements and thus the nature of the requirement and its fulfilment according to EU practice is not fully appreciated by the beneficiary.

There is still a perception among beneficiaries, especially first-time beneficiaries, that "hard" components are what really counts; "soft" components like training and technical assistance are initially not appreciated to the same extent.

There appears still to be certain reluctance to accept the necessary technical education to ensure the functioning of their desired equipment. This is true for "new" beneficiaries that often give preference in the budget for maximise the receipt of supplies whilst underestimating their needs for proper training. Often it is only in the course of the project, that they start to appreciate the technical assistance and see that the main value of the project lies in their newly built capacities and not in the equipment embedded into their inventory. As a consequence, the purchase of supplies can be seen as a factor enticing the beneficiaries to subsequently change their attitude and approach.

Performance of over-arching/complementary beneficiary investment programmes does not always allow IPA projects to become fully effective on time.

Whilst the integration of IPA actions into comprehensive national and sectoral programmes and strategies is, in principle, a desirable approach it can create difficulties for the proper implementation of IPA works and supplies projects. In a number of cases the IPA actions depend in sequencing and complementarity on a timely precondition or follow-up, to be ensured by the beneficiaries. This creates sometimes difficulties where agreed commitments cannot be fulfilled in time.

For instance in the case of the *Kolubara Regional Water Supply Scheme* in Serbia, the IPA project is running well. The desired extension of the regional water supply will require the rapid completion of outstanding government investments (works necessary for filling the impoundment of the corresponding dam). This should have been completed several years previously but is still outstanding. National financing regarding the dam has been reduced and currently a significant funding gap exists.

In particular in the Western Balkans and due to the economic crisis funding gaps have materialised in major national investment programmes, with many projects being phased or postponed.

Capital expenditure cuts were usually made on smaller, domestically financed projects and programmes (for instance municipal infrastructure of rather small value), while large ongoing foreign-financed projects (such as motorways or energy networks) remained in operation. This however, has had an adverse impact on many IPA Component I funded works and supplies. In IPA I the national budgets are usually the main funding source

besides IPA whilst major internationally and International Financing Institution (IFI) co-financed actions are less common.

Where other major donors are involved, co-ordination mechanisms are usually in place and the pace of implementation is harmonised.
In major works and investment projects where IPA appears just as a moderate funding source, the co-operation with the major donors, often IFIs dominating the investment, is usually well co-ordinated. This is particularly relevant for the Western Balkans where increased donor co-ordination, for instance through the Western Balkans Investment Framework (WBIF), also benefits a more harmonised approach in investment preparation and implementation.

In Turkey, no donors except IPA are funding infrastructure and supply projects. The World Bank, Japan International Cooperation Agency, Kreditanstalt für Wiederaufbau or European Investment Bank are providing credits for Turkish infrastructure projects, and United Nations institutions as well as bilateral cooperation institutions are providing technical assistance, albeit often also as a contracted consultant in the context of IPA projects.

The movement to a sector-based approach in IPA II will require a much more strategic vision in programming, the need for much closer collaboration amongst ministries and a further reinforcement of coordination with donors and IFIs, particularly for the Western Balkans. The WBIF represents a good example of such a mechanism, where the EU (IPA) represents a stakeholder among various IFIs. This facility allows better distribution of funding resources, sharing investment scenarios and multiplying good investment cases within and across sectors of different Western Balkan countries. However, further improvements in coordination within the WBIF members such as harmonised procurement rules and harmonised contracting and disbursement periods might still be desirable.

4.2.3. EQ 3: Sequencing

EQ 3: Was the sequencing and timetable for the procurement and implementation of the different components logical and realistic?

Sequencing and timetable for works are often too idealistically planned.
Sequencing and timetable for procurement and implementation seldom corresponded in reality to what was programmed. This stems from ignoring or underestimating possible impediments, such as poor project planning and initial design (e.g. copy of standard designs or anticipation of needs based on unrealistic or outdated projections).

The (re-)programming phase generally consumes more time than foreseen.
The programming phase generally consumes much more time than foreseen, and the remaining time for tendering and project implementation is consequently then reduced.

Tight deadlines for contracting led in some cases to hurried tendering and inappropriate sequencing of works, supply and service contracts. Another problem affecting the timing is that works contracts often prove to be more complex than service and supply contracts. The evaluation found several cases where works tenders had to be cancelled and re-launched due to design problems or unclear technical documents, whereas the accompanying supervision and supply tenders went ahead. As a consequence, time for overall project realisation is often unduly tight and has to be extended. Supervision contracts have often to be suspended and have to wait until the actual works can be re-tendered.

In general, the deadline N+2 (contracting to be finalised within 2 years after the Financing Agreement is concluded) and the time-consuming approval procedures for project fiches/ sector fiches/ related project materials are at the root of timing problems in IPA.

The assessment and revision of project fiches and project documents can take two years or more, and if in meantime project conditions have changed, unit prices have increased or proposed technology has become obsolete, either a lengthy design revision is required, or the project is tendered with some deficiencies. Recently, the deadline has been changed to N+3, which relieves some of the time pressure, but the main problem remains the very long approval procedure.

There are several common causes for delays in IPA works and supplies.

The most common problems observed are: a lack of adequate technical expertise to draft specific technical documentation; weak administrative capacity at the level of some beneficiaries that adversely affect the quality of initial tender documentation; lack of technical expertise to review and improve tender documentation; a scarcity a of experienced voting members or insufficient experience and dedication among voting members in tender evaluation committees.

The ex-ante control system in the decentralised implementation system (DIS) adds a further control layer to the project/tender documents approval process. In this respect, DG Enlargement has decided to move towards a risk based ex-ante control system, which should increase ownership by beneficiaries, decrease administrative delays (less control needed for low risk files/projects) and reduce rejection rates.

Works contracts in particular have often to be extended since projects were not sufficiently prepared for implementation.

Across the analysed ROM and evaluation reports, common reasons for delay are particularly obvious: too often project sites were not ready, land ownership and construction permits have not been resolved in time, and there were no properly prepared initial designs.

For instance, some of projects visited in Albania had been amended substantially, and this in turn had required nearly triple the planned implementation time for their delivery. The worst cases were noted for water/sewerage projects (project *Improvement of Water Supply and Sewerage Systems in Shkodër; Velipoje; Shengjin; Golem-Durrees* in Albania).

The main cause was that the projects were not sufficiently prepared for implementation: project sites were not ready, land ownership not resolved, inadequate designs by the beneficiaries.

Supplies are often adversely influenced by the time gap between supply identification and actual delivery and installation.

For certain types of supplies, the lengthy time gap between equipment identification, actual contracting and finally installation can create serious difficulties. In some of the supplies projects evaluated, the originally envisaged equipment was not available on the market by the time it finally came to its purchase. In all such cases an equal or even better item at the same price should have been identified and approved. In the case of the HETIP[7] in Serbia, where IP provides state-of-the-art teaching equipment for universities, such a situation resulted in an unexpected additional administrative burden for the Contracting Authority.

4.2.4. EQ 4: Quality standards and timeliness

EQ 4: Were the supplies/works delivered according to sufficient quality standards, timely and used according to the project objectives?

Quality standards for works and supplies fully respect EU provisions (directives, etc.) and ensure usually the delivery and installation of recent technologies.

The evaluators in general found that the quality of the works and supplies was satisfactory. This finding has been largely in line with previous observations made by independent assessments[8]. In general no major remarks on quality of all the assessed works and supply projects were presented. Given high quality requirements set for IPA contracts and independent supervision it is perceived that most works projects funded by EU are eventually implemented at least at medium to good standards.

For works projects, obligatory supervision service contracts ensure the compliance with quality standards and directly improve the quality of implementation.

IPA works and combined works/ supply contracts are generally implemented together with a supervision service contract, which ensures compliance with quality standards. Beneficiaries are generally very satisfied with the quality of supplies and works, and also with the supervision ensuring this quality.

Quality problems that occur are rather related to the design phase than to the actual works and supplies.

[7] HETIP: Higher Education Teaching Infrastructure Programme.

[8] See for instance: Evaluation of sustainability of EU CARDS and IPA funded works and supplies projects in Kosovo; Evaluation of works, supply and grant contracts, implemented and financed by IPA and CARDS Programme and EIDHR in Serbia.

In many cases, insufficient or even erroneous project designs were approved, in other cases technical specifications were not clear enough or outdated and led to a different interpretation between contractor/ beneficiary/ supervisor.

In Turkey, errors in project design were mainly observed in environmental infrastructure projects of the pre-IPA phase, leading to budget increases and/or reduction of project scope. The cause of this problem is rooted in the insufficient technical expertise in the accredited tendering institutions, which had approved the design documents without detailed assessment. Beneficiary institutions are confident that thanks to the experience gained during the decentralisation process and the establishment of sector implementation units, technical specifications will henceforth better reflect actual needs and design errors will be discovered in time.

Project Preparation Facilities (PPF) can contribute to a better quality of design and implementation.

However, PPFs rely on a good quality of entry data/ initial preliminary design. This is often not ensured by beneficiaries since most of them do not possess the required knowledge and experience to define and/or revise technical specifications and are reluctant to employ locally available technical expertise to do these tasks.

Moreover, the expectation that huge technical assistance services in place might be able to resolve all accumulated sector problems is not realistic. Neither the consultant nor the respective beneficiary can cope with such a demanding task. In future, more focus might be given to small and well-tailored technical assistance facility which would bring straightforward results.

Poor quality of works appears particularly in cases of local construction works, often reflecting poor quality contractors and high competition (low prices) among local contractors.

There have been a few examples reported from the Western Balkans where construction works faced quality problems. This can be sometimes attributed to contractors not sufficiently experienced with the rules and procedures of IPA funded contracts. Such contractors might try to compensate low prices by cutting corners in quality or attempt to renegotiate prices and conditions. This tends to reflect local business practise but is not acceptable for EU funded projects. Strong contract management and effective supervision usually nullify such attempts.

There have been also a number of test failures or deficiencies in works projects reported during their defects liability period. However, these were usually properly recorded and eventually eliminated. In a few works projects improper site/project management, incompetent local engineers and inadequate contractor experience raised problems that resulted in late mobilisation, insufficient supervision and implementation delays. In these cases the personnel in question were replaced and the contractor hired more experienced sub-contractors.

Delays are mentioned for many works and supplies, albeit in comparison to delays during the programming phase they often appear as a lesser problem.
Delays in works often stem from site problems, inadequate preparation of technical design by the beneficiary (also sometimes due to unclear formulation) or revisions of the initial design/scope of works. In supply projects, the main reasons for delays are either requests for derogation or again revisions of the initial proposal

For instance, in Albania the project *Penitentiary Infrastructure for Detention Centre in Elbasan* was extended from 28 months to 39 largely due to additional works related to energy efficiency introduced through a contract addendum. The contract for the detention centre in *Fier* was also extended from 28 months to 37 months for similar reasons. Some delays in project implementation were caused by slow contractor mobilisation, delay with issuance of works permits, site preparation, change of project design, etc. A number of design problems were admitted (discrepancies between design and specifications, no due consideration of energy supplies and similar).

Staff shortage is another problem that leads to delays.
In Turkey not all accredited institutions have enough staff to carry out programming and tendering efficiently. The same observation has been made for some European Union Delegations (EUD); the extreme delays in the elaboration and approval of project and sector fiches is linked to an overload at all levels. Obviously, the delays in the programming/ approval phase also influence the tendering and implementation phase, since staff are often the same. Sometimes new incoming staff have to deal with a backlog of projects that already accumulated substantial delay in the programming phase.

For most of those projects that are already completed there was strong evidence of appropriate use.
Most beneficiaries use the equipment and infrastructure procured by the IPA projects according to the project purpose. Beneficiary institutions are generally either large public bodies with extensive experience in similar projects (e.g. in Turkey Railway Administration, metropolitan municipal waterworks, etc.) or they have been created in the context or for the purpose of the project, have received focused training and capacity building, and are supported by their mother institutions.

A positive example from Bosnia and Herzegovina is the equipment delivered to the Institute for the Metrology, where use of the equipment goes even beyond originally set project objectives: the Institute uses the received equipment as a basis for getting relevant licences and participating in many research programmes (in cooperation with other institutes from the region and EU member states). In that way, full use of the equipment and further qualification of the personnel is ensured.

On the other hand, there were projects in Albania (e.g. *Schendzin port*; sewerage projects) where infrastructure installed cannot be used. For more details see Annex 4.

4.2.5. EQ 5: Value for money

EQ 5: Did the deliverables ensure value for money, especially compared to similar actions carried out outside donor intervention?

Overall value for money is difficult to trace since most projects took place in the absence of comparable similar actions.

One of the limitations of this evaluation has been the fact that it has been all-but-impossible to receive detailed procurement information from similar project activities implemented by other donors or national authorities.

There are often no other large donors active in the same intervention area and time and projects financed by national budget follow other rules and practices which affects prices but also standards.

The evaluation did not have the opportunity to have access to detailed procurement documentation, neither from EU Delegations nor from other donors or national authorities. However, there are some principal observations that can be made based on the experience of the evaluators and feedback collected from stakeholders.

Where comparable to similar national actions, there is evidence that IPA projects ensure in the main good value for money.

On the other hand many IPA work and supply projects are more demanding than comparable national actions. A comparison of factors influencing value for money is given in the Table 3 below.

Table 3: Factors influencing value for money in IPA and local tenders

	IPA tender	Local tender
Tender participants	- English language is a barrier for some local companies - Tender format and financial selection criteria are a barrier for smaller companies - Large international and large local companies are prevalent; price reduction via sub-contracting is frequent	- Local language is a barrier for some foreign companies - Large international companies might not be willing to bid for a local tender of small beneficiaries due to lack of trust and lack of knowledge of local procedures - Local companies are prevalent in small to medium national tenders - Higher thresholds for publication of tender according to local legislation and price preference for local tenders make local tenders less contestable
Key experts	- Requirement for minimum 7 years of international/ IPA/ PRAG/ FIDIC experience restrict the participation of local experts: EU experts are generally more expensive	- Local experts are prevalent and generally cheaper than EU ones; they have better knowledge or local context and communicate better with beneficiaries; in contrary, they are less familiar with EU standards and procedures
Rule of origin	- Rule of origin restricts tenderers and supply purchases to EU and IPA beneficiary countries	- No rule of origin - Better value for money especially for standard supplies

	IPA tender	Local tender
	=> Technically and financially competitive offers from third countries are excluded except if there is derogation	- No substantial difference perceived in most works tenders
Corruption	- PRAG rules and strict supervision system are dissuasive for fraudsters - Tender evaluation system prevents bribery and undue influencing of decisions by beneficiaries => Prices of IPA projects probably do not include corruption costs	- Corruption during tenders is a problem, and bribery is often denounced => Prices for bribes often either inflate overall tender prices or decrease deliverable quality
Quality standards	- IPA projects generally require EU standards for works and supplies - Strict supervision increases the price but ensures exact compliance with quality standards - Design engineers and beneficiaries sometimes tend to request exaggerated quality standards and features => IPA projects ensure high quality products, but prices are sometimes inflated by including "luxury" items	- Tender procedure of negotiation + award to the lowest bidder often leads to sub-standard implementation - Less strict supervision encourages fraud on material quantity and quality - Renowned companies are reluctant to bid in some regions and for some beneficiaries => Tendering system seems to be more price than quality oriented

The experience of the beneficiaries show that IPA projects generally ensure value for money, but the cost efficiency in comparison with local tenders varies considerably. For two projects in Turkey a direct comparison was possible (see Box 3):

Box 3: Value for money in Turkey - IPA vs. other funding sources

The construction of the high speed railway from Istanbul to Ankara was done according to the same technical specifications, but under different tenders and with different contractors. The beneficiary tendered another part of the track to a Chinese company, but thinks that despite the lower manpower cost of the Chinese and the restricted number of signalisation suppliers in Europe the price difference was no more than 10 %.

The police in Diyarbakır asked several local contractors to make a cost estimation for the construction of their forensic laboratory and came to the conclusion that they got „a high- tech building for the price of a normal one".

Another example of value for money comparison might be indicated by the Palace of Justice Compound in Kosovo: out of the five buildings in total, one is locally financed and procured, implemented by the same Contractor as for the other four EU financed buildings. The official prices are comparable, if not almost the same.

Reconstruction/rehabilitation of existing infrastructure is often not as cost-effective as new infrastructure.

Rehabilitation works do not always represent good value for money when comparing these with the construction of new infrastructure. Besides other reasons, the strict

funding conditions for both IPA but even more the respective beneficiary often compel project planners to go for a reconstruction of existing infrastructure instead of a more comprehensive technical solution such as new infrastructure. This is particularly an issue where public buildings are being renovated such as government buildings, courts or schools. Reconstruction is generally a difficult topic since the structure of old buildings is often unknown until the actual construction starts. In fact many reconstruction projects report delays due to unexpected emerging needs occurring only during realisation.

For instance, as reported from Albania it proved unfeasible for rehabilitating old schools as many of those are based on old construction standards. For a slightly higher price new infrastructure could be built that meets safety requirements (most importantly seismic/structural stability), better layout, higher energy efficiency, new construction requirements as well as functionality. Therefore, following the structural tests and assessment of physical status of Durres school the right decision was taken to sign an addendum for demolishing the existing school and constructing a new one as the cost and timing was almost the same as for the rehabilitation and reinforcement of the old one.

Many work and supply budgets were limited or reduced to the restricted volume of funds.

In the long-term a more cost-effective solution for public buildings would be often a new building, taking into account safety, health and energy efficiency standards. However, there was not always enough funds provided to realise a more comprehensive solution. More care should be given to the design of rehabilitation projects. These works should include some upgrading of the infrastructure, and not only restoring it up to the old standards.

There are also situations reported where IPA just finances a particular part of an investment. Whilst the IPA contribution is usually delivered, (often with problems in preparation and implementation) the remaining investment contribution remains outstanding or is very much delayed. As a result, proper investments are sometimes at the risk of being incomplete, where beneficiaries/other donors cannot provide sufficient means for completion, like in the case of *Kolubara Water Supply Systems* (see 4.2.2 and Annex 4).

Delays, especially once accumulated in various works contracts, often require additional input from the works contractors, contracting authorities and supervisors, which considerably consume time and funds. As a consequence of delays the investment costs increase and cost-efficiency of many work projects is diminished.

4.2.6. EQ 6: Beneficiary capacities

EQ 6: Were the administrative capacities of the beneficiary sufficient to ensure proper and timely utilisation of funds and utilisation of the deliverables?

Administrative capacities of beneficiaries in the Western Balkans vary among projects/ sectors/ countries.

The administrative capacities of the assessed beneficiaries vary significantly: there are very knowledgeable and engaged beneficiaries, usually those ones that were developed through long-term international support. They are able to lead the whole programming process and properly and timely utilise the funds.

A good example from Bosnia-Herzegovina is the High Judicial and Prosecutorial Council, whose main staff gained extensive experience in various donor-supported projects. While it is good to have such a strong state level institution it is also desirable to strengthen capacities of so-called lower judicial levels to make them capable to 'communicate' and cooperate with donors, especially in regards to human resource aspects.

Another positive example from Kosovo is KOSTT (Kosovo Transmission, System and Energy Market Operator) who was actively involved in each step of the project cycle (from identification to the implementation) and who is able to use delivered results to their full extent. For the time being, they are using the system with more simulated than real time data (due to the fact that although they are full member of the South East European Transmission System Operators they are still not receiving the real data from a neighbouring country (Republic of Serbia). Nevertheless, while awaiting a (political) implementation decision, they carefully maintain all deliverables and design future actions.

However, still too many of the other assessed beneficiaries are completely dependent on external technical assistance during the each project cycle phase.

In Albania the general administrative capacities of beneficiaries for implementation of investment projects are low due to insufficient staff, inadequate experience or missing necessary structures and project implementation systems. Shortage of necessary skills is another factor that hinders successful project implementation. The fact that after elections many from involved staff are replaced does not help the impact and sustainability of project results either.

For instance, as regards the project C*onsumer protection against zoonotic diseases* In Albania*,* the lack of staff at central level, institutional incoherence (institutional linkages between 11 regional veterinary diagnostic laboratories and the central Food Safety and Veterinary Institute need to be redefined, national coordinator for brucellosis control designated) and insufficient cooperation between central-regional institutions weakens the ability of the Beneficiary to properly implement the project. The lack of sufficient national budget puts the sustainability of some project results (e.g. ear tagging) at risk as for the annual replacement of supplied ear tags no sufficient budget has been foreseen.

A similar situation can be also reported for the Veterinary Office in Bosnia and Herzegovina or the Hydro-Meteorological Institute of Kosovo. Amongst other reasons, there they lack institutional coherence and a clear distribution of responsibilities, which in turn is jeopardising the professional work of the institution. The Veterinary Office in Bosnia and Herzegovina, although implementing many donor-funded projects in a

satisfactory way, would not be able to fully sustain the achieved results of these projects without further donor support. As a State budgetary institution, funds are available but insufficient to meet all the needs and priority actions of the sector. It should be also noted that the nature of activities influences this fact: there are activities which have to be repeatedly done and continued in order to ensure full coverage of the country and lasting effects. Continuous higher budgetary funding is difficult to secure, however.

Administrative capacities of beneficiaries in Turkey are generally good at central levels.
Beneficiary institutions have ensured adequate staffing and funding for the operation of their projects, and project deliverables are used adequately. This has been observed both for large scale national projects and for municipal projects, for experienced institutions and institutions created in the context of an IPA project. New beneficiaries are also aware of their respective limitations and take care not to over-expand a new structure but rather grow according to their capacities (e.g. Vocational Qualification Authority).

The timely utilisation of funds does not entirely depend on the capacity of final beneficiaries. The programming mechanism is complex and also involves accredited tendering institutions. Only a few Turkish beneficiaries have prepared (or contracted the preparation of) their own projects; in several cases, the projects were conceived by the responsible ministry, and beneficiaries were not involved in the programming phase.

Although the capacities of beneficiaries and accredited ministries for programming and project preparation in Turkey have improved with the experience gained in the IPA process, the programming phase is remains time consuming.
Difficulties in programming are considered as the major reason for delays in timely utilisation of funds in Turkey. The mains aspects for delays refer to:

- Insufficient quality of project proposals (mainly due to insufficient understanding of IPA rules); technical deficiencies are not always detected and are often related to deficient EIA studies, cost benefit analysis, or insufficient preparation (expropriation, accession roads etc.). Turkey might have had access to the support facility JASPERS but preferred to contract their own external assistance. In pre-accession countries with JASPERS supporting the preparation of large infrastructure programmes, the revision rate has decreased, mainly due to a better understanding of EU requirements by the project preparing experts.
- Slow and arbitrary feedback from EU institutions (no coherent criteria for approval/ revision of a project, introduction of new requests for change after several rounds of revision)
- Slow and sometimes insufficient revision by Turkish programming institutions
- Changes in project design require an additional approval procedure and cause new delays.

An extreme case of damages caused by delays during the programming phase are the solid waste management (SWM) projects submitted by the Turkish Ministry of Environment for the cities of Van and Batman on 2010. The first feedback from the EU with a request for some clarifications was provided the second half of 2013. Since the

projects had been developed with help of a service contract, and the service provider is no longer available, the Ministry needs to tender another service contract to revise these projects (no initiative taken yet). Probably the remaining time under the current IPA programme will not be sufficient to issue the tenders for these projects, so that the budget reserved for these projects will have to be returned; the budget for the following programme has already been planned for other projects, and the cities of Van and Batman will not be considered under the next IPA programme either.

Prevailing weaknesses in urban/spatial planning in the beneficiary countries often undermine the proper initial planning of investments.

This observation is true almost for all IPA countries and relevant in particular when it comes to the planning of actions targeting the municipal level but it is also apparent for many national investment projects. Besides the prevailing administrative weaknesses, leading to lengthy approval procedures for building permits etc., in particular unresolved land ownership issues appear as a dominant factor for slowing down proper project preparation and implementation. Social housing in the Western Balkans is an example of an intervention type which faces such challenges permanently but the issue is systemic for many large infrastructure actions.

Projects with local/municipal governments often suffer substantially from a lack of proper administrative and managerial capacities.

Tailoring design to the real needs could be improved in some projects, particularly those related to local/ municipal beneficiaries. This is especially valid where the beneficiary is a local institution, for which mostly work contracts are implemented. Indeed, at local level, the capacity is limited when it comes to conducting an assessment of their needs and capacities. Local stakeholders seem more likely to request or accept projects that they will not be able to operate or maintain fully.

Recognising this situation is particularly relevant for Bosnia and Herzegovina. Due to the fragmentation of the political and administrative system in the country and in the absence of proper functioning central State, municipalities are increasingly targeted as drivers for socio-economic and environmental development. Many donors find it in the meanwhile easier and more efficient to target the local level in order to achieve some tangible development result. However, if the ultimate goal of IPA is the EU accession process and its successful accomplishment, than all interventions need to be coordinated and adjusted at State levels.

The same is often true where investments/ works require inter-institutional co-operation and co-ordination at national beneficiary level.

Comprehensive work and supply projects that require an effort of inter-institutional collaboration and co-operation are also often subject to delayed decision-making and effective implementation is sometimes difficult to achieve. This is for instance the case where the vertical co-operation between lead ministry and municipal level is not properly functioning for various reasons, such as different understanding of responsibilities and competencies in decentralisation, difficulties in transferring funds from central to local levels or controversial political considerations.

At horizontal levels, the lack of proper co-operation and co-ordination among central governance institutions potentially benefitting from the same project (e.g. a national electronic data exchange system) often provides a serious obstacle to effective project achievements, as observed at various occasions in many IPA countries.

In the case of the Western Balkans, the EU Progress Reports point to corruption overall as a major challenge across the region and is typically embedded in the state.
While corruption ratings have improved somewhat in some of the countries, the Western Balkan states as a whole remain among those with the poorest ratings in Europe. In most countries, corruption is seen as deeply embedded in national and local politics, with strong links to organised crime groups in some of the states.

Overall, the countries of the former Yugoslavia score quite similar as concerns corruption Indicators and country ranks. In the main and over time the perceived corruption has been slightly decreasing. For Albania a further deterioration has been observed, when comparing the development between 2007 and 2012. The situation is a somewhat different for Turkey where the corruption indicators usually score better compared to the Western Balkans (see Table 4).

Table 4: Development of Corruption Perception Index for IPA countries

The Corruption Perception Index (CPI) ranks countries and territories based on how corrupt their public sector is perceived to be. A country or territory's score indicates the perceived level of public sector corruption on a scale of 0 - 100, where 0 means that a country is perceived as highly corrupt and 100 means it is perceived as very clean. A country's rank indicates its position relative to the other countries and territories included in the index.

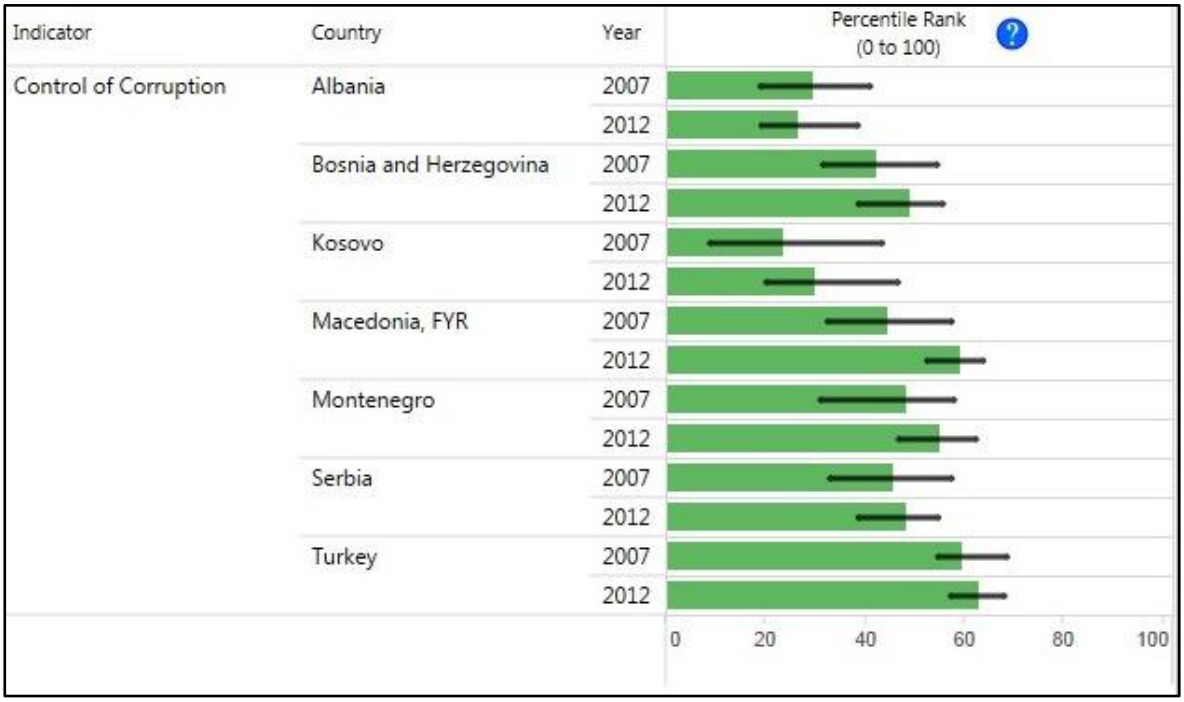
Source: Transparency International

Country	Rank 2013	Score 2013	Rank 2012	Score 2012*	Rank 2007 (-2010)	Score 2007 (-2010)	Comment	Tendency over time
Albania	116	31	113	33	105	2.9	2007 data	↘
Bosnia and Herzegovina	72	42	72	42	84	3.3	2007 data	↗
FYR Macedonia	67	44	69	43	84	3.3	2007 data	↗
Kosovo	111	33	105	34	110	2.8	2010 data	→
Montenegro	67	44	75	41	69	3.9	2009 data	→
Serbia	72	42	80	39	85	3.4	2008 data	↗
Turkey	53	50	54	49	64	4.1	2007 data	↗

Number of participating countries: 2013: 177; 2010: 178; 2009: 180; 2008: 180; 2007: 179
*) With 2012 the CPI scoring methodology has been changed.

A similar assessment can be made when looking at the Control of Corruption Indicators, part of the Worldwide Governance Indicators prepared by the World Bank (see Table 5 below):

Table 5: Control of Corruption Indicators for IPA countries 2007/ 2012



Sample projects did not provide for any significant red-flag situations in procurement.
As concerns the sample for this evaluation there has been no evidence gathered that the procurement process was significantly characterised by red-flags. There has been however, only very limited access to procurement documentation, since many documents are considered as classified by the Contracting Authority.

Where possible irregularities appear(ed) this can be often attributed to inexperienced beneficiaries and vague technical specifications and less to direct attempts of malpractice. This is often typical for beneficiaries that have extensive experience of working with other mostly bilateral donors, where the rules and procedures often differ significantly from the strict IPA conditions. Once such beneficiaries start to work with IPA they often apply the same "flexibility" inherited from previous donor projects, which sometimes conflicts with IPA provisions for procurement and implementation.

There are still many cases of irregularities, however.
These are often detected by the control mechanisms relying on prevention (ex-ante controls), secondly general awareness and internal whistleblowing for cases, and thirdly on complaints from interested parties. There are also lots of complaints without foundation. Some beneficiaries try to circumvent the rule of origin, write technical specification according to what they want and not what they need etc. These can often be detected during the ex-ante controls. On the other hand, it is reported from some countries in the Western Balkans that sometimes EUDs start to investigate red flag

situations on their own and in-depth, which might exceed the EUDs mandate and capacities and undermine future OLAF investigations.

Overall, there are still some inefficiencies and irregularities that are difficult to combat. This is because they escape the regular control mechanisms set in place by the EUD, accredited institutions and beneficiaries. This includes for instance:

- Unclear ToR/ technical specifications lead to differing interpretations of requirements. Contractors tend to benefit from the interpretation margin by doing the minimum of work required (especially for technical assistance).
- There is a grey area in FIDIC contracts, where methods for certain issues are not specified, and contractors try to agree with supervisors on using the most expensive method, although this is technically not always required.
- Some fraud cannot be detected by regular technical/ financial supervision or monitoring and evaluation activities but needs a complete audit.

Two frequent examples for this type of fraud are given in Box 4 below for Turkey.

Box 4: Fraud examples

1) Contractors exceed the permitted percentage of sub-contracting but declare sub-contractors' personnel as their own staff. A case where this is suspected is the construction of the sewage system in Diyarbakır. In this case, EUD became involved upon complaints of supervisor and beneficiary, because the contractor is suspected to have outsourced nearly 100 % of his work; however, in cases where the contractor „only“ exceeds the sub-contracting threshold slightly, he often gets away with it.

2) IPA projects are tax exempted. In works contracts, contractors and sub-contractors often use the possibility to purchase VAT-exempted gasoline in excessive quantities reaching up to 100 x of what is technically required for selling it then on the black market. Since they are not required to submit the invoices for gasoline for IPA payment, but only need the beneficiary's approval of the quantities, this fraud is not easily detected. Beneficiaries suspect that the gasoline quantities are grotesquely exaggerated but feel they have neither the capacity nor the mandate to investigate further. A technical and financial audit would be needed to compare the quantities of gasoline purchased with the amount of work done in the IPA project and the unit gasoline consumption. This type of fraud does not affect the beneficiary or the IPA project, but rather the Turkish government. One beneficiary indicated that he had notified the Turkish finance authority of this problem, but that nothing happened since.

More systematic cooperation with local finance authorities for intervention and persecution of fraud cases affecting public funds, but also the contractual requirement of obligatory financial audits including the assessment of specific questions raised by beneficiaries, accredited ministries or EUD might help to prevent efficiently creative fraud practices that cannot be detected by standard ex-ante controls and monitoring reports/ missions.

In the Western Balkan IPA countries, procurement organisations under the Decentralised Implementation System (DIS) are just about to start their activities. So, far these have been also trained to detect and prevent malpractice in procurement.

The Western Balkans are gradually moving from the centralised to the decentralised implementation system. Serbia is currently the most advanced country in this respect; some countries, like Macedonia are gradually moving towards extended management and procurement. All these procurement institutions (Central Finance and Contracting units – CFCU) are rather young, motivated but often not yet sufficiently experienced. Whilst staff is being trained on procurement rules and methods, including the detection of possible irregularities, more will be needed in terms of qualification and hands-on experience.

Under centralised management the EUD task managers follow the OLAF casebook for detection of fraud in procurement; accredited ministries and agencies also have access to EU guidelines for fraud prevention. During project implementation, monitoring visits are carried out by EUD, in DIS countries increasingly also by National IPA Coordinators (NIPAC) and the CFCUs. Beneficiaries sometimes have their own control mechanisms, which constitutes another layer of confidence.

In Turkey, decentralised procurement is already ongoing since more than ten years, and the number of accredited institutions is increasing.

The more experienced institutions have already built sufficient capacity and practices to ensure correct implementation of tenders and supervision. As observed in Turkey – the only fully operating DIS country in the sample - the accredited institutions have good tools to detect and prevent „classical" forms of corruption such as bid rigging, collusion between tenderers or between contractor and supervisor etc. For example, the Turkish CFCU has its own independent irregularity officer, and the Ministry of Environment offers a helpdesk for whistle blowers. They use guidelines and indicators for identifying attempts to fraud, and in case of suspicion, tenders are cancelled (as has happened in the Ministry of Environment after complaints that information may have leaked from ministry staff being at the same time on the advisory board of a bidding company). In some large projects in Turkey, like the high-speed railway line, the accredited ministry carries out weekly site visits and therefore has a very tight control of the ongoing works; however, most other projects are visited on annual basis and, if necessary, ad hoc missions are foreseen if problems are detected or suspected.

Another grey area in some IPA countries might be programming, where it is difficult to ensure that programming institutions do not prioritise beneficiaries according to political or pecuniary criteria.

The different layers of project fiche/ operational programme approval make arbitrary decisions difficult. The geographic and institutional distribution of projects usually does not lead to the conclusion that especially municipal projects are awarded according to political criteria. IPA projects reflect the whole landscape of political parties, without any preference for municipalities governed by the party actually in power. The separation of responsibility for monitoring and control at programming, tendering/ implementation and

ex-post phase however makes it difficult to establish a causal link in how far inefficiencies result from attempts made during programming.

It should be said that there is sometimes an underlying distrust between accredited institutions and EUDs and among accredited institutions.
As observed from those IPA countries that move(d) to DIS, accredited ministries think that EUDs do hush up their own weaknesses and inefficiencies in order to preserve a successful image, each accredited institution displays the conviction that corruption is rather a problem of other ministries but not of itself, and accredited ministries complain that EUDs still do not trust them enough to treat them as equals. This makes it difficult to understand fully the extent of irregularities and the sincerity of follow-up attempts, since every institution seems to be mainly concerned of its own good image.

4.2.7. EQ 7: Functioning and use

EQ 7: Is the infrastructure / equipment purchased in the framework of the project still present, functioning and in use as per the project objectives?

In all completed and visited projects IPA works and supplies were technically functioning, albeit not always in proper use.
Site visits largely confirm the proper use of recently provided infrastructure/ equipment. However, completion was often delayed compared to original plans. Across the sample projects, the overwhelming majority of the visited completed infrastructure and equipment was found in use, according to the original project objectives. There have been a few cases however, where proper use cannot (yet) be confirmed. Such observations relate in particular to certain sample projects from Albania and Kosovo (see Annex 4 for details).

Concerns remain with WWTPs/ sewerage in Albania.
So far, the EU financed in Albania two WWTPs (Velipoja and Vlora) and co-financed one (Korca) and extended one (Kavaja) out of eight WWTPs in Albania. Two WWTPs constructed by EU funds are not working with one just constructed recently and it still not completed (Velipoja). The WWTP in Durres was not financed by the EU and is not working on full capacity due to the missing secondary and tertiary network. Newly built sewer networks sometimes cannot be properly tested without WWTPs (the takeover is often done without some tests) and will not operate. Such infrastructure quickly deteriorates (e.g. because of illegal connections to networks that get clogged) and after some time will need rehabilitation. This happened with the WWTP in Vlora built by EU in 2007 that has to be now rehabilitated although it never entered operation. Although the assessed sample projects have not been completed, it is likely that many of the built sewerage networks will also not be properly tested and put into operation. This often is because beneficiaries cannot take them over as they do not operate the linked WWTP due to shortage of funds.

Another currently unsatisfactory example is presented in Box 5 below:

Box 5: Poor use of the air monitoring system in Kosovo

The *Supply and installation of equipment for the Air Monitoring System* project consists of 4 Lots (although only Lot 1 was assessed), which are connected to each other. Only a small part of the equipment is used (air monitoring stations) and even this one not fully per the project objective. Supply of air monitoring stations and supply of software for transmitting the data to one central point were separated into two lots. The supplier of the software claimed that his software cannot be adapted to fulfil the specified way of data transmission and processing. Currently, the data processing is done in a very demanding and complicated way. Equipment supplied for laboratories is not used at all so far since the training was not sufficient and the staff of the laboratory expressed a need for additional more intensive training.

In general, IPA works and supplies correspond to the real needs and are used where possible at full capacity; purchase of superfluous equipment is a clear exception.
In some exceptional cases, equipment or infrastructure are not used as foreseen, and this is mostly due to inadequate design and lack of experience on beneficiary/ consulted stakeholders' side.

An example is the Turkish project for *women shelters*, the design of which had been done in consultation with municipalities and civil society organisations active in protection of women against violence, but which are equipped with many items not adequate for daily use: industrial kitchen and laundry (too sophisticated, women don't use them), too many conference and administrative rooms for operating personnel, decorative and modern furniture and individual kitchen equipment (stored in the basement, proved to be inadequate and too delicate). On the other hand, basic security equipment (fences, security doors, cameras) were not foreseen and had to be added by the beneficiary. In the words of a shelter manager: "*For the budget of one of these shelters, two simpler ones could have been constructed, and would probably have been cosier and more adequate to sheltered women's needs*."

Beneficiaries often complement/ expand the provided IPA works and supplies with their own/ other donor funds.
There is a general will of beneficiaries to complement and expand the use of the received equipment and infrastructure provided the project environment and beneficiary situation allows it. For instance in the case of the *Nikola Tesla Power Plant* in Serbia unforeseen additional works appeared to be necessary during the implementation of the IPA project. The additional works were properly financed by the beneficiary and technical management and co-ordination of various works, on-going in parallel but funded from different sources, was very well ensured.

Similarly, the High Judicial and Prosecutorial Council of BiH has proven to be able to adequately link IPA projects with domestic and foreign investments in a long-term development plan for the judiciary and achieve superior combined results compared to individual IPA or other action results.

Assistance to infrastructure brings quick, tangible and sustainable results that are very much needed and appreciated.

Investments, especially in infrastructure, tend to deliver their planned results. This is underpinned by extensive documentary evidence and feedback from stakeholders on the ground. IPA support delivers results across a wide range of different areas: transport (the rehabilitation of national and local highways), energy (power generation and distribution, energy efficiency), education (modernisation of schools), justice (modernisation of courts), environment (water treatment and supply, wastewater and solid waste management), physical infrastructure for government and administration (construction or rehabilitation of national and municipal government buildings).

A number of good examples of investment support were identified in the evaluation sample.

The combination of well-targeted assistance and a beneficiary with sufficient capacity to absorb IPA support results the in a successful action that addresses an acute need and delivers wider impacts. Roads, energy infrastructure and public buildings appeared to be clearly sustainable in most countries. However, the use of environmental infrastructure is less clear cut.

4.2.8. EQ 8: Accessibility

EQ 8: Is the infrastructure /equipment accessible and being used by the relevant parties as per the project objective?

In the main infrastructure/ equipment is accessible and used as envisaged.

As pointed out above, the overwhelming majority of the visited completed infrastructure and equipment was found accessible and in use. Difficulties in proper use relate particular to certain sample projects from Albania and Kosovo (see Annex 4 for details).

Where works and supplies cannot be put into operation as planned, this is often attributed to problems of the beneficiary in ensuring all necessary pre-conditions for use.

In some cases the equipment is specified as 'state of the art' but later on could not be used to the full extent due to the lack of the knowledge of the beneficiary to operate and maintain such equipment. This is for instance the case in the Kosovo project *Support and installation of equipment for the air monitoring system*. Although delivered almost two years ago, only a very small part of the equipment is used; the other part is stored and 'untouched'. In addition to the lack of knowledge to operate the equipment, there is also a lack of financial resources to continuously operate the equipment.

In Albania, the installed infrastructure in *Shengjin Port* is not accessible as no dredging in the necessary territory of the Port has been performed by the national authorities despite that this was mentioned in the Project Fiche. Some related infrastructure (rails for a crane) had been conserved/ topped up with special covering. No cranes have been

acquired yet by the beneficiary. The Port authorities mentioned that some funds will be allocated by the Government for dredging at least some part of the Port waters for accessing the quay. However, this will not be sufficient for achieving the full functionality. Thus it will take a significant amount of additional time and money to achieve the overall project objectives.

The sewerage networks that are currently being constructed in Albania are not likely to be used by the relevant parties since no sufficient funds are available for their operation.

Also as observed in the *Energy Efficiency* project in Kosovo, solar panels installed at the hospital in Gjilan are no longer functioning since the end of the guarantee period. There seems to be again a lack of knowledge on how to maintain such equipment. This however, has been just one case whilst other similar actions in the same project perform without difficulties.

4.2.9. EQ 9: Maintenance

EQ 9: Is the beneficiary in charge of managing the use of the infrastructure/ supplies maintaining it on a regular basis? Is the beneficiary budget ensuring on a continuous basis the necessary recurrent expenditures to make the facilities fully operational? Are the infrastructure/supplies operating adequately and to a full extent?

Overall, fiscal constraints prevailing in the Western Balkans also result in less funding being made available for maintenance of existing assets.

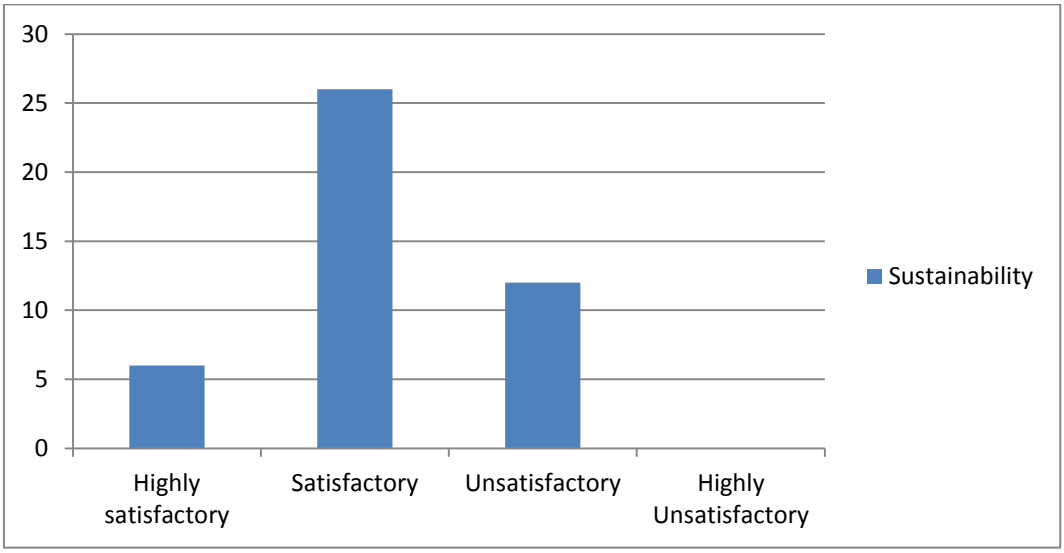
This has long term implications for countries in the region, as inadequate maintenance results in infrastructure which fails to meet the needs of market, and presents higher whole-life costs due to the requirement for rehabilitation or reconstruction. Many beneficiaries consider they currently do not have sufficient financial and human resources to maintain their infrastructure. However, most beneficiaries can ensure adequate maintenance at least in the short term.

Sustainability of sample projects is mixed.

Whilst most of the sample projects at least score as “Satisfactory” (72%), the percentage of projects that have serious deficits in sustainability amounts to 28% (see Table 6 below). This demonstrates systemic problems with ensuring longer term proper use of quite a considerable number of sample projects.

In the main sustainability as a problem is appearing in the Western Balkans but much less in Turkey.

Table 6: Sustainability of sample projects

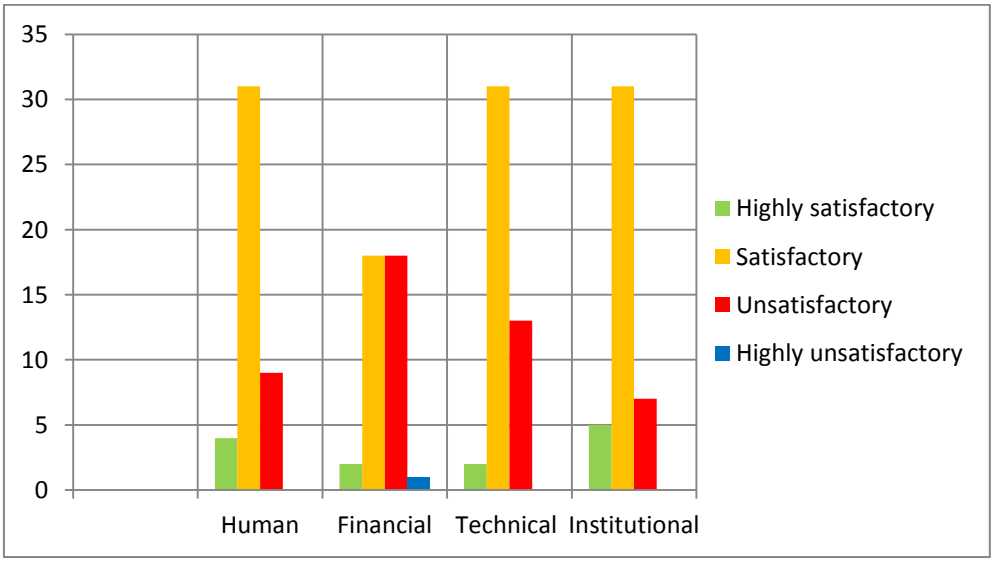


Sustainability of sample projects has been also assessed against individual sustainability criteria.

Sustainability of IPA works and supplies can also be discussed by considering principles of sustainability management. Sustainability management is a business strategy that aligns achieved goals with the wish to sustain them and to allow further growth. One of the chief drivers for sustainability management is increasing demand for compliance with overall global and national requirements.

An effective sustainability management framework can help managers identify emerging issues of concern that may affect supply, operations and delivery. Based on such an approach the situation for the sample projects can be summarised as follows (see Table 7 below):

Table 7: Detailed assessment of sample projects per sustainability criterion



Human and social	Stakeholders' engagement and interest in sustainability; capability of beneficiaries for learning, using and replicating assistance results; stability of top level management staff; extent of staff fluctuation.
Financial	Maintenance and use of deliverables is ensured via embedding outputs into beneficiary budgets; longer term financial aspects addressing adaptation and replacement of outputs.
Technical	Technical feasibility and operational viability, taking into account technological innovation, product lifetime, and rapid development of overarching technical systems and structures.
Institutional	Stable beneficiary institutions ensuring legal, organisational and administrative pre-conditions for sustainability.

The sample projects have been assessed against the four sustainability criteria as outlined above. Across the various dimensions of sustainability the scoring particularly of the financial and technical aspects includes a relatively high amount of "Unsatisfactory" ratings. Technical and human aspects are closely related to the issue of financing. There have also a few cases where the lack of institutional sustainability creates problems for the effective sue and maintenance of equipment or infrastructure. Details are outlined in the following sections.

Overall, for the Western Balkans the expectation that the beneficiary (through the State budget) will automatically ensure sustainability cannot be confirmed for many projects, since most IPA countries are suffering from austerity policies.

Sustainability of projects varies among the IPA countries and depends particularly on the nature of the project and of the beneficiary. The prevailing administrative budget policy in many IPA countries is a further impediment for sustainability. Particularly in the Western Balkans it is apparent that operation and maintenance budgets usually have to be requested each year. Due to budget cuts, the availability of sufficient budgets is often not ensured.

There is at times even insufficient budget for consumables related to the equipment obtained with EU-funding. Where maintenance and even consumable costs exceed the available beneficiary budget there is a strong risk the operation of investments might be curtailed. Also, beneficiary institutions at State level which are considered indispensable for the functioning of a modern state and society are suffering from such shortcomings. This has been observed *inter alia* in Serbia for the teaching equipment provided to the Faculty of Physics in Belgrade.

In the particular case of Bosnia-Herzegovina, most of the beneficiaries are state level institutions whose budget is approved on the yearly basis by the Council of Ministers. All of the beneficiaries stated that this budget is lower from year to year, and is usually just sufficient for covering the basic costs of those institutions. Therefore, it could be generally said that continuity is not ensured and beneficiaries are trying to find different solutions to overcome this problem.

As illustration, the situation for maintenance in the information and Communication Technology (ICT) sector in Albania has been recently analysed by an independent evaluation (see Box 6 below):

Box 6: Maintenance of ICT investment in Albania

IT personnel employed by Government entities are knowledgeable and an asset when it comes to supporting hardware and software installations, as well as maintenance of investment in ICT. However, their work is not sufficiently supported with financial resources.
IT sections are not properly embedded in most of the ministry organisations, with negative consequences for their ability to influence the budgeting process and secure the required IT budgets. This affects the sustainability of EU-funded investment in ICT in Albania.
The procedures involved in securing investment, spare parts and other supplies for the IT departments of ministries is not clear to the ICT sections involved; this is a hindrance to sustainability.
The sustainability of ICT investment is further threatened by the fact that the Government is not reserving budget lines for maintenance of IT assets acquired with domestic or external financing. This despite the fact that administrations are obliged to plan their investments (and to seek approval of the Ministry of Finance) early in the budget cycle.
Ministries are supposed to cover maintenance costs from their own budgets. However, domestically funded local tenders for spare parts and other supplies have a ceiling of ALL 48,000. Procurement is handled centrally for all government entities by the Logistics Department of the Ministry of Interior.
Maintenance is mostly carried out on a reactive basis; only when an incident occurs is a budget allocated, are spare parts bought and procurement procedures started.
When spare parts are not available, response times for replacing broken equipment may be long because of the need to request funds and, possibly, the need for a tender.

Source: Self-Evaluation Albania

Often municipal projects prove to have even more fragile financial sustainability than national IPA projects.

There also seems to be a major difference in respect to financial sustainability between the centrally managed institutions and the local ones. The centrally managed projects often appear to be operating better than the locally managed projects. That is partly because of a gap in staff qualification but more because of the difference of the financial structure. In most IPA countries, the central government has placed a lot of local infrastructure under the financial responsibility of the municipalities.

This is the case of many primary and secondary schools, local roads, bridges, health centres and sport and culture facilities. Municipalities receive a limited funding allocation from the central state, and must generate the incomes for the remaining with limited local economic activity and public management knowledge (see Box 7 below). This is where operation and maintenance is most in jeopardy. The key to this issue is, apart from economic growth, a better income generation and public management at the local level.

Box 7: Financial problems of Mitrovica WWTP

Managers of the Waste Water treatment plant in Mitrovica expressed concern about the maintenance of their WWTP once it is completed. The Regulatory Agency defines water prices for seven existing regional water companies in Kosovo, periodically - usually each 4 years. The water price is currently too low to cover operational and maintenance costs of the whole system under the Mitrovica Regional company responsibility. This, together with the fact that that consumers in North Mitrovica do not pay for the delivered water at all and that the current collection rate is only 50%, causes serious concerns on further operation and maintenance of the facility.

A recent evaluation from Kosovo identified the main types of cases where maintenance is not sufficient (see Box 8 below).

Box 8: Categories of insufficient maintenance

1. The EU project at stake is only one step towards the envisaged overall objective. In these projects, it will be important to follow the development of the targeted institution and provide support with the aim to improve the knowledge of the targeted institution and its capacity to reach the overall objective.
2. The EU project at stake is overdesigned, compared to the needs and more specifically to the maintenance capacities of the beneficiary. Those cases are hard to tackle, because the beneficiary sometimes promises maintenance even beyond its means, by lack of proper budget information, shear optimism, or just in order to push the decision of realising the project. Conducting a more thorough feasibility study at the beginning of the project would allow both EU and beneficiary to understand whether the project is oversized, and whether the beneficiary can afford the maintenance.
3. The beneficiary simply does not have the budget or organisation to maintain the equipment. The difference with the previous paragraph is that in this case the facilities are really useful, and not oversized. The beneficiary just does not have the financial and/or organisational structure to make the EU project sustainable. This is an issue of Government budget allocation.

Source: Kosovo Evaluation of Sustainability

As far as the sample projects for Turkey are concerned, these are mostly completed, infrastructure and equipment are fully operational, operated at full capacity and maintained as foreseen.

Most beneficiaries have ensured the sufficient budget for operating, maintaining and also extending, upgrading or replicating the structures achieved by the IPA projects. The impact and sustainability of IPA projects are generally satisfactory. Adequate budgeting, staffing and legislation making by beneficiary institutions and line ministries as well as an improved cooperation between involved institutions contribute to the good impact and sustainability. This has also been stated in the thematic ROM assessments of 2013.

However, also in Turkey municipal solid waste management (SWM) projects prove to have a more fragile financial sustainability than the other national IPA projects.

Although being legally responsible for implementation and financing of household solid waste management, smaller and poorer municipalities in particular lack the financial capacity and are reluctant to charge adequate waste fees from their citizens. The Ministry of Environment created the necessary legal framework with the tariff regulation[9], but in many municipalities the fees still do not cover collection, treatment and disposal costs due to political reasons, but also to affordability concerns. Municipalities also lack the capacity to cross-subsidise waste management from their general budget, and therefore the financial sustainability of some IPA SWM projects is in jeopardy. Several municipalities did not complete the full treatment structures or re-allocated some features to other purposes. Separation of recyclable waste at the source still not being widely endorsed by the population, civic amenity centres have either not been built or have been used for other purposes. Similarly, composting facilities have either already been cancelled during the design phase, or are not fully operational.

In this context it should be mentioned that the IPA SWM projects often address municipalities with low financial capacities. Strong metropolitan municipalities like Istanbul, Ankara, Izmir or Bursa finance SWM infrastructure with their own means, the IPA beneficiaries are unions of medium and small cities, often in regions with serious structural problems. Transition to full cost coverage may take some time, even if supported by legislation, and it is in the interest of the IPA programme and the responsible accredited ministry to find subsidy mechanisms to ensure financial sustainability during the transition period.

Most IPA supply and work projects in the Western Balkans show insufficient consideration of sustainability and maintenance already at the initial design stage; this is particularly apparent for works.

As it had been reflected in numerous examples from this report, many projects have experienced difficulties with adequate maintenance of delivered supplies/built infrastructure. This implies that not all beneficiaries have properly taken into consideration this 'burden' and have not foreseen sufficient human and financial resources.

Modern concepts like Total Cost of Ownership (TCO) respond to such lack of consideration. TCO is the appreciation of all direct and indirect costs associated with an asset over its entire life cycle[10]. If applied for major IPA works and supplies it could help to develop a more realistic consideration of beneficiaries about the actual requirements for

[9] Atıksu Altyapı ve Evel Katı Atık Bertaraf Tesisleri Tarifelerin Belirlenmesinde Uyulacak usul ve Esaslara İlişkin Yönetmelik/ Regulation on Methods How To Determine Wastewater and Solid Waste Management Tariffs, 27 October 2010, Official Gazette 27742.

[10] For instance for Information Technology, TCO would include hardware and software acquisition, management and support, communications, end-user expenses and the opportunity cost of downtime, training and other productivity losses.

using and maintaining certain equipment or infrastructure already at initial programming phases. It could also serve as an additional valuable tool for prioritising investments.

In the context of this evaluation the consideration of maintenance costs in IPA project preparation and procurement is discussed in more detail in the Box 9 below:

Box 9: Consideration of maintenance costs during project preparation and procurement

It is obvious that good maintenance of installed infrastructure/supplies represent one of key factors affecting sustainability and long term impact of the project results. Therefore, better assessment of beneficiary's readiness and/or its ability to properly maintain planned investments should be made prior to procurement. This factor should be included into the project's maturity when it is assessed along with such elements as availability of land, design, planning documents, feasibility study, institutional readiness and similar. Accordingly, this would show the project's readiness and shall affect its *prioritisation* for investment.

It is recommended that during project preparation the necessary human and financial resources are estimated and indicatively set as a conditionality in the project Fiche/Project Application along with institutional needs. The beneficiary should appreciate it is responsible for the allocation of adequate resources and institutional structures for maintenance. Therefore, the resulting Financing Decision should include the said conditionalities. The beneficiary's commitment to adequate maintenance should be checked during the preparation of tender documents or prior to launch of the associated tender.

Another place where some consideration of maintenance costs should be given is the procurement of works. Maintenance (it should not be confused with replacements) represents important an element of operational costs of some sophisticated plants/complex machinery. When procurement approach is chosen such that operational costs are included into overall price proposal, including of maintenance costs should be considered only in cases where tenderers are allowed to present substantially different technological processes and where it is recognised that maintenance costs may vary significantly between tenders.

The reason for this is that estimating of maintenance costs is quite arbitrary and tenderers may seek to manipulate these costs in order to show a cheaper overall price. Despite the fact that tenderers are required to guarantee their prices, the guarantees cover normally only one year defects liability period and the maintenance costs could be difficult to prove during one year (or even 2 years) of defects notification/performance period. And even if wrong estimates are proved, the maintenance costs (hence penalty) could be rather minor when compared to the total cost of infrastructure.

High staff turnover is a sustainability problem in national institutions. This is manifest in either the frequent departure of key staff from these institutions, or their relocation to other departments or agencies. The same is valid for accredited procurement institutions in DIS countries.

As a further dimension of sustainability, administrative capacity building, i.e. the utilisation of the knowledge, skills and experience gained in the EU integration and pre-accession support implementation process, needs to be better sustained. This is a systemic issue which reduce the impact and sustainability of any assistance under IPA. In many beneficiary institutions, administrative sustainability is still adversely affected by inadequate working and remuneration conditions in the public service.

Moreover, the civil service often does not have sufficient political understanding for creating an adequate working environment for its staff, which leads to too many personnel changes. In addition to political nominations, the main threats to sustainability are seen as low motivation, lack of incentives and low salaries. Capacity built by training and technical assistance can therefore often not be sufficiently retained in beneficiary institutions. Restructuring of ministries after or in between elections, ensuing changes of high level staff and turnover of technical staff affect the capacities of beneficiary or accredited institutions to carry out tenders and supervise their implementation.

Also in Turkey, staff turnover and institutional restructuring in some beneficiary institutions leads to a loss of acquired capacity and knowledge.

This is especially the case in national institutions and ministries. Beneficiaries take some precautions to ensure transfer of knowledge and expertise within the respective institution; however, the sustainability of capacities built during the IPA projects could be improved. This problem is less grave in beneficiary institutions working on local scale, since the options for transferring personnel are more limited.

Annex 5 presents a pilot SWOT analysis taking into account the IPA beneficiary countries' economic and political scenario and making an assessment of the external factors affecting works and supplies projects and the extent to which IPA has been able to adapt and mitigate the effects of the external factors.

4.3. CONCLUSIONS

In general, the IPA works and supply projects seem to be well targeted, in the sense that they properly fit a real demand from the beneficiary. Most of the sample projects confirm full accessibility and proper use of the provided infrastructure and equipment in line with the given project objectives. The evaluation however, reveals also some areas where IPA works and supplies still have room for improvement.

For the Western Balkans, relevance is generally good but the prevailing huge needs for investment considerably exceed the financing possibilities of pre-accession programmes, particularly of IPA Component I. In Turkey, regional competitiveness, environment or human rights represent sectors where IPA really assumes investments that might not have been done otherwise.

Where works and supply projects can still be substantially improved is during their design phase. In view of the move towards a sector-based programming approach, the selection and prioritisation of appropriate work and supply projects will be critical and the assessment of potential sectoral impact and multiplier effects will be paramount. Project readiness will be at the core of the decision-making process.

Realistic procurement plans and market analyses might be tools to improve some aspects of the lengthy tendering processes but only to a limited extent. Timelier contracting depends to a large extent on flexibility in procedures and processes and the current IPA system has not been built and further adapted on the basis of flexibility. It remains to be seen whether the simplifications in the ex-ante approval process, currently considered by the European Commission, could effectively facilitate a more speedy contacting process.

Increased efforts in constantly educating beneficiary staff as concerns procurement matters is also needed, particularly in those IPA countries that are now moving towards DIS. Only then will tendering and implementation issues - which can and will appear - have an increasingly higher chance of being dealt with more rapidly and more professionally. Beneficiaries and procurement staff need also to receive continuous training and guidance in identifying and detecting possible irregularities in procurement and implementation. Also, a dialogue between procurement agencies and the EU bodies dealing with malpractice would be a valuable capacity-building tool which is currently not in place in any systemic way.

Moreover, the performance orientation of IPA II requires that the sustainability of works and supplies, in particular their proper operation and maintenance, receives much higher consideration. As an integrated part of the project identification agenda, any prioritisation and selection process needs to include sustainability and maintenance considerations. This is particularly true for the Western Balkans. Also, the beneficiaries' ability to operate and maintain their infrastructure/equipment properly has to be assessed and defined accurately before undertaking major investments.

4.4. RECOMMENDATIONS AND LESSONS LEARNED

4.4.1. Lessons learned

EQ 10: Which lessons can be drawn from implementing IPA works and supply projects?

1. IPA works and supplies accompany and support the transition from ad-hoc project development towards result and impact oriented programming and programme management.

2. IPA often sets the standards for the quality of works and supplies but also for a transparent procurement process.

3. The needs for reconstruction, rehabilitation and investment in the Western Balkan countries heavily exceed the possibilities of IPA funding. IPA funding needs to focus on the strategically most relevant works and supplies.

4. Where conditionalities/ pre-conditions for IPA works and supplies exist their implementation/ sequencing is often too vaguely described. Beneficiary commitments need to be outlined comprehensively and in detail in order to clearly specify the commitment. Where commitments are not addressed in time, (temporary) suspension should be obligatory, in line with IPA II performance principles.

5. IPA works and supplies do not sufficiently consider maintenance and lifetime concepts like the Total Cost of Ownership (TCO) principle. This leads sometimes to a situation where the beneficiary receives relatively cheap investments/ supplies which later prove difficult to maintain, putting also the longer-term cost-effectiveness under question.

6. Delays in the programming phase (approval of projects) remain an important problem, both due to bottlenecks on the EU side and deficient project preparation by beneficiaries and accredited ministries.

4.4.2. Recommendations

EQ 11: Are there any actions which would improve overall the sustainability of IPA works and supply projects?

Action 1: Improve prioritisation, selection and preparation at programming stage

<u>European Commission Services at Headquarters and Delegations/ National IPA Coordinators:</u>

1. Strengthen the prioritisation of work and supply projects by adopting and applying techniques for proper prioritisation and transparent selection; Feasibility Studies

should be mandatory and up-to-date for all large IPA works as well as their affordability thoroughly checked/confirmed before accepting for financing.

2. Despite benefits and improvements due to involvement of the various Project Preparation Facilities, better project preparation/updating and assessment is still necessary: checking of project's technical, institutional, environmental, financial/economical maturity (e.g. soundness of technical solutions in designs, land ownership, affordability, etc.).

3. Consider Total Cost of Ownership in the prioritisation of future projects, in particular for ICT and major investment projects. Maintenance costs should be applied for project prioritisation, particularly for cases where likely financial sustainability is already detected as a major weakness.

4. For major work and supply projects, the beneficiary's commitment to adequate maintenance should be checked during the preparation of tender documents or prior to launch of the associated tender.

5. Sustainability plans should be requested at the design stage for major work and supply projects in order to anticipate the needs for maintenance. Memoranda of Understanding have little legal value but might draw the attention of beneficiaries on ensuring proper use and maintenance.

6. In the case of more technically complex projects (e.g. Water/Wastewater treatment plants; mechanical-biological waste treatment plants; waste incineration, etc.) the beneficiary should not be left on its own after the commissioning of works. At least one year of operations should be included in tender documents so that all processes could be fine-tuned and staff properly trained. Ex-post monitoring should be conducted to confirm proper use.

7. In order to reduce damage caused by deficient project designs, IPA contract conditions should foresee the inclusion of obligatory liability clauses for damages caused by design errors or an extended liability period.

Action 2: Improve beneficiary capacities

National IPA Coordinators / Central Finance and Contracting Units:

8. Strengthen the provision of training on horizontal programme needs and ensure that training systems become sustainable. In particular for the DIS countries, CFCUs need to increase and systematise their training on procurement and contracting for (potential) beneficiaries.

9. In assessing implementation and absorption capacity of the respective beneficiary institutions, NIPAC and CFCU should consider making a more detailed assessment of their technical capacities for preparing complex projects and adequate market studies.

IPA Beneficiaries:

10. Increase specific technical expertise for project formulation and preparation. Staffing numbers AND proper qualifications are essential for preparing and absorbing IPA assistance.

11. The use of independent external technical expertise is sometimes necessary and national budgetary provisions should be requested to allow their involvement. Key sector institutions should build up gradually a pool of external experts. The involvement of external experts should be extended until final project approval to ensure availability of experts for feedback and revisions. PPFs operating in the respective country/ sector should also include an element of capacity building in order to support the process of beneficiary qualification.

Action 3: Promote the identification and prevention of malpractice in procurement

National IPA Coordinators / Central Finance and Contracting Units/ National Fund/ relevant Audit Authorities:

12. Increase networking within and among the IPA beneficiary countries as concerns the exchange of practice in detecting, preventing possible malpractice in procurement.

13. Increase co-operation with AFCOS (Anti-Fraud Coordination Services) and use AFCOS for the continuous education of procurement staff in accredited institutions (as already largely done in Turkey).

14. National procurement rules should be gradually harmonised with EU good practice. This could include *inter alia*: putting emphasis on value for money rather than on price; considerations for e-procurement; green public procurement; effective anti-corruption techniques like whistle-blowers, etc.

15. CFCUs and accredited ministries should consider appointing an independent irregularity expert and providing a helpdesk for complaints related to irregularities.

Annex 6 presents possible qualitative and quantitative indicators for detecting/ preventing red-flag situations in procurement.

5. Annexes

Annex 1: Terms of Reference

A BACKGROUND

A - 1 INTRODUCTION

This document sets out the background to this assignment, the overall objective, activities to be undertaken and the expected results. It also provides details on the resources required in terms of consultancy inputs and reimbursable expenditures. Finally it outlines the expected duration, location and reporting requirements.

A -1.1 Beneficiary country

Albania, Bosnia and Herzegovina, the former Yugoslav Republic of Macedonia, Kosovo, Montenegro, Serbia and Turkey

A -1.2 Contracting Authority

European Union, represented by the European Commission on behalf of and for the account of the beneficiary countries: Albania, Bosnia and Herzegovina, the former Yugoslav Republic of Macedonia, Kosovo, Montenegro, Serbia and Turkey.

A -2 BACKGROUND TO THE ASSIGNMENT

A - 2.1 Cooperation instruments

Since the invitation to the candidate countries to become part of the European Union, the enlargement process has contributed decisively to achieving political stability, economic progress and social justice. Stable institutions, changes of government on the basis of free and democratic elections, reinforced protection of human rights, including rights of minorities, and market economy principles are now common features. By 2001 the challenge for the EU was to respond effectively to volatility in the Western Balkans region while progressing towards the goal of integration of the countries of the region into the EU. In this phase, Turkey was encouraged to intensify and accelerate the process of political and economic reforms in line with the Accession Partnership priorities. The Stabilisation and Association Process (SAP) provided a framework within which the contractual relationships and an assistance programme (CARDS) helped each country to progress, at its own pace as potential candidates for EU membership. Regional co-operation was critical for the consolidation of stability and a vital component of the EU's commitment in South Eastern Europe. All the countries in the region needed to be assisted in their attempts to synchronise regional co-operation efforts with the requirements of EU integration. The Stabilisation and Association process, Stability Pact and financial assistance each played a complementary role in this respect. The enlargement countries faced many challenges especially in fields such as the rule of law, corruption, organised crime, the economy and social cohesion. The Commission supported the enlargement countries in their preparation for accession by providing financial and technical support through a dedicated financial instrument, the Instrument for Pre-Accession Assistance (IPA). For the period 2007-2013, IPA funds amounted to € 11.6 billion. Investments in economic, social and rural development had been being supported, as is regional cooperation in the Western Balkans.

The countries are making further efforts to achieve political and economic reforms, transforming societies, consolidating the rule of law and creating new opportunities for citizens and business within their own territory. The Commission has provided sound policy advice and guidance to countries reform efforts and progress in addressing European Partnership Priorities have been done through services, supplies and

works which have been mostly managed by the EU Assistance to each single country. There have been some developments regarding the trans-European transport networks and transit traffic, and progress was made regarding the development of the transport and energy networks. The EU is committed to continue assisting the countries with policy advice and financial assistance and works closely with IFIs to channel favourable loans towards priority areas. The Commission will continue associating enlargement countries with the Europe 2020 strategy. To that aim, and in line with the Europe 2020 approach, the enlargement countries are encouraged to consider national targets in the fields of employment, innovation, climate change, energy, education, poverty reduction and social inclusion. Commission is supporting beneficiary countries in their preparation for accession providing a broad range of instruments: service, twinning, grants, supplies, works, as well as through short term TA and exchanges through instruments like TAIEX or P2P.

Multiple needs of the beneficiary countries, where absorption capacities and level of development are quite diverse, and the available IPA resources are relatively modest make the choice of the appropriate cooperation tools critical. EU value added, on the one side, and sustainability issues (related to staff turnover, corruption, low capacity within beneficiary administrations, budgetary constraints, conditionalities) on the other side, seem to be particular relevant criteria to assess while opting to supplies and works, as opposed to typical capacity development tools aiming at strengthening capacities and empowering beneficiaries.

In addition budget allocations are realistic but for the above constraints can be over or under estimated: in general budgeting for supply and infrastructure projects is less precise due to time differences between the time of preparation of technical specifications and the moment of implementation, beside the risk of inadequate market analyses.

The evaluation builds also on previous assessments undertaken in this area on specific countries, by different stakeholders and beneficiaries and wants to highlight the feasibility of the activities or method of delivery of a development initiative: it examines whether works and supplies projects as they have been operationalized are ensuring enhanced sound financial management and are acceptable and feasible within the local context.

B DESCRIPTION OF THE ASSIGNMENT

B - 1 OBJECTIVE, PURPOSE & EXPECTED RESULTS

The overall objective of this evaluation is to enhance EU value added and perspective cost- effectiveness in delivering financial cooperation while addressing beneficiary needs. related to on identifying and reducing the costs of works and supplies involving EU Funds is to provide information, methodologies and tools for the European Commission and Member States' authorities for improving the effectiveness of the projects approach in achieving stated objectives and assessing the external factors affecting the projects. In addition one objective of this project is to present an estimation of the costs of corruption and red tape in public procurement aiming at improving the public procurement rules and practices and at cutting down the red tape for a better use of public money. This evaluation aims to provide relevant findings, conclusions and recommendations to the Commission in several areas. Its objectives are the followings:

To enhance the efficiency of the allocation and utilisation of EU assistance for works and supplies in Balkan countries and Turkey and thus secure better aid effectiveness.

To analyse the extent to which the project design and the activities implemented to date are contributing to the stated objectives or would have affected negatively the achievements

(i.e. lack of work/supply component genuinely complementary to the other project components; project outputs are not accepted by the national stakeholders; Works Contract, signed for a precise implementation period, should subsequently extend their implementation period.)

Regarding each country's economic and political scenario, make an assessment of the external factors affecting the Works and Supplies projects (State/Local political continuous support; staff turnover) and the extent to which the project has been able to adapt and mitigate the effects of the external factors. A pilot SWOT analysis might be carried out as follows:

Strengths - CSOs at local and national level; policy making processes
Weaknesses - Lack of capacities at local level, regional national level; Visibility
Opportunities - Institutional opportunities (associations, loans), business opportunities, business partner; Visibility
Threats - Sustainability; follow up on action plans/services

To assess whether and how stakeholders may take multiple aspects into account besides value for money or cost reduction through optimal competition with the aims to make infrastructure /supplies accessible and being used by the relevant parties as per the project objective and to ensure on a continuous basis the necessary recurrent expenditures from the national budget to make the facilities fully operational.

It is expected that findings and recommendations will provide lessons learned relevant to the implementation of on-going and future EU assistance in the Enlargement region. The evaluation will be used for monitoring of future progress in the effectiveness of aid delivery in the concerned area.

B - 1.1 Global objective

The purpose of the evaluation is to provide lessons learned on financial assistance (works and supplies), to assess the capital investments for socio economic development in all WBs and Turkey region and to identify the constraints that works and supplies have generally faced achieving the planned level of impact,

B - 1.2 Specific objective(s)

Assessing relative relevance, value added and sustainability in relation to the inclusion of supplies and work contracts in financial cooperation.

B - 1.2.1 Specific tasks

The specific tasks of the experts will include the following:

To collect information through correspondence and/or from available publications, project documents, interviews on relevant aspects of the EU funded interventions of supplies and contracts in the region.

Assess the relevance and EU value added of proposed interventions having regard to the country specificities (level of development, budgetary stress, beneficiary needs) and nature of the projects.

To examine cost-effectiveness and sustainability in relation to procurement, implementation, and maintenance of works and supplies funded in the framework of financial cooperation, to highlight the sustainability of the identified impacts (both positive and negative) and to stress the relevant elements which hamper the impact and/or sustainability of assistance: robust financial and economic feasibility studies that, in addition to the existing requirements for financial and economic analysis, clearly indicate mechanisms to ensure sustained funding for operations; longer-term and predictable assistance on staff recruitment and

turnover issues strengthening an effective longer term management mechanism; complementary requirements for beneficiary organisations or other partners; conditionalities of political, technical nature; costs of the supplies/works compared to normal market practices.

Taking the above into consideration, to suggest how the beneficiaries might make changes or introduce completely new processes, procedures and services into their existing systems for the overall functioning of the beneficiary institutions in line with the programmes and the planned assistance according to the project fiches.

The suggestions should try to clarify also how the local organisations or bodies are tasked to fight inefficiencies, rent seeking and/or corruption practices during the process and which practices helped to prevent and detect "red flag"-situations in public procurement and/or which contribute to reducing (costs of) corruption in public procurement. A low control of corruption also coincides with a high increase in red tape and the analysis can provide recommendation for cutting down it.

B - 2 Requested services

The evaluator will assess the current status of works and supplies projects concluded in the period 2005-2011: the evaluation will be based on a targeted sampling of projects considered representative per country of various priority areas and sectors. Projects, which are completed and 'in use', will be assessed (i.e. at least provisionally accepted and operational for a while).

The evaluator will also assess to which extent the project (investment) has full ownership, support and involvement of the main beneficiary.

With regard to specific task a, the experts will get all relevant information by means of programming and project documents, available publications and evaluations, interviews with EU staff, beneficiary institutions, other stakeholders and market operators.

With regard to specific task b., the evaluation will address the following questions:

Which is the relevance and EU value added of having a work or supply component considering the level of development of the country, the specific national budget limitations, the sector/beneficiary needs?

Where the work/supply component genuinely complementary to the other project components and such that its lack would have affected negatively the achievement of the project objectives?

Was the sequencing in the procurement and implementation of the different components logic and realistic?

With regard to specific task c and d., the experts will focus, based on the collection of publicly available information (website/internet, reports, ROM, etc.) on works and supplies and interviews, on the following aspects:

Where the supplies/works delivered according to sufficient quality standards, timely and used according to the project objectives?

Did the deliverables ensure value for money, especially compared to similar actions carried out outside donor intervention?

Where the administrative capacities of the beneficiary sufficient to ensure proper and timely utilisation of funds and utilisation of the deliverables?

Is the infrastructure / equipment purchased in the framework of the project still present, functioning and in use as per the project objectives.

Is the infrastructure /supplies accessible and being used by the relevant parties as per the project objective.

Is the beneficiary in charge of managing the use of the infrastructure / supplies maintaining it on a regular basis? Is the national budget ensuring on a continuous basis the necessary recurrent expenditures to make the facilities fully operational? Is the expected impact up to the expectations and still there?

With regard to specific objective e., the experts could identify quantitative and qualitative measures/indicators aiming at detecting/preventing possible cases of price inflation or corruption in public procurement projects which signal increased project costs, corrupt practices and losses for public budgets, as well as the most suitable tools whereby they can be detected.

The detailed content and focus of the report will be agreed upon with the Reference Group (EU officials and stakeholders) in the inception phase.

The contract will be GLOBAL PRICE.

B - 3 Suggested Methodology

DG ELARG's Evaluation guide (attached) and DG Budget's guide "Evaluating EU activities – a practical guide for the Commission Services" provide guidance on good practices concerning conducting an evaluation.

The assignment will be carried out taking on board findings from past evaluations carried out at country level as well as complementary findings from a sample of projects for a selected number of countries. These countries, the final list of which will be defined during the inception phase, are tentatively suggested as Serbia, Kosovo, Albania and Turkey, representing countries at a different level of development and characterised by a different management mode. Complementary to the project documents, the consultants might get access to relevant information by means of interviews, and assessing of available documents/studies.

The FWCrs are invited to include an outline of their proposed methodology to undertake this assignment as part of their technical offer, including comments on the specific tasks and an elaboration on judgement criteria to answer the questions. The questions and the methodology for this assignment will be elaborated and agreed upon during the inception phase. Questionnaires to be sent to different stakeholders could be considered, as well as some country visits in order to validate certain assumptions.

B - 3.1 Required outputs

The outputs of the evaluation will be:

An Inception Report.

A kick-off meeting in Brussels will take place at the beginning of the desk phase. The draft Inception Report, covering the whole region, will be sent to key stakeholders for comments before final endorsement by ELARG A3. It will have to cover the updated methodology, a tentative plan of interviews; the proposed outline of the report and the timetable for the implementation of the assignment.

A Final Evaluation report.

The evaluation report should specifically answer each question agreed in the inception phase, and meet all the specific objectives and requested services. The report will include: table of contents; list of abbreviations;

executive summary; work plan; findings and project profile sheets; recommendations for further projects; Capacity building of the local Government; Works projects; Supplies projects; Operation and maintenance; Corruption perception surveys: Micro-level and Macro-level indicators.

The final outline of the report will be agreed during the inception phase. The draft and final report will be presented and discussed in Brussels.

The content and the format of the final report shall be elaborated and approved in the inception phase. The Contractor should provide an abstract of no more than 200 words and, as a separate document, an executive summary of maximum 6 pages, both in English and French. 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) conclusions and recommendations. The Final report should be usable for publication.

A Final Activity Report.

It should describe in a concise and structured way how the above described “requested services” have been fulfilled (max 8 pages). In annex, it will include all requested information and analysis as necessary. The outputs of this evaluation will be presented in the English language.

The experts should ensure an internal quality control during the implementing and reporting phase of the evaluation. The quality control should ensure that the Final Evaluation report complies with the requirements in the methodology section above before its submission to the Reference Group.

C EXPERTS PROFILE

C - 1 Number of requested experts per category and number of man-days per expert

The experts will be expected to be available for the whole duration of the assignment. It is expected that the assignment will require 145 working days.

Expert	Working days
Team leader	30
Senior expert	25
Junior expert n. 1	45
Junior expert n. 2	45

C -2 Profile of the Experts

Team leader

The team leader will have overall responsibility for the research to be carried out in Western Balkans and Turkey with a particular focus on gathering qualitative information from the EC and local actors. S/he will also work closely with the ELARG evaluation team to prepare the necessary reports.

General professional experience/qualifications and skills

University degree, preferably at Master level, or 15 years of equivalent professional experience; at least 10 years of professional experience in financial cooperation;

To be fluent in English with excellent report writing, as well as being an effective communicator; Be acquainted with EC procurement procedures.

Specific professional experience

At least 5 years experience in implementation and/ monitoring and/or evaluation of EU projects (works; supplies);

Consolidate experience with research/teaching and reporting; Very good coordination skills;

Knowledge of programming cycles of EC;

Previous work experience in Western Balkans and Turkey is essential.

Senior expert

General professional experience/qualifications and skills

University degree, preferably at Masters level, preferably in civil or electrical engineering, or 15 years of equivalent professional experience;

At least 10 years of professional experience in designing/managing projects Experience in drafting/assessing technical specifications

To be fluent in English with excellent report writing, as well as being an effective communicator; Experience in working with the EC in Works and Supplies procedures would be appreciated

Specific professional experience

At least 5 years experience in implementation and/or monitoring and/or evaluation of EU projects (works; supplies);

Consolidate experience with research/teaching and reporting; Knowledge of programming cycles of EC;

Previous work/research experience in Western Balkans and Turkey would be an asset.

2 Junior Experts

General professional experience/qualifications and skills

A university degree in Civil or electrical Engineering or 5 years of equivalent professional experience; at least 3 years of professional experience in the public administration sector or management of projects;

Fluent in English with excellent report writing skills (fluency in Serbian and/or Turkish is an asset);

Proven research experience.

Specific professional experience

Experience in the preparation or analysis of economic development programmes; Familiarity with EC, Works and Supplies procedures;

Proven analytical experience;

Knowledge of economic development in Western Balkans and Turkey and previous work experience on the ground will be advantageous.

The minimum requirement for the team as a whole are: Excellent oral and writing skills in English (all experts); Very good understanding of public procurement rules Experience with drafting of technical specifications

At least one expert should have a satisfactory understanding of Turkish and/or Serbian language.

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.

The technical proposals which do not meet the minimum requirements for key experts will be rejected.

D LOCATION AND DURATION D - 1 ASSUMPTIONS & RISKS

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 project management cycle 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 evaluation: 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 and the beneficiaries;

All staff of European Commission Representations, beneficiaries and implementing parties are regularly informed on objectives and methods of this evaluation, in order to ensure their full cooperation.

The expert should immediately inform DG ELARG Unit (A3) in the event one or several of the above assumptions prove to be untrue. The experts will also report any limitations to the evaluation due to insufficient collaboration from key stakeholders.

D - 1.1 Timing

The evaluation is expected to start in December 2013 and last 6 months. A final calendar on the implementation and reporting for the different studies covered by these Terms of Reference will be agreed during the inception phase. The inception phase, including the final methodology for the evaluation, is planned to be completed by January 2014. The Desk Phases and reporting for the different studies will be organised in a progressive way in order to best use the resources available in terms of experts, to facilitate that lessons learned are incorporated through the whole process and to meet agreed deadlines.

Both desk phases are planned to be completed by April 2014. Briefing/debriefing meetings will take place during the period September 2013 – April 2014. The submission of the final Evaluation Report to ELARG A3 is expected on May 2014.

The experts will carry out their duties mainly at their home base. Missions to Western Balkans and Turkey and possibly to IFI headquarters might be required. The Task Manager will approve a certain number of missions.

FWCrs, as part of the methodology, are invited to elaborate on how they plan to allocate the resources.

The planning by the end of the inception phase should indicate the tentative dates and duration of the field work, and for the remaining milestones of the evaluation. A suggested outline is presented below.

Phase/Activity	Month
Kick-off meeting in Brussels	December 2013
Preparatory desk phase:	December 2013
Draft Inception Report, comments provision and revision	January 2014
Inception report	January 2014
Desk phase + Field phase (if necessary)	February 2014
Briefing in Brussels and presenting preliminary findings and conclusions of the field phase	March 2014
Synthesis phase Elaboration of the Draft Evaluation Report, and submission to the Reference Group	March/April 2014
Incorporating stakeholders' comments and submission of the final Evaluation Report to ELARG A3	April 2014
Debriefing of the final Evaluation Report in Brussels	May 2014

D – 1.2 LOCATION AND DURATION

D – 1.2.1 Starting period

The evaluation is expected to start in December 2013

D – 1.2.2 Foreseen finishing period or duration

The expected duration of the assignment is 180 days.

D - 2 Location of assignment D - 2.1 Location

The experts will carry out their duties mainly at their home base. Missions to Western Balkans and Turkey are considered necessary. The Task Manager will approve a certain number of missions.

Desk work will be undertaken at the premises of the contractor or other location agreed by the contractor. 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).

D - 3 QUALITY CONTROL

D 3.1 Internal quality control

The experts 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 relevant judgement criteria.

The views expressed in the report will be those of the contractor and will not necessarily reflect those of the Commission. Therefore, a standard disclaimer reflecting this will be included in the report. In this regard, the experts may or may not accept comments and/or proposals for changes received during the above consultation process. However, when comments/proposals for changes are not agreed by the experts, he/she should clearly explain the reasons for his/her final decision in a comments table.

D - 3.2 Quality control by the Commission

The reports shall undergo two external reviews: the first draft shall be reviewed in parallel by all relevant stakeholders. Indicatively, relevant stakeholders include: the respective European Commission Representations, implementing agencies/line ministries, the relevant units at DG ELARG, including the Country Units working with IPA, the Regional Cooperation (D3) and IPA Quality and Strategy Unit (D1), and the Inter-institutional relations, Planning, Reporting and Evaluation Unit (A3). The final (second) draft shall be reviewed by the Inter-institutional Relations and Planning Unit (A3), taking account of the comments made by the different stakeholders and how the experts have handled these comments. The approved final report will be subject to a quality assessment by Unit (A3) of DG ELARG. The assessment will be based on the quality assessment grid issued by the Secretariat General in 2006 The experts should from the onset familiarise him/herself with the quality assessment criteria that will be applied.

Once this process is completed, the Inter-institutional relations, Planning, Reporting and Evaluation Unit (A3), in cooperation with Reference Group, will endorse the final version of the reports for distribution to stakeholders and later presentation by the experts.

E REPORTING

E - 1 Sources of information

Sources of information to be used by the experts include, but are not restricted to:

Evaluations carried out by DG ELARG http://ec.europa.eu/enlargement/news_corner/key-documents/index_en.htm

Serbia: Evaluation of works, supply and grant contracts implemented and financed by IPA and CARDS programme and EIDHR Letter of Contract N°2012/304630-Version 1

Kosovo: Evaluation of sustainability of EU CARDS and IPA funded works and supplies projects, Specific contract no.: 2012 / 305971 / V1 of the Framework Contract Beneficiaries Beneficiary country: KOSOVO*

Albania: Self-Evaluation Albania of CARDS/IPA Projects 2010-2011

Other studies/information (the current list is not exhaustive)

Programming and strategic documentation as well as project fiches can be found on DG ELARG internet site. Updated project fiches, monitoring reports, minutes must be collected from the Headquarter.

E – 2 Working language(s) The main working language of the assignment is English and Executive report (max 6 pages) also in French.

E – 3 Submission/comments timing (To be reviewed)

Phase I: Inception phase (January 2014)
1.1 Preliminary data collection
1.2 Initial briefing in Brussels
1.3 approach criteria
1.4 Fine tuning of assessment approach and methodology: Evaluation questions, set up of questionnaires, judgement criteria identification of field
1.5 Finalizing Inception Report
Phase II: Desk analysis and review (January 2014/ February 2014)
2.1 Collection and update validation of strategic documents
2.2 Desk analysis based on evaluation question and judgement criteria
Phase III: Fields missions (February 2014)
3.1 Field interviews and validation of assumptions – per country
Phase IV: Synthesis Phase (March/April 2014)
4.1 Pilot SWOT Analysis
4.2 Quantitative and qualitative indicators -price inflection or corruption in public procurement projects
4.3 Drafting Final Evaluation report and Final Activity report to Reference group
4.4 Intermediary validation briefing in Brussels
4.5 Revising Final reports to A3 Unit DG ENLARG
4.6 Final presentation and debriefing
The Final reports to be submitted (May 2014)

E - 4 Number of reports copies

The draft Reports (Inception report, Evaluation report, and Activity Report) will be submitted to the DG ELARG project manager in electronic form by e-mail. The Final Evaluation report will be submitted in electronic form by e-mail. Upon acceptance of the report 6 hard copies will be delivered to the EC. The draft final report will be due by April 2014 and the final report on May 2014, following incorporation of comments and suggestions from the donors.

The table of contents for all reports will be agreed with DG ELARG project manager. The Final Activity Report (in 3 hard copies and in electronic version) should bear record about the assignment as a whole. It should describe in a concise and structured way how the above described "required services" have been fulfilled (max 8 pages). In an annex, it will include all requested information and analysis as necessary.

All the reports and expected outputs shall be produced in excellent English, using the appropriate style, and with the text structured in a clear and concise way. The Final Evaluation report should be usable for publication.

All electronic versions have to be submitted in a format compatible with MS Office software. The EC reserves the right to request additional revisions of the reports, if this is deemed necessary in order to reach an appropriate outcome and quality control requirements.

F ADMINISTRATIVE INFORMATION

F – 1 Language of the specific contract

The specific contract is in English

F – 2 Request for succinct methodology

A methodology (not longer than 5 pages) should be submitted with the offer.

F – 3 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 should be taken into consideration:

International travel to Brussels or other European countries, max 6 return trips; International travel to beneficiary countries, max 12 return trips;

Per diems in Brussels, max 8 (in case the expert is based outside of Belgium); Per diems in beneficiary countries, (max. 50);

The framework contractor will make sure that the experts are covered by an appropriate travel insurance (i.e. that covers medical repatriation).

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.

F - 3.1 Tax arrangements

Taxes, including VAT and other duties are exempted from the EU financing.

F - 4 OTHER 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 evaluation. 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: making available to the staff of the contracting authority, making available 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, 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; 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: 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.

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.

Annex 2: Methodology used

Methodology – Main Components

The Inception Report of this contract outlined the main components of the evaluation methodology. It main elements were:

- Framework for answering the evaluation questions
- Inception stage methodology
- Field stage methodology
- Synthesis stage methodology and outputs.
- Sampling methodology (see Annex 3)

This was underpinned by an evaluation matrix that was prepared specifically for this evaluation and is presented below:

Evaluation Questions (EQ)	Judgement Criteria (JC)	Judgement Indicators	Sources of Information (SOI)
EQ 1: *Which is the relevance and EU value added of having a work or supply component, considering the level of development, the specific beneficiary budget limitations, the sector/ beneficiary needs?*	Consistency of IPA objectives with country (pre-accession) strategy and (accession) needs.	• Objectives of IPA works and supply projects as stated in overall IPA strategies are identifiable in country and sector strategies; i.e. hierarchy of objectives is discernable from MIPD to country programmes.	IPA national programming guides; MIPD; IPA national programmes; country/ sector strategies; administrative data from DG ELARG, EUDs and national authorities (if available); Enlargement Progress Reports, Monitoring and Evaluation Reports.
	Integration of needs assessments into relevant country and sector strategies and programmes, policies and legislation.	• Country strategies and programmes reflect/make reference to outcomes of needs assessments prepared as part of the programming process.	
EQ 2: Where the work/supply components genuinely complementary to the other project components and such	Extent of complementarity with other project components. Likelihood of overall project realisation	• Evidence of real benefit gathered from complementarity.	IPA national programming guides; MIPD; IPA national programmes; country/ sector strategies; administrative data from DG

Evaluation Questions (EQ)	Judgement Criteria (JC)	Judgement Indicators	Sources of Information (SOI)
that its lack would have affected negatively the achievement of the project objectives?	in the absence of IPA funded works/ supply.	• Loss of project benefit directly attributable to inappropriate sequencing.	ELARG, EUDs and national authorities (if available); Enlargement Progress Reports, Monitoring and Evaluation Reports. Structured interviews with DG ELARG, EUDs, national authorities, programming and implementing actors, and beneficiaries of IPA financial assistance.
EQ 3: *Was the sequencing and timetable for the procurement and implementation of the different components logical and realistic?*	Identification and comparison of planned and realised sequencing in procurement and implementation.	• Planned sequencing is confirmed by reality. • Projects are procured and implemented according to the planned sequencing.	Project Reports; Monitoring and Evaluation Reports. Structured interviews with DG ELARG, EUDs, national authorities, programming and implementing actors, and beneficiaries of IPA financial assistance.
EQ 4: Where the supplies/works delivered according to sufficient quality standards, timely and used according to the project objectives?	Identification and comparison of planned and realised quality, timing and use of project outcomes. Factors that contributed to achieving/non-achieving good quality, timeliness and proper usage.	• Identification and usage of defined quality standards. • Organisational, technical and financial concepts developed and approved by both EUDs and national authorities. • Projects procured and implemented in line with set timetables. • Evidence of proper usage of project results. • Benchmarking with similar projects.	Project Reports; Monitoring and Evaluation Reports. Structured interviews with DG ELARG, EUDs, national authorities, programming and implementing actors, and beneficiaries of IPA financial assistance.
EQ 5: Did the deliverables ensure value for money, especially compared to similar actions carried out outside donor intervention?	Cost-effective delivery compared to other similar projects, external to IPA funding. Factors that contributed to achieving/non-achieving good value for money.	• Inputs delivered at adequate costs (incl. administrative burden for beneficiary).	Project Reports; Monitoring and Evaluation Reports. Structured interviews with DG ELARG, EUDs, national authorities, programming and implementing actors, and beneficiaries of IPA financial assistance.

Evaluation Questions (EQ)	Judgement Criteria (JC)	Judgement Indicators	Sources of Information (SOI)
EQ 6: Were the administrative capacities of the beneficiary sufficient to ensure proper and timely utilisation of funds and utilisation of the deliverables?	Institutional/ administrative strategies and actions (at governmental, ministerial, agency, local level, etc.) supporting project outcomes are in place. Availability and provision of administrative capacities for procurement, implementation and utilisation.	• Institutional strategies are in use by beneficiaries. • Supporting legislation (especially secondary legislation) in place. • Beneficiary budgets in place for hiring and employing staff for project preparation, procurement and implementation. • Staffing plans exist and there is evidence of their application in practice.	Project Reports; Monitoring and Evaluation Reports. Structured interviews with DG ELARG, EUDs, national authorities, programming and implementing actors, and beneficiaries of IPA financial assistance.
EQ 7: Is the infrastructure / equipment purchased in the framework of the project still present, functioning and in use as per the project objectives?	Usage of the project's results. Institutional memory exists. Staff continuity (in terms of numbers, competence and quality). CARDS impacts are identifiable and continue to contribute to Country development. Political support in place to support sustainability of assistance. Factors that contributed to achieving/non-achieving sustainability.	• Evidence of usage of project results for the purpose intended. • Staff turnover minimised. • Mechanisms for transfer of knowledge and experience are operational. • Technical condition of facilities. • Improved reliability and accessibility of infrastructure services. • Investments/infrastructure physically in place and in use. • Government policies towards the relevant sectors remain consistent over time.	Project Reports; Monitoring and Evaluation Reports. Technical reports, Provisional and Final Taking Over Certificates. Structured interviews with DG ELARG, EUDs, national authorities, programming and implementing actors, and beneficiaries of IPA financial assistance.

Evaluation Questions (EQ)	Judgement Criteria (JC)	Judgement Indicators	Sources of Information (SOI)
EQ 8: Is the infrastructure/ equipment accessible and being used by the relevant parties as per the project objective?	Extent of observable accessibility and use of project outcomes (infrastructure/ supplies).	• End-users confirm accessibility and use of infrastructure/ equipment. • Transparency and accountability of local authorities/service providers towards citizens as end-users.	Project Reports; Monitoring and Evaluation Reports. Structured interviews with DG ELARG, EUDs, national authorities, programming and implementing actors, and beneficiaries of IPA financial assistance.
EQ 9: *Is the beneficiary in charge of managing the use of the infrastructure/ supplies maintaining it on a regular basis? Is the beneficiary budget ensuring on a continuous basis the necessary recurrent expenditures to make the facilities fully operational? Are the infrastructure/supplies operating adequately and to a full extent?*	Availability of clear provisions and procedures for ensuring proper maintenance. Availability of financial and human resources for continuation/ maintenance of activities and further improvements.	• Beneficiary budgets in place for managing, operating and maintaining infrastructure/ equipment. • Evidence of training sessions and number of participants in specific training activities. • Staffing plans exist and there is evidence of their application in practice. • Government policies towards the relevant sectors encourage/ require regular maintenance. • Quantitative targets of the project are met (continue to be met).	Project Reports; Monitoring and Evaluation Reports. Supervising Engineer Reports. Reports of the infrastructure facility' operators: operational budget, degree of cost-recovery. Structured interviews with DG ELARG, EUDs, national authorities, programming and implementing actors, and beneficiaries of IPA financial assistance.

Lessons learned and recommendations

Evaluation Questions (EQ)	Judgement Criteria (JC)	Judgement Indicators	Sources of Information (SOI)
EQ 10: Which lessons can be drawn from implementing IPA works and supply projects?	Judgement criteria and indicators are not applicable for lessons learned/ recommendations as they in essence synthesise the findings of the evaluation questions, which have been developed using the judgement criteria above.		-
EQ 11: Are there any actions which would improve overall the sustainability of IPA works and supply projects?	Judgement criteria and indicators are not applicable for lessons learned/ recommendations as they in essence synthesise the findings of the evaluation questions, which have been developed using the judgement criteria above.		-

Annex 3: Scope of the evaluation

The scope of the evaluation includes works and supplies projects concluded in the period 2005-2011. The evaluation has been based on a targeted sampling of projects considered representative per country of various priority areas and sectors. According to the ToR, projects, which are completed and 'in use', have been primarily assessed. However, a limited number of uncompleted projects have been chosen as well. In geographic terms the evaluation covers Albania, Bosnia and Herzegovina, Kosovo, Serbia and Turkey.

A sampling methodology has been applied based on a pre-selection of the EUDs in the five sample countries (Serbia, Albania, Kosovo, Turkey and Bosnia and Herzegovina). The EUDs identified a first sample of projects (long-list) representing around 20 projects per target country. The EUDs' selection was made following an initial screening of IPA works and supply projects based on the following selection criteria:

- *Strategic importance in respect of pre-accession requirements and/or* acquis *adoption/ implementation/ enforcement*

The proposed projects should indicate their level of importance as concerns priorities identified in key programme (i.e. Progress Reports and Multi-annual Indicative Planning Documents).

- *Representativeness of the programme year and stage of implementation*

The initial sample should comprise projects from all programme years under review (2005-2011– pre-IPA and IPA). In the case of Turkey, projects proposed under IPA should concern both component I and III.
In order to assess developments in project relevance over time and sustainability there should be a preference (but not exclusivity) to earlier programming years with completed projects, already operating for some time.

- *Quality of implementation*

This criterion should allow to pre-select projects with diverse quality of their tendering and realisation. Inclusion of a few projects that already experienced either procurement or implementation related problems and irregularities could provide evidence on possible 'red-flag' situations.

- *Representativeness of projects across IPA sectors*

The sample structure should broadly correspond to the main sectors that receive funding (Environment: in particular water and solid waste; Energy; Transport; JHA incl. border management; Private Sector Development; Other).

- *Size of funding*

The initial sample should contain projects of all funding sizes i.e.:
'Small' (works: 1 - 3M€; supply 0.5-1M€); 'medium' (works 3 – 10M€; supply 1-3M€); and 'large' (works: above 10M€; supply above 3M€). This criterion provides the evaluators with

the chance to assess whether project size has any influence on, for example, successful implementation and likely sustainability.

- *Complexity of intervention*

Projects proposed should range from 'simple' to 'complex' in terms of their design based on the following considerations:
'Simple' - this category suggests: projects that include only supply or works tenders; works/supply tenders followed by maximum 1 to 3 contracts in total; duration of contracts less than 1 year for supplies and less than 2 years for works; procured under 'best price' approach, etc.
'Complex' – includes in particular: works, service and supply contracts in one project; works/supply tenders followed by 4 and more contracts in total; duration of contracts more than 1 year for supplies and more than 2 years for works; works procured under 'best value for money' approach; implemented/ commissioned under PPP; projects characterised by a notable mix of funding (e.g. substantial IFI contribution) could be proposed here as well.

Out of the 115 received projects 44 have been included in the sample. The number of sample projects per country varies. It takes account of the availability of documentation, in particular already existing evaluations, recently carried out and relevant for the subject of this study. In the case of Turkey the number of sample projects has been also increased in order to better reflect the substantially higher funding volume, compared to the Western Balkan IPA countries. The number of sample projects also reflects the resources available for field missions under this evaluation. Thus the sample covers five IPA countries and the number of sample projects per country has been as follows:

Table : Overview of number of sample projects per country

Country	No of sample projects
Albania	6
Bosnia-Herzegovina	10
Kosovo	6
Serbia	6
Turkey	16
Total	44

Key factors that led to project selection from the long list include: There should be works and supplies projects; projects should be from different sectors and programme years; there should be both projects preferably with higher budget/ complexity and lower quality of implementation. Likewise, projects should preferably be finalised unless there are issues with implementation and there are no other finalised projects from this sector. Furthermore,

projects which are completed and 'in use', (i.e. at least provisionally accepted and operational for a while) can be assessed as well.

The long-list of projects is as follows (projects highlighted have been included in the final sample):

Table: Long list of sample projects

Albania

Project No	Project title	Programme year	Total budget M€ (IPA/ other)	IPA Sector	Strategic importance (describe 1 – 5)*	Implementation stage (tendering, implementation, finalised, operational)	Complexity (describe – 1 - 5)*	Quality of implem. (describe – 1-5)*
1	Sector fiche - Support to Justice and Home Affairs	CARDS 2006 (works and supplies)	15	JHA	5	operational	3	3
2	Sector fiche – Integrated support to decentralization	CARDS 2006 (works and supplies)	8.3	PAR	4	operational	3	3
3	Support to the Penitentiary Infrastructure / construction of detention centres in Elbasan (a) and Fier (b)	IPA 2007 (works)	10	JHA	5	a) operational b) under implementation	4	3
4	Improvement of Water Supply and Sewerage Systems in Albania (Shkodër; Velipoje; Shengjin; Golem-Durres)	IPA 2007 (works)	24	ENV	4	Under implementation (partially finalized)	5	1
5	Improving of Albanian Maritime Sector – Rehabilitation of Shengjini Port	IPA 2008 (works)	3,1	TRA	3	Under implementation	3	3
6	Strengthening the Vocational Education and Training (VET) System in Albania / Construction and rehabilitation of VET Schools	IPA 2008 (works)	7	Employment and Social inclusion	3	Implementation finalized	3	3
7	Support to the alignment of Customs Procedures with EU Standards	IPA 2008 (supplies)	1.5	PAR	4	Implementation almost finalized	3	3

Project No	Project title	Programme year	Total budget M€ (IPA/ other)	IPA Sector	Strategic importance (describe 1 – 5)*	Implementation stage (tendering, implementation, finalised, operational)	Complexity (describe – 1 - 5)*	Quality of implem. (describe – 1-5)*
8	Support to Sustainable and Integrated Development of Cultural and Historical Heritage	IPA 2009 (works)	5	Horizontal	3	Implementation finalized – almost operational	3	4
9	Support to Blue Border Management	IPA 2009 (supplies)	4	JHA	4	Implementation finalized	3	2
10	Building an e-Government Infrastructure that is in line with EU Personal Data Protection standards	IPA 2009 (supplies)	4	PAR	4	Implementation finalized	3	3
11	Modernisation of the Albanian Justice system	IPA 2010 (supplies)	3	JHA	4	Implementation finalized	3	3
12	Support to the Penitentiary Infrastructure phase II / construction of new prison in Fier	IPA 2010 (works)	13.1	JHA	5	Under implementation	4	2
13	Improvement of rural roads in Albania	IPA 2010 (works)	20	Transport and rural development	3	Under implementation	4	3
14	Support to the Food Safety Infrastructure	IPA 2010 (works)	4	Rural Development	3	Under implementation	3	3
15	Improving consumer protection against zoonotic diseases	IPA 2008 TA and supply	5.7	Rural Development		Implementation finalised		
16	Modernisation of the Albanian justice system: provision of IT equipment for the establishment of a computerised case	IPA 2010 Supply	3	Justice and Home Affairs		Implementation finalised		

Project No	Project title	Programme year	Total budget M€ (IPA/ other)	IPA Sector	Strategic importance (describe 1 – 5)*	Implementation stage (tendering, implementation, finalised, operational)	Complexity (describe – 1 - 5)*	Quality of implem. (describe – 1-5)*
	management system for the General Prosecutor Office in Albania							
17	Strengthening the Vocational Education and Training (VET) System in Albania / Construction and rehabilitation of VET	IPA 2008 (works)	7	Employment and Social Inclusion		Implementation finalised		

Bosnia-Herzegovina

Project Number	Project title	Programme year	Total budget € (IPA/ other)	CARDS/IPA Sector	Strategic importance (describe 1 – 5)*	Implementation stage (tendering, implementation, finalised, operational)	Complexity (describe – 1 - 5)*	Quality of implementation (describe – 1-5)*
1	1. Support to BiH Judiciary Information Communication Technologies programme LOT 5 - WIRELESS TRANSMISSION SYSTEM 2. Support to BiH Judiciary Information Communication Technologies programme LOT 1 - SERVERS AND WORKSTATIONS (2 supply contracts, CRIS no: 121523, 121524)	CARDS 2005 (Decision: 17565)	1. 1.141.063 2. 137,062.50 Total: 1,278,125.50	Good governance and institution building /JHA/Judicial reform	5	operational	4	4
2	Provision of Equipment for the Law Enforcement Agencies in Bosnia and Herzegovina (3 supply contracts, CRIS	CARDS 2005 (Decision: 17565)	1. 143,587 2. 264,585 3. 202,000	Good governance and institution building /JHA/Police	5	Finalised	4	3

Project Number	Project title	Programme year	Total budget € (IPA/ other)	CARDS/IPA Sector	Strategic importance (describe 1 – 5)*	Implementation stage (tendering, implementation, finalised, operational)	Complexity (describe – 1 - 5)*	Quality of implementation (describe – 1-5)*
	no:116488,116553,116614)		Total: 610,172					
3	Rehabilitation of the existing landfill Obodina and construction of sanitary landfill Obodina in Trebinje Municipality (1 works contract, CRIS no: 148353)	CARDS 2006 (Decision: 17981)	1,255,716.08	Economic and social development/Environment	4	Finalised	3	5
4	Construction of the sewage collectors in Zivinice (1 works contract, CRIS no: 217216)	IPA 2007 (Decision: 19352)	1,273,472.84	EU standards/ Environment	3	Finalised	4	4
5	Spatial Information services for BIH phase I Establishing of Network of referent GPS stations (1 supply contract, CRIS no: 247191)	IPA 2007 (Decision: 19352)	991,719.32	EU standards/ Statistics	3	Finalised	5	5
6**	Strengthening of the Metrology system – Supply (3 supply contracts, CRIS no: 245422,244325,246196)	IPA 2007 (Decision: 19352)	452,530.25	EU standards/Free movement of goods	4	Finalised	4	5
7	Electronic data exchange system (between police agencies and prosecutor offices in Bosnia and Herzegovina) (1 supply contract, CRIS no: 268473)	IPA 2008- part I (Decision: 2011)	625,680.07	JHA/Justice, freedom and security	5	Finalised	5	3
8	Construction of Asylum Reception Centre in Bosnia and Herzegovina (1 works contract, CRIS no: 284728)	IPA 2008 – part II (Decision: 20339)	701,468.93	JHA/Justice, freedom and security	5	Operational	3	3

Project Number	Project title	Programme year	Total budget € (IPA/ other)	CARDS/IPA Sector	Strategic importance (describe 1 – 5)*	Implementation stage (tendering, implementation, finalised, operational)	Complexity (describe – 1 - 5)*	Quality of implementation (describe – 1-5)*
9	Supply of ICT equipment to Judicial Institutions in BIH (ICT and Office Equipment including PCs, Laptops, information self-terminals, printers, servers and PC software, Scanners, load balancers) (5 supply contracts, CRIS: 247454, 248929,247599,248940. 248954)	IPA 2008 – part II (Decision: 20339)	1. 885,858.50 2. 52,989.43 3. 47,254.70 4. 223,372.42 5. 117,824.70 Total: 1,327,299.20	JHA/Judiciary and fundamental rights	5	Finalised	4	4
10	Supply of vaccines against rabies and classical swine fever for the State Veterinary Office of Bosnia and Herzegovina (1 supply contract, CRIS no: 260088)	IPA 2008 – part II (Decision: 20339)	921,240	EU standards/Food safety, veterinary and phytosanitary policies	3	Finalised	2	5
11	Laboratory equipment for food control in Bosnia and Herzegovina (2 supply contracts, CRIS no. 283161, 282848)	IPA 2008 – part II (Decision: 20339)	1. 128,313.17 2. 356,818.86 Total: 485,132.03	EU standards/ agriculture and Food safety policy	3	Implementation	3	4
12	Supply for CIPS (9 supply contracts)	IPA 2008 – part II (Decision: 20339)	1, 054,000.96	EU standards/ CIPS registry	3	Finalised	3	4
13	Development of Infrastructure of Metrology system in BiH (6 contracts, CRIS no: 244451,244461,246256,297573,297417,297353)	IPA 2008 – part II (Decision: 20339)	1,944,827.90	EU standards/Free movement of goods	4	First three contracts finalised, other three operational	4	5

Project Number	Project title	Programme year	Total budget € (IPA/ other)	CARDS/IPA Sector	Strategic importance (describe 1 – 5)*	Implementation stage (tendering, implementation, finalised, operational)	Complexity (describe – 1 - 5)*	Quality of implementation (describe – 1-5)*
14	1. Rehabilitation of courtrooms in selected Cantonal and District courts in Bosnia and Herzegovina to provide for improvement physical and technical conditions for processing war crime cases 2. Supply of Vehicles for Court Bailiffs in Bosnia and Herzegovina 3. Supply of ICT equipment for Judicial Institutions in Bosnia and Herzegovina 4. Lot 1 - ICT Equipment for Small Claims/Utility Cases Information System 5. Supply of ICT equipment for judicial institutions in BiH - Lot 3 Video Conferencing equipment. 6. Lot 3 - Software Licences for Small Claims/Utility Cases Information System ['complex' project: 1 works (CRIS no. 305286), 5 supply (CRIS no: 279249,288113,305762,306832,305849) and 1 service (220,00 euro)]	IPA 2009- part II (Decision 21650)	1. 1,549,996.14 2. 147,455.80 3. 151,311.00 4. 52,077.00 5. 342,397.00 6. 27,898.00 Total (works and supply contracts): 2,271,134.94	JHA/Judiciary and fundamental rights	5	Implementation, except contract 3 that is finalised	5	3
15	Reconstruction works on the Sarajevo City Hall (Lot 1) - Part 1 (1 works contract, CRIS no: 284297)	IPA 2009- part II (Decision 21650)	3,992,527.59	Culture/Preservation of cultural heritage	3	Implementation	4	5

Project Number	Project title	Programme year	Total budget € (IPA/ other)	CARDS/IPA Sector	Strategic importance (describe 1 – 5)*	Implementation stage (tendering, implementation, finalised, operational)	Complexity (describe – 1 - 5)*	Quality of implementation (describe – 1-5)*
16	Strengthening capacities of BiH Presidency: 1. Reconstruction of the session room, server room and passive network in the Presidency of BiH building (works) 2. Supply of ICT equipment for BiH Presidency 3. Supply of ICT equipment for BiH Presidency 4. Supply of ICT equipment for BiH Presidency Lot 1 ['complex' project: 1 works (CRIS no. 295463), 3 supply (CRIS no: 310990,311014,311034) and 1 service (85,000 euro)]	IPA 2009- part II (Decision 21650)	1. 85,805.08 2. 34,526.72 3. 60,940 4. 201,111.40 Total (works and supply contracts): 385,383,20					
17	Support to E-Justice in BiH: 1. Support to E-Justice in Bosnia and Herzegovina - Lot 5 - Software Solution for Distance Learning 2. Support to E-Justice in Bosnia and Herzegovina- Lots 1, 2 & 4. 3. Support to E-Justice in Bosnia and Herzegovina- Lot 3 - System Software Licences for Judicial Information System. (3 supply contracts, CRIS no:320096,319488,319827)	IPA 2010 – part I (Decision 22259)	1. 49,287.70 2. 1,335,553 3. 414,755.10 Total: 1,799,595.80	JHA/Judiciary	5	Implementation	4	4

Project Number	Project title	Programme year	Total budget € (IPA/ other)	CARDS/IPA Sector	Strategic importance (describe 1 – 5)*	Implementation stage (tendering, implementation, finalised, operational)	Complexity (describe – 1 - 5)*	Quality of implementation (describe – 1-5)*
18	Support the area of Law enforcement 1. Supporting Data Management 2. Supporting Data Management - Virtualisation Software (2 supply contracts, CRIS no. 334305,334941)	IPA 2010 – part I (Decision 22259)	1. 838,876.70 2. 13,900.00 Total:889,676.70	JHA/Law enforcement	5	Implementation	4	3
19	1. Reconstruction works on the Sarajevo City Hall (Lot 1) - Part 2 2. Reconstruction works on the Novi Grad City Hall (Lot 2) (2 works contracts, CRIS No: 284320, 284048)	IPA 2010 – part I (Decision 22259)	1. 917,987.49 2. 940,752.50 Total: 1,858,739.99	Culture/ Preservation of cultural heritage	3	Implementation	4	5
20	Construction of the Border Crossing Point (BCP) in Bijaca, Bosnia and Herzegovina (1 works contract, CRIS no: 335598)	IPA 2011 (Decision 23436)	4,932,352.69	IBM/BCP	5	Implementation	3	3

Kosovo

Project Number	Project title	Programme year	Total budget M€ (IPA/ other)	IPA Sector	Strategic importance (describe 1 – 5)*	Implementation stage (tendering, implementation, finalised, operational)	Complexity (describe – 1 - 5)*	Quality of implementation (describe – 1-5)*
254103	Extension of Water Treatment at Shipol, Mitrovica	IPA 2008 - 20094	9,738,000	WORKS - Environment	4	implementation	4	4

Project Number	Project title	Programme year	Total budget M€ (IPA/ other)	IPA Sector	Strategic importance (describe 1 – 5)*	Implementation stage (tendering, implementation, finalised, operational)	Complexity (describe – 1 - 5)*	Quality of implementation (describe – 1-5)*
234726	Municipal, Social and Economic Infrastructure Programme, Lot 3 - Design-Build Municipal Water and Sanitation Projects	IPA 2007 - 19298	5,782,811.1	WORKS – Regional Economic Development	3	completed	3	3
266092	Construction of the Palace of Justice Compound in the framework of ''Upgrade of the Infrastructure in the Rule of Law Sector in Kosovo'' LOT 1	IPA 2008 II - 20454	22,255,750	WORKS – Rule of Law	5	implementation	5	3
266108	Construction of the Palace of Justice Compound in the framework of ''Upgrade of the Infrastructure in the Rule of Law Sector in Kosovo'' LOT 1	IPA 2009 - 21145	327,096	WORKS – Rule of Law	5	implementation	5	3
283749	''Construction of Multi-Purpose Facilities in Mitrovicë/Mitrovica'' - Kosovo Lot 1 - Refurbishment of a Sports Centre ''Minatori'' and Construction of a new Sports Centre "Omnisport" and landscaping	IPA 2009 - 21145	10,799,858.52	WORKS – Social Development	4	implementation	4	3
235798	Construction of Housing & Holding Facility for Asylum Seekers at Magura, Lipjan/Lipljan municipality	IPA 2007 - 19298	1,477,879.07	WORKS – Rule of Law	3	completed	2	4
292788	Lot 1: Construction works for the building of the Interim Secure Facility	IPA 2010 - 22452	758,245.54	WORKS – Rule of Law	2	completed	3	4
299248	Lot 2 – Implementation of energy-efficient retrofit measures in 25 schools across Kosovo	IPA 2009 - 21145	4,981,405	WORKS – Economic Development /	3	implementation	4	3

Project Number	Project title	Programme year	Total budget M€ (IPA/ other)	IPA Sector	Strategic importance (describe 1 – 5)*	Implementation stage (tendering, implementation, finalised, operational)	Complexity (describe – 1 - 5)*	Quality of implementation (describe – 1-5)*
				Energy				
302759	2012/302 -759 Relaunch Lot 1 – Implementation of energy-efficient retrofit measures in 20 schools across Kosovo	IPA 2009 - 21145	5,123,971.4	WORKS - Economic Development / Energy	3	implementation	4	3
296190	Construction of Civil Registration and Vehicle Registration Centre buildings	IPA 2009 - 21145	683,117.25	WORKS – Rule of Law	3	completed	3	4
309176	Construction works for Kosovo Forensic Institute	IPA 2010 - 22452	1,759,646.79	WORKS – Rule of Law	3	ongoing	3	5
241339	Supply of Integrated Ballistic Identification System	IPA 2009 - 21145	1,089,512	SUPPLIES – Rule of Law	4	Completed	3	3
248943	Equipment for Kosovo Border and Boundary Police - Lot 2: Control and Mobility Equipment	IPA 2008 - 20094	1,967,352.7	SUPPLIES – Rule of Law	4	Completed	3	4
255640	Support on upgrading power transmission system to meet the Energy Community technical standards – Lot 2	IPA 2009 - 21145	834,287.00	SUPPLIES - Energy	3	Completed	3	5
255657	Support on upgrading power transmission system to meet the Energy Community technical standards – Lot 1	IPA 2009 - 21145	6,308,920.00	SUPPLIES - Energy	3	Completed	3	4
231996	Control and/or eradication of animal diseases	IPA 2008 - 20094	899,992.00	SUPPLIES – Food Safety	3	Completed	2	4

Project Number	Project title	Programme year	Total budget M€ (IPA/ other)	IPA Sector	Strategic importance (describe 1 – 5)*	Implementation stage (tendering, implementation, finalised, operational)	Complexity (describe – 1 - 5)*	Quality of implementation (describe – 1-5)*
262374	IT Pilot Project in the field of Education - LOT 1	IPA 2008 - 20094	579,155.22	SUPPLIES - Education	3	Completed	3	3
262622	IT Pilot Project in the field of Education - LOT 2	IPA 2008 - 20094	88,627.79	SUPPLIES - Education	3	Completed	3	3
266492	Supply and Installation of Equipment for the Air Monitoring System - LOT 1	IPA 2009 - 21145	729,850.00	SUPPLIES - Environment	3	Completed	2	4
266512	Supply and Installation of Equipment for the Air Monitoring System - LOT 2	IPA 2009 - 21145	558,571.00	SUPPLIES - Environment	3	Completed	3	4
266520	Supply and Installation of Equipment for the Air Monitoring System - LOT 3	IPA 2009 - 21145	35,165.15	SUPPLIES - Environment	3	Completed	3	4
266521	Supply and Installation of Equipment for the Air Monitoring System - LOT 4	IPA 2009 - 21145	42,000.00	SUPPLIES - Environment	3	Completed	3	1
309116	Support to the Implementation of Intelligence Led Policing - EuropeAid/130895/SUP/XK (2nd Re-launch)	IPA 2010 - 22452	1,188,970	SUPPLIES – Rule of Law	4	Ongoing	3	5
216251	Implementation of Energy Efficiency Measures in Public Buildings	IPA 2008 - 20094	1,221,127.6	SUPPLIES - Energy	3	Completed	3	3

Serbia

Project Number	Project title	Programme year	Total budget M€ (IPA/ other)	IPA Sector	Strategic importance (describe 1 – 5)*	Implementation stage (tendering, implementation, finalised, operational)	Complexity (describe – 1 - 5)*	Quality of implementation (describe – 1-5)*
CARDS/2008/166-426 (EC) 06SER01/07/005	Construction of Overhead Transmission Line 400 kV Leskovac - the former Yugoslav Republic of Macedonia	2006	20	Energy	5	finalised	5	5
IPA/2009/219-517 (EC)	Emission reduction from Nikola Tesla Power Plant in Obrenovac, Units A6 and B2	2007	10,8	Energy	5	finalised	5	5
IPA/2011/268-893 (EC)	Design and Works tender for the Emission Reduction from Nikola Tesla Thermal Power Plant, Unit B1	2008	7,8	Energy	5	finalised	5	5
IPA/2011/280-985 (EC)	Construction of Substation 400/110 kV Vranje 4, Republic of Serbia	2010	3,1	Energy	5	finalised	5	5
IPA/2011/282-512 (EC)	Construction of Substations 400/110 kV Vranje-4 & Leskovac-2, Lot 1 ''Power Transformers for Leskovac-2 and Vranje-4 Substations''	2010	3,4	Energy	5	finalised	4	5
IPA/2012/295-560 (EC)	Construction of Substations 400/110 kV Vranje-4 & Leskovac-2, Equipment and Materials for 400/110 kV Vranje-4 Substation	2010	6,1	Energy	5	finalised	4	5

Project Number	Project title	Programme year	Total budget M€ (IPA/ other)	IPA Sector	Strategic importance (describe 1 – 5)*	Implementation stage (tendering, implementation, finalised, operational)	Complexity (describe – 1 - 5)*	Quality of implementation (describe – 1-5)*
IPA/2012/ 310-974 (EC)	Construction and Commissioning of the New Waste Water Treatment Plant at TPP Nikola Tesla B	2011	7,5	Energy	5	implementation	5	4
2012/289 115	Construction of Elementary School in Ribare – Jagodina Municipality	2008	382,295.76	Education	1	Implementation	1	5
303-104 303-108 303-112 303-177 303-238 313-235 313-307 319-511 319-516 319-521 319-528 319-534 319-548 319-551 319-559 319-572	Supply of laboratory and IT equipment to lecturing buildings, laboratories and classrooms at the faculties of the university of the Republic of Serbia	2010	IPA 20 M€	Higher Education	4	Implementation	3	4
303-204 300-537	Construction, reconstruction, adaptation, rehabilitation and investment maintenance of	2010	IPA 5.8 M€	Higher Education	4	Implementation	3	3

Project Number	Project title	Programme year	Total budget M€ (IPA/ other)	IPA Sector	Strategic importance (describe 1 – 5)*	Implementation stage (tendering, implementation, finalised, operational)	Complexity (describe – 1 - 5)*	Quality of implementation (describe – 1-5)*
	lecturing buildings, classrooms and laboratories at the Faculties of the University of Serbia							
2011/266 285	Survey and removal of Unexploded Ordnance (UXO from the Danube River – Prahovo Sector	2010	2,879,832.14	Transport	3	finalised	3	5
2013/320-286	Upgrading of technical capacities of institutions involved in the withdrawal and destruction of the goods violating intellectual property rights (supply and installation of 3 specialised machines for destruction of counterfeited and pirated goods)	2011	1,499,554 €	Private sector development (intellectual property rights)	3	The consultant (delegate body) is tendering the supply contract. The supply contract is to be signed by end of January 2014 and equipment should be installed by August 2014. In the meantime works contract will be tendered and implemented for the electricity works before the installation of the equipment.	Simple complexity - 1 works tender + 1 supply tender; delivery of supplies -up to maximum of 7 months limited works for the preparation of the site – energy supply for the 3 machines for destruction of	3

Project Number	Project title	Programme year	Total budget M€ (IPA/ other)	IPA Sector	Strategic importance (describe 1 – 5)*	Implementation stage (tendering, implementation, finalised, operational)	Complexity (describe – 1 - 5)*	Quality of implementation (describe – 1-5)*
							counterfeited and pirated goods; one for each of 3 sites – storages of the goods for destruction	
2011/258 583	Assistance to digital broadcasting switchover in Serbia /LOT 1: National and Regional Head-end Equipment, Ethernet Routers & Switches and Network management system (NMS)	2010	3,073,573	Media and Telecommunications	5	Finalised	5	3
2011/258 588	Assistance to digital switchover in Serbia /Lot 2: Transmission Network equipment	2010	2,608,381	Media and Telecommunications	5	Finalised	5	3
2011/258 591	Assistance to digital switchover in Serbia /Lot : Measurement equipment and measurement vehicle	2010	683,287.36	Media and Telecommunications	5	Finalised	5	3
2011/259 142	Assistance to digital switchover in Serbia /Lot 4: MW links including MW antennas	2010	1,549,919.90	Media and Telecommunications	5	Finalised	5	3
CN 2012/303-225	Kolubara Regional Water Supply Scheme	2010	6.37 M (EU Funds) out of 28.8 total	Environment	4	Implementation	4 (high because co-financing	4 (EU side) but very low on co-financing part

Project Number	Project title	Programme year	Total budget M€ (IPA/ other)	IPA Sector	Strategic importance (describe 1 – 5)*	Implementation stage (tendering, implementation, finalised, operational)	Complexity (describe – 1 - 5)*	Quality of implementation (describe – 1-5)*
			investment (remaining part planned to be financed by national/local budget)				commitments with serious difficulties to get honoured)	

Turkey

Project Number	Project title	Programme year	Total budget M€ (IPA/ other)(1)	IPA Sector	Strategic importance (describe 1 – 5)*	Implementation stage (tendering, implementation, finalised, operational)	Complexity (describe – 1 - 5)*	Quality of implementation (describe – 1-5)*
TR0702.18	Dissemination of Model Prison Practices and Promotion of the Prison Reform in Turkey	2007	2,628,065.12	Judiciary and Fundamental Rights	4	Includes two supply contracts both completed	3	
TR0702.15	Action Plan on Integrated Border Management	2007	3,206,460.00	Judiciary and Fundamental Rights	4	Implementation completed	4	Complex and important project with follow up actions taken under different years of programming
TR0702.17	Strengthening Turkey's Capacity in dealing with Refugees, Asylum Seekers and Illegal Migrants - Construction of Reception and Removal Centers	2007	58,981,938.02	Home Affairs/Crime, IBM/Migration and customs	4	Operational	4	

Project Number	Project title	Programme year	Total budget M€ (IPA/ other)(1)	IPA Sector	Strategic importance (describe 1 – 5)*	Implementation stage (tendering, implementation, finalised, operational)	Complexity (describe – 1 - 5)*	Quality of implementation (describe – 1-5)*
TR0702.11	Establishment of a Market Surveillance Support Laboratory for Personal Protective Equipment	2007	365,519.25	Private Sector Development	4	Completed	3	
TR0702.20	Improvement of Occupational Health and Safety Conditions at Workplaces	2007	105,185.25	Social Development	4	Completed	3	
TR0702.13	Strengthening Vocational Qualifications Authority (VQA) and National Qualifications System (NQS) in Turkey	2007	308,301.75	Social Development	3	Completed	3	
TR0801.03	Civic Training For Mehmetçik (Conscripts)	2008	1,211,272.50	Judiciary and Fundamental Rights	3	Completed	3	
TR0801.06	Strengthening Pre-School Education	2008	2,250,000.00	Judiciary and Fundamental Rights	4	Completed	4	
TR0802.14	Strengthening Forensic Capacity of Turkey	2008	11,853,340.50	Home Affairs/Crime, IBM/Migration and customs	3	Completed	3	Follow up projects 2011/0124.12
TR0802.20	Modernization of Turkish Customs Administration-V	2008	2,162,250.00	Home Affairs/Crime, IBM/Migration and customs	3	Completed	3	Follow up projects TR2009/0329.01, TR2010/0239.01, TR2012/0329.06
TR0802.15	Strengthening the Blood Supply System	2008	351,292.50	Social Development	3	Completed	3	
TR0802.08	Tagging and Vaccination of Sheep and Goats	2008	17,175,000.00	Agriculture and Rural Development	3	Completed	2	

Project Number	Project title	Programme year	Total budget M€ (IPA/ other)(1)	IPA Sector	Strategic importance (describe 1 – 5)*	Implementation stage (tendering, implementation, finalised, operational)	Complexity (describe – 1 - 5)*	Quality of implementation (describe – 1-5)*
TR2009/0301.02	Supply of chemical metrology equipment for TUBITAK-UME	2009	2,548,814.60	Private Sector Development	3	Completed	3	
TR2009/0301.01	Quality Control Tests for Human Vaccines and Sera	2009	1,263,758.71	Private Sector Development	3	Completed	3	
TR2009/0314.01	Weight and Dimension Controls of Commercial Vehicles	2009	6,500,845.00	Transport	3	Completed	3	
TR2009-0327.05	Strengthening of Institutional Capacity on CITES Implementations	2009	244,876.50	Environment	3	Completed	3	
TR2009/0135.01	Improved Integration of Disabled Persons into Society	2009	226,813.84	Judiciary and Fundamental Rights	3	Completed	3	
TR2010/0312.01	Oral vaccination against rabies	2010	1,581,637.50	Agriculture and Rural Development	3	Completed	3	
TR2010/0312.02-01	Supply of FMD Vaccines for Control of Foot and Mouth Disease (FMD) in Turkey	2010	4,697,100.00	Agriculture and Rural Development	3	Completed	3	
TR2010/0136.14	Enhancing the Protective Measures for Women Subjected to Violence	2010	2,300,000.00	Judiciary and Fundamental Rights	3	Tendering		
TR2010/0301.01	Strengthened Market Surveillance System for ICT Sector	2010	123,849.25	Private Sector Development	3	Completed	3	
TR0503.07	Construction of Veterinary Border Inspection Posts in Turkey	2005	3,730,071.00 (Works component) 449,625.00	Agriculture and Rural Development	3	Completed	3	

Project Number	Project title	Programme year	Total budget M€ (IPA/ other)(1)	IPA Sector	Strategic importance (describe 1 – 5)*	Implementation stage (tendering, implementation, finalised, operational)	Complexity (describe – 1 - 5)*	Quality of implementation (describe – 1-5)*
			(Supply Component)					
TR0501.01	Supply of Hardware and Software for Better Access to Justice in Turkey	2005	2,081,100.00	Judiciary and Fundamental Rights	3	Completed	3	
TR0502.09	Supporting Women Entrepreneurship TESK	2005	726,446.67 (Works Component) 125,884.00 (Supply Component)	Private Sector Development	3	Completed	4	
TR0503.11	Çanakkale Regional Solid Waste Management Project	2005	2,196,816.85 (Supply Component) 7,859,368.65 (Works Component)	Environment	3	Completed	4	
TR0503.12	Kuşadası Regional Solid Waste Management Project	2005	2,948,152.20 (Supply Component) 8,391,581.89 (Works Component)	Environment	3	Completed	4	
TR0601.05	Construction of Shelters for Women subject to Violence	2006	5,256,960.75 (Works Component) 725,823.60 (Supply Component)	Judiciary and Fundamental Rights	4	Completed	4	

Project Number	Project title	Programme year	Total budget M€ (IPA/ other)(1)	IPA Sector	Strategic importance (describe 1 – 5)*	Implementation stage (tendering, implementation, finalised, operational)	Complexity (describe – 1 - 5)*	Quality of implementation (describe – 1-5)*
TR0602.08	Design and Build Construction of Infrastructure and WWTP of Sanliurfa	2006	20,411,547.14	Environment	3	Completed	4	
TR0602.10	Amasya Regional Solid Waste Management Project	2006	7,753,393.00 (Works Component) 3,221,428.00 (Supply Component)	Environment	3	Completed	4	
TR0602.11	Kütahya Regional Solid Waste Management Project	2006	6,578,765.00 (Works Component) 3,019,208.00 (Supply Component)	Environment	3	Completed	4	
TR0602.12	Bitlis Regional Solid Waste Management Project	2006	5,213,776.96 (Works Component) 1,989,306.00 (Supply Component)	Environment	3	Completed	4	
TR0602.14	Upgrading of Kırklareli-Dereköy-Aziziye-Turkish Bulgarian Border State Road Project	2006	4,289,251.64	Transport	3	Completed	4	
TR0602.16	Protection and Sustainable Development of Natural Resources and Biodiversity in the Yıldız Mountains	2006	304,062.95 (Works Component) 253,663.08 (Supply Component)	Environment	3	Completed	4	

Project Number	Project title	Programme year	Total budget M€ (IPA/ other)(1)	IPA Sector	Strategic importance (describe 1 – 5)*	Implementation stage (tendering, implementation, finalised, operational)	Complexity (describe – 1 - 5)*	Quality of implementation (describe – 1-5)*
2009TR16IPR012	Diyarbakir Water and Wastewater	2009	78,300,906 (Works 71,875,925) (Supply 1,200,000)	Environment	5	Ongoing	5	Delays in overall implementation, regarding design issues of network and water components and WWTP,3
2009TR16IPR015	Siverek Wastewater Project	2009	39,472,420 (Works 32,996,774) (Supply 700,000)	Environment	3	Ongoing	3	Delays in overall implementation, regarding design of network resulting in late operation of the WWTP,3
2009TR16IPR013	Erzurum Water and Wastewater	2009	31,431,494 (Works 21,308,164) (Supply 600,000)	Environment	3	Ongoing	3	Delays in implementation by 10 months 3
2009 TR 16I IPR018	Ankara-Istanbul High Speed Line Project - Köseköy/Gebze Section	2007 - 2009	136 m IPA 160 m Total 3.5 billion Whole Project	Transport	4	Includes one works and one supervision contract. Implementation is on-going and expected to be completed towards end of 2014.	4	3, interference by the end-recipient and political stakeholders creates risk for quality of implementation

Annex 4: Detailed evaluation response from sample projects

Means of verification: previous evaluation reports, relevant ROM reports, project documentation and reports, interviews with stakeholders.

Assessment of relevance: **Highly satisfactory -** The project is expected to/ has achieve(d) an excellent degree of relevance; **Satisfactory -** The project is expected to/ has achieve(d) a good degree of relevance; **Unsatisfactory -** The project has/had problems in relevance; **Highly unsatisfactory -** The project has/ had serious deficiencies in relevance.

Assessment of sustainability: **Highly satisfactory -** The project is expected to/ has achieve(d) or exceed(s) all of its planned sustainability; **Satisfactory -** The project is expected to/ has largely achieve(d) its planned sustainability; **Unsatisfactory -** The project is not expected to/ has not achieve(d) most of its planned sustainability; **Highly unsatisfactory -** The project is not expected to/ has not achieve(d) any sustainability.

Albania

Project Title	Year	Expected results	Observed results at end of intervention/ as at March-April 2014	Observed sustainability at end of intervention/ as at March-April 2014	Assessment of relevance	Assessment of sustainability
Improving consumer protection against zoonotic diseases	2009	Improving and updating the capacity of Food Safety and Veterinary Institute and regional level laboratories through provision of equipment and kits to expand the animal identification, registration and vaccination system covering livestock affected by zoonotic diseases countrywide.	The project was completed with good results. Supplies had genuinely complementary character to the overall project as the intended services (ear tagging, vaccination, testing, etc.) that were successfully implemented over 4 years and ended at the end of 2013 could not be performed without these supplies (ear tags, vaccines, laboratory equipment and reagents, IT equipment, cold chain equipment, etc.).	The long term sustainability of provided supplies and introduced actions under the project consumer protection against zoonotic diseases is questionable. It is not clear whether annual replacement of ear tags will be available (around 60.000€ is needed). The project introduced appropriate technologies (computerised systems, vaccine, diagnostic tests) but without operational funds (calibration, transportation, re-ordering essential reagents, payment of private veterinarians) there is little prospect that the Ministry of Agriculture would be able to sustain the systems that were launched with the	Satisfactory	Unsatisfactory

Project Title	Year	Expected results	Observed results at end of intervention/ as at March-April 2014	Observed sustainability at end of intervention/ as at March-April 2014	Assessment of relevance	Assessment of sustainability
				project's support. The establishment of a courier system for the delivery of specimens from the field in all districts of the country to the central Food Safety and Veterinary Institute also requires a decision on recurrent funding through the allocation of a fixed, centrally-managed budget to maintain the system. The staff shortage in the veterinary directorate is an issue. For instance, the few staff were too over-burdened to be able to engage in the training events that the project organised. The institutional incoherence, lack of a supportive policy and strategy for the national veterinary diagnostic laboratory system and the need to reform the State Veterinary Services, also questions good sustainability of the project results in the longer run.		
Improving Albanian Maritime Sector – Rehabilitation of Shengjini Port	2008	A new quay built resulting in: - Increased operating capacity of ships up to 5000 tons - Increased port efficiency - Increased service level in import – export of goods; - Developed transit traffic with Kosovo	Project has been extended by 3 months and its Defects Liability Period (DLP) has just ended. The quay has been built and the quality of infrastructure seems to be good. The Beneficiary admits that too small bollards were designed though. However, the project results have not been achieved. The installed infrastructure in	To achieve sustainability of the project the port waters must be dredged, the rail crane acquired and installed. The Port authorities mentioned that around 500.000$ funds will be allocated in summer of 2014 by the Government for dredging at least some part of the Port waters for accessing the quay. Yet, the Contracting Authority reported that similar discussions took place before	Unsatisfactory Although the project is relevant as it is to modernise transport modes and raise the country's competitiveness, the current project maturity/priority is	Unsatisfactory

Project Title	Year	Expected results	Observed results at end of intervention/ as at March-April 2014	Observed sustainability at end of intervention/ as at March-April 2014	Assessment of relevance	Assessment of sustainability
			Shengjin Port is not accessible for ships as no dredging in due territory of the Port has been performed by National Authorities despite that this was accepted to be done in the Project Fiche. Some installed infrastructure (rails for crane) has been conserved/ topped up with special covering. No cranes have been acquired by the Beneficiary yet.	the procurement of works but the dredging did not start. In any way the mentioned sum will not be sufficient to perform the dredging in all the necessary area to make use of the constructed quay to full extent and achievement of good project results. The Port Authority considers that the EU should also allocate around 1 M€ for dredging the necessary remaining part of the port waters. No commitments have been made for the acquisition and installation of the rail crane from Beneficiary side though. Thus it will take significant amount of time and funds to achieve the overall project objectives. The fact that involved staff from the Ministry of Transport and Infrastructure left it and the remaining staff currently seem to have little information on this project does not help its sustainability either.	low as no port dredging had been done and the road for good transit traffic with Kosovo had not been not fully completed.	
Support to the Penitentiary Infrastructure construction of detention centres in Elbasan; Fier	2007	Pre-trial detention centres in Fier and in Elbasan constructed and fully operational resulting in significant improvement of conditions of detainees.	The project has been significantly extended (Fier from 28 to 37 months and Elbasan from 28 to 39 months) and completed in Elbasan one year ago whilst in Fier just recently. It represents significant improvement of conditions of detainees.	The project is sustainable although it seems there is lack of money to maintain certain parts properly. The Beneficiary complained that the combined energy saving solution (solar panels array, conventional fuel and electrical system) is too expensive to run. Hence it is questionable if such expensive solution could be replicated to other	Satisfactory	Satisfactory

Project Title	Year	Expected results	Observed results at end of intervention/ as at March-April 2014	Observed sustainability at end of intervention/ as at March-April 2014	Assessment of relevance	Assessment of sustainability
			During inspection of Elbasan centre it was observed that not all facilities are operational. For instance, some medical facilities are not installed yet, water supply in cells is not working. The water taps in visited cells, shower room were broken (because of violent behaviour of detainees, hence not sufficient consideration of end users by the project designers was made). It seems that quite expensive energy saving system installed as a result of the addendum for 0.6M€ during contract implementation is not operating as expected and not delivering expected cost savings. The fact that in most cells there were more detainees than allowed by the project design suggests the problem of availability of decent detention centres is still acute in the country.	similar projects. Broken taps cannot be replaced by the same type as Beneficiaries consider they are too expensive. On the other hand, these are not replaced at all, thus water supply is not functioning properly.		
Improvement of Water Supply and Sewerage Systems in Albania (Shkodër; Velipoje; Lezha/Shengjin; Golem-Durres)	2007	Reduced health risks for the population due to supply of not contaminated water Improved wastewater disposal and management of utilities, Reduced contamination of	All contracts have been delayed significantly: The contract Sewerage in Velipoja-1 had to be completed within 24 months Yet, by 15.12.2013 only 75% of works were done. It is likely the	The water connection rate in Albania is around 78% whereas only around 47% of population is connected to sewerage systems. Reportedly, only 0.02% of sewerage of the connected households is treated in waste water treatment plants.	Unsatisfactory Local affordability, budgetary stress for operational costs and situation with similar past	Unsatisfactory

Project Title	Year	Expected results	Observed results at end of intervention/ as at March-April 2014	Observed sustainability at end of intervention/ as at March-April 2014	Assessment of relevance	Assessment of sustainability
		groundwater and surface waters by wastewater, Improved quality of bathing water, Encouraged economic growth in the concerned areas due to cleaner environment and reduced health risks, Reduced public health expenses, due to lower occurrences of infective and skin diseases by construction of sewerage systems in Velipoje, Shkodra, Golem, Durres and Lezha	project will last around 36 months instead of 24 months. The contract *Sewerage in Schodra and Velipoja-2* had to be completed by 09.05.2013, but on 10.12.2013 only 72% of works were done. Thus, the project will last at least 36 months instead of 24 months. The contract *Sewerage in Golem* lasted for more than 35 months instead of contracted 12 months. The contract *Sewerage in Lezhe/Shengjin* lasted for more than 30 months instead of contracted 12 months. The contract *Sewerage in Dures* lasted for more than 27 months instead of 18 months. Key reasons of extensions: land not available for construction, slow mobilisation, delay with work permits, design problems, suspension of works because of touristic season (for 3 months each year). Thus the project results have not been achieved yet. It is likely will they not be achieved in the near future even though the network system will be installed as set in the contract. In general the extended	Most of the installed sewerage infrastructure is not operating and it is not maintained as the beneficiaries have insufficient budget for this. It seems the affordability of investments was not properly assessed (as gathered from interviews only a few proper Feasibility Studies have been done). Low connection rate of water supply, the fact that from those connected more than 50% of users do not pay (water supply is not metered), illegal connections and low tariffs indicate that operating and maintaining the infrastructure will not be resolved in the near future. Given that none or most of the WWTPs (around 8) built earlier with the assistance of EU are operating as well as that some sewerage networks extended with earlier EU assistance might need to be already rehabilitated despite that never operated requires that this situation is assessed by the EU and more stringent conditionalities for EU financing introduced. Legal, financial and environmental enforcement measures need to be adopted (stick and carrot approach) by the Government at local level urgently.	projects should have been better assessed prior to undertaking current investments. More stringent conditionalities for EU financing should have been established.	

Project Title	Year	Expected results	Observed results at end of intervention/ as at March-April 2014	Observed sustainability at end of intervention/ as at March-April 2014	Assessment of relevance	Assessment of sustainability
			sewerage networks are to a large extent not functioning in Albania. The Beneficiaries cannot take them over as they do not operate the linked WWTPs. The latter also raised problems as no testing of installed infrastructure could be performed properly. The exception is sewerage networks in Durres and Golem, however, the built infrastructure capacity is used only partly due to missing secondary and tertiary sewerage networks.			
Modernisation of the Albanian justice system- provision of IT equipment for the establishment of a computerised case management system for the General Prosecutor Office	2010	The communication and infrastructure for the Prosecutor Office system securely set up for reliable, efficient and sustainable management of cases in the Prosecutor Offices including case flow management, and performance standards implemented and functional as a result of supply of IT system.	The project was completed with the achievement of set results.	The project results seem to be sustainable. The director of IT Department at General Prosecutor considers they need to double their staff (to 10-15 from current 6) in order to maintain the equipment properly. The staff increase is planned after September 2014. More training should be preferably provided to IT staff to enhance the maintenance and servicing of the equipment.	Satisfactory	Satisfactory
Strengthening the Vocational Education and Training (VET) System / Construction and	2008	Improvement of VET education quality by building and rehabilitation of 5 VET schools in: Elbasan, Kamez, Shkoder, Bushat and	The project was extended by some 5 months and completed half year ago. This resulted that some schools could not be operational at the intended	There is some lack of budget for good maintenance of all facilities. As noticed by the contract supervisor the schools' community paid special attention to the maintenance of the	Satisfactory	Satisfactory

Project Title	Year	Expected results	Observed results at end of intervention/ as at March-April 2014	Observed sustainability at end of intervention/ as at March-April 2014	Assessment of relevance	Assessment of sustainability
rehabilitation of VET Schools		Durres (rehabilitation).	beginning of school year (e.g. Shkoder) or some of their facilities did not function properly at that time (e.g. heating, some classes unfinished, etc.). The shortcomings were eliminated during the defects liability time. The expected results achieved.	buildings as per their limited resources, except heating system never working due to the lack of fuel, and the solar panel and emergency system dye to the lack of qualified staff for their use.		

Bosnia and Herzegovina

Project Title	Year	Expected results	Observed results at end of intervention/ as at March-April 2014	Observed sustainability at end of intervention/ as at March-April 2014	Assessment of relevance	Assessment of sustainability
1. Reconstruction works on the Sarajevo City Hall (Lot 1) – Part 2 2. Reconstruction works on the Novi Grad City Hall (Lot 2)	2010	<u>The Sarajevo City Hall</u> - 100% of architectural – construction works in the interior of the building (total net surface 7716.10 m2) are done - 100% of the installations on the remaining 2470 m2 out of total net surface of the building is repaired, functional and in place <u>The Novi Grad City Hall</u> - 100% of reconstruction works performed on total net surface of the	The Sarajevo City Hall will be completed app. 2 months after the originally set completion date. Reason for the contract time extension has been parallel works financed by the city of Sarajevo, with a different Contractor and the Supervising Engineer from those contracted by the EU. The Novi Grad City Hall has been completed on time with great involvement of the Beneficiary, who will use the building as the museum of Bosanska Krajina.	Both objects are of great cultural heritage value. While exact purpose of the Novi Grad City Hall has been defined (museum and the city representation premises); future beneficiaries of the Sarajevo City Hall are still not clearly defined – there is an intention that part of the premises (app. 60%) will be used as the National Library (whereas legal status is of the Library is still not solved) and part as a representation premises of the City of Sarajevo. Although the City of Sarajevo signed the Memorandum of Understanding (MoU), where they take over the obligation of management and	Satisfactory	Unsatisfactory Unsatisfactory since there are no clearly defined beneficiaries from the project beginning, and therefore proper maintenance could be endangered.

Project Title	Year	Expected results	Observed results at end of intervention/ as at March-April 2014	Observed sustainability at end of intervention/ as at March-April 2014	Assessment of relevance	Assessment of sustainability
		building of 501.72 m2 - 100% of installations completed, functional and in place		maintenance of the City Hall, it could easily come to the situation that not the whole building will be properly used and maintained.		
Spatial Information Services for BiH – phase I – Establishing of Network of referent GPS stations	2007	Network of permanent GPS stations leads to the point where all geodetic and similar activities will be done in unique and unified coordination system, as it is in the countries of European Union and in neighbouring countries (countries of ex-Yugoslavia). The GPS network is installed, tested and accepted by the beneficiary. Staff of the Ministry of Civil Affairs of BiH is trained to run the system.	Technical specifications for the equipment are done by the Entity Geodetic Institutes and the Ministry of Civil Affairs. The project is financed by national funds (50%). Quality of received equipment is very satisfactory due to the carefully prepared technical specifications. There was no external supervision; Entity Geodetic Institutes were taking over the role of the Supervisor.	Main beneficiaries of the project are Entity Geodetic Institutes. Their cooperation – although institutional structure is quite different – is permanent and highly satisfactory. Constant updates (programming) are done by both Institutes – again in a close cooperation as the system has to operate as a unique one. Inclusion in the regional project – INSPIRATION – ensures further training and education of the personnel and introduction of relevant standards.	Satisfactory	Highly satisfactory
Electronic data exchange system (between police agencies and prosecutor offices in Bosnia and Herzegovina)	2008	Implementation of an electronic data exchange system utilising web services for police agencies and prosecutor offices. The purpose of this system is to facilitate more efficient work of law enforcement bodies and prosecutor's offices as one of the objectives set forth in the Road Map for accession to the EU and conditions for	All supplies are delivered and accessible. However, more important was the software component. At the time of the project implementation Directorate for Police Coordination has not been established, and the Ministry of Security at the state level has led the project. Implementation of this project was a benchmark/condition for visa liberalisation process.	The main Beneficiary – Directorate for Police Coordination – is currently quite weak, as most of the trained staff has left the Institution. Full sustainability will be achieved only with the continuation of the project - equipping the lower level police institutions (canton and municipality level).	Satisfactory	Satisfactory

Project Title	Year	Expected results	Observed results at end of intervention/ as at March-April 2014	Observed sustainability at end of intervention/ as at March-April 2014	Assessment of relevance	Assessment of sustainability
		facilitation of a visa regime with the member countries of the Schengen agreement.				
Supply of ICT equipment to Judicial Institutions in BiH (ICT and office equipment including PCs, laptops, information self-terminals, printers, servers and PC software, scanners, load balancers)	2008	To provide courts and prosecutors' offices with the necessary ICT equipment, to ensure good use of the technology, to help increase efficiency, information exchange, improve quality of information and transparency to the public. 66 courts and 18 prosecutors will be equipped with essential IT equipment (over 4000 workstations, over 1600 printers, etc.)	Delivered supplies established the necessary hardware infrastructure, which supported development of the ley components of the Judicial Information System - in particular in the Court Case Management system, Judicial Web Portal and other services. Upon the installation of the equipment at the High Judicial and Prosecutorial Council and at courts and prosecutors'' offices, adequate maintenance and support was assured through the multi-level IT support.	This project builds on the needs identified by the previous project 'Increasing the Efficiency of the Judiciary through the Establishment of a Case Management system for Courts and Prosecutors' offices'. Budgetary support to maintain the ICT infrastructure in the judiciary is mainly ensured by the High Judicial and Prosecutorial Council. Recently, the Council of Ministers has approved the necessary budget for the programme of Multiannual capital Investments in the judiciary for the period 2014-2016 (app. Euro 3,0 million).	Satisfactory	Satisfactory
Supply of vaccines against rabies and classical swine fever for the State Veterinary Office of BiH	2008	Wildlife rabies control/eradication results in a significant reduction of the humane exposure cases to the disease. Full coverage of domestic pig vaccination and control/eradication of classical swine fever in the wild boar population reduces the incidence and facilitate the complete control/eradication in the pig farming industry of the	All specified materials are delivered and used, although with the extended period of implementation due to the complicated process of vaccines registration.	There is an Operational Plan 2008-2013, drafted together with the World Bank as a part of the Regional Initiative with the neighbouring countries (Croatia, Serbia and Macedonia). However, implementation of this Plan – who would further build on already achieved project results, strongly depends on the IPA (or other donors) funds availability	Satisfactory	Unsatisfactory Despite some state budget funding, donor money is still needed for further institutional development; otherwise the State Veterinary Office would face

Project Title	Year	Expected results	Observed results at end of intervention/ as at March-April 2014	Observed sustainability at end of intervention/ as at March-April 2014	Assessment of relevance	Assessment of sustainability
		country with clear economic benefits both in terms of reduction of losses and by enabling external trade of pigs and pig meat.				difficulties for activities which would build on the achieved project results
Development of Infrastructure of Metrology System in BiH	2008	Creation of conditions for industrial and economic development of the state: metrology as interdisciplinary and interdepartmental activity is one of key prerequisites for progress and normal operations of the State and its following areas: services, industry, trade, environmental protection, agriculture, etc. Direct results: 1. Improved legislation framework in order to meet requirements for harmonisation of legislation with EU 2. Improved national metrology infrastructure in order to meet requirements with best practice EU laboratories 3. Institute of Metrology of BiH is enhanced for future integration in relevant European and	Project comprised TA (specification of the equipment and drafting the "Strategy of the development of the Metrology system in BiH", and the equipment supply component. Both components are completed. Laboratory to accommodate the equipment reconstructed and equipped with own financial resources (Institute of Metrology of BiH). Money left from the first supply tender, used to launch another supply tender, where equipment has been entirely specified by the Institute staff. Out of 26 lots, only 2 lots have been cancelled, as it has been found out that such equipment is not produced in Europe (rule of origin).	Supply component is sustainable. Equipment is used to its full capacity and there is planned and reserved financial resources (app. 25,000 Euro) for its maintenance. Enhanced capacity of the Institute of Metrology of BiH enabled them to become an associated member of BIPM (The International Bureau of Weights and Measures) since 2011, associated member of WELMEC (European Cooperation in legal Metrology) since 2009 and full member of EURAMET (European Association of National Metrology Institutes) since 2009. Furthermore, BiH became a member country of the European Metrology Research Programme (EMRP) since 2013, which means that the Institute for Metrology can now apply to become a funded partner in EMRP joint research projects that enable collaboration with the Institutes, industry and academia. However, "Strategy of the Development of the Metrology System in BiH" is still not adopted or enforced on a state level, which is a	Satisfactory	Highly Satisfactory

Project Title	Year	Expected results	Observed results at end of intervention/ as at March-April 2014	Observed sustainability at end of intervention/ as at March-April 2014	Assessment of relevance	Assessment of sustainability
		international metrology organisations (EUROMET, EUROCHEM, OIML and Meter Convention)		political issue.		
Reconstruction works on the Sarajevo City Hall (Lot 1) – Part 1	2009	Reconstruction works including construction-crafts works, electrical installations, thermo-technical installations, water supply and sewerage installations as well as sprinkler installations	Project has been successfully completed within the given time. As Initial planned budget was overestimated, it has been decided to combine IPA 2010 available resources and to continue with the next phase of the project (Reconstruction works on the Sarajevo City Hall – part 2).	Same remarks as for the Reconstruction works on the Sarajevo City Hall (lot 1) – Part 2	Satisfactory	Satisfactory
Strengthening capacities of BiH Presidency: 1. Reconstruction of the session room, server room and passive network in the Presidency of BiH building (works) 2. Supply of ICT equipment for BiH Presidency (3 Lots)	2009	Improve the effectiveness and efficiency of the Presidency of BiH through utilisation of modern ICT based tools: supply, implementation and introduction into daily work of the specific equipment and software systems (Document Management System, Management Information system, e-sessions electronic system, internet and personal intranet portal, servers, computers and audio/video conferencing facility	All works and supplies are accessible and in full use.	All delivered results are sustainable. The Beneficiary has its own small team in charge of maintaining the equipment installed.	Satisfactory	Satisfactory

Project Title	Year	Expected results	Observed results at end of intervention/ as at March-April 2014	Observed sustainability at end of intervention/ as at March-April 2014	Assessment of relevance	Assessment of sustainability
Construction of the Border Crossing Point (BCP) in Bijaca, BiH	2011	Construction of Bijaca border crossing, located at the border with the Republic of Croatia at the Corridor VC as the first category international border crossing for traffic of cargo and passengers. Besides the usual facilities, BCP includes construction of live animals handling and veterinary control building, as well as phyto – pathology / sanitary inspection building.	Commencement date of this works project is set for 31 March 2014. This project is continuation of previously executed works (road and temporary and permanent objects at the border crossing).	As the project is in its very early phase, extent of sustainability cannot be judged. However, this project is very important as a future Border Inspection Point at the border with the Republic of Croatia.	Satisfactory	Potentially Satisfactory
Rehabilitation of courtrooms in selected Cantonal and District courts in BiH to provide for improvement physical and technical conditions for processing war crime cases, etc.	2009	Strengthening capacities of courts and prosecutor offices to process cases, with a focus on war crimes and civil enforcement cases. 1. Improving technical conditions at cantonal and District Courts 2. Automation of Courts and Prosecutor offices 3. Backlog reduction at First Instance Courts 11 Cantonal and District Courts (out of 15 in total) were covered by the project	Delivered works and supplies established the necessary physical and technical conditions for the assurance of provision of adequate witness protection in processing of war crimes and other criminal cases. In addition, audio – visual equipment acquired through the project allows video-conferencing system in the BiH judiciary institutions.	The beneficiary provided necessary support to the EU Delegation in preparation of the necessary technical documentation. Upon completion of the works and installation of the equipment, the adequate use of the system has commenced. Staff has been trained to use the equipment and additional support has been provided through the High Judicial and Prosecutorial Councils' ICT regional administrators and the ICT department as a whole.	Satisfactory	Satisfactory

Kosovo

Project Title	Year	Expected results	Observed results at end of intervention/ as at March-April 2014	Observed sustainability at end of intervention/ as at March-April 2014	Assessment of relevance	Assessment of sustainability
Extension of Water Treatment at Shipol, Mitrovica	2008	Expanding and upgrading Mitrovica's water treatment plant, which processes water from the nearby lake and serves four municipalities: Mitrovica (including northern part), Skenderaj, Zvecan and Zubin Potok. Doubling the production capacity will secure 24 hours supply for mentioned four municipalities and provide improved water quality.	Contract was supposed to be completed by the end of 2012. However, there were two time extensions: one due to the changes in the design and the other due to the dispute between the main contractor and the subcontractor. Although April 2014 has been stated as the completion date, during the site visit it was obvious that this planned date will not be fulfilled. The beneficiary is not fully involved or informed on all decisions agreed by the Contractor and the Supervising Engineer.	Water price is defined by the Regulatory office and revised periodically. The current water price will not be revised for another two years. Consumers in northern Mitrovica do not pay water bills and the Regional water company has no any control over the consumers in this part. Billing collection is around 50% only. Regional Water Company assumes that their available financial resources will be sufficient to operate and maintain the extended water treatment plant. However, as the region is politically sensitive, support of the Government is expected as well.	Satisfactory	Satisfactory
Supply and Installation of Equipment for the Air Monitoring System – Lot 1	2009	Establishment of an air monitoring system that will help to assess the actual state of air quality that would be the basis to develop the policies and plans on air pollution reduction, aiming at the decrease of the carbon emission and ultimately protection of the public health.	Lot 1 (subject of the evaluation) cannot be assessed without considering the scope of the whole tender, consisted of further 3 lots, which included analytical laboratory, calibration laboratory and other supporting equipment. Lot 4 included development of the software for the monitoring stations supplied under the Lot 1. Supplier of the software	Data are currently collected and processed, but not in a way as it has been defined by the tender documents, due to the no compatibility between the supplied equipment and corresponding software. Analytical and calibration laboratory are not used at all, for two reasons: insufficient training by the equipment supplier and lack of financial resources to provide basic	Satisfactory	Unsatisfactory

Project Title	Year	Expected results	Observed results at end of intervention/ as at March-April 2014	Observed sustainability at end of intervention/ as at March-April 2014	Assessment of relevance	Assessment of sustainability
		Direct results: 1) Air monitoring equipment available and installed; 2) The Hydro Meteorological Institute of Kosovo is capable to use the equipment and prepare the monitoring reports; 3) Training programmes conducted.	claims that all required technical characteristics of the software cannot be developed for the supplied air monitoring stations.	material for work of the laboratory. Furthermore, out of 18 employees in total, only 6 of them are qualified to work in the laboratory. It is obvious that capacity of the Beneficiary has been wrongly estimated, and that extensive additional training is necessary.		
Construction of the Palace of Justice Compound in the framework of 'Upgrade of the infrastructure in the Rule of Law Sector in Kosovo' – Lot 1	2008	Building of a Palace of Justice in Pristina will provide adequate premises to the justice institutions and free up important budget allocation (current payment of rents) for the proper functioning of the justice system. Kosovo authorities will be enabled to increase the efficiency of the justice system by reducing the backlog of cases, to increase the trust of the public in the justice system and to increase independence and visibility of justice. The Palace of Justice will accommodate the Supreme Court, the Pristina District Court, the Constitutional	The contract was supposed to be completed mid-2013. However, new completion date has been set for August 2014. Reasons that caused such a significant delay were discrepancies between the design and the technical specifications (Employer's Requirements), as well as constant changing of the key experts (or even long lack of their presence on the site) of the Supervising Engineer. Due to a high number of claims issued by the Contractor, the EU Office engaged an independent FIDIC expert, in order to facilitate claims resolution. Additional problem is the connecting infrastructure – connection to the sewage	There are 6 buildings in total within the Palace of Justice compound. One of them is financed by national funds (Ministry of Public Administration). The same Contractor constructs all 6 buildings. Even if finished in August 2014, the Palace of Justice could not be 'entered' – problem of missing connecting infrastructure (access road and connection to a sewage system) will long not be solved. It is quite unclear who (was) is responsible for this part – the EUO claims that this was the task of the Beneficiary, while the Beneficiary claims that this was a mistake while preparing the tender documents. There are many parties involved in solving the issue (Municipality, Ministry of Environment, etc.), however it seems that there is a	Satisfactory	Unsatisfactory

Project Title	Year	Expected results	Observed results at end of intervention/ as at March-April 2014	Observed sustainability at end of intervention/ as at March-April 2014	Assessment of relevance	Assessment of sustainability
		Court, the Kosovo Special Prosecutor's Office, among the many other justice institutions.	system (there is no sewage infrastructure in the vicinity of the compound, and even if WWTP is built for the compound, there is no possible discharge point near the compound).	great lack of coordination. Furthermore, building will have to be completely furnished and maintained by the Beneficiary – Ministry of Public Administration and it seems that there is no clear estimation on these future costs, which will be very substantial.		
Equipment for Kosovo Border and Boundary police – Lot 2: Control and Mobility Equipment	2008	Enabling Kosovo Border Police to effectively and efficiently control all borders (including the green/blue border) and the flow of persons in and out of Kosovo in particular through setting up an EU compatible communication system and procurement of equipment for border control. This will also help the Kosovo authorities to implement relevant *acquis*, (Schengen *acquis*) in this sector.	All specified equipment has been delivered and in use. Training has been provided as per requirements.	Direct sustainability is achieved with the project. All equipment is maintained with internal financial and human resources. There is a need for further support to equip all of 16 border crossings. National budget cannot cover these needs and is usually sufficient only to cover operational and maintenance costs.	Satisfactory	Satisfactory
Support on upgrading power transmission system to meet the Energy Community technical standards – Lot 2	2009	By increasing the capacity of electricity transmission, a more reliable electricity supply to some 80,000 consumers will be ensured. It will also reduce losses in the whole transmission network. This will have an	The Beneficiary KOSTT (Kosovo transmission, system and market operator) is extremely satisfied with the results delivered by the Contractor, and especially by the training carried out which was obviously very extensive.	Although for the time being the system is mainly operating with 'simulated' data, once the KOSTT is fully participating in the inter – TSO compensating mechanism, as a full member of SETSO (South East European Transmission system Operators) – expected to happen	Satisfactory	Satisfactory

Project Title	Year	Expected results	Observed results at end of intervention/ as at March-April 2014	Observed sustainability at end of intervention/ as at March-April 2014	Assessment of relevance	Assessment of sustainability
		impact on the quality of supply and will improve the financial situation of KOSTT. In addition, the project has an important impact on cross border cooperation in the context of integration in the regional energy market.	They are now absolutely able to run the system by themselves, although they run it – for the time being – with no completely real data but simulating the status, due to the fact that they are not receiving the transmission data from the Republic of Serbia.	during 2014 – they will be fully able to fulfil they tasks. The IT system, as designed within the project, will support the energy data management, the allocation of interconnection transmission capacities, the balancing mechanisms and demand forecasting system which are necessary for planning and trading in the market.		
Implementation of Energy Efficiency Measures in Public Buildings	2008	Introduce energy efficiency measures and promote the use of renewable energy resources (solar installations) in public buildings of Kosovo.	There were five buildings – one hospital and four schools – included in the project. Hospital in Gjilan has been visited and all projects components (except solar panels) seems to produce good results. Intervention has been done on only one of the buildings within the hospital complex, and as the central heating system is in place, it is not possible to extract potential savings in energy won by the implemented measures.	Although solar panels installed on one of the hospital building are not properly functioning since two years (either due to the incorrect installation or lack of maintenance practice), the other measures showed very good sustainability. As a result, it has been planned to introduce similar measures on the other buildings (to be financed by own funds) and to proceed – with the support of the World Bank - with improving energy efficiency in the whole hospital complex.	Satisfactory	Satisfactory

Serbia

Project Title	Year	Expected results	Observed results at end of intervention/ as at March-April 2014	Observed sustainability at end of intervention/ as at March-April 2014	Assessment of relevance	Assessment of sustainability
Emission reduction from Nikola Tesla Power Plant (TENT) in Obrenovac, Units A6 and B2	2007	Upgrade the Electrostatic Precipitator System which reduces the particulate emissions from Units A6 and B2 to below LCPD particulate emission limits for a sustained period of time.	Project completed; last remaining final acceptance granted in April 2014; unforeseen additional works were properly financed and managed by the beneficiary.	All delivered results are sustainable. The installed filters make TENT's operation ''greener'' and directly benefit the nearby municipality of Obrenovac and its population of about 75,000. No significant increase in TENT‘s running costs are expected. The Beneficiary is considered fully capable to maintain and/or replace any of the technologies installed.	Satisfactory	Highly satisfactory
Supply of laboratory and IT equipment to lecturing buildings, laboratories and classrooms at the faculties of the university of the Republic of Serbia	2010	Improve the quality of education and training in Serbian higher education institutions which is demanded by the new knowledge-based society, modern learning processes, standards of industrial research and emerging labour market needs.	Project is part of the Higher Education Teaching Infrastructure Programme (HETIP) and on-going; Long-lasting period between equipment specification and actual supply caused need to exchange a lot of equipment; in terms of value currently 46% of total goods have been delivered (completion envisaged for August 2014). Where already delivered and installed the equipment has been integrated into the students’ daily work.	This project is directly linked to the implementation of the 200 M€ EIB-funded research and Development (R&D) Infrastructure Investment Initiative which is investing in the R&D capabilities of Serbia. However, restrictions to the national budget in view of the situation of extensive national debt have been introduced and might significantly lower the scope and progress of the originally proposed overall HETIP, and adjustments to possible re-prioritised objectives. Capabilities of the benefiting universities to maintain and meet annual operational costs of the supported Teaching Infrastructure assets are clearly insufficient; even coverage of simple running/ stationary costs has not been	Satisfactory	Unsatisfactory

Project Title	Year	Expected results	Observed results at end of intervention/ as at March-April 2014	Observed sustainability at end of intervention/ as at March-April 2014	Assessment of relevance	Assessment of sustainability
				sufficiently ensured due to the absence of State funding.		
Construction, reconstruction, adaptation, rehabilitation and investment maintenance of lecturing buildings, classrooms and laboratories at the Faculties of the University of Serbia	2010	Improve the quality of education and training in Serbian higher education institutions which is demanded by the new knowledge-based society, modern learning processes, standards of industrial research and emerging labour market needs.	Project is part of HETIP and on-going; Unforeseen additional works appeared when upgrading existing buildings; works in both contracts are on-going (total 9 sites – 2 completed); bankruptcy of house bank of one of the local contractors created delays and need for re-settlement of contractor guarantees; insufficient funds for supervision of works (extension of supervision contract by use of savings is envisaged).	Also this project is directly linked to the implementation of the 200 M€ EIB-funded R&D Infrastructure Investment Initiative which is investing in the R&D capabilities of Serbia. In the main, buildings and classrooms can be used for a long time without much maintenance or increase in running costs. However, restrictions to the national budget in view of the situation of extensive national debt have been introduced and might significantly lower the scope and progress of the originally proposed overall HETIP. Capabilities of the benefiting universities to maintain and meet annual operational costs of the supported Teaching Infrastructure assets are clearly insufficient.	Satisfactory	Satisfactory
Survey and removal of Unexploded Ordnance (UXO from the Danube River – Prahovo Sector	2010	Identify and remove identified UXOs within the Prahovo area in accordance with international regulations and standards.	Project completed; Danube river – Prahovo sector investigated and existing UXOs removed.	The benefiting Mine Action Centre has sufficient expertise to fully take over and implement the post removal phase – UXOs dismantling and demolition - in specialised polygons that possess the necessary funds and equipment to conduct such operations as part of their daily job. From a broader perspective, the	Satisfactory	Satisfactory

Project Title	Year	Expected results	Observed results at end of intervention/ as at March-April 2014	Observed sustainability at end of intervention/ as at March-April 2014	Assessment of relevance	Assessment of sustainability
				Mine Action Centre's expertise and the added value of local staff expertise gained from on-the-job training delivered by the Contractor might be applied in future similar projects to remove UXOs from other suspicious areas along the Danube.		
Assistance to digital broadcasting switchover (DSO) in Serbia /LOT 1: National and Regional Head-end Equipment, Ethernet Routers & Switches and Network management system	2010	Introduce European digital television standards in Serbia.	Project completed; difficult implementation due to late improvements of the required regulatory and strategic framework for digital broadcasting; also project management and technical planning had to be reinforced. Switch on of the initial phase of digital broadcasting took place in March 2012; up to 75-80% DSO has been achieved so far.	Full digitalisation requires provision of an EBRD loan for further equipment; negotiations are on-going and likely to be successful; full DSO of Serbia by June 2015 seems still to be feasible. The main beneficiary has, in line with similar companies in other countries where DSO is complete, the potential to become a commercially viable and profitable company. Several steps will be required to improve the internal functionality to make the company commercially viable, but the attention given to EBRD loan recipients should significantly move this process forward.	Satisfactory	Satisfactory
Kolubara Regional Water Supply Scheme	2010	Improve potable water supply, operational efficiency of the PUCs, reduce health hazards, improve protection of health, and create the pre-requisites for sustainable demographic and economic development.	Project is part of MISP and on-going; difficult implementation due to problems in the over-arching government investment programme which the project compliments; around 60% of the EU-funded works has been completed; progress is in line with updated work programme.	Immediate project sustainability depends on basic maintenance that has to be ensured by the benefiting public utility companies. In the longer run, extension of the regional water supply will require the rapid completion of outstanding government investments (Rovni dam/impoundment; investment	Satisfactory	Unsatisfactory

Project Title	Year	Expected results	Observed results at end of intervention/ as at March-April 2014	Observed sustainability at end of intervention/ as at March-April 2014	Assessment of relevance	Assessment of sustainability
				need 6-10 M€).		

Turkey

Project Title	Year	Expected results	Observed results at end of intervention/ as at March-April 2014	Observed sustainability at end of intervention/ as at March-April 2014	Assessment of relevance	Assessment of sustainability
Strengthening Turkey's Capacity in dealing with Refugees, Asylum Seekers and Illegal Migrants - Construction of Reception and Removal Centres	2007 IPA 1	- Strengthened institutional capacity for dealing with refugees and asylum seekers - Standards for legislative and administrative alignment with EU *acquis* and best practices in place - Adoption and enforcement of refugees'/ asylum seekers human rights - Well-structured modern asylum system with a network of reception centres managed by specialised staff	- Construction and equipment of retention and reception centres was not yet completed at the time of the mission. - Delays and financial losses have been incurred due to initial design deficiencies/ error (discovered after the end of the designers liability) - Project needed to be revised, six reception and one removal centres were built instead of seven, but savings could not be reallocated (deadline passed)	Legal and institutional conditions for sustainability have been ensured: - Turkish legislation on foreigners and international protection is in place. - General directorate of migration has been created under Ministry of Interior. - Turkey is constructing other reception and removal centres with own budget. Capacity building by twinning project has not been sustainable due to change of mandate (from police to directorate of migration) and due to delays in the construction, which resulted in the assignment of trained staff to other duties.	Highly satisfactory	Satisfactory
Strengthening Vocational Qualifications Authority (VQA) and	2007 IPA 1	- Framework for national qualifications system to operate in a sustainable and efficient way has been	All components of the project have achieved its results; VQA used the grants for supporting the vocational test centres; 700	The beneficiary institution has very good capacities, and the project has been endorsed both by the responsible ministry (Labour and	Highly satisfactory The project provi-ded an answer to	Highly satisfactory

Project Title	Year	Expected results	Observed results at end of intervention/ as at March-April 2014	Observed sustainability at end of intervention/ as at March-April 2014	Assessment of relevance	Assessment of sustainability
National Qualifications System in Turkey		established and the system has started in selected priority sectors - Institutional capacity of VQA and vocational testing centres has increased - Awareness of all stakeholders in public and private sectors, unions, labour force and NGOs on the national qualification system has increased.	vocational qualification standards have been elaborated, and the institution continues growing at a steady pace. Office and ICT equipment is fully in use and will be complemented by further purchases by the beneficiary (for database and online procedures)	Social Security), Ministry of Education, syndicates and employers' organisations. Human resources of the beneficiary organisation. Stakeholders and target groups are involved in decision making processes and ensure financial sustainability via membership fees.	an existing need and ensures further integration into the EU qualification system. Endorsement by stakeholders is very high. EU added value is perceived and highly appreciated.	
Strengthening Forensic Capacity of Turkey	2008 IPA 1	- Construction of three forensic laboratories in Adana, Izmir and Diyarbakır for Police and one in Istanbul for Gendarmerie - Procurement of required additional better equipment	All four laboratories are operational, and the users are very satisfied with the quality and functionality of buildings and equipment. Buildings are identical but adapted to regional needs by additional purchases and staffing by the beneficiary.	Police fully supports the operation of the laoratories providing adequate staff, training and operational budget. The buildings set standards for future construction of forensic laboratories by the police (planned in several locations)	Highly satisfactory The need for improving forensic capacity had been confirmed repetitively; the project is focussed on lage cities with urgent need of forensic capacity.	Highly satisfactory
Modernisation of Turkish Customs Administration-V	2008 IPA 1	- Railway cargo scanning/ inspection system operational by the end of 2010 - Adequately trained staffof the Turkish Customs Administration operating the scanning system	The railway scanner system has been installed and is operational. No statistics could be obtained on detection of illegal traffic by the system.	Turkish Customs Administration is operating the scanner as foreseen. There are some security concerns related to the unprotected and exposed site of the railway scanner; another concern is that the high visibility of the railway scanner might lead to deviation of smuggling routes. None of these issues has caused a serious problem until now.	Satisfactory	Satisfactory

Project Title	Year	Expected results	Observed results at end of intervention/ as at March-April 2014	Observed sustainability at end of intervention/ as at March-April 2014	Assessment of relevance	Assessment of sustainability
Tagging and Vaccination of Sheep and Goats	2008 IPA 1	- Identification and registration of ovine and caprine animals system established in Turkey in compliance with EU requirements - 65 million animals to be eartagged - PPR disease of ovine and caprine animals will be controlled in the country - 90 million animals vaccinated over 3 years.	All tags and vaccines have been used. The number of goat and sheep in some provinces had been overestimated, so the beneficiary organised a follow-up campaign to use the tags and vaccines on the next generation.	Sustainability of the project results is good. Ministry of Agriculture has taken over the responsibility for future tagging and vaccination (to be financed by charges to the owners). An IPA project for electronic tagging of newborns is under way. A law for presenting newly born animals to a veterinary has been issued and is successfully enforced. Informal animal breeding is not frequent, and Ministry of Agriculture has animal traffic well under control.	Satisfactory	Satisfactory
Quality Control Tests for Human Vaccines and Sera	2009 IPA 1	- Test results obtained accepted by European Directorate of Quality of Medicine (EDQM) - BCRL audited by EDQM, application for ISO 17025 certification submitted	Project is delays, no results are available yet.	Ministry of Health is expected to have the capacity to implement the project well; there is a high need for the supplies to be delivered, and good performance is expected.	Satisfactory	Potentially Satisfactory
Oral vaccination against rabies	2010 IPA 1	- Immunity level against rabies infection of wild animals in defined areas in the Aegean region essentially improved - Number of diagnosed rabies cases declined	The supply tender was signed in 2013, but the tender for the aerial dropping campaign could not be completed before April 2014.	Project started after the field phase of this evaluation, beneficiary capacity and endorsement are expected to be good.	Satisfactory	Potentially Satisfactory
Strengthened Market Surveillance System for ICT Sector	2010 IPA 1	Component I: - Optimised market surveillance (quantity and quality) - More and better trained inspectors	Equipment has been delivered, but the beneficiary does not use it yet; they are waiting for the service contract (technical assistance/ training) to start.	Not yet started, the conditions for sustainability are not very promising. Authorities are not in a situation of force; the informal sector is strong and there is a lot of litigation.	Satisfactory	Potentially Unsatisfactory

Project Title	Year	Expected results	Observed results at end of intervention/ as at March-April 2014	Observed sustainability at end of intervention/ as at March-April 2014	Assessment of relevance	Assessment of sustainability
		- Recurrence ratio decreased by 50 % Component II: - Market surveillance database established - Platform deployed for market surveillance personnel and automatic data transfer ensured				
Kuşadası Regional Solid Waste Management Project	2005 pre-IPA	Reduction of pollution by dumpsites - Reduction of health risks and negative amenity effects from dump sites - Reduction of biowaste landfilling to levels required by EU Directives and DSIP - Recycling of solid wastes increased, contribution to meet packwaste directive objectives - Modernised municipal waste collection system - Integration of scavengers and improvement of their working conditions	The project is fully operational, and all components are working.	Financial sustainability conditions are ensured by the tariff regulation issued by Ministry of Environment. The Kuşadası region has a good socio-economic structure, and waste fees are paid as due.	Highly satisfactory	Satisfactory
Construction of Shelters for Women subject to Violence	2006 pre-IPA	- Modern and effective help mechanisms for women in eight major cities - Increased awareness on violence against women in the society - Increased awareness	Women shelters were constructed in seven cities (inadequate site was found in Istanbul), are operational and used by women in distress. Cooperation with CSOs and police is good but could be	Legal framework for sustainability has been created by a recent revision of the Municipal Law, requiring municipalities > 50 000 citizens to establish women's shelters. However, not all municipalities have the necessary funds; Samsun	Highly satisfactory	Unsatisfactory

Project Title	Year	Expected results	Observed results at end of intervention/ as at March-April 2014	Observed sustainability at end of intervention/ as at March-April 2014	Assessment of relevance	Assessment of sustainability
		among public officials - Cooperation between local authorities and CSOs for prevention and mitigation of violence against women	improved with province governments. Shelters are over-equipped, and much of the equipment is not used, on the other side, security measures were initially insufficient and needed to be upgraded by beneficiaries.	municipali-ty transferred the shelter to another institution. Construction of shelters constitutes a sustainability problem, since shelters cannot be used anymore when the location is too well known. Renting and adapting to needs would probably be better at long term.		
Design and Build Construction of Infrastructure and WWTP of Sanliurfa	2006 pre-IPA	Enhancement of industrial restructuring and competitiveness in Urfa - Construction of infrastructure/ WWTP in Urfa Organised Industrial Zone 2 - Support to SMEs establishing themselves in the OIZ	The project has been completed and is operational. The WWTP complied with discharge limits when taken into operation. The capacity building component for industries (business and sustainaibility plans) was very successful and resulted in attracting many industries to the organised industrial zone.	The project created a very postive echo among industries and was a success for the Urfa industrial zone. Due to the high demand for the Urfa organised industrial zone the wastewater treatment facility is currently overloaded; another problem is that industries from very different sectors have been admitted, and pre-treatment is not always sufficient.	Satisfactory	Overall Satisfactory Industrial capacity building: Highly satisfactory WWTP: Unsatisfactory
Bitlis Regional Solid Waste Management Project	2006 pre-IPA	Establishment of solid waste management system for Bitlis, Tatvan and Güroymak and the villages of Günkırı and Gölbaşı - Construction of landfill with 2,4 million m³ storage capacity - Rehabilitation of seven dumpsites Procurement of adequate containers and collection vehicles	The landfill has been constructed and is operational. Due to initian design errors, several revisions had to be made, which increased the budget. The composting component has been cancelled, and the beneficiary did not yet obtain sufficient financial resources to construct the sorting facility and the transfer station for the more distant municipalities. Leachate treat-ment is good; treated water is	Although the tariff regulation enables municipalities to cover real cost based waste fees, municipalities in the Bitlis region chose not to do so, due to the general poverty of citizens and out of fear for their votes. Financing is insufficient and insecure, and the municipal association BIKA does not obtain enough money for ensuring maintenance and follow-up investments. The technical capacity of BIKA is good; the project is regarded as a	Overall satisfactory In terms of national environmental policy: Highly satisfactory In terms of perception and support by local governments: Unsatisfactory	Unsatisfactory

Project Title	Year	Expected results	Observed results at end of intervention/ as at March-April 2014	Observed sustainability at end of intervention/ as at March-April 2014	Assessment of relevance	Assessment of sustainability
			discharged into surface waters and pollution parametrs are way below the discharge limits.	forerunner by other municipalities of the region, but its future remains uncertain.		
Upgrading of Kırklareli-Dereköy-Aziziye-Turkish Bulgarian Border State Road Project	2006 pre-IPA	- Better infrastructure between Kırklareli and the Bulgarian border - Smooth cross border passages (comfort, safety) - Increased efficiency of road transport	The motorway has been constructed , is of good quality and is in use.	The beneficiary, Turkish Road Administration, has good capacities to maintain and operate the road, but the sustainability in terms of transport efficiency is not really ensured due to the low traffic volume and low probability that this will change in the near future.	Unsatisfactory Traffic intensity on this road is very low; there are no major settlements on Turkish side, and the road on the Bulgarian side is narrow, curvy and of bad quality.	Satisfactory
Protection and Sustainable Development of Natural Resources and Biodiversity in the Yıldız Mountains	2006 pre-IPA	- Inventory and planning of Yıldız Mountains biosphere reserve including preparation of dossier for UNESCO - Improved cooperation between Turkish and Bulgarian institutions - Capacity building (fully operational training centre at Dereköy, increased staff capacity at Min Env, increased awareness in the cross border region	The project has been completed (works component with a delay), supplies were delivered in time. The Dereköy nature training centre is operational, and the application to UNESCO for the Yıldız mountains biosphere reserve has been submitted (still in evaluation).	The Dereköy nature training centre is working and provides mainly education to pupils and students. The Ministry of Forests and Waterworks (now separated from environment) provides the necessary budget and staff for the biosphere training centre. A threat for sustainability may be the plans to erect a thermal or nuclear power plant in the İğneada area, which seem, however, to have been abandoned in 2012.	Satisfactory	Satisfactory
Diyarbakir Water and Wastewater	2009 IPA 3	- Upgrading of WWTP to biological system with 1 412 615 population equivalent in 2020 - Treatment and discharge of wastewater in a safe	The WWTP construction is nearly finished, and no complications are expected. The site was smaller than foreseen, and this led to a (minor) reduction of some components.	The Diyarbakır water and sewage administration DISKI has sufficient technical and financial capacity to operate and maintain the project after its completion. The authority tries to compensate delays in sewage	Satisfactory	Satisfactory

Project Title	Year	Expected results	Observed results at end of intervention/ as at March-April 2014	Observed sustainability at end of intervention/ as at March-April 2014	Assessment of relevance	Assessment of sustainability
		manner according to Turkish and EU standards	There are major problems with the collector component, which does not advance, and the main contractor is not sufficiently present. It might be possible that Ministry of Environment cancels and re-tenders this component.	construction with its own budget. However, there are some concerns related to the environmental commitment of DISKI (too liberal use of bypass).		
Ankara-Istanbul High Speed Line Project - Köseköy/Gebze Section	2009 IPA 3	- Speed up travelling time, eliminate restrictions and bottlenecks and establish technical and operation condition necessary for safe and fast operational - Construction of double track electrified new railway line along Istanbul – Ankara corridor, new station arrangements and maintenance depots.	Railway construction is nearly complete, the benefiting Turkish Railway Administration (TCDD) expects to take the high speed railway into operation in summer 2014. Quality of construction and equipment is good so far, the beneficiary does not expect any problems.	The railway project is embedded in a much larger railway programme connecting Turkey with European High speed railway network. High speed connectıons ın Bulgarıa are also (being) upgraded to an average of 160 km/h. The beneficiary has the capacity to finance and run the programme, and first experience with the already working Ankara – Eskişehir and Ankara – Konya tracks shows that the high speed railway has raised high demand among citizens and that competing bus fleets adapt their services accordingly.	Satisfactory The trans-European railway network is a political priority, and the IPA support contributes to achieve the completion of this network in Turkey more quickly.	Expected to be Satisfactory

Annex 5: Pilot SWOT Analysis

As required by the Terms of Reference for this evaluation, a pilot SWOT (Strength-Weakness-Opportunity-Threat) analysis has been carried out.

It takes account of the IPA beneficiary countries' economic and political scenario and makes an assessment of the external factors affecting works and supplies projects and the extent to which IPA has been able to adapt and mitigate the effects of the external factors.

There have been two pilot SWOTs prepared, one for the Western Balkans and one for Turkey. This approach allows taking more account of Turkey's specific characteristics when it comes to programming, contracting and implementation. It is apparent that Turkey strongly differs from other IPA countries due to its size, geographical location, history, culture, economic development and institutional characteristics.

Each SWOT analysis comprises four components:

1. Overall assessment of IPA works and supplies
2. Beneficiaries
3. Programming
4. Tendering and contracting

Overall assessment of the IPA programme – Works and Supplies Turkey

STRENGTHS

- Good institutional capacities on beneficiary/ accredited institutions' side
- Good technical skills of beneficiaries lead to appropriate use and further development of structures created by IPA projects
- Strong endorsement of IPA projects by beneficiaries
- Good financial capacity of most beneficiary institutions to assume operation and maintenance costs after project endorsement
- Accredited institutions and EUD dispose of sufficient tools and knowledge to carry out procurement efficiently
- Good, efficient, partly "bottom up" and transparent programming
- Combination of works, supplies and service contracts or twinning (TA) allows capacity and awareness building complementary to the creation of new structures
- Strong national economy

WEAKNESSES

- Very long programming/ approval phase affects budget and design of IPA projects as well as the coherence of IPA projects with parallel national investment programmes
- Insufficient willingness and capacity to follow up "non-standard" irregularities (outside tendering and not controlled by supervision) in works contracts
- High number of institutions and control mechanisms leads to delays and sometimes also to a lack of coverage for some issues (e.g., link between monitoring – ex post evaluation – lessons learned)
- Initial design deficiencies often lead to delays, changes of design or insufficient achievement of project targets
- Timing of service contracts including works supervision, supply and works contracts is sometimes incoherent due to initial delays
- Frequent restructuring and personnel turnover lead to a loss of acquired capacities in beneficiary and accredited institutions
- Municipal SWM projects are often financially unsustainable due to a lack of capacity or reluctance to ensure cost coverage

OPPORTUNITIES

- IPA contributes considerably to adoption, endorsement and improvement of strategic planning and programming approaches in Turkish sector ministries
- IPA projects are focussing on priority areas not yet sufficiently developed by local programmes and create awareness for these priorities
- Completed W&S usually bring visible benefits directly to the public (health, safety, institutional performance etc.), thus promoting also EU values
- Know-how transfer and quick adoption of improved skills from EU to beneficiary country
- IPA projects are often regarded as a model for replication by beneficiaries
- IPA projects promote inter-institutional cooperation and change beneficiaries' attitude
- Accompanying technical assistance contracts are an important tool as "eye opener" to beneficiaries regarding the possibilities to develop their capacity in their respective sector

THREATS

- Loss of momentum in Turkish EU accession may also affect the dynamics of the IPA programme (on both sides)
- Current Turkish political crisis may further affect the Turkish EU accession
- Current political crisis may have a negative impact on Turkish economy and in consequence also on beneficiaries' capacities to counterfinance IPA projects and ensure their financial sustainability

Turkey - Beneficiaries

STRENGTHS

- Large national beneficiaries (police, road administrations, railways...) have very good technical and financial capacities and can absorb, implement and replicate IPA projects efficiently
- Beneficiaries strongly endorse IPA projects; they are generally more than willing to ensure visibility and dissemination of IPA support
- IPA provides an important added value to the investments and operation of beneficiaries; it often contributes to the implementation of priority projects or obligations the beneficiary would not (yet) have been able to finance with own resources
- Many beneficiaries have created mechanisms to ensure financing of the continuation of their work by the target groups (e.g., tagging and registration of animals to be paid by owners, vocational centres operating on fees...)

WEAKNESSES

- Beneficiaries are not always involved into the project design, and they cannot sufficiently adapt the design to their local needs (e.g., standard design for several SWM projects, some details in supply for forensic labs)
- Beneficiaries often do not have the capacity to provide sufficient input to project fiche and tender preparation (language problems, lack of knowledge of EU procedures)
- Municipal associations for SWM are, especially in remote and poorer regions, frail bodies that are very much influenced by local politics and may not always support the IPA projects sufficiently

OPPORTUNITIES

- Some beneficiary institutions are created in the context of IPA projects (Directorate of Migration, Vocational Qualification Institute) and will further use, extend and replicate the results of the IPA projects
- With the implementation of IPA projects, beneficiary institutions become themselves a centre of competence and are contacted by other institutions for information/ replication of the project (e.g., Bitlis SWM project was even visited by Iranian municipalities)
- Governmental subsidies during a certain period might help municipalities in poor regions to start a gradual transition to cost covering waste fees

THREATS

- Sustainability of municipal SWM projects is in jeopardy due to reluctance/ lack of capacity to ensure full cost coverage of SWM operations and necessary new investments
- Municipalities not benefiting from an IPA project may not have the capacity or the political willingness to replicate the project in their own area despite legal obligation (e.g. women shelters, integrated SWM); IPA might not succeed in catalysing a general initiative for creating these structures

Turkey - Programming

STRENGTHS

- Accredited ministries have good sector knowledge and technical capacities to elaborate operational programmes (they all have an EU department familiar with EU approach and procedures)
- Operational sector programmes are in line both with Turkish national strategies and with EU priorities
- Beneficiary institutions are invited to submit project applications; these are prioritised according to a multi criteria weighting procedure (transparent and bottom-up planning)
- Good cooperation between sector ministries and NIPAC
- Operational programmes are complementary to national investment programmes (very much so in transport, agriculture and regional competitiveness sector, less in environment)

WEAKNESSES

- Programming and approval take very much time; sometimes beneficiaries' priorities change or the beneficiary already assumes parts of the project himself; this leads to project revision and another round of approval
- Feedback from EUD and in some cases from Brussels is very time-consuming (not enough staff to deal with the number of projects/ too many revision cycles)
- In some cases, the budget expires due an excessive delay in project approval (e.g. 30 % of Environment Operational Programme cannot be implemented)
- Programmes composed of many medium size projects (environment, regional competitiveness, agriculture...) are more difficult to elaborate, approve and implement than programmes composed of few large components (transport)
- Vague and sometimes inadequate indicators (especially related to project impact) are an obstacle for evaluation of project outcome

OPPORTUNITIES

- Strategic environmental assessment of sector operational programmes and involvement of civil society in programming might strengthen awareness and endorsement in the population and in sector organisations concerning national and IPA programmes
- Development, systematisation and inter-institutional integration of project and programme ex-post evaluations might contribute positively to the elaboration of (even) better programmes and identification of priorities
- More technical assistance on project and programme monitoring & evaluation might help to improve the elaboration of objectively verifiable indicators and of ex-post evaluations

THREATS

- Transfer of IPA III from DG Regio to DG Elarg is perceived by some institutions as a problem; they think it will negatively affect the integration of IPA programmes and programmes carried out by EU member states (to be discussed more!!!) and that DG Regio built capacities for seven years, which might now be partially lost/ obsolete
- Political crisis in Turkey might lead to radical change of EU accession policy
- Institutions might not favour too substantial evaluation of project outcomes and impacts in case systemic deficiencies and unsustainability might be detected

Turkey - Tendering and contracting

STRENGTHS

- Accredited ministries (except transport) and CFCU have acquired experience and capacities in tendering according to PRAG and FIDIC rules (CFCU 12 years of experience)
- Transfer of CFCU experts to accredited ministries ensures transfer of knowledge and experience
- All accredited institutions have established systematic ex-ante control of tendering documents at every phase as well as regular monitoring of project implementation
- Most accredited institutions have sufficient technically qualified staff to carry out tendering and contract implementation
- CFCU and accredited ministries have sufficient budget and personnel resources to assume IPA tendering and contract implementation
- Tendering and contracting guidelines are mostly in line with PRAG and OLAF guidelines

WEAKNESSES

- Rules for tender evaluation are incoherent among accredited institutions (rules of access, beneficiaries to be jury members or not...)
- Accredited institutions have in the past not always been able to prevent leaking of information (during bid preparation, by tender jury)
- Insufficient willingness and capacity to follow up "non-standard" irregularities (outside tendering and not controlled by supervision) in works contracts
- Initial design deficiencies often lead to delays, changes of design or insufficient achievement of project targets
- Additional layer of control (first accredited institution, then EUD) leads to more delays in tendering
- Timing of service contracts including works supervision, supply and works contracts is sometimes incoherent due to initial delays
- Weakness of beneficiaries in elaborating project applications/ weakness of accredited institutions to revise them according to PRAG rules lead to repetitive revisions and delays
- N+2 deadline leads to time pressure during tendering and insufficient/ superficial revision of tender documents with ensuing problems

OPPORTUNITIES

- Extended liability period for design contracts and more involvement of beneficiaries at the design phase may help to reduce damages and delays caused by deficient design
- Elaboration of (draft) tender documents during the approval period might contribute to an overall acceleration of the process
- Regular use of audits and cooperation with Turkish tax authorities might contribute to discourage contractors from some types of fraud; monitoring visits might include a thorough assessment of financial documents
- Shift to N+3 might relieve the time pressure for tendering in some cases (but does not resolve the initial problem of time-consuming programming/ approval procedures)

THREATS

- Cumbersome and time-consuming tendering procedures might discourage beneficiaries to apply for IPA projects (already observed for larger metropolitan municipalities)
- Accredited ministries are not completely independent of politics and may be unduly influenced in their decisions (no indication until now) or weakened by government/ policy changes after elections
- Non-detected or hushed up irregularities (e.g., VAT fraud, excessive sub-contracting) cause damage to Turkish national budget, to IPA and country reputation

Overall assessment of the IPA programme – Works and Supplies Western Balkans

STRENGTHS

- Long term presence and high level of political support from the EU side that ensures other donors' interventions and private investments
- Where political commitment towards EU integration / accession is strong and continuous there is an excellent driver to development
- Strong endorsement of IPA projects by beneficiaries
- Good technical skills of beneficiaries lead to appropriate use and further development of structures created by IPA projects
- Combination of works, supplies and service contracts or twinning allows capacity and awareness building complementary to the creation of new structures

WEAKNESSES

- Over-politicised administration and countries
- Post-war conflict disputes still on-going in some countries
- Over-stretched public budgets/ austerity policies, vulnerable local banking sector
- Lack of harmonised laws with EU standards often leads to unclearly defined standards
- Timing of service contracts including works supervision, supply and works contracts is sometimes incoherent due to initial delays
- Frequent restructuring and personnel turnover lead to a loss of acquired capacities in beneficiary and accredited institutions
- Institutional incoherence and lack of supportive/participatory policies in many sectors
- Weak ownership/involvement of beneficiaries in project preparation

OPPORTUNITIES

- IPA contributes considerably to adoption, endorsement and improvement of strategic planning and programming approaches in sector ministries
- Completed works and supplies usually bring visible benefits directly to the public (health, safety, institutional performance etc.), thus promoting also EU values
- Know-how transfer and quick adoption of improved skills from EU to beneficiary country
- IPA projects are often regarded as a model for replication by beneficiaries
- IPA projects promote inter-institutional cooperation and change beneficiaries' attitude
- Accompanying technical assistance contracts are an important tool as "eye opener" to beneficiaries regarding the possibilities to develop their capacity in their respective sector
- IPA projects generally improve economy of the country by implementing high value projects
- Good implemented projects increase image/ visibility of the EU among the general public

THREATS

- Delayed programming of IPA 2014-2020 may have negative impact on project preparation and implementation leading to difficulty in absorption of funds. Hence quality of project preparation and procurement may suffer at the end of the financial perspective
- Project outputs that are not maintained properly may seem having little impact or even discourage their replication
- Financing projects that are not a priority or are not affordable for the country
- Constant decrease of available national budget could further deteriorate the co-financing of projects, their operation and maintenance
- Not approved Sector Operational Programmes at the state level could lead to cancellation of substantial IPA funds (Bosnia and Herzegovina)
- The region's exposure to more frequent and intense floods with advers implications for citizens, economies and environment

Western Balkans - Beneficiaries

STRENGTHS

- Beneficiaries strongly endorse IPA projects; they are generally more than willing to ensure visibility and dissemination of IPA support
- IPA provides an important added value to investments and operation of beneficiaries; it often contributes to the implementation of priority projects or obligations the beneficiary would not (yet) have been able to finance with own resources
- Some beneficiaries have a strong capacity and knowledge and are driving force in designing the projects and leading the process of donor coordination
- Many beneficiaries have created mechanisms to ensure financing of the continuation of their work by the target groups

WEAKNESSES

- Beneficiaries are not always fully involved in project design, and cannot sufficiently adapt design to their real needs
- Beneficiaries often do not have the capacity to provide sufficient input to project fiche and tender preparation (language problems, lack of knowledge of EU procedures)
- Beneficiaries are often strained by many in parallel implemented projects (IPA and other donors)
- Municipal associations especially in remote and poorer regions, frail bodies that are very much influenced by local politics and may not always support the IPA projects sufficiently
- Institutional incoherence and lack of supportive/participatory policies in many sectors
- Most of beneficiaries do not have proper project implementation structures and have scarce resources for project implementation
- Not experienced in close monitoring of project implementation
- Most beneficiaries do not have sufficient financial and/or human resources for proper project maintenance
- High turnover of skilled staff within beneficiary institutions results in loss of knowledge, as well of projects' 'historical' knowledge

OPPORTUNITIES

- Some beneficiary institutions are created in the context of IPA projects and will further use, extend and replicate the results of the IPA projects
- With the implementation of IPA projects, beneficiary institutions become themselves a centre of competence and are contacted by other institutions for information/ replication of the project
- IPA projects identify institutional, structural, human, financial weaknesses at beneficiaries bringing about opportunities for a change
- IPA makes their work more efficient and effective by upgrading or building new infrastructure/ obtaining new equipment
- Institutions are able collect revenues from selling their services

THREATS

- Sustainability of municipal environment projects is in jeopardy due to reluctance/ lack of capacity to ensure full cost coverage of operations and necessary new investments
- Municipalities not benefiting from an IPA project may not have the capacity or the political willingness to replicate the project in their own area despite legal obligation
- Insufficient resources allocated for project implementation or maintenance
- Project implementation staff or those who were trained may leave as a result of political pressures caused by external factors (e.g. elections)
- Project outputs that are not maintained properly may seem having little impact or even discourage their replication

Western Balkans - Programming

STRENGTHS	WEAKNESSES
• Ministries have good sector knowledge and technical capacities to elaborate operational programmes (they all have an EU department familiar with EU approach and procedures) • Operational sector programmes are in line both with national strategies and with EU priorities • Operational programmes are complementary to national investment programmes	• Programming and approval take very much time; sometimes beneficiaries' priorities change or the beneficiary already realises parts of the project himself; this leads to project revision and another round of approval • Complex administrative structure with large number of stakeholders substantially delays programming process (Bosnia and Herzegovina) • Vague and sometimes inadequate indicators (especially related to project impact) are an obstacle for performance measurement • Not enough conditionalities for beneficiaries in programming documents that should ensure achievement and sustainability of project results • Projects that are not affordable for the beneficiary receive financing • There is no formal project prioritisation methodology established/ applied
OPPORTUNITIES	**THREATS**
• Strategic environmental assessment of sector operational programmes and involvement of civil society in programming might strengthen awareness and endorsement in the population and in sector organisations concerning national and IPA programmes • Development, systematisation and inter-institutional integration of project and programme ex-post evaluation might contribute positively to the elaboration of better programmes and identification of priorities • More technical assistance on project and programme monitoring & evaluation might help to improve the development and use of objectively verifiable indicators	• Institutions might not favour evaluation of project outcomes and impacts in case systemic deficiencies and unsustainability is detected • Sudden changes of sector priorities or changes in legislation • Delayed programming of IPA 2014-2020 may have negative impact on project preparation leading to risk in losing some funds and rushing with project preparation/procurement. Hence quality of project preparation and procurement may suffer at the end of the financial perspective

Western Balkans - Tendering and contracting

STRENGTHS

- Enhanced coordination and communication in preparation of tendering documents between CFCU and beneficiaries once CFCU got accreditation for IPA-I (local language advantage)
- Close monitoring/support by the EUD for the tendering and contracting performed by CFCU

WEAKNESSES

- Beneficiaries have in the past not always been able to prevent leaking of information (during bid preparation)
- Initial design deficiencies often lead to delays, changes of design or insufficient achievement of project targets
- Complex projects that involve TA, supplies and works are likely to present many unforeseen problems/delays
- Timing of service contracts including works supervision, supply and works contracts is sometimes incoherent due to initial delays
- Weakness of beneficiaries in elaborating project applications/ revising tender documents according to PRAG rules lead to repetitive revisions and delays
- Lack of sufficient knowledge of beneficiaries to define their needs or to thoroughly revise the technical specifications sometimes leads to procured but not used equipment
- Lack of contingency time for unforeseen problems/ delays
- TA which prepares technical specifications does not take into account capacity of beneficiary to operate specified equipment/infrastructure, sufficient training programmes are often not predicted
- Supply tenders often fragmented in too many lots which results in numerous contracts that are time consuming to supervise and monitor

OPPORTUNITIES

- Elaboration of (draft) tender documents during the approval period might contribute to an overall acceleration of the process
- Regular use of audits and cooperation with tax authorities might contribute to discourage contractors from some types of fraud; monitoring visits might include a thorough assessment of financial documents
- Shift to N+3 might relieve the time pressure for tendering in some cases
- Opportunities for beneficiaries to gain valuable experience through participation in tenders conducted by CFCU/EUD
- Opportunities conveying positive PRAG procurement schemes/methods to national procurement laws/bylaws

THREATS

- Cumbersome and time-consuming tendering procedures might discourage beneficiaries to apply for IPA projects
- Substantial time delays in project implementation increase overall project costs
- Non-detected or hushed up irregularities
- Projects that are not a priority, not affordable or not sustainable would get IPA financing
- More red flag situations as more projects will be launched by inexperienced CFCU and market will notice more opportunities to succeed by fraudulent behaviour

According to the OECD terminology “red flags” are:

- Signals, unusual events, anomalies that inform, indicate or announce that something is different from the norm or the expected activity.
- They are symptoms or indicators that have been associated with irregularities and fraud in the past.
- They are NOT EVIDENCE!

At best red flags are providing early warnings – the more indicators seem to fit to a particular case, the higher the probability that it could be a case of fraud.

As part of this Meta-evaluation the evaluation team has undertaken some efforts to identify and list quantitative and qualitative indicators/risk factors aiming at detecting and preventing possible cases of price inflation or corruption in public procurement projects which signal increased project costs, corrupt practices and losses for public budgets, as well as the most suitable tools whereby they can be detected. Such list has been prepared on the basis of the team's experience as well as on feedback gained during field phase interviews conducted in respective countries.

It is worth stressing that successful management of red flag situations at procurement handling organisations requires a good understanding of risk factors that may cause fraudulent cases occurring. Such understanding allows taking appropriate actions for limiting possibilities for fraud and corruption well in advance, preventing inflation of project costs, detecting irregularities having already taken place and taking appropriate steps for timely reporting and elimination of wrong-doing.

It is recommended that each procurement organisation develops its own red flag indicators given that these may vary depending on the country, sector, project type and complexity. Therefore this annex presents examples of red flag indicators intrinsic for procurement conducted according to PRAG procedures in general.

Operational level indicators for red flag situations in procurement

The below table of quantitative and qualitative indicators may be converted into a checklist and used as a tool by procurement staff for risk assessment of fraudulent situations that may occur before, during and after procurement process. It shall be noted that these indicators represent not necessarily corrupt situations. They indicate potential ‘red flag’ circumstances that need to be checked for *preventing* or *detecting* of possible cases of price inflation or corruption in procurement.

The indicators do not include most explicit violations of PRAG rules as obviously their infringement should stop the procurement process immediately. No indicators for red flag situation are listed for other related steps in project management cycle apart of procurement activities (e.g. for project preparation, for its implementation, etc.).

Table: Indicators for red flag situations in procurement

General Indicator	Qualitative indicator	Quantitative indicator
Conflict of interest in tender preparation	Tender specifications are prepared by the representative of one of bidders (or its daughter company)	
Restriction of competition	Tender announcement published in regional/secondary media	Only one/two offers submitted
	Tender notice includes too limited information or information with reduced scope of works.	
Conflict of interest for members of evaluation team	Evaluator is former employee of the winning tenderer	Employment finished less than 1 year before publication of contract procurement notice
	Evaluator/his family member possess some shares of the winning tenderer	
	Evaluator's family member/close relative is employed by the winning tenderer	
	Evaluator is known to have close ties with the top/middle management of the tenderer (neighbour, same political party, etc.)	
Potential bribery of tender evaluation member	The evaluation scoring allocated by the evaluator significantly stands out from the rest of the evaluators	The total scoring is higher by at least 30% from the average of the rest scoring
	Evaluator has been noticed socialising with bidders during bidding Process	
	Evaluator (or his family member) joins the successful tenderer as: - a consultant to implement the tendered or another project; - a staff member of the company	within 1 year after the contract award
Specifications aimed at preferred tenderer	Too specific/high requirements for tenderers	Only one/two offers submitted
		Same contractor for same type of product/works for successive years
TOR/Specifications aimed at particular brands of supplies	too detailed and unnecessarily exhaustive specifications	All tenderers offer a product of the same brand name
		Only one tenderer submits a proposal (particularly if he has an exclusive rights for this product)
Winning tenderer agreed in advance	Bid price is close to maximum budget whereas other proposals are dummy with the following features: a) clearly sketchy and exceed budget b) very similar but more expensive c) non-responsive	
	Winning tenderer subcontracts other tenderers if sub-contracting is allowed	
Artificial price inflation in the market	The same companies compete in particular types of tenders offering prices at similar level. Yet, when a new tenderer enters it offers	

General Indicator	Qualitative indicator	Quantitative indicator
	significantly lower price and justifies it.	
Division of market (beneficiaries) between tenderers	The only company submits a bid with other well-known/qualified companies participating as partners/subcontractors	
	Low competition and the same few tenderers present tenders/win contracts for separate regions/ municipalities/ major beneficiaries	
Preferred tenderer by the Contracting Authority or Beneficiary	All bids except one are disqualified	The same tenderer wins 3 similar contracts (particularly with less than 1 year brake between the contract completion and procurement notice for another contract)
	The lowest bid disqualified/rejected	
	The list of companies chosen for competitive negotiated procedure includes one strong company with other companies clearly much inferior and/or clearly not meeting technical/ administrative requirements.	
	The cost of some expensive item in the tender proposal is much lower than in other tenderers and that item has been excluded during: a) the contracting or b) the contract implementation	
	Exceptionally low price proposal followed by changes during contract implementation leading to: - a replacement of contracted item with that of inferior quality; -revision of some key parameters or scope of works/supplies that substantially increase the projects costs (or lower project requirement/ scope) - failure of tests of product/operation	
		Only one tender proposal is received under competitive negotiated procedure
Formal/informal complaints from non-winning tenderers	Mishandling of procurement process	
Changes allowed in the tender proposal as a result of tender clarification process	Substantial changes having effect on the bid ranking and/or that are not allowed according to PRAG rules	
Errors allowed in tender preparation or in tender evaluation proceedings		Too long tender valuation: > 6 weeks for works/supply contracts (WSC) of 1-5 M€ > 8 weeks for WSC of 6-15 M€ > 8 weeks for works contracts of 1-5 M€ under most economically advantageous (i.e. incl. operational costs) tender

General Indicator	Qualitative indicator	Quantitative indicator
		valuation procedure > 10 weeks for WSC > 15 M€ > 10 weeks for works contracts over 5 M€ under most economically advantageous (i.e. incl. operational costs) tender valuation procedure.
Post award association with the successful tenderer	Evaluator (or his family member) joins the successful tenderer: - as a consultant to implement the tendered or another project; - as a staff member of the company	within 1 year after the contract award

System level indicators for red flag situations in procurement

As part of the assessment of the likelihood of irregularities occurring, the assessment of system level risk factors intrinsic for the organisation that is charged with the implementation of procurement is a crucial factor. Obviously opportunities for red flag situations depend on the procurement-handling environment. This implies that the organisation is not experienced and has weak control mechanisms aimed at preventing red flag situations. As a consequence, opportunities for fraud and irregularities will arise more easily. Therefore, the management of such organisation, bodies responsible for supervision of this organisation or relevant auditing institutions should be aware of system level indicators for the assessment of risks in red tape situations. Below are provided some key/basic indicators of red flag situations prone to occur in a certain procurement environment:

Table: System level indicators for red flag situations in procurement

Systemic issue	Key/ Basic Indicator
Experience in procurement	Procurement organisation and/or evaluators have less than one year of experience in handling of procurement.
Segregation of duties	Lack of segregation of duties between those who evaluate and monitor the implementation or approve deliverables/invoices (Bills of Quantities).
Staff involved in procurement	Insufficient amount of procurement staff in procurement handling organisation. Indicatively, one procurement manager should handle not more than 5 bigger tenders/year and the organisation should ensure a backup for him/ her at 0.5 rate. For instance, there should be 3 procurement managers for 10 bigger tenders/ year (i.e. for tenders under *international* or *local open* procedure).
Internal control system	There is no internal control system described in the Manual of Procedures and properly functioning in organisation.
Recording and filing systems of documentation	No proper recording of received bids is done: e.g. tenders are not marked with the time & date of receipt, numbered and no formal journal of records with timing of tender receipts is available, etc.
Bid opening	Received bids are not locked before and during the tender evaluation (they are accessible to anybody in the organisation).
Recording and filing of communication	Not adequate and timely recording of communications during tender procedure is performed (protocols indicating all evaluation actions having taken place should be prepared and signed at the end of each evaluation session).
Appeal mechanisms	There is no mechanism of appeal for organisations participating in tenders and/or

Systemic issue	Key/ Basic Indicator
	notification of possible irregularities (whistle blowing procedures).
Risk assessment	No risk assessment of procurement activities is performed on continuous basis (there is no evidence of risk assessment sheets, register or these are very superficial/formal).
Independent control and approval process	There is no independent control and approval of each key procurement steps (i.e. at least approval of procurement notice, tender dossier, evaluation report, contract dossier and their respective addendums) as well as approval of key deliverables/payments.
Checklists applied	The checklists are too formal/sketchy or not signed by at least 2 independent persons to ensure double eye control principle.
On-the-spot checks	On-the-spot checks (OSC) of contract implementation have not been conducted or have been conducted not properly by implementing organisation (i.e. conducted by non-technical staff, no reports/register describing checked items are available, only one OSC conducted, etc.).
Control by supervising institution	Weak control of procurement organisation (implementing agency) by supervising institution (e.g. no formal reporting on procurement activities at least on monthly basis, no meetings where procurement activities are discussed, etc.).
System level checks	System level checks have not been performed at the procurement agency by supervising authority (e.g. Managing Authority) for the last 2 years, or these have been too formal.
Communication of suspected fraud	The suspicion of fraud is not being formally communicated by auditors/internal control to the management of procurement organisation and its supervising body.
Audit findings/ feedback	No auditing of procurement activities has been performed and/or gaps identified by auditors have not been eliminated.

Apart of some mechanisms and related tools mentioned above (e.g. Manual of procedures, registers, checklists, etc.) it is highly recommended that procurement organisation maintains an **up-to-date database of detailed unit costs** for most common types of works. This would ensure prompt checking that unit costs in financial tender proposals are reasonable and alerting on possible red flag situation.

Annex 7: List of interviews

Institution	Interviewee
European Commission	
European Commission DG Enlargement	Daniel Hachez, Head of Unit
European Union Delegation to Albania	Jochen Schult, Head of Section Finance, Contracts and Audit
	Daniela Hanusova, Project Manager
	Ardian Metaj, Project Manager
	Antoine Avignon, Project Manager
	Entela Sulka, Project Manager
	Llazar Korra, Project Manager
	Adem Duka, Project Manager
	Vidmantas Ruplys, Project Manager
	Marcello Repici, Project Manager
European Union Delegation to Bosnia and Herzegovina	Normela Hodzic-Zljadic, Coordination of Programming, Donor coordination, Monitoring & Evaluation, ATA, PPF
	Vladimir Panudrevic, Project Manager
	Una Kelly, Programme Manager
	Renata Abduzaimovic, Project Manager
	Maja Dosenovic, Project Manager
	Sanja Spaic, Project Manager
	Brigitte Kuchar, Project Manager
	Dijana Sikima, Project Manager
European Union Office in Kosovo	Aferdita Tahiri, Task Manager
	Arton Osmani, Task Manager
	Besime Kajtazi, Task Manager
	Yvonne Gogoll, Task Manager
	Orana Agron, Task Manager
	Merita Govori, Task Manager
European Union Delegation to Serbia	Konstantinos Soupilas, Programme and Coordination Manager
	Dejan Rebric, Project Manager
	Otto Nagy, Project Manager
	Stefano Conte, Project Manager
	Valentino di Sebastiano, Programme Manager
	Svetlana Djukic, Project Manager
European Union Delegation to Turkey	Wolfgang Schlager, Head of Section, Operations

Institution	Interviewee
	Team Arzu Şener, Monitoring and Evaluation Horizontal Coordinator Elif Torcu, Task Manager Akif Türkel, Task Manager Arif Karbak, Task Manager Ayça (?), Supply Expert Burçe Arı, Task Manage Carmen Lidia Lepsa, Works Procurement Expert Elâ Yazıcı İnan, Task Manager Figen Tunçkanat, Task Manager Frédéric Mizrahi, Task Manager Gerhard Salzer, Task Manager Marek Madry, Irregularities Expert Mustafa Balcı, Task Manager Caner Demir, Task Manager Nermin Kahraman, Task Manager Özgür Altınoklar, Task Manager Semiha Ünsal, Task Manager and former CFCU staff
European Commission DG Regional and Urban Policy	Simona Pohlova, Task Manager Fabienne Ruault, Task Manager
Albania	
Ministry of Agriculture Rural Development and Water Administration	Ariana Misha, Director of Directorate of European Integration,
General Prosecutor Office	Skender Baca, Director of IT Directorate
Ministry of Education and Sport	Ermal Elezi, Director of Integration and Projects Department
Ministry of Transport and Infrastructure, Department of Maritime Transport Policies	Elson Thana, Specialist
Ministry of Transport and Infrastructure of	Gentian Beqiri, Adviser to Minister
Ministry of Transport and Infrastructure	Xheladin Toro, Contact Point for PIU projects
Ministry of Transport and Infrastructure, General Directory of Water Supply and Sewerage	Arben Skenderi, Deputy General Director, Director of Foreign Projects
Ministry of Transport and Infrastructure, General Directory of Water Supply and Sewerage	Albens Alite, IPA Coordinator
General Directorate of Prisons	Artur Zoto, General Director
Elbasan Detention Centre	Director
Directorate of Prisons	Blerta Doçi, Head of Social Issues Sector, Department of Legal, Social and Health Issues
Shengjin Port	Gjovalin Tusha, General Director
Project Design and Tender Documents for Sewerage Systems for Vlora and Ksamil and Works Supervision for Vlora, Ksamil, Kavaja and Lezha	Lijana Janciauskiene, Team Leader

Institution	Interviewee
Bosnia-Herzegovina	
Directorate of European Integration Department for Monitoring and Evaluation	Tarik Ceric, Head of Department
	Nebojsa Zecevic, Senior Associate
	Alma Kurtalic, Senior Associate
CFCU / Ministry of Finance and Treasury of BiH	Vera Letica, Assistant Minister and Head of CFCU
High Judicial and Prosecutorial Council of Bosnia and Herzegovina	Admir Suljagic, Director of the Secretariat
	Emir Srna, Associate of the Deputy Director of the Secretariat
	Ana Bilic Andrijanic, Head of the Judicial Efficiency Unit
	Boris Zubac, Coordinator for follow up of tenders and reconstruction activities
	Esmin Berhamovic, Head of IT Department
Institute of Metrology of BiH	Zijad Dzemic, Director
Ministry of Security of BiH	Samir Rizvo, Assistant Minister for International Cooperation and European Integration
Ministry of Civil Affairs of BiH	Zijad Pehilj, Expert Advisor
FBiH Geodetic Administration	Denis Tabucic, Coordinator of IPA project
RS Administration for Geodetic and Property Affairs	Spomenko Mitrovic, Coordinator of IPA project
Veterinary Office of BiH	Ljubomir Kalaba, Director
	Pavo Radic, Deputy Director
Presidency of BiH	Edissa Medunjanin, IT Expert
	Tibor Kovac, IT Expert
	Ranko Ninkovic, (former) Secretary General
District Court in East Sarajevo	Senaid Ibrahimefendic, President of Court
Cantonal Court Novi Travnik	Katica Jozak – Madjar, President of Court
Municipal Court of Sarajevo	Janja Jovanovic, President of Court
Cantonal Court of Sarajevo	Jasmin Jahjaefendic, President of Court
Kosovo	
KOSTT – Transmission, system and market operator	Makfirete Bina, Manager of Project Implementation Sector
	Sherif Dedaqi, Expert Advisor
Mitrovica Regional Water Company	Faruk Hajrizi, Director
	Naim Hajdini, Process Engineer WTP Shipol
Ministry of Public Administration	Shengyle Bektashi, Head of Project Implementation Unit
Hydro-Meteorological Institute of Kosovo (HMIK)	Letafete Latifi, Director
Kosovo Border Police	Shaban Guda, Colonel
Gjilan Hospital	Abdylatif Latifi, Director

Institution	Interviewee
Serbia	
Ministry of Finance, Department for Contracting and Financing of EU Funded Programmes	Natasa Simsic, Assistant Minister
	Kalina Markovic Ilic, Head of Division for Tender Preparation and Project and Contract Management
	Goran Simunovic, Head of Section for Horizontal Issues Coordination under IPA
Serbian European Integration Office	Ana Ilic, Assistant Director
	Vladimir Lazovic, Head of Group for Evaluation and Reporting on Development Assistance
ETV Transmitters and Communications Public Company	Petar Dekic, Head of Department Processing Control and Management
Thermal Power Plants Nikola Tesla	Milan Petkovic, Deputy Manager
	Djordji Biljanovski, Head of Energy Efficiency
	Vlajic Milos, Assistant Director
Mine Action Centre	Branislav Jovanovic, Director
	Sladana Kosutic, International Cooperation Advisor
University of Belgrade	Prof. Djordje Spasojevic, Faculty of Physics
Ministry of Energy, Development and Environmental Protection	Natalija Lukovic, Division for Project Management in Energy and Environment Sectors
	Sladjana Vukmirica, Division for Project Management in Energy and Environment Sectors
Vattenfall Europe Power Consult East	Detlef Goetz, Head of Office
	Sinisa Cvijetic, Project Engineer
Eptisa/ MISP IPA 2010	Miroslav Cvjetkovic, Deputy Team Leader
	Srdjan Topalovic, Chief Resident Engineer
Jedinstvo Construction Company	Marko Batakovic, General Manager
PUC Kolubara	Milan Minutovic, Director
PUC Kolubara	Boban Karabasevic, Representative
Turkey	
CFCU	Barbaros Murat Köse Project Management Coordinator Sevda Algün, Procurement Department Coordinator
Ministry of Environment and Urbanisation	Semin Altuntaş, Coordinator Mehmet Sait Çiçek, Monitoring and Evaluation Unit Didar Ergene, Technical Implementation Department
Ministry of Transport and Communication	Sekan Çelik, AB Expert Çağlar Selçuk, EU Investment Department Mehmet Fatih Erkoç, Financial Management Expert Simten Özden, Construction Engineer, Tender Expert Serdar Yılmaz, EU Expert, Contract Manager
Ministry of Labour and Social Security	Hüseyin Tanyürek, Head of EU Coordination Department

Institution	Interviewee
Ministry of EU Affairs	Beyza Turan, Head of Financial Cooperation Directorate Cemre Güzel, Coordinator Monitoring and Evaluation
BIKA – Bitlis Municipal Association for Solid Waste Management	Cesim Gözeten, Director Burhan Akdeniz, Landfill Engineer Ergin Boz, WWTP Responsible Musa Tütün, responsible for recycling and medical waste treatment
Bitlis municipality	Hüseyin Olan, Mayor Nevin Daşdemir Dağkıran, Co-Mayor
Diyarbakır Waterworks (DİSKİ)	Harun Vural PIU Manager Selim Araz, Construction Engineer
Safège (supervisor of Diyarbakır WWTP and sewage project)	Makis Bachtiar, Team Leader
STRABAG (Diyarbakır WWTP contractor)	Bernd Nopper, Team Leader Michael Allgäuer, Deputy Team Leader
Police criminal directorate/ forensic laboratory headquarters, Gölbaşı, Ankara	Murat Gülcan, Project Coordinator Forensic Laboratories
Police forensic laboratory, Diyarbakır	Hakan Kaymak, Deputy Unit Director
Vocational qualification authority, Ankara	İsmail Özdoğan, Director
Women shelter, Keçiören municipality, Ankara	Aynur Özdemir, Manager of Women Shelter Nazmiye Çalık, Esra Gürler, Psychologist of women shelter team two women currently living in the shelter
Turkish Railway Administration	Selim Bolat, Coordinator of Gebze-Köseköy highspeed railway project

Annex 8: List of documents

Origin	Date	Title
Previous Evaluation Reports		
IBF	June 2013	Evaluation of Works, Supply and Grant Contracts implemented and financed by IPA and CARDS Programme and EIDHR (Serbia)
Particip	March 2012	Technical Assistance for Interim Evaluation of IPA I in Turkey for years 2007-2008-2009 (Country Programme Interim Evaluation)
EPRD	November 2012	Mid-Term/ Final Evaluation of selected IPA projects in Bosnia and Herzegovina
AETS	November 2012	Self-Evaluation Albania of CARDS/IPA Projects 2010-2011
Alanet	April 2013	Evaluation of sustainability of EU CARDS and IPA funded works and supplies projects (Kosovo)
DFC	November 2013	Evaluation of European Commission Support to Private Sector Development in Turkey
Ecorys	June 2013	IPA – interim evaluation and meta-evaluation of IPA assistance Country Report Albania
Ecorys	June 2013	IPA – interim evaluation and meta-evaluation of IPA assistance Country Report Bosnia-Herzegovina
Ecorys	June 2013	IPA – interim evaluation and meta-evaluation of IPA assistance Country Report Kosovo
Ecorys	May 2013	IPA – interim evaluation and meta-evaluation of IPA assistance Country Report Montenegro
Ecorys	August 2013	IPA – interim evaluation and meta-evaluation of IPA assistance Country Report Serbia
IBF	January 2011	Interim/ Strategic Evaluation of EU IPA Pre-Accession Assistance to Serbia
IBF	November 2010	Interim/ Strategic Evaluation of EU IPA Pre-Accession Assistance to Bosnia-Herzegovina
HTSPE	2010	Interim/ Strategic Evaluation of EU IPA Pre-Accession Assistance to Kosovo
HTSPE	2010	Interim/ Strategic Evaluation of EU IPA Pre-Accession Assistance to Albania
HTSPE	February 2011	Mid-term Meta Evaluation of EU IPA Pre-Accession Assistance
COWI	2008	Ad Hoc Evaluation of the CARDS Programmes
DFC	November 2013	Evaluation of European Commission Support to Private Sector Development in Turkey
B&S Europe, LINPICO, PROMAN	October 2013	Ex-post Evaluation of the Assistance Provided by the EU's Turkish Pre-Accession Instrument 2002 - 2006
EPRD	October 2013	Ex-post Evaluation of the CARDS Programme

Origin	Date	Title
Project-related documents		
Albania		
European Commission/ Contractors	2007-2013	Tender Documents, Half-yearly/Quarterly/Final reports, Supervision Reports, Provisional and Final Acceptance Certificates (for sample projects)
European Commission	2007-2010	Project Fiches for all sample projects
Particip	2012	ROM Report Support to the Albanian Penitentiary Reform, Albania
Particip	2013	ROM Report Construction of water supply and sewerage systems in selected municipalities
Particip	2011	ROM Report, Improving of Consumer Protection against zoonotic diseases
European Commission/ Government of Albania	2006	Stabilisation and Association Agreement
European Commission	2013	Country Progress Report
European Commission	2007-2009; 2010-2012	Multi-annual Indicative Planning Document
European Commission	2007	European Partnership Document
Ministry of Public Works and Transports, Albania	2011-2017	National Strategy for Water Supply and Sewerage
Ministry of Public Works and Transport, Directorate General Of Transport Policies And Planning	2013	Review of Albanian National Transport Strategy
Bosnia and Herzegovina		
European Commission	2005-2013	Multi-annual Indicative Programming Document
European Commission	2007, 2008, 2009, 2011	IPA National Programme for BiH (Annual Programme for Component I)
European Commission/ Contractors	various years	Project Fiches, Tender Documents, Supervising Reports, Provisional and Final Acceptance Certificates (for sample projects)
Directorate for European Integration	2013	Status of the equipment procured through equipment supply contracts funded by IPA 2007-2010 national programmes - Summary
High Judicial and Prosecutorial Council of BiH	March 2004	Information and Communication Technology (ICT) in the Courts and Prosecutors' Offices of BiH, Strategy Proposal
Kosovo		
European Commission	2007, 2008, 2009, 2010	IPA Annual Programme
European Commission	2011, 2012, 2013	Progress Report
European Commission	October 2012	Feasibility Study for a Stabilisation and Association Agreement between the European Union and Kosovo
European Commission	October 2013	Strategy Paper
European Commission/ Contractors	various years	Project Fiches, Tender Documents, Supervising Reports, Provisional and Final Acceptance Certificates

Origin	Date	Title
		(for sample projects)
Serbia		
European Commission	-	Project fiches and MIPDs for sample projects
European Commission/ Contractors	-	Project Digital Broadcasting Switchover: clarifications, tender dossier
European Commission/ Contractors	-	HETIP projects: clarifications, tender dossier, technical specifications, technical offer, progress reports
European Commission/ Contractors	-	Project Kolubara: fact sheets, financing agreement, Engagement letter, work programme, supervisor progress reports, MISP/ Kolubara meeting minutes
European Commission/ Contractors	-	Project Nikola Tesla: Tender evaluation report, EU energy projects in Serbia
European Commission/ Contractors	-	Project UXO: Tender dossier, steering committee minutes, final acceptance certificate, final report
Particip	-	Available ROM reports for sample projects
Turkey		
Ministry for EU Affairs	2013	Monitoring scheme Description of monitoring system
	2011 - 2014	ROM reports for sample IPA projects Thematic ROM reports for Agriculture and rural affairs, environment, home affairs, judiciary and fundamental rights, private sector development, transport
	2014	Strategy paper for Turkey 2014 - 2020
	2013	Ex-post evaluation of Bitlis SWM project
	2011	Multi-annual indicative planning document 2011 - 2013
	2010, 2011, 2012	IPA annual implementation reports
CFCU	Various years	Project fiches for sample projects
	2010	Guidelines for shortlist panel voting members, guidelines for evaluation committee members
	Not indicated	Self assessment sheet for senior programme officers
Ministry of Environment	2007	Environment Operational Programme
	2013	Draft Environment Operational Programme
	2004	Working paper on scoring methodology for project priorisation
	Not indicated	Spreadsheet for multi-criteria analysis of project proposals
Ministry of Industry, Technology and Science	2007	Operational programme regional competitiveness
Ministry of Transport and Communication	2013	Strategic Plan 2014 - 2018
	2007	Transport operational programme
TCDD	2009	Project document Köseköy – Gebze high speed railway
	2009	Cost-benefit analysis of the high speed railway line Ankara - İstanbul

Origin	Date	Title
UNFPA/ Women shelters network	2010	Final report of women shelter project
Keçiören municipality women shelter	2013	Keçiören Belediesi Kadın Konukevi Araştırması (Study of the Women Shelter in Keçiören)
Vocational qualification authority/ WYG	Various years	Project reports
EU DG Enlargement	2013	Comments on application for IPA assistance "Batman Solid Waste Management Project"
Bitlis SWM project, Diyarbakır WWTP project	Various years	Tender documents for works, provisional/ final acceptance certificates
Official Gazette	2013	Annual Investment Programme
	2014	Annual Investment Programme
Turkish Parliament	2013	Onuncu Kalkınma Planı (2014 – 2018) 10th Development Plan
Other documents		
European Commission	-	Information Note on Fraud Indicators for ERDF, ESF and CF
European Commission	2007-2013	Annual Progress Reports for Albania, Bosnia-Herzegovina, Kosovo, Serbia and Turkey
World Bank	December 2013	South East Europe Regular Economic Report, No. 5 Slow Road to Recovery
Western Balkans Investment Facility	March 2014	Annual Report 2013
European Commission DG Elnlargement	2008	IPA Programming Guide
OECD	Not indicated	Guideline "detect bid rigging" (used by EUD Turkey) Guideline "fighting bid rigging" (used by EUD Turkey)
European Commission	1987	Guide to the Community Rules on Open Government Procurement (used by EUD Turkey)
	1992	Directive 92/50/EEC, guide to the community rules on public procurement of services (used by EUD Turkey)
	1992	Guidance on abnormally low offers (used by EUD Turkey)
	1999	Prevention, Detection and Elimination of Abnormally Low Tenders in the European Construction Industry (used by EUD Turkey)
Procurement Lawyers Association	2010	Abnormally low tenders in Procurement Law (used by EUD Turkey)
PWC/ECORYS	2013	Identifying and Reducing Corruption in Public Procurement in the EU
Transparency International	2007-2012	Corruption Perception Indicators
World Bank	2007-2012	Worldwide Governance Indicators

Origin	Date	Title
European Commission	1987	Guide to the Community Rules on Open Government Procurement (used by EUD Turkey)
European Commission	1992	Directive 92/50/EEC, guide to the community rules on public procurement of services (used by EUD Turkey)
European Commission	1992	Guidance on abnormally low offers (used by EUD Turkey)
European Commission	1999	Prevention, Detection and Elimination of Abnormally Low Tenders in the European Construction Industry (used by EUD Turkey)
Procurement Lawyers' Association	2010	Abnormally low tenders in Procurement Law (used by EUD Turkey)
PWC/ECORYS	2013	Identifying and Reducing Corruption in in Public Procurement in the EU
Ministry of Transport, Republic of Bulgaria	2006	Operational Programme on Transport 2007 - 2013

European Commission, DG Enlargement

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