

### ***Evaluation of the Implementation of Regulation 2666/2000 (CARDS) - EC Support to the Western Balkans – ref. 951651***

#### ***Abstract***

*The evaluation finds that EC CARDS assistance made a significant contribution to reconstruction in the Western Balkans, and that it remains relevant in the context of the goals of the stabilisation and association process. In line with the demands of partners, however, an effort should be made to decentralise CARDS planning and management, especially the regional programme. Both the devolved implementation models for CARDS assistance, the European Agency for Reconstruction (EAR) and the de-concentrated delegations, have strengths which should be capitalised upon.*

#### **Subject of the evaluation**

The CARDS regulation is the legal basis for €4.65 billion of expenditure in the Western Balkans countries and entities up to 2006. The programme is focused through country and regional strategy papers which cover a broad range of sectors of which the most important are justice and home affairs, economic and social development, administrative capacity building, environment, customs, transport and energy.

#### **Evaluation description**

**Purpose:** Following the requirement of Article 13 of Regulation 2666/2000, no later than 30 June 2004 the Commission should submit to the Council an evaluation report, together with proposals for the future of the regulation and any amendments needing to be made to it. The evaluation, which covers the period from the adoption of the Regulation until the end of 2003, is also intended to provide useful lessons for the programming and delivery of assistance to Western Balkan countries in the context of the evolving stabilisation and association process.

#### **Methodology:**

The evaluation was carried out in three phases: (i) The structuring phase aims at a comprehensive data collection, definition of the principal evaluation issues, the overall framework of the analysis and the articulation of an agreed approach to answering the specific questions posed in the terms of reference. (ii) The field phase is intended to complete data collection and complement this with structured interviews and workshops, including with partner governments, other donors and civil society organisations. (iii) The synthesis phase entails analysis of all data collected previously to complete the answers to the evaluation questions and prepare the final conclusions and recommendations.

#### **Main findings**

- (1) CARDS has been by far the most important source of financial and technical support to reconstruction and reform in the region. Through its support to the stabilisation and association process (SAp) it ensures linkage with the political perspective of EU integration, which for partners means a democratic and stable future.
- (2) Centralisation in CARDS presents a significant obstacle to programme ownership by key stakeholders, and thereby threatens sustainability. More attention needs to be given to knowledge acquisition and capacity building needs among partners to satisfy their legitimate desire for increased involvement in programming and project design.
- (3) The regional dimension of CARDS is relatively weak, lacking strategic guidance and perceived as inaccessible by local partners.

- (4) The current system of programming, based around Country and Regional Strategy Papers and Multi-annual Indicative Programmes, is not best suited to the evolving framework of the SAp and Partnerships.
- (5) The dual implementation model for CARDS (European Agency for Reconstruction and de-concentrated delegations) reveals inconsistencies, with key strengths and weaknesses on each side. These need to be addressed once a political decision on the future of the EAR is taken.
- (6) The evaluation also contains a number of findings relating to specific sectors - these are generally favourable but reveal weaknesses in relation to institution building, mainstreaming issues (notably gender and minority rights) and judicial reform (insufficient strategic support and guidance).

## **Recommendations**

- (1) CARDS decentralisation should be pursued gradually and in accordance with the evolution of capacity in recipient institutions. The CARDS approach should in this connection pay more attention to partner institutions, with technical assistance supporting a learning capacity within national administrations and not simply focusing on advice and guidance on the *acquis*.
- (2) A specific regional cohesion programme should be developed, building on existing local and regional development programmes, some of which are relatively advanced. This should be accompanied by a regional investment facility established in collaboration with EIB and EBRD, to facilitate mobilisation of non-EC funds and to improve the coherence of interventions from European financing institutions. Regional networks of stakeholders should be involved in definition and exchange of best practice and to encourage inter and intra-regional co-operation in key sectors.
- (3) Linked to the above, reorganise management of the regional programme through transfer to a devolved body, with characteristics similar to those of the EAR, to ensure closer engagement with the region and resources in its countries/entities on the ground.
- (4) A replacement for the Country Strategy Paper and MIP framework should be considered at the end of the current financial perspectives. Partnership documents and SAp reports should form the priority framework for the preparation of Action Programmes. Programme management based on the pre-accession model implies better use of existing accession expertise in the Commission.
- (5) Ensure a common approach to implementation, the policy link of the deconcentrated delegations being extended to the EAR operational centres through changes to the annual programming cycle. Equally, the *de facto* operational autonomy of the EAR in certain areas should be extended to de-concentrated delegations after specific regional consultations.
- (6) Finally, on specific sectors, suggestions on initial steps forward are described in relation to eight areas.

## **Feedback**

- Presentation of findings in the CARDS Committee (Member States) and (for matters concerning delivery) to the Governing Board of the European Agency for Reconstruction.
- Distribution within the Commission's Services, including delegations and the EAR, the Member States and the European Parliament. The documents will also be circulated to CARDS country/entity partners and other major donors in hard copy and/or via the Internet.

- Publication of the reports in full on the internet
- Preparation by July 2004 of a *fiche contradictoire* to discuss implementation of recommendations.

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