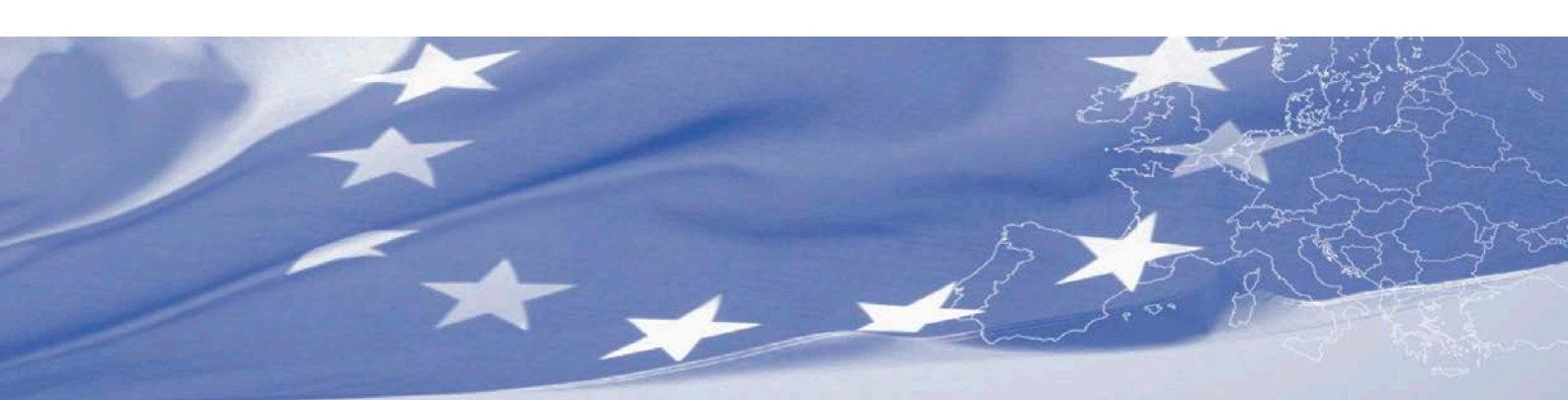




The European Union's IPA Program for Western Balkans and Turkey

IPA - interim evaluation and meta-evaluation of IPA assistance

Country Report Montenegro



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IPA - interim evaluation and meta-evaluation of IPA assistance

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Country Report Montenegro

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List of abbreviations

Abbr.	Abbreviation in Full	Abbr.	Abbreviation in Full
CFCU	Central Finance and Contracts Unit	MEUR	Million Euro
CFP	Call for Proposals	M&E	Monitoring & Evaluation
COSV	Coordination Committee of Organizations for Voluntary Service	MARD	Ministry of Agriculture and Rural Development
CPIE	Country Programme Interim Evaluation	MBP	Multi Beneficiary Programme
CSF	Classical Swine Fever	ME / MN	Montenegro
DVL	Diagnostic Veterinary Laboratory	MFAEI	Ministry Foreign Affairs & European Integration
EBRD	European Bank for Reconstruction and Development	MIDAS	Montenegro Institutional Development and Agriculture Strengthening
EC	European Commission	MIFF	Multi Annual Indicative Financial Framework
EIA	Environmental Impact Assessment	MIPD	Multi Annual Indicative Programme
EU	European Union	MoF	Ministry of Finance
EUD	European Union Delegation	MONSTAT	Statistics Institute of Montenegro
EP	European Partnership	MSDT	Ministry of Sustainable Development and Tourism
ERA	Energy Regulatory Agency	NAO	National Authorising Officer
EPA	Environmental Protection Agency	NF	National Fund
EQ	Evaluation Questions	NIPAC	National IPA Co-ordinator
FAO	Food and Agriculture Organisation	NPAA	National Programme for Adoption of the <i>Acquis</i>
FM	Financing Memorandum	PA	Paying Authority
FR	Final Report of the IPA project	PCM	Project Cycle Management
FWC	Framework Contract Unit	PIU	Project Implementation Unit
GDP	Gross Domestic Product	PR	Annual Progress Report of EC
GEF	Global Environmental Fund	ROM	Results Orientated Monitoring
GFCM	General Fisheries Commission for the Mediterranean	SAA	Stabilisation and Association Agreement
GIZ / GTZ	Deutsche Gesellschaft für Internationale Zusammenarbeit	SEA	Strategic Environmental Assessment
GMO	Genetically Modified Organisms	SMART	Specific, Measurable, Available, Relevant and Timebound
HACCP	Hazard Analysis and Critical Control Point	SME	Small and Medium Enterprises
HR	Human Resources	SPO	Sector Programme Officers
ICES	International Council for Exploration of the Sea	TA	Technical Assistance
ICT	Information and Communications Technology	TAIEX	Technical Assistance, Information and Exchange
IMB	Institute for Marine Biology	ToR	Terms of Reference

Abbr.	Abbreviation in Full	Abbr.	Abbreviation in Full
IPA	Instrument for Pre Accession	TSMO	Transmission System and Market Operator
IPARD	IPA for Rural Development	VA	Veterinary Administration
I&R	Identification and Registration	VD	Veterinary Directorate
IPH	Institute for Public Health	VIS	Veterinary Information System
IPPC	Integrated Pollution Prevention and Control	WB	World Bank
IT	Information Technology	WTO	World Trade Organisation
MA	Managing Authority	WWTP	Waste Water Treatment Plant

Executive Summary

Although Montenegro is a young state (independent since 2006) it has been progressing well towards accession with negotiations opened in June 2012.

This evaluation

This country programme evaluation focused on 1) assessing the effectiveness, efficiency, sustainability and impact of a sample of projects financed by the Instrument for Pre Accession from the financing years 2007-2009 in the sectors of environment & energy and agriculture & fisheries and 2) assessing the extent to which this assistance contributed to the development of the sectors.

Overall conclusion

This Country Programme interim Evaluation for Montenegro shows that the assistance has contributed to the further development of the 'sectors' of environment (energy, environmental management, waste water and waste) and agriculture (veterinary and phytosanitary, rural development and fisheries), but to varying degrees. The energy sub-sector especially has made progress in developing by laws and improving market rules. There has been clear capacity building in environmental management but progress has been more challenging in delivering investments in waste water and waste. The achievements in the agriculture and fisheries sector have often been less than expected due to insufficient resources or commitment of the beneficiary in the areas of rural development, co-operatives and fisheries and to some extent food safety. Human resource capacity remains a key systemic constraint to effective utilisation of European Union funds in Montenegro. More positive results were achieved in the veterinary sector.

Conclusions on Efficiency

Projects in both sectors have been mostly implemented in a timely manner, especially in energy. Cost effectiveness has been compromised by the lower than expected results in some areas of agriculture where the administrative burden exceeded capacity and the assistance was sometimes too intensive. There were several extensions to agriculture projects due to delays in the delivery of equipment in related supply contracts caused variously by lack of co-finance, insufficient collaboration by some stakeholders and poor contractor performance. Infrastructure investments for both waste and waste water have faced delays due to both project management issues and resistance from receiving communities. Practical solutions have been found and the investments implemented, although the substantial variation of activities in the case of waste might reduce efficiency.

Conclusions on Effectiveness

European Union assistance strengthened capacity in all beneficiary institutions and the public services, particularly in energy, environmental management, as well as in the veterinary and phytosanitary services. Effectiveness in both sectors will depend heavily on adequate recruitment of new staff and the current performance questions whether this will be achieved. The lack of staff in agriculture generally and specific lack of political commitment in the fisheries and rural development sub-sectors are concerning. Even though capacity was increased in rural development for the end of the associated assistance, the change in government in late 2012 may lead to changes in key staff.

The assistance developed sector studies, legislation and rules and procedures that will form a base for further actions of the beneficiary institutions in both sectors. However, even though relevant strategic documents have been produced, a commitment to implementation of these strategies is in general missing, partly due to the lack of action plans with financial projections.

Conclusions on Sustainability

Prospects for sustainability vary across the sub sectors. They are positive in the areas of environmental management, energy, rabies, classical swine fever and animal registration, where the well-established, stable operational structures and inclusion of key stakeholders in project implementation are key factors. The establishment of the Environmental Protection Agency and the separate sector for energy efficiency have been supported by procedures and legislation. Inter institutional agreements on resources underpin strong sustainability for animal identification, along with the expectation of on going financing from the European Commission. Relevant and good quality legislation has been drafted in energy and this should help sustainability, but in the agriculture sector a range of legislation and strategic plans have been developed but not adopted or implemented. There is a complete absence of political commitment for both co-operatives and fisheries which represent key elements of sectoral development for Montenegro in the accession agenda.

In the long run, sustainability in both environment (including energy) and agriculture (including fisheries) will depend on additional staff and further political commitment. Staff turnover remains a risk as institutions are small and the loss of individuals has a substantial effect. National financing on the whole remains vulnerable in veterinary and fisheries. When additional donor financing is not ensured after the European Commission assistance expires in 2013, sustainability is seriously threatened.

Conclusions on Impact

Assistance in both environment (including energy) and agriculture (including fisheries) contributed to impact objectives outlined in the European Partnerships that underpin the programme as a whole. Impact is broadly positive in the environment and energy sector despite problems with the investment components as these have generated important lessons that will improve the performance of future planned projects. Capacity within the institutions of the sector has substantially improved through legislation, training and institutional development.

Despite the problems with ownership in some areas of the agriculture and fisheries sector, positive impact has been achieved in the development of institutional structures through legislation, co-ordination and capacity building. Commitment from beneficiaries has been variable and gaps remain in key areas - impact in fisheries and co-operatives is for example expected to be minimal. A lack of resources and effective co-ordination between the involved institutions could negatively influence impact in food safety where strategic plans still have not been adopting outlining the sectoral structure.

Summary Recommendations

- The national authorities should be left to develop project documentation with the role of the EUD limited to facilitation and guidance.
- Knowledge management systems should be established or elaborated within the Ministry of Agriculture, including within staff job descriptions, to compensate for low administrative capacity. Future IPA assistance should include the establishment of relevant knowledge management systems within their respective beneficiaries as a project output.

- Any further support to the fisheries sector should be based on clear conditionalities for levels of administrative capacity, financial resources, evidence of adoption of existing strategic planning and evidence of institutional reform to address existing weaknesses in inspection and control capacity.
- The Montenegrin authorities need to address the administrative capacity issues throughout the agriculture sector, focusing on increased budgets for recruitment and, more broadly, the development of financial and non-financial inducements to improve recruitment and retention.
- The Commission Services should establish clear administrative capacity benchmarks and conditionalities or otherwise scale the assistance to the absorption capacities of the beneficiaries.
- It is recommended strategies are linked to action plans and finance to ensure that they have the capacity to be implemented.
- It is recommended that the Ministries of Agriculture and Rural Development and Ministry of Sustainable Development and Tourism and the government ensure more commitment and willingness to sustain the achievements in the legislative segment, building on the establishment of the working group. The remaining legislation needs to be aligned and drafted laws need to be adopted and implemented.
- Specifically improved co-ordination needs to be overseen by the NIPAC to ensure consistent complementarity between the IPA assistance and the MIDAS project.
- Future assistance to the food quality sector – and indeed all aspects of the agriculture programme – should take adequate consideration of the role of the private sector in the future implementation of policies. Whilst they would not be eligible to be included as direct beneficiaries, representative organisations should be consulted during project preparation and included within project steering committees.
- It is recommended that clearer, quantified, indicators are included in the project and programme documents where they are currently lacking.

1 Scope of work

1.1 Introduction

The overall objective of the Interim Evaluation and Meta evaluation of the European Commission's (EC) Instrument for Pre-Accession (IPA) Component I, contracted to Ecorys, is to improve the performance of European Union (EU) financial assistance. The specific objectives are:

- To provide a judgment on the performance of EU pre-accession assistance under the IPA component I in Albania, Bosnia and Herzegovina, Montenegro, Serbia and Kosovo¹ through the preparation of five Country Programme interim Evaluations (CPIE).
- To provide a judgment on the performance of the IPA multi-beneficiary programmes (MBP).
- To draft a meta evaluation report of all CPIEs (including those of Croatia, Former Yugoslav Republic of Macedonia and Turkey).
- To provide capacity building on evaluation to the IPA countries.

This report covers the findings of the **Montenegro** CPIE, which began with a scoping mission and kick off in October 2012. This was followed by a field work phase in November 2012. A short term technical expert was recruited to assist in the assessment of the environment elements of the evaluation. Within the scope of the field work, a training session on evaluation took place in November 2012 to 17 participants of the NIPAC and the line ministries.

1.2 Summary methodology

The evaluation methodology consists of an exploration of how the selected sectors have developed since the programming of the associated IPA assistance as well as an in depth performance assessment of projects from financing years 2007-2009 to attribute the impact of IPA to observed changes. See also Annex6 for a more elaborate description of the methodology.

The following eight evaluation questions will be answered by the evaluation:

- EQ1: To what extent are interventions financed under IPA efficient in terms of value for money when delivering outputs and immediate results?
- EQ2: To what extent are interventions financed under IPA effective in delivering outputs and immediate results?
- EQ3: Are the outputs and immediate results delivered by IPA translated into the desired/expected impacts?
- EQ4: Are there any additional impacts (both positive and negative)?
- EQ5: Are the identified impacts sustainable?
- EQ6: Are there any elements which could hamper the impact and/or sustainability of the assistance?
- EQ7: Are there any potential actions which would improve the efficiency and effectiveness of on-going assistance?
- EQ8: Are there actions which would improve the prospects for impact and sustainability of the on-going assistance?

¹ The designation is without prejudice to positions on status and is in line with UNSCR 1244 and the ICJ Opinion on the Kosovo Declaration of Independence.

The emphasis of the evaluation will be on demonstrating impact at programme level *within a sector* over time. Country evaluations will therefore follow two approaches: (i) from a sectoral perspective; and (ii) from an IPA project and programme perspective.

The approach has the following sequence:

- Sectoral impact: analyse how the sector developed by comparing the objectives and baseline at the moment of programming with current sectoral status.
- Programme impact: analyse the contribution of IPA to observed sectoral change using actual or defined indicators in programme documents.
- Combine these analyses to answer the evaluation questions.
- Draw conclusions and recommendations at the programme level.

The underlying report is structured around these steps.

Judgement criteria have been developed which are discussed in more detail in the Annex. At the impact level, indicators measure changes in three broad categories:

- Institutional structures (e.g. legislation, strategies and the reform of Ministries, Government Agencies etc., including new bodies).
- Human Resources.
- Systems and Tools (e.g. Management systems, rules and procedures but also IT – hard and software).

The evaluation will therefore not just focus on the status of legislation and adoption of the *acquis*, but also on the embedding of this in appropriate structures and implementing capacity, i.e. human resources.

1.3 Sectors and projects included in the sample

The Montenegro CPiE consists of an assessment of the IPA's contribution to Montenegro's EU accession efforts in a sample of two sectors: Environment (including energy efficiency) and Agriculture (including fisheries)². It focuses on the financing years 2007-2009 where there is the greatest potential for impact to be objectively defined. The portfolio for the evaluation in Montenegro is shown below and includes a total of nine project fiches, two contracts under framework contract and one direct grant. In total there are 19 projects, 13 of which have been completed.

Environment & Energy

The environment & energy sector received a considerable amount of assistance. In 2007 – 2009, more than 12 per cent of total IPA support had been allocated for solid waste and waste water treatment. The European assistance is provided to four broad sub-sectors: Energy; Environmental Management; Waste water; and Waste.

Energy: The 1.5MEUR IPA 2007 service contract focused on strengthening the capacity at the public organisation to implement the commitments under the Energy Community Treaty.

Environmental management: The 1MEUR IPA 2008 twinning contract focussed on increasing capacities of the Ministry of Sustainable Development and Tourism to develop and harmonise national legislation with the *acquis* and strengthening capacities of the Environmental Protection Agency (EPA) and at the Project Implementation Unit (PIU-PROCON).

Waste water: One of the biggest financial contributions by the EU was provided to the project 'Upgrading Environmental Infrastructure'. The 3.5MEUR IPA 2008 works contract financed the

² The definition of sectors comes from the 2011 programming exercise - there is no specific definition of sectors in IPA funding yet, although a more sectoral approach is planned for the next financial perspective 2014-2020.

reconstruction and expansion of the sewage network in the Nikšić Municipality. This activity together with the construction of two waste water treatment plants sought to improve water quality in receiving rivers.

Waste: Solid waste management issues were tackled through a 3.5MEUR and 0.5MEUR IPA 2009 supply of 35 waste collection vehicles and 2,363 containers and a 0.8MEUR IPA service contract for preparing and implementing the national and local waste management plans.

Agriculture and Fisheries

The agriculture sector plays an important role in the Montenegrin economy. Agriculture accounts for around ten per cent of the GDP and 48, 824 agricultural holdings (according to Agricultural Census 2010) in rural areas depend entirely or partly on the income from the sector. The IPA support can be divided into three different sub-sectors: veterinary and phytosanitary; IPA for rural development; and fisheries.

Veterinary and phytosanitary: The IPA funded the purchase of necessary vaccines and laboratory equipment worth of € 680,000 for controlling and eradicating Rabies and Classical Swine Fever. Animal identification systems were further developed, including a contribution of 0.4 MEUR for IT and ear tags. Food safety laboratories were equipped.

IPA for rural development: IPA support here focuses on developing and strengthening the institutions to manage pre-accession rural development funds and prepare the Rural Development Programme.

Fisheries: IPA support builds on earlier assistance to develop administrative capacity to manage the Common Fisheries Policy (CFP), supply laboratory and office facilities.

Table 1.1 Overview of the IPA projects included in the sample (at the time of the evaluation)

No	Area	IPA year	Project title	M € IPA	Type of contract	Status
1	Energy	2007	Supporting the implementation of Energy Community Treaty(Energy management approximation)	1,5	Service	Closed
2	Environment	2008	Support to Environmental Management	1	Twinning	On-going
3	Environment	2008	Upgrading environmental infrastructure	3,5	Works	Completed
4	Environment	2009	Environmental alignment and solid waste management	0,5	Supply	On-going
5				3,5,	Supply	Completed
6				0,8	Service	On-going
7	Agriculture	2007	Strengthening of Veterinary Services:	1	Service	Completed
8			Animal Identification &Registration - Phase II	0,4	Supply	Completed
9	Agriculture	2008	Support to IPA RD Programming	1.50	Twinning	Completed
10	Agriculture	2008	Control & eradication of rabies & classical swine fever	0,82	Service	On-going
11				0,68	Supply	On-going
12	Agriculture	2008	Development of Food Safety Services	1,25	Service	Completed
13				0,75	Supply	Completed
14	Fisheries	2009	Sustainable Management of Marine Fisheries	0,56	Service	Completed
15				0,29	Supply	Completed
16				0,15	Works	Completed
17	Agriculture	2008	Preparation of a Fruit and Vegetables sector study for the IPARD programme	0.137	Service (FWC)	Completed

No	Area	IPA year	Project title	M € IPA	Type of contract	Status
18	Agriculture	2008	Introduction of social economy and rehabilitation of the co-operative system supporting Rural Development in Montenegro	0.195	Direct Grant	On-going
19	Agriculture	2009	Ex-ante Evaluation of the IPARD Programme 2007-2013 of Montenegro	0.1	Services (FWC)	Completed
Total			Environment + Agriculture	18.632		

Source: Project Fiches & Task Managers EUD Montenegro.

The total IPA contribution to the projects in the sample is 18.632MEUR, over 22.5% of the value of the entire eligible portfolio and the 19 projects included represent 36% of the total number of eligible projects in the population³.

1.4 Sources of information

The following sources of information have been used for the programme assessment:

- Project fiches.
- Terms of References, when received.
- Commencement date forms, when received.
- Evaluation reports, when received.
- Inception reports, when available.
- Interim/monthly/quarterly reports, when available.
- Steering Committee minutes, when available.
- Final reports, when available.
- Result-Oriented Monitoring (ROM) reports, where available.
- Other useful information such as specific deliverables.

For the sectoral analysis both EU documents such as the progress reports, European Partnership, Enlargement Strategy, Multi-Annual Indicative Financial Frameworks, etc. have been used. Furthermore strategies, laws and other useful documents from/on Montenegro on the sector have been used. A full list of material studied is attached in the Annex 2.

³The total population excludes the Civil Society and Justice and Home Affairs sectors as these are being evaluated separately.

2 Sector analysis

2.1 Introduction

Montenegro declared its independence in 2006. Although it is a young state it has been progressing well towards accession with the Stabilisation and Association Agreement (SAA) signed in October 2007 and entering into force in May 2010. In December 2010 the European Council granted Montenegro candidate country status. The accession negotiations were opened in June 2012 and the screening of several chapters has started.

The CPIE for Montenegro covers projects from IPA 2007-2009 in the sectors Environment (including energy) and Agriculture (including Fisheries), divided into sub sectors as above. This chapter describes the development in the sectors and is a summary of the more elaborated sector study given in Annex 5.

Overall sector objectives are set out in strategic planning documents, including the European Partnership (EP), the Multi-Annual Indicative Financial Framework (MIFF), the Multi-Annual Indicative Programme (MIPD) and the EC Progress reports. Changes in the sector are analysed by comparing the baseline – the objectives as defined in the programming phase of 2005-2006 – with the current situation.

2.2 Progress in the Environment & Energy sector

2.2.1 Institutional structure, legislation and policies in general

The Montenegrin legal system is undergoing comprehensive reform. The adoption of a new constitution is still in process and many laws are being adapted following independence and the start of the *acquis* harmonisation process. Recent examples in the environment sector are the laws on Environmental Impact Assessment, on Strategic Environmental Impact Assessment, on Integrated Pollution Prevention and Control, on Waste Management, and on Environmental Noise. Some crucial legislation is still in the process of preparation: Law on Environment; Law on Chemicals; and a Law on Ambient Air Quality. The new laws provide for special sanctions on environmental violations, etc.

During the course of 2006-2011, the responsibility for environmental policies was transferred several times, moving to the Ministry for Sustainable Development and Tourism in 2011. In 2009, the Environmental Protection Agency (EPA), was established and became operational.

The Montenegrin Government prepared and adopted a number of strategic documents including the National Strategy for Sustainable Development of Montenegro, strategic development master plans in wastewater and solid waste management and an Action Plan for Integration of Sustainable Development into the Education System (2007-2009). However, these are not consistently detailed, linked to action plans and including budgets to make them effective planning documents.

Despite recent progress, Montenegro still faces many challenges. The lack of administrative capacity (caused by high employee turnover, reliance on temporary staff and lack of skills) is one of the most important as it hinders proper implementation of environmental regulations. Furthermore, coordination between central and local government is poor (there is no regional government). The approximation of the EU legislation has not been consistently pursued across all policy areas.

2.2.2 *Institutional structure, legislation and policies in Energy*

The energy sector falls under the competence of the Ministry of Economy (MoE), which remains understaffed with only half of the 14 positions filled. Other relevant parties of the sector include the Energy Regulatory Agency (ERA), an autonomous and independent organization which oversees the enforcement of energy policies and programmes; the Electricity Market Operator and Transmission Company - which is legally separated from other activities such as generation in the electricity sector - and the Electric Power Company of Montenegro (EPCG) which is currently undergoing a process of unbundling of its vertical activities. The ERA is experiencing credibility issues after undertaking reforms and decisions which included unpopular measures such as stopping energy price subsidies.

The Energy Law and bylaws adopted in 2010 transposed the Second Package. The law governs the main principles for implementing energy policy and strategy as well as competencies of the government in the sector. Bylaws have been developed but additional implementing legislation for the internal energy market remains to be adopted. There is the obligation under the Energy Community to transpose the Third Package by 1 January 2015. Montenegro has already started preparations for this (e.g. update of the Energy Development Strategy). Also in 2010 the Law on Energy Efficiency transposing three Directives on energy efficiency and the Law on Exploration and Protection of Hydrocarbons were introduced. Transposition of legislation has been difficult and the Law on Energy Efficiency will need to be further updated to reflect changes in EU regulations.

The Energy Development Strategy of 2007 and its Action Plan from 2008 includes the environmental effects of energy generation. In the same year, Montenegro prepared the strategy on renewable energy resources (wind, solar and biomass energy). It encompasses the introduction of bio-fuels and envisions development of small cogeneration plants for industrial and local use. In 2011 the country adopted an update of the Energy Policy up to 2030 for Montenegro and prepared the Energy Development Strategy that awaits adoption. The policy stresses the strategic importance of energy efficiency and renewable resources as well as giving special attention to the transport sector.

In 2011, Montenegro developed a regulatory framework for 90-days crude oil stock and, with assistance from the Slovenian Government, developed a statistical system for monitoring and reporting changes in the energy sector.

There are a wide range of donors and IFIs active in the field of energy, primarily in the area of energy efficiency.

2.2.3 *Institutional structure, legislation and policies in Environmental management*

The Ministry of Sustainable Development and Tourism (MSDT) is responsible for environmental protection and management and focuses on long term policies. Its sector for Environment has 15 staff. The EPA was created in 2009 with a mandate for practical implementation of legislation (environmental permits, inspections, etc.) and has one regional office. In 2007 the Project Implementation Unit (PIU-PROCON) was established with the mandate for implementation of projects identified in strategic planning documents which are financed by loans from IFIs. It provides support for local authorities in the preparation of project documentation. In 2011, the Aarhus Centre was created within the EPA to support the implementation of the Aarhus Convention and recently opened a third office. The Environmental Sector of the Hydrometeorological Institute has a staff of 13 but the heavy reliance on temporary positions and the high turnover remain issues of concern. The shortage of administrative capacity to address climate change and the ad hoc nature

of inter-institutional cooperation are delaying the preparation and implementation of a climate policy in line with the *acquis*.

The new Law on Environment was adopted in 2008 and a number of international air protection laws as well as secondary regulations were adopted and ratified in 2011. International treaties adopted include the Protocol on Persistent Organic Pollutants, Protocol on Heavy Metals and the Convention on Long-range Transboundary Air Pollution. In addition, the Government adopted a Rulebook on air quality monitoring, the Decree on maximum national emissions of certain pollutants, the Decree on limit values of emissions of air pollutants from stationary sources. The latter two decrees were adopted in accordance with the Law on Air Protection which was adopted in 2010. In 2011, the new Law on Environmental Noise Protection and related bylaw were adopted, seeking to transpose Directive 2002/49/EC.

Montenegro adopted the new Law on Chemicals in 2012 that transferred the responsibility for chemicals from the Ministry of Health to the MSDT and EPA and harmonised national legislation with the EU *acquis*. It establishes a legal framework for improving chemicals management in Montenegro as well as free trade with the EU.

The national priorities in the environment sector are documented in the National Strategy for Sustainable Development and the National programme for Integration for the period 2008-2012. During 2012, the National Strategy for Air Quality Management for the period of 2013 – 2017 was drafted with the support of the Italian Ministry for Environment. The National Environmental Information System, which will be used for coordinated environmental data collection, compilation and reporting has been designed but the physical IT infrastructure is still absent.

The environment sector receives considerable support and attention under the IPA. Other donor support to the policy level of the environmental sector comes primarily from the GEF (Global Environment Fund) and from bilateral assistance.

2.2.4 Institutional structure, legislation and policies in Waste Water

In general, the progress in institutional structures for waste water management reflects the general changes in structure for environmental management (section 2.2.3) where the sharing of responsibilities between two ministries has slowed institutional and investment development. In 2007 the new Law on Water transposed some of the obligations under the Water Framework Directive. Montenegro signed the Barcelona Convention and adopted legislation such as a law on the sea, by-laws on implementing the law on water, and a law on water management and financing. However, alignment with the EU standards remains low (for instance under the Drinking Water Directive).

The priorities for investments in the water sub-sector are defined in strategic planning documents for the area of wastewater management for the southern, northern and central part of Montenegro, which envisages the design and construction of wastewater systems in municipalities. The importance of infrastructure for wastewater treatment is stressed by the 2007 National Strategy for Sustainable Development of Montenegro, and by the Regional Development Strategy (2010 – 2014).

EU assistance under the CARDS programme funded a range of strategic plans in the sector. Based on the sewerage and wastewater master plan the European Investment Bank (EIB) agreed to provide a 57MEUR framework loan to address urgent waste water infrastructure needs. Several IPA-funded projects have been initiated to build or upgrade waste water treatment plants, related

infrastructure and to train staff. Other financial support is provided by the EIB – Danube Investment Support Facility, financing a feasibility Study for Wastewater Treatment Plant, and KfW, which funded the development of a regional water and wastewater utility serving the coastal region.

2.2.5 Institutional structure, legislation and policies in Waste

The MSDT is in charge of coordination of all waste activities and a new department in charge of waste management and development has been created. The alignment of national legislation with EU standards remains weak with some exceptions (Montenegro follows Waste Framework Directive and the Hazardous Waste Directive). The country acceded to the Basel Convention in November 2006. However, alignment with European standards needs considerable strengthening and acceleration, in particular concerning the Landfill Directive and the waste shipments regulation.

The strategic master plan foresaw between seven and eight landfills. Due to protests from the population (Kotor, Berane), property issues (Nikšić), lack of funds and an unsuitable location (Bijelo Polje), none were developed. Only Podgorica constructed a landfill in 2006 and a newly constructed landfill/regional waste management centre was opened in Bar in summer 2012. Finally, the government adopted the Solid Waste Management Plan for the period 2008-2012 which seeks to create an integrated system of waste management based on better waste collection and recycling, development of landfills as well as a closure and / or revitalisation of others and raising public awareness. The Regional Development Strategy of Montenegro (2010 – 2014) also highlights the importance of the communal and public infrastructure, including waste management.

In 2010, the country carried out feasibility studies on the locations of six regional landfills and started designing the projects. It received 4.8MEUR financing from IPA to develop a solid waste management system for municipalities and through this funding purchased 35 refuse collection vehicles as well as a number of waste containers for the north of the country. However, little progress has been achieved. On the other hand, the first recycling centre has begun operating in Podgorica and a system of permits for establishments carrying out disposal or recovery operations was introduced.

The past and present assistance from the EU and other donors is focused on strengthening the Ministry and providing grounds for implementation of newly adapted EU compatible environmental legislation. Other donors include USAID and the World Bank.

2.3 Progress in the area of Agriculture, Rural Development and Fisheries

2.3.1 Institutional Structure of the agriculture sector in general

The Ministry of Agriculture and Rural Development (MARD) houses a number of technical units and is responsible for defining and implementing policy in agriculture, fisheries and rural development. The Ministry of Transport and Maritime Affairs (MTMA) is responsible for safety on board fishing vessels and also operates a mandatory satellite surveillance system for vessel tracking. The Marine Police assist the Fisheries Inspectors in the Monitoring, Control and Surveillance (MCS) of fishing activities. However, the Police have their own priorities and very little time available for fisheries. The Statistics Institute of Montenegro (MONSTAT) is in charge of tasks relating to preparation and implementation of statistical research.

The key strategic documents are the National Strategy of Sustainable Development; the National Programme for Integration 2008-2012; the National Programme for Food Production and Rural Development 2009-2013; the Food Safety Strategy; the National Strategic Plan for the Fisheries

sector 2009–2013; SME Strategy for 2011–2015 and the National Programme of Consumer Protection. The Montenegro Development Directions 2013–2016, which will reflect Montenegro's development vision in line with the EU guidelines set up in the Europe 2020 Strategy, will serve as a main framework for defining annual priorities, was completed in December 2012. At the time of writing, the rural development programme under IPA (IPARD) was in the process of adoption by the EC, but still needs to be further amended. The National Strategic Programme Scheme for the Introduction of the Cooperative System was adopted in October 2008. The national cooperative development plan is to be developed and the Action Plan for the development of cooperatives is close to completion. However strategic documents in general do not describe actions, nor include financial projections.

A new Food Safety Strategy was drafted in November 2011. A Strategy for IT development for the overall food safety sector was also prepared, but no further actions were undertaken on this. A draft Strategy for the Upgrading of Establishments Producing Animal Origin Food was developed in October 2011 and several programmes were drafted and are being implemented. The Strategy for development of Montenegrin fishery and for capacity building regarding implementation of the Common EU fishery policies was adopted at the end of 2006 and is being implemented. The government also adopted a national strategic plan for the fisheries sector for 2009–2013 for the development of aquaculture and marine fisheries, including scientific assessment of fish stocks.

2.3.2 Institutional structure, legislation and policies in Rural Development

Structures have been established for management of EU pre-accession assistance to the sector and an Investment Development Fund created to improve farmers' access to credits. Further progress can also be observed in the ability of the MARD and its service institutions to deal with EU and WTO policy and legislative issues. However although there was consultation at central levels, the coordination between public institutions and local communities in rural areas is inadequate. This resulted in insufficient involvement of local self-governance and local communities in the initiation, adoption and implementation of the rural development policy.

The 2009 Law on agriculture and rural development is planned to be amended by the third quarter of 2013 in line with 2012 recommendations from the EC. Some progress in legislation has however been achieved related to quality policy, with the adoption in 2011 of the Law on designation of origin, geographical indications and traditional specialities. The existing draft Law on Agricultural Cooperatives was harmonized with EU legislation in November 2011 but was not in line with national legislation and a further revised document is planned to be adopted in 2013. The area of cooperatives as a whole lacks political support and the legislation is unlikely to be implemented further in the near term.

On the whole, the capacity within MARD for strategic decision making related to rural development policy has been improved and the staff, even though insufficient in number, are prepared for the management of EU funds. However, the establishment of the management and control system under IPARD is going slowly. The administrative capacity overall was not sufficiently prepared to meet the objectives of the national action plan towards IPARD accreditation during the implementation of twinning support it was subsequently raised. Currently, the Management Authority for IPARD has five staff, while the Paying IPARD Agency has 25 employees⁴.

The IT system for rural development measures has been established. The agricultural census was implemented in 2010 and data has been used from this to develop the IPARD programme and contribute to MONSAT Statistical Yearbooks.

⁴ Updated information from mid-2013.

From 2009 until 2014 the World Bank provides a loan (11MEUR) and Global Environment Fund (GEF) grant (4MUSD) for sustainable agriculture and rural development in a manner consistent with the EU pre-accession requirements. The governments of Luxembourg and the Netherlands as well as the United States Department of Agriculture's (USDA) donations have supported the development of veterinary services. Small producers in organic production received support through the FAO ADRIAMED scientific cooperation project with the fisheries sector in the Adriatic Sea. A range of other donors have been involved in assistance to the sector.

The EU, through the IPA programme, is an important donor focusing on policy, animal and plant health, food quality control and fisheries.

2.3.3 Institutional structure, legislation and policies in Veterinary and phytosanitary

The Food Safety Law developed in May 2012 has been only partially harmonized with the *acquis* and remains to be adopted. A detailed programme for producing the secondary legislation is outlined in the National Programme for Integration for 2008-2012, but progress in the implementation of food safety rules has been modest. Amendments to the law on seed materials and Inspection Surveillance were also adopted. In June 2012 the Inspection Affairs Administration started its operation as a newly established authority unifying all different inspections in Montenegro including phytosanitary, veterinary and sanitary inspection (covering food safety). Before, these inspection services were component parts of the Ministry of Health, Veterinary and Phytosanitary Administration. Clear and strong collaboration between MARD and the Ministry of Health with Inspection Affairs Administration will be needed to ensure efficiency of services after this reorganization, especially in emergency situations. Altogether, preparations in this area of the *acquis* are still in the initial stage. No progress has been achieved with regard to animal by-products and genetically modified organism (GMO) legislation. Some progress has been made towards alignment with the *acquis* in the area of veterinary policy. A new Veterinary Law was adopted, as well as a Law on livestock breeding, along with the implementing legislation, aiming at the alignment with EU guidelines. The Law on animal identification and registration was amended and is being implemented.

There is insufficient staff involved in the sub sector and weak coordination and cooperation in the field of food safety control. This is particularly evident in the Veterinary Directorate where the five inspectors require substantial reinforcement. A programme to strengthen the Veterinary Administration capacity has been drafted. Despite this, numerous systems and tools have been developed and several laboratories have undergone accreditation for various analytical methods following the introduction of new operating processes and equipment. The veterinary information system is incomplete and some facilities for veterinary controls are still in an unsatisfactory condition. A diagnostic system has been introduced for the detection of food borne diseases and compulsory notification systems. Additionally, guidelines for the management of stray animals were finalised and the plan to introduce electronic identification of dogs and cats prepared. The animal Inspection and Registration (I&R) system was expanded to include ovine and caprine species. A monitoring programme for pesticide residues in food of animal and plant origin as well as a programme for monitoring residues of veterinary medicinal products has been adopted.

One of the main weaknesses in the fruit and vegetable segment relates to machinery and agricultural equipment which has not been updated, investment levels which are far behind requirements and out-dated post-harvest technologies. Furthermore, logistics centres, cooling facilities and packing houses do not exist or are rudimentary. As a consequence, logistics and trading arrangements and facilities, including the Wholesale Market in Podgorica, are poorly equipped.

2.3.4 Institutional structure, legislation and policies in Fisheries

The Montenegrin Government adopted new freshwater, marine and mariculture fishery legislation but no progress was made related to further alignment of the relevant legislation with the fisheries *acquis*. In part this is due to the government awaiting the reform of the Common Fisheries Policy (CFP) by the EC. On the whole, preparations related to the legal framework in the sub-sector are at an early stage. Even though the administrative capacity of the Fisheries Sector Unit in MARD has been strengthened by employing additional advisors, it is institutionally still weak and lacks the experience and ability to implement and maintain activities required for effective administration and management of the fisheries sector. The under-staffed legal department in MARD, engaged on the secondary legislation of the fisheries law, contributes to the slow process. Although fishery inspectors have received training in relevant EU Regulations and practices, the capacity of the fishery inspectorate remains limited.

There have been no major developments on agricultural and fishery statistics, but some progress can be reported on systematic collection of data on the fishing fleet, catches and landings, the biological state of the fish stocks and socio-economic data. However, further efforts are needed to ensure the systematic processing of data from logbooks, adequate registration of catches and landings, the use of sales notes and systematic cross-checking between catch composition and logbook records. Preparations in the area of inspection and control are not very advanced.

With no equipment to allow sea based activities, the majority of MCS work by inspectors is dedicated to fishery outlets on shore rather than on fishing vessels and their catching activity. The Vessel Monitoring System (VMS) is functioning, although not fully as fishermen have been refusing to allow the installation of required transponders, although this situation has been resolved. The fishery information system has been further developed and efforts continue towards setting up a vessel monitoring centre.

2.4 Conclusions

Substantial development of institutional structures has occurred since the declaration of independence in 2006, including both legislative revision and the establishment of new bodies to implement the *acquis*. However limited resources means that many institutions that have been established remain understaffed and this affects capacity to implement legislation. Staff turnover and the small size of technical units threatens progress made in both sectors. Strategic planning has been extensive but without action plans or connection to budgetary frameworks this exercise frequently does not translate into real tools for sectoral development.

Insufficient political support for some sectors has meant that progress has not been as good as expected but there have still been significant developments in important areas, including energy, environmental management, animal disease control and rural development policy. Practical efforts to upgrade infrastructure in waste and waste water have proved difficult to implement but progress is being made and important lessons learned for the future.

3 IPA Programme performance

3.1 Introduction

This chapter contains an analysis of the IPA assistance, on the basis of the projects sampled. Three evaluation criteria will be covered: effectiveness, efficiency and sustainability. The impact of the IPA assistance is presented in the following chapter: Effectiveness and sustainability are prerequisites for impact.

3.2 Effectiveness

EQ2 To what extent are interventions financed under IPA effective in delivering outputs and immediate results?

Effectiveness looks at what use has been made of the outputs delivered, or are likely to be delivered. The evaluation question directed at effectiveness looks at the extent to which the outputs and objectives of the assistance have been successfully achieved (or are likely to be achieved) or if there were better ways of delivering outputs and objectives.

3.2.1 Effectiveness in Environment& Energy

Effectiveness in Energy

Delivery of outputs. The energy sub sector consists of a single project (2007 *Energy Community Treaty*) to support meeting national obligations under the Energy Community Treaty by introducing new institutional structures into the Energy Efficiency Unit at the Ministry of Economy (MoE), the Energy Regulatory Agency (ERA) and the Transmission Unit of the Electric Power Company of Montenegro (EPCG). Capacity building through training in the Montenegrin energy sector for the MoE, ERA and EPCG led to improved understanding of market monitoring and reporting, renewables, balancing methods, capacity auctions, energy management and energy efficiency, Energy Efficiency Information System, and on Planning, Implementation and Reporting on Energy Efficiency. Other factors affecting effectiveness were locating the contractor in the beneficiary premises, which facilitated continuous ad hoc advice and the contractor's independence which was considered by beneficiaries as important in a sector frequently dominated by the agendas of donors.

All outputs have been delivered and approved by the respective beneficiaries, with some minor variations identified in the inception report along with some additional tasks provided by the contractor.

Relevant outputs& Use of outputs by beneficiaries. The outputs and results are relevant for the beneficiaries as they have been defined by them during the design phase. The Energy Efficiency Unit and ERA have a clear perspective on how to proceed in the development of the sector and appear unlikely to require further assistance. Furthermore, nine of the required 15 rulebooks prescribed by the Law on Energy Efficiency have been prepared by the IPA project, of which seven are adopted. The other six rulebooks are covered by GIZ (energy efficiency in buildings) which was

an active donor in energy efficiency and financed a number of complementary projects in the sector..

However, while institutions and local authorities were actively engaged in the project and co-operated with the contractor and the Ministry of Economy, the energy utilities (EPCG Functional Units) were not responsive and collaboration was low. In some cases, the contractor had to proceed without their input even though it was expected and implied in the Law on Energy. Whilst this did not reduce the effectiveness of the project overall, it illustrates the weak coordination among all involved actors toward the implementation of the Energy Community Treaty.

Effectiveness in Environmental management

Delivery of outputs. The twinning project 2008 *Environmental Management* remains on going. Its three components on capacity building at state institutions and legislation development are progressing on schedule, with needs assessments completed and training on going and legislative implementation plans expected to be approved in early 2013. The national authorities indicate strong political support both for the project and for the enforcement of the legislation that will be generated by it.

Although the project fiche was somewhat outdated and the situation had evolved since its preparation, the type of activities undertaken remained relevant.

Relevance and use of outputs. The outputs of the environmental management project are relevant for the EPA and PIU-PROCON, enhancing their capacity to implement the new legislative base. They are also used by the Ministry of Sustainable Development and Tourism as one of the project beneficiaries, in order to improve environmental conditions in Montenegro by developing local institutional capacity and through continued legal harmonization

Overall therefore the evaluation agrees with the ROM judgement, which is 'good' ('B'), with 60% of activities foreseen realised.

Effectiveness in Waste water

Delivery of outputs. The IPA 2008 project *Upgrading environmental infrastructure* delivered 21kms of new sewage system for the municipality of Nikšić and the quality is considered good. This is a culmination of various activities funded under the CARDS programmes, supplemented by a European Investment Bank (EIB) loan.

Programming procedures. The programming process has been slow. Under CARDS 2003 a strategic investment plan was developed for the central and northern regions of Montenegro, in which Nikšić was identified as a high priority. On this basis the EIB agreed to provide a 57MEUR framework loan and co-funded the feasibility study (in 2006) and the Environmental Impact assessment (EIA).

Offers in the first tender under IPA exceeded the budget available leading to a re-launch. Initial delays were caused by the beneficiary sending the design to the contractor only after the contract had been signed, with further delays from difficulties in ensuring administrative compliance with procurement rules.

Relevance and use of outputs. The project scope was changed between tendering and contracting. Before signing the contract, parties agreed to narrow the scope of work by removing two items from the technical specifications and reducing the amount of work. This did not however affect the effectiveness of the project overall.

The certificate of delivery was signed in July 2012. The sewage system is being used and preparations are underway for expanding the system as only 25% of the urban zone of Nikšić is currently covered.

Effectiveness in Waste

Delivery of outputs. 2009 *Solid waste management* project consists of two supply and one service contracts, the latter of which started as this evaluation began and so no progress has yet been made. The original idea to establish a regional solid waste management system for the municipalities of Bijelo Polje, Kolašin and Mojkovac failed over objections from local residents and land acquisition issues and the EIB withdrew support. Therefore the project has been revised to providing waste containers and trucks for the least developed municipalities in the north. This has been delivered (35 refuse collection trucks) or is about to be delivered (2,363 waste containers). The assistance will contribute to improving the waste collection, however more containers are needed especially for selective waste and a sustainable financing of the system itself has yet to be devised.

Programming procedures. The project was initially identified by the EU Delegation (EUD) in consultation with the ministry and supplemented by a survey to determine needs. After the EIB withdrew its contribution, the project fiche was speedily revised to the delivery of waste containers and waste collection trucks. The service contract was originally planned to be twinning, but was changed on request of the MSDT.

Relevance and use of outputs. The trucks and containers are relevant for the beneficiaries since there are not sufficient trucks and waste containers. As it was not possible to develop the solid waste systems as foreseen it seems to have been a good alternative. The trucks and the waste containers will help meeting initial needs. One beneficiary indicated that it is very useful but insufficient, especially for selective waste. The local population are also unaware of the system, its use and future costs and benefits to their communities.

As both the supplies and service elements of the assistance are in their early stages, it is too early to say if the outputs are being used by the beneficiaries. Whilst there is no reason for the equipment not to be put into operation by the service provider, awareness raising amongst the end users would have developed an understanding of the benefits and future financing of such a system.

3.2.2 Effectiveness in Agriculture & Fisheries

Effectiveness in the veterinary & phytosanitary sub-sector

Delivery of outputs. There are good examples of clearly defined coordination between the beneficiary institutions in the *veterinary and phytosanitary* subsector. The procurement of equipment was carried out with EU funds whilst the required consumables were provided by the State budget, including on going financing of the vaccination campaign⁵. The purpose, as well as most of the planned results of 2008 *Eradication of rabies and CSF*, has been achieved. The most

⁵ The EU has financed the first two vaccination campaigns against rabies in red foxes in autumn 2011 and spring 2012 as well as 55,000 vaccines against Classical Swine Fever in pigs. IPA 2010 funds were used for purchasing the equipment for the Veterinary Diagnostic Laboratory for carrying out systematic laboratory control of rabies and classical swine fever. National funds were used to purchase the reagents for the above mentioned equipment and to finance the vaccination campaign in autumn 2012 and spring 2013.

effective results were the reduced number of rabies cases⁶ and improved awareness through successful media campaigns.

The public veterinary, phytosanitary and sanitary services have also been considerably strengthened and have progressed towards the delivery of an effective food safety system. With assistance from 2008 *Food Safety*, the Council for the Assessment of Food Safety has been established; a draft Strategy and the new draft law have been developed as well as secondary legislation and a proposal for the reorganisation of the food safety system. Staff capacity was raised, inspectors trained and the capacities of the laboratory network increased. IPA assistance has also provided the basis for establishing an integrated data system for governmental use. The purpose of the assistance to the food safety area is very ambitious as it can be seen only as a starting point for the establishment of an EU compliant food and feed system. Despite the effectiveness of the assistance, the Law has still not been adopted and there remains a persistent lack of cooperation and communication among the different authorities performing official controls. The lack of cooperation contributes to weak linkages between food control authorities and the public health system. Technical guidelines, implementation plans and operating procedures have been developed to ensure that achieved results will be used and further developed even if there is high staff turnover.

Relevance and use of outputs. IPA assistance contributed to successful coordination and cooperation as well as their very well defined roles and responsibilities of stakeholders in the area of *animal identification and registration*. Results have been distributed to all target groups building on the successes of the first phase of assistance to animal I&R. The results are considered as very effective by the beneficiary, particularly the developed I&R and the Veterinary Information System (VIS) system as well as the amended Law on I&R.

All involved actors in the sub-sector report timely, continuous and very helpful guidance and assistance from the EUD which enabled them to reach the purpose and planned results of the assistance.

Effectiveness in IPARD

Delivery of outputs. The beneficiary of 2008 *IPARD Programming* did not recruit the planned additional staff which compromised effectiveness (know-how transfer, capacity building and information and training) as well as the planned subsequent training to be undertaken by the beneficiary themselves. This also led to a limited contribution by the beneficiary to the outputs of the twinning experts. Even though the technical requirements of the assignment were met, the beneficiary noted that the experts from member states lacked the appropriate knowledge on local circumstances, problems and needs and that this led to a lower level of participation.

The Ministry of Finance (MoF), especially the National Fund (NF) and the National Authorising Officer (NAO), in their role as accrediting authorities for the Paying Agency, did not collaborate as well as they could have with the assistance⁷. Overall, the planning of accreditation appears to have been over-ambitious, failing to allocate the necessary human and financial resources. The EUD had an important management role throughout the implementation of the whole project and attempted to improve the involvement of the MoF in the preparation of the operating structures for IPARD. It appears that even though the general purpose of the IPARD programming assistance was relevant for the beneficiary, it did not seem to be a priority to the Government although some corrective

⁶ Decreased number of cases of rabies is visible from the following data: the number of cases with rabies in wide population has decreased in 2012: not a single case found with wild animals, just one case with a cat. In 2011: 2 cases with domestic animals, 22 with wild. In 2010: 58 cases with wild animals. (data obtained from beneficiary).

⁷ The MoF was not a direct beneficiary of the assistance but notes that its staff attended missions related to accreditation.

actions were undertaken⁸. Nevertheless, some very relevant and specific effects of the assistance to IPARD were the elaboration of the first IPARD Programme, which is in the process of adoption and the harmonization of national legislation with the *acquis*. Furthermore, despite the limited absorption capacity of the beneficiary, it has gained knowledge, information and good materials for the forthcoming steps in implementing IPARD. The results of the IPARD programming project are considered as very useful; particularly the draft documents prepared for accreditation that have been further developed by the beneficiary in the last six months of the assistance.

Effectiveness might have been higher had coordination of IPA assistance in the sub sector with that of the main donors been stronger. Initial synergies between the World Bank funded MIDAS project and the IPA assistance were achieved and this helped to avoid duplication, but collaboration during implementation has been variable. Despite this, the MIDAS project has provided practical experience in programming and implementing rural development measures similar to those that will be funded under the IPA. One of the relevant outputs from MIDAS support was among others strengthening extension and advisory services within which training for the Extension Service on Agri-environment measures was conducted. Awareness has been raised on this issue and could be further elaborated by subsequent IPA assistance.

Relevance and use of outputs. The capacity for strategic decision making in agriculture policy has been raised but the beneficiary considers that effectiveness would have been higher if experts with more local knowledge had been engaged. The Manuals of Procedures necessary for accreditation were considered by the beneficiary as the most effective results. The methodology for full transposition and timetable of the relevant *acquis* is established and national legislation has also been aligned with the *acquis*. The IPARD Programme is currently in the process of adoption and the entire structure for IPARD is in its final stage of being established, supported by additional IPA assistance under the 2011 programme. Furthermore, despite previous problems with insufficiently developed cooperation between MoF and MARD, close cooperation has gradually been established between the Sector for Rural Development, The Paying Sector within MARD and the National Fund within the State Treasury Department of MoF.

The 2009 *Ex ante Evaluation of the IPARD programme* successfully improved the quality of the IPARD Programme. A specific benefit of this assistance was gaining understanding of the process of ex-ante evaluation, its purpose and approach. IPA assistance also supported the elaboration of the *Fruit and Vegetables Sector Study* for the IPARD programme that fed results into the design of the IPARD Programme. Workshops enabled the beneficiaries to obtain a clear picture of the sector of meat, dairy products, fruit and vegetables.

The strategic objectives related to the assistance to the 2008 *Cooperative system supporting rural development* have been largely achieved with the exception of the adoption of law drafted under IPA assistance. Training raised the awareness of the main stakeholders of the role and importance of the cooperative system in post accession rural development financing. Networking amongst the project participants has also facilitated dialogue between multi-sector actors.

Communication and cooperation with EUD related to the IPARD sub-sector has been particularly good.

⁸ In January 2012, Minister for Agriculture and Rural Development established the working group for the monitoring and intensifying activities concerning IPARD decentralization, headed by the Minister.

Effectiveness in Fisheries

Delivery of outputs. The three components of 2009 *Fisheries* were finalised in 2012. Unfortunately the project has only been partly successful due to a lack of political commitment for the fisheries sector which is perceived as having a low priority. For example there has been no political support for the establishment of the National Marine Fishery and Mariculture Council. The contractor indicated that, of the total of 29 results, 11 may be considered to have been achieved, 10 partially achieved and eight not achieved. However, more in-depth analysis indicates that much of these achievements were made principally by the contractor with minimal input from the beneficiary. Furthermore low administrative capacity in the Fishery Sector Unit of the Ministry negatively impacted project implementation. A senior advisor left the Ministry and was replaced by junior staff with less experienced in the sector. Documents produced by the contractor (i.e. the fisheries management plan) were not read or commented upon by the beneficiary. The contractor was located in a residential building away from the beneficiary offices, which hampers the effectiveness of co-operation.

The works component was delivered in full, if rather late, with the offices reconstructed for the fishery inspectors in Bar, Kotor and Herceg-Novi. During the implementation phase additional works were undertaken to account for situations not described in the technical specifications and covered from the contingencies budget.

The supplies have also been delivered, including equipment for fisheries inspectors, Vessel Monitoring System (VMS) transponders and associated IT equipment (although late) and the research vessel.

Programming procedures. The assistance was preceded by a CARDS project and the key beneficiaries fully involved in its preparation. Fish Inspectors and fishermen's associations in Bar and Herceg Novi were also consulted as project partners but had limited involvement in the decision making process, which contributed to their low motivation in contributing during project implementation.

The MARD has also submitted a request for a follow-up project but this has understandably been rejected by the EUD due to the lack of (political) commitment experienced under this 2009 project.

Relevance and use of outputs. Since the beneficiaries did not effectively collaborate with the contractor, the outputs reflect the contractors' understanding of Montenegrin marine fisheries and do not include any contribution from the Montenegrin side. There has been no progress to date on implementing the Plan and, whilst installed, there has been difficulty in getting the collaboration of fishermen in the use of the vessel tracking transponders.

Table 3.1 below contains the ROM report scores for effectiveness, which broadly reflect the opinion of the evaluation. The timing of the ROM report has to some extent affected scoring with the 2008 *Support to IPARD Programming and Implementation System*, since effectiveness might be graded slightly higher in the last phase of the project's implementation. The opinion of the evaluation on the 2009 *Sustainable Management of Fisheries* project would be lower than that given by the ROM report.

Table 3.1 Overview of the Result Oriented Monitoring scores on effectiveness

IPA Year	Project title	ROM score(s)*
2008	Support to Establish an IPA Rural Development Programming and Implementation System	D (at 50% of project)
2008	Development of Food Safety Services in Montenegro	B (at 85% of project)
2007	Animal identification and registration (I&R) – Phase II	B (at 10% of project)
2007	Control & Eradication of rabies & Classical Swine Fever	B (at 60% of project)
2009	Sustainable Management of Marine Fishery	B (at 50% of project)

a = very good; b = good; c = problems; d = serious deficiencies.

Source: ROM reports

3.2.3 Conclusions on effectiveness

Summarising, with reference to the judgement criteria:

- The **outputs** have been mostly **delivered**, even though the effectiveness suffered from a lack of staff in the whole agricultural sector as well as lack of political commitment in some aspects of the rural development and fisheries projects. Assistance appeared to be too condensed in both the IPARD and phytosanitary and veterinary sub sectors, but nevertheless this did not affect the delivery of outputs.
- IPA assistance has **strengthened capacity** of the beneficiaries and the public services, especially in environmental management (strengthening capacity of staff of EPA, PIU-PROCON and MSDT), energy efficiency (on the job training) and the public veterinary, phytosanitary and sanitary services (training of inspectors, establishing institutions, developing systems).
- **Ownership and commitment** has still not been fully demonstrated in all sub-sectors of environment and agriculture. On the whole, problems with ownership and commitment, along with poor institutional capacity, have compromised the effectiveness of assistance to fisheries, IPARD and food safety. However, projects related to rabies and swine fever, animal registration and identification and energy efficiency have been particularly well implemented.
- Documents and measures, sector studies, legislation, rules and procedures developed through IPA will form a base for further actions of the beneficiary institutions.
- Successfully achieving targets in the agricultural & fisheries and the environmental & energy sectors will depend heavily on the timely and sufficient allocation of resources, particularly in new staff. Based on current performance it remains unclear whether this will be achieved.
- Cooperation and support from the EUD has been particularly useful, however the reliance on task managers by the national authorities raises concerns over administrative capacity as the country moves towards decentralised management of funds.
- Cooperation of the service provider with the beneficiary organisation is crucial for capacity building and this is facilitated by locating advisors in the premises of the beneficiary. Especially for technical assistance contracts this has not always been possible..
- In most areas of agriculture IPA assistance led to very successful coordination and cooperation of line ministries and government services has been developed and this improved project performance. It could be more systemic throughout the programme however.
- The evaluation supports the observations and recommendations made in the ROM report on the environmental management project. Among other valid recommendations, there is a clear need for better co-ordination among all partners. In some cases the monitoring reporting occurred early in project implementation and therefore did not identify problem areas for effectiveness (for example, with 2009 *Fisheries*)

3.3 Efficiency

EQ 1 To what extent are interventions financed under IPA efficient in terms of value for money when delivering outputs and immediate results?

Assessing efficiency relates to the timeliness of the delivery of the outputs and their cost, i.e. whether outputs were delivered on time and at a reasonable and expected cost. In the context of this evaluation, efficiency focuses on factors that contribute to the achievement of value for money for both outputs and objectives. To assess this, the following factors are determined:

- Whether the assistance has been, or is likely to be, delivered within the originally planned budget and time-frame.
- Whether the planning process took adequate consideration of other ways of delivering outputs or objectives and whether assistance could have been delivered in a more cost effective manner to achieve the same outputs or objectives.

3.3.1 Efficiency in Environment & Energy

Cost effectiveness. All contracts were subjected to competitive tender and were retendered when financial offers came in higher than the projected budget, facilitated by the generally timely manner of tendering. Co-financing has been provided within the scope of the assistance but might become an issue for the on going maintenance of investment in the waste sector. It would have been more cost effective in the longer term to have first completed the waste management plan before investing funds in capital equipment – especially as the delivered assistance was only identified after the original proposal lost the interest of the EIB.

Time span. Most environment & energy projects had extensions and only the supply of the waste vehicles was delivered on time, although it was itself contracted very late after the intended outputs were changed. Two contracts (twinning and supply on waste management) were still being implemented at the time of the evaluation. The twinning is to be expected to be extended due to delays in performance by the twinning partner and the supply of waste containers was extended by two months. *2007 Energy Community Treaty* was extended by four months after its start was postponed due to delayed conditional legislation. None of these events were significant. The works contract on the sewage system in Nikšić however, had three extensions totalling 11 months due to reasons both within and beyond the control of the contractor.

Selection of appropriate provider. For the energy project the beneficiaries jointly developed the project design with the EUD, which contributed to the overall success of implementation. For environmental management there have been some difficulties with the twinning partners in providing experts at short notice due to their commitments within their home institution. This could have been avoided by better planning. The beneficiary noted that the good collaboration with the twinners had otherwise contributed to the strong performance of the project.

Transparency and efficiency of programming and supervising procedures. It was sometimes difficult to monitor implementation, especially of supply and works contracts, and introduce appropriate corrective management actions. In the case of the works contract of the sewage system in Nikšić there was a delay of one year as the contractor was slow in the design and permitting process. The EUD had no tools within the scope of the contract to penalise the contractor for poor performance although this is now included in similar assignments.

Administrative workload. The beneficiaries indicate that the assistance does not represent an excessive administrative burden for their organisations as the assignments are principally completed by the contractors.

Financial sources. All projects, with the exception of the 2007 *Energy Community Treaty*, had a good mix of financial sources that leverages EU assistance - although the energy efficiency project was not directly co-financed the sector has a large number of donors. Therefore especially in the energy sector good donor coordination is needed.

The other five projects have a mix of financial sources:

- The works contract for waste water treatment in Nikšić combines both IFI (through EIB) and national co-financing. Parts of the EIB loan (6.2MEUR) and Montenegrin co-financing (2.7MEUR) are for a works and a service contract (for supervision of the works and training). The tender was conducted by the EIB and Montenegrin authorities and the Municipality of Nikšić signed a contract with the first placed bidder. The EC complemented the project with 3.5MEUR IPA contribution in the form of a works contract.
- Also for the waste management The IPA contributes 4.8MEUR IPA and the Montenegrin government contributes 9.35MEUR.
- Lastly, the twinning project on environmental management has a very small contribution of 0.6% (6 000 euro) from the Montenegrin budget.

The evaluation concurs with the judgement of the ROM report, i.e. 'some problems'('C'), at 60% of project implementation..

3.3.2 Efficiency in Agriculture & Fisheries

Efficiency in the veterinary and phytosanitary sub-sector

Cost-effectiveness. The assistance to the subsector has delivered the planned outputs at the costs expected. Even though there were slight delays, the beneficiary provided the required levels of co-financing.

Time span. In the field of *Food and Safety Services*, activities assisted through IPA support have been implemented in a very efficient manner. Working groups with a national co-ordinator (e.g. Veterinary Directorate) seem to function well.

The specific EU and regional experience of the contractor in 2007 *Animal Identification and Registration* was particularly important for efficient implementation. Despite expressing overall satisfaction, this project overloaded the beneficiary who would have preferred it to be of less intensity and over a longer period. Communication between all stakeholders has been good throughout the sub-sector.

The service contract for control of rabies was extended by five months because of the delay in delivery of laboratory equipment within a separate but correlated supply contract, resulting in the postponement of training on diagnostic methods.. Weak coordination also stems from poor communication among the different authorities performing official controls as well as overlapping responsibilities between Sanitary Inspectors and Veterinary Inspectors. During the project there was little time for assessing the efficiency of the vaccination campaign and intensity of implementation caused delays with real time analysis as well as with certification. Despite this the project is on time and is a good example of sharing of financial responsibilities with the state budget financing following campaigns.

Efficiency in IPARD

Time span. The beneficiary in IPARD did not recruit the expected number of staff before the start of the project and therefore did not have the administrative capacity to absorb all the outputs of the intensive twinning project, leading to suspension of some missions. Lack of experience with national legislation means that the legislative elements were not implemented as efficiently as they could have been.

The *Fruit and Vegetables sector study*, funded under IPA 2008 was completed in late 2010 in time for its findings to be included in the IPA RDP that was started in early 2012. Closing workshops in each sector ensured that national stakeholders were informed of the findings.

The lack of ownership of the beneficiary in the IPARD sub-sector relates to some conditions and risks not being properly assessed in the initial phase of implementation, as well as to several concurring weaknesses and delays. One of the reasons for the delays was the contracting of experts with limited experience in the project related issues (particularly related to legislation). This has been resolved in the new twinning project with contracted experts from the region, with good knowledge on the specific related circumstances in the country.

Furthermore, even though all stakeholders were aware of several on-going interventions supported by different donors in the rural development sector, there were nevertheless some overlaps – primarily with the World Bank MIDAS project, as the result of insufficient coordination in all phases. The implementation of the MIDAS project has proceeded slower than planned. Its main objective was to strengthen the Ministry's rural development programme, which represents a risk of overlap with the IPA assistance. Although there has been cooperation and sharing of documentation, this appears to have been more successful during the initial stages of the IPA assistance than later⁹

Administrative workload. The administrative burden on the beneficiary staff of projects in IPARD was considered high although the project contributed to raising the capacity of newly appointed staff in MARD engaged on implementing the first round of MIDAS grants. The beneficiary also struggled to provide adequate reporting and project preparation support to *Rehabilitation of the Cooperative System* project which also tried to do too much in too short a time frame – for which fortunately an extension was granted. Beneficiaries of both of these projects noted the positive contribution made by the EUD in their successful implementation.

Efficiency in Fisheries

Time span. *Fisheries Management* started on schedule but all three components had a time extensions of between three and four months. The supply tender had to be cancelled and re-launched which meant that some of the equipment could not be used during the implementation of the service component as planned.

Administrative workload. The beneficiaries indicate that the project did not cause an excessive administrative burden for their organisations although this assessment noted that their capacity to effectively contribute to the project outputs was low.

Financial sources. The IPA commitment is complemented with national funds consisting of a works contract of 0.3MEUR to refurbish the IMB building that is tendered and managed by the national authorities. A final contract (0.5MEUR) partially finances private sector investments in the fish catching sector and covers the operational cost of the Vessel Monitoring System.

⁹ A Road map TWINNING-MIDAS had been prepared to show the linkages between different activities and the timing of both projects. This document was updated on a monthly basis and was available on the twinning website (the Ninth project steering committee meeting minutes, from November 4th 2011.)

Table 3.2 contains the ROM scores for efficiency. These differ in comparison with those for effectiveness, where nearly all of the projects were rated as good. Scores in efficiency indicate very good ratings for two of the projects, while those for the other three indicated problems. This is in line with the conclusions of this evaluation but represents a contradiction within the ROM reports – where despite less than good implementation, effectiveness is rated as broadly good.

Table 3.2 Overview of the Result Oriented Monitoring scores on efficiency

IPA Year	Project title	ROM score(s)*
2008	Support to Establish an IPA Rural Development Programming and Implementation System	C (at 50% of project)
2008	Development of Food Safety Services in Montenegro	A (at 85% of project)
2007	Animal identification and registration (I&R) – Phase II	A (at 10% of project)
2007	Control & Eradication of rabies & Classical Swine Fever	C (at 60% of project)
2009	Sustainable Management of Marine Fishery	C (at 50% of project)

3.3.3 Conclusions on efficiency

Summarising, with reference to the judgement criteria, the projects on environment (including energy) and agriculture (including fisheries) show a varied picture in their efficiency:

- The assistance has delivered the planned outputs at the cost expected.
- Most projects in the environment and energy sector have had time **extensions**, but in only one case (waste water works) was this significant. Time extensions were common in the agriculture and fisheries sector to address issues of poor contractor performance, limited absorption capacity and late delivery of associated elements.
- Stakeholders reported that there was not an excessive **administrative burden** in the environment & energy sector on reporting towards EUD. The administrative burden of a number of projects in agriculture & fisheries exceeded capacity and this has been exacerbated by staff turnover.
- There is a good **mix of financial resources** in both the environment and fisheries sub-sectors, with contributions from the national government and EIB or World Bank. Although the Energy efficiency project does not have specific collaborative financing, the assistance is complemented by many other donors funding energy efficiency projects, including GIZ, KfW.
- In several cases **working groups integrating different beneficiaries** and led by a national co-ordinator were effective institutional co-ordination structures.

3.4 Sustainability

EQ5 Are the identified impacts sustainable?

EQ6 Are there any elements which could hamper the impact and/or sustainability of the assistance?

Given the programme level of this evaluation, the identification of issues affecting the achievement of impact and sustainability will concentrate on common rather than project specific findings. Reference is here made to chapter 2, which presents a summary of the sector analysis findings related to the management capacity of the Montenegrin public administration, a key factor in sustaining institution building assistance.

Sustainability in Energy

Sustainability of institutional capacity building impact. The deliverables from the 2007 *Energy Community Treaty* project have been officially adopted and are assets for the energy sector in Montenegro. Furthermore, the capacity of the beneficiaries was significantly increased through formal and on the job training, although it remains vulnerable to systemic problems of staff turnover in the public administration. The rulebooks have been adopted forming the basis to ensure monitoring of the implementation of the energy efficiency law.

The participation in training by the Local Authorities and their Union appointed energy managers (although this obligation is not explicitly provided in the Law of Energy Efficiency) was very important for the sustainability of the project results in the field of energy efficiency, as they are key actors for the actual implementation of the energy efficiency Directives.

Availability of budget to sustain effects. The main threats to sustainability in the energy sector are the resource limitations at the Sector Energy Efficiency at the Ministry of Economy that prevent it from implementing actions foreseen in the Energy Efficiency Action Plan. Whilst the Ministry considers the priority to be infrastructure investments, 18 of the 20 donors involved in the sector provide technical assistance. This differing perspective of sectoral priorities has the potential to undermine sustainability if donors are providing something that the beneficiary does not need.

Ability of beneficiary organisation to retain human resources for implementing results. Only nine out of the 14 posts at the Sector Energy Efficiency at the Ministry of Economy are filled. Two of these positions are funded by the World Bank and one by KfW.

The Electricity Market Operator may need additional assistance when renewable energy suppliers enter the market. Additional technical assistance could also address further development of the energy statistics system in line with Eurostat methodology and other priorities of the sector, especially regarding fulfilment of the obligations under the Energy Community regarding biofuels, etc.

Effects in beneficiary structures. The effects of IPA assistance are embedded in the beneficiary structures, increasing capacity to undertake their responsibilities in enforcing new legislation.. However, coordination among stakeholders for the implementation of the Energy Community Treaty is somewhat weak and could be improved Overall the sustainability of the energy project can be judged as good.

Sustainability in Environmental management

Sustainability of institutional capacity building impact and availability of budget to sustain effects. The effects of 2008 *Environmental Management* are expected to be sustained as the country presents itself as an ecological state and the environment is high on the national political agenda. Through the twinning project the three institutions (MSDT - Department for Environmental Protection, the EPA and PIU-PROCON) have strengthened their capacity both generally and specifically in the area of cost planning (for the MSDT) and generation of revenues (for EPA and PRO-CON).

Ability of beneficiary organisation to retain human resources. The number of staff employed in the sector has been growing substantially. From its establishment in 2008 there are now 50 people working at EPA. At the MSDT, Department for Environmental Protection ten people are working and PIU-PROCON is at capacity, of 20.

The twinning project continues to strengthen the capacity of the staff, however there are fewer experts involved in the project in MSDT than expected. In addition, at least half have only recently graduated and have to be trained. Limited resources are available for inspections; there is a high turn-over of inspectors and other public officers at MESP (where the average duration of employment is three years); and a lack of know-how and training of judges on environmental laws. Therefore the sustainability of the environmental management is variable: the organisations are now well established with clear tasks, however with the young staff and turnover sustaining knowledge needs continuous training.

Sustainability in Waste Water

21 km of the sewage system in Nikšić has been upgraded. The remaining part of the system (to be addressed by another project) is the construction of the waste water treatment plant. The IPA 2010 and 2011 projects focus first on other municipalities.

The maintenance costs will be covered by users through their taxes. However, as tax collection rates are low there is a threat to sustainability – informing the population of the need to financially contribute to the new system will be addressed by an environmental awareness campaign planned under IPA 2010.

Sustainability in Waste

Sustainability of institutional capacity building impact. The sustainability of the service contract is expected to be good as it focuses on drafting the national waste strategy document, establishing stakeholder networks, waste regional management plans and municipal waste management plans and the national waste management plan 2014-2020. Having an overall strategy in combination with a more specific action plans, prepared with the involvement of stakeholders, forms a good basis for the sustainable development of the waste sector. The strategic planning exercise will underpin investment in the sector by the EU and national authorities in the next financial perspective.

Maintaining and operating the trucks and containers for waste collection will be the responsibility of the recipient municipalities who will use them to provide services to the community. . Subsequent assistance will deliver an information campaign to raise awareness of the new system and encourage both appropriate use of the equipment and payment of the increased fees for waste collection. In a wider sense, the sustainability of the waste collection system will need the implementation of additional investment for construction of landfills - as originally intended under this assistance. Development of landfill sites have typically failed (both here and elsewhere in the region) due to the unwillingness of communities to host them and more comprehensive efforts will be needed by the national authorities to engender acceptance within potential host communities.

Availability of budget to sustain effects. The community of Nikšić is interested in expanding the sewage system and a constructing a Waste Water Treatment Plant, but there are no additional IPA funds planned for this (there is IPA budget for the upgrading of waste water in Pljevlja and water treatment systems in Cetinje and Bijelo Polje). To enable better waste treatment, there should be real progress in the establishment of the landfills before the EIB can resume involvement in the sector.

The ROM score of the environmental management project, i.e. a 'B' or 'Good', is confirmed by the evaluation.

Sustainability in the veterinary and phytosanitary sub-sector

Eradication of Rabies and Swine Fever has been well embedded in all the involved relevant stakeholders¹⁰ and this strengthens potential sustainability. Policy and political support appear to be in place and the project results are a key part of animal and human health policy of the EU. Staff turnover is not excessive due to the limited pull from the private sector but remains a risk and sustainability will depend on additional recruited staff.¹¹ The Department is particularly undermanned in the area of IT. However due to broader budget concerns the Ministry of Finance currently still does not allow further recruitment. On the whole, national financing remains vulnerable to budget constraints. Additional EU funds should be considered for the successful completion of the fifth and final year of the vaccination programme.

Further advancement of the *Food Safety System* needs additional recruitment and other resources to the services involved. Once the new food law is approved, corresponding by-laws should be adopted in order to proceed with harmonisation and this can be expected during the course of the new ongoing IPA project. Furthermore, sustainability will require that the Government proceeds with the implementation of the developed recommendations, as well as to legally regulate the activities of the laboratories in line with EU provisions, and to clearly define the roles and responsibilities of the individual organisations in the laboratory network. Equipment procured by the assistance is fully in place and has been used after the project's completion. Awareness raising amongst processors and capacity building for inspectors will be needed to ensure sustainability of the system.

An integrated data and information system was also developed but a source of national financing will be needed if this output is to be sustained. Furthermore, there is a risk that each directorate will pursue the development of their own IT system instead of an integrated food safety information system. It is also not clear whether the laboratories are able to afford maintenance of the equipment received under the IPA assistance. Finally, even though some proposals have been presented to reorganise the food safety system, it is still not clear how the project training will be organised in the forthcoming period. A unit or department that will be officially in charge of drafting and organising future training activities remains to be identified.

Preconditions for sustainability are good related to *Animal I&R*. Good collaboration between the various institutions has been established over a period of years and appropriate resource allocation should ensure the system continues to operate into the longer term .. Ongoing tagging of small ruminants is included in the annual budget of agricultural programmes, being an integrated part of the Agriculture and Rural Development Strategy of Montenegro and a key element of the *acquis* in this sector. It is expected that the qualified staff within the Veterinary Administration (VA) will be able to continue the tagging activities and monitoring of animal diseases through specific operational measures. Nevertheless, sustainability will require more trained experts and further technical assistance.

Sustainability in IPARD

Sustainability in the field of IPARD programming is threatened by the lack of real commitment from the part of the beneficiary as staffing levels of the relevant units in MARD was not achieved until after the project was completed. New staff must now be trained by those who have recently

¹⁰ Including the state administration, central laboratory body, regional inspectors, private veterinary ambulances and the hunters association as well as the National Parks and the Public Health Institute

¹¹ There are currently five advisors with an additional eight needed in the area of rabies alone.

received training, rather than directly by the advisors, although the subsequent assistance will contribute to mitigate some of these negative effects on sustainability.

The structure, role and responsibility of the MA and PA have been identified and the entire structure for IPARD is in its final stage of being established. Sustainability will depend on further demonstrated ownership and greater political commitment, reflected in hiring more staff.¹² The recent resignation of the Deputy Minister in charge of programming threatens the sustainability of administrative capacity as there are no other experienced programming experts.

Training in establishing a co-operative system has empowered local stakeholders to continue advocacy work independently of any future funding. Both impact and sustainability of the assistance is however seriously at risk as the cooperative law was not adopted. Furthermore, the understanding amongst farmers and other stakeholders of the cooperative system and the use of Producer Marketing Organisations (PMOs) in agricultural production systems in the EU still needs to be improved.

Sustainability in Fisheries

Sustainability of institutional capacity building impact. The sustainability of the fisheries project is compromised by the weak institutional capacity of the beneficiary and specifically inexperienced staff at Fisheries Sector Unit at MARD, low political priority of the sector at national level, no national marine fisheries & mariculture council established and the fisheries inspectorates not matching needs. Furthermore the policy documents (e.g. the FMP) and recommendations of the advisors (e.g. needs assessments for the institutions) have been developed but have not been commented upon by the beneficiary which questions whether they will be implemented.

Availability of budget to sustain effects. Because of the poor performance of the project, the EUD has rejected a request to finance requested subsequent assistance. Without IPA financing it is difficult to see how further progress will be made in this sector.

Table 3.3 contains the ROM scores for sustainability. They are broadly in line with the opinion of the evaluation. A slight inconsistency can be noted in regard to scores on effectiveness. ROM scores sustainability lower than effectiveness in food safety and marine fishery, and it scores sustainability in IPARD higher than effectiveness.

Table 3.3 Overview of the Result Oriented Monitoring scores on sustainability

IPA Year	Project title	ROM score(s)*
2007	Support to Establish an IPA Rural Development Programming and Implementation System	C (at 50% of project)
2009	Development of Food Safety Services in Montenegro	C (at 85% of project)
2009	Animal identification and registration (I&R) – Phase II	B (at 10% of project)
2007	Control & Eradication of rabies & Classical Swine Fever	B (at 60% of project)
2009	Sustainable Management of Marine Fishery	C (at 50% of project)

3.4.3 Conclusions on sustainability

Summarising on sustainability, with reference to the judgement criteria:

- Prospects for sustainability are realistic in most areas of the two sectors included in the evaluation but a series of systemic issues represent real threats.
- Staff turnover threatens the loss of institutional memory provided by the assistance.

¹² This includes staff in the Paying Authority, which is 50% short of staff, albeit with the core staff in place.

- Financing of structures is ensured by the government, but the lack of capacity is a persistent problem leading overburdening of staff with regular work, lack of coordination between institutions, poor linking of project activities to national budgeting, lack of strategic planning and a lack of commitment to project results.
- Relevant and good quality legislation has been drafted in the energy, rural development and veterinary phytosanitary sub-sectors, however for some elements appear unlikely to be adopted. The Food Safety Law has been drafted and will be considered in the 3rd quarter of 2013.
- Although local authorities were very responsive in the energy sector, the private sector is not actively involved and this will reduce sustainability. The coordination among the actors in the implementation of the Energy Community Treaty remains weak
- Sustainability in the environmental management, energy, rabies, classical swine fever and animal registration are in general good. In the fisheries, food safety and IPARD the sustainability is at risk but this will be mitigated in those areas where subsequent assistance has been planned or is being implemented, such as with IPARD. Some areas require further assistance to ensure sustainability – such as animal identification and disease eradication – and this has been taken into consideration by the Commission Services.

4 Analysis of the impact of IPA assistance

4.1 Introduction

EQ3 Are the outputs and immediate results delivered by the IPA translated into the desired/expected impacts, namely in terms of achieving the strategic objectives/priorities linked to the accession preparation? Are/can impacts be sufficiently identified/quantified?

In this chapter the focus is on the contribution of the suite of IPA-funded projects studied to the changes in the sector identified. An important question is whether conditions in IPA management and in the Montenegrin public sector are conditional to enabling translation of direct results into impact. Analysis of progress in the fulfilment of the *acquis* and Copenhagen Criteria indicates that visible progress has been made in preparing draft legislation to align with the *acquis*. (see Chapter 2 and 3). The main challenge now is the effective enforcement of this new legislation by the administration that will require further capacity strengthening and institutional reform into the medium term.

4.2 Does IPA assistance address priority issues?

The table below indicates the extent to which the European Partnership objectives of the two sectors are covered by the IPA 2007-2009 projects. Both 2008 *Environmental Management* and 2009 *Energy Community Treaty* are important for meeting EP objectives. All environment and energy projects contribute indirectly to achieving the objectives of the Kyoto protocol.

In the agriculture and fisheries sector several projects are intended to contribute partly or completely to the European Partnership objectives, principally in the form of raised capacity for policy formulation and implementation; strengthening of capacities in the food safety area; and implementation of EU fisheries policy.

Table 4.1 Comparison of the EP objectives and objectives of the IPA projects

2006/2007 EP Objectives (actual)	IPA Projects	Matching (not/little, partly, completely)
Environment (including energy)		
Continue implementing and enforcing legislation approximated to EU legislation, notably <u>environmental protection</u> framework legislation.	IPA 2008 Support to Environmental Management	• Completely
Develop overall <u>environment protection strategy</u> (water, waste, air). Adopt Land Use Plan, Sustainable Development Strategy and sectoral strategies (integrated coastal zone management, biodiversity, climate change). Strengthen environmental management administrative capacity	IPA 2009 Solid Waste Management	• Partly
Continue strengthening the administrative capacity of ministries and bodies in charge of <u>environmental</u> planning, permitting, inspecting, enforcement and monitoring, as well as project management	IPA 2008 Support to Environmental Management	• Completely

2006/2007 EP Objectives (actual)	IPA Projects	Matching (not/little, partly, completely)
Ensure a viable financial framework for the implementation of a mid to long-term <u>environmental protection policy</u> .	IPA 2008 Support to Environmental Management	• Partly
Ratify and start implementation of the <u>Kyoto</u> protocol.	IPA 2008 Upgrading of environmental infrastructure IPA 2007 Solid Waste Management IPA 2008 Support to Environmental Management	• Partly
Adopt and implement a long-term strategy for an environmentally sustainable <u>energy policy</u> .	IPA 2009 Supporting the implementation of the Energy Community Treaty	• Completely
Continue to implement regional and international commitments in this area in view of establishing a competitive <u>regional energy market</u>		
Agriculture (including fisheries)		
Further administrative capacity for <u>policy formulation and implementation</u> in the agricultural and rural development sector	IPA 2008 Establish an IPA Rural Development Programming and Implementation System IPA 2007 Development of Food Safety Services in Montenegro	• Completely • Partly
Design and start implementing a <u>rural development policy</u>	IPA 2008 Support to Establish an IPA Rural Development Programming and Implementation System	• Partly
Strengthen institutional capacity for <u>food safety</u>	IPA 2007 Development of Food Safety IPA 2007 Animal identification and registration (I&R) – Phase II IPA 2008 Control & Eradication of rabies & Classical Swine Fever	• Completely • Completely • Completely
Prepare a programme for upgrading <u>food processing</u> establishments to meet EU requirements	IPA 2007 Development of Food Safety	• Partly
Start action to ensure efficient control of domestic plant production, in particular for products subject to specific EU requirements	IPA 2010Strengthening of the Phytosanitary Department	• Partly
Continue ensuring <u>protection of the geographical indications</u> and designations of origin registered in Community under Council Regulation No 510/2006		• No match
Further administrative capacity for <u>policy formulation and implementation</u> in the agricultural and rural development sector	IPA 2008 Establish a IPA Rural Development Programming and Implementation System IPA 2007 Development of Food Safety Services in Montenegro	• Completely • Partly
Take measures to ensure that the fisheries policy moves closer to EU standards, in particular in the areas of resource management, inspection and control and in market and structural policies	IPA 2009 Sustainable Development of Fisheries	• Completely

Source: Ecorys on basis of the interviews and documents.

4.3 Impact in Environment& Energy

Impact in Energy

Institutional structures. The impact from IPA support to energy efficiency can be seen in the active role taken by the beneficiary in the negotiations on the energy chapter and developing laws, rulebooks and market rules unaided. . Furthermore they have decided to prepare additional rules of law, to be completed by the end of 2012¹³. This has contributed to progress being made on the wider objectives in the MIPD, that include the completion of the restructuring of the energy sector and ensuring its financial and social viability; and development of the regional energy market.

Legal and institutional reforms follow in general the *acquis communautaire*. There are, however, clear indications that there is insufficient understanding among politicians, officials, population and media about the Energy Regulator's role and independence.

Montenegro has improved the cost reflectivity of tariffs for the energy market. The IPA assistance has strengthened law enforcement and transparency in the energy market, which was one of the objectives of the European Partnership 2006/07.

Impact in Environmental Management

Institutional structures

Positive impact is expected in environmental management, including an improved understanding of the workload for the transposition of environment laws and in better institutional capacity in MSDT to manage the process towards EU accession.

The IPA positively impacts the EPA as an institution in charge of the regulatory chain in environment. Improved capacities of PRO-CON are expected to increase investments in the environment sector. Furthermore, the project is contributing to the environmental management processes in a very fragmented sector. More broadly, the project will also contribute to Montenegro playing an active role in fighting climate change through the emissions trading system .

Overall, the IPA is contributing to the EP/NPAA objectives to continue approximating Montenegrin legislation to that of the EU , notably environmental protection framework legislation. Furthermore the project clearly contributes to the EP objective of developing the administrative capacity to implement and enforce adopted legislation, although quantification of these objectives remains minimal.

Human resources. Human resources strengthening of the MSDT, EPA and PIU-PROCON, the three organisations that are needed to ensure environmental protection, has been positive. The staff from the EPA went from zero in 2008 to 50 in 2012. At PIU-PROCON there are now 20 people. However, there is still a lack of staff and since a large part are inexperienced, training will remain important and future donor funds will be needed for this.

Impact in Waste water

There will be a clear but limited impact from the waste water project as a good sewage system is important for the general health of the population and will thus have also an impact in the longer term. At the time of writing there was no information on the improvement of water quality in the receiving rivers. These rivers eventually discharge to Skadar Lake, an important national park with an abundance of sensitive flora and fauna. However, the contribution has only been for the construction of one quarter of the sewage system of Nikšić, and does not include a treatment

¹³ Amendments to the Law on Energy Efficiency were subsequently delayed until 2013 but five additional rulebooks were developed and adopted after the end of the IPA assistance.

facility. Until the remainder of the system is put into operation, impact can be considered to be limited.

The project is the first of a programme of wastewater investments and its successful conclusion is acting as a catalyst for additional investment in the sector. Under IPA 2010 and 2011 further waste water treatment improvements are planned in other parts of the country.

Impact in Waste

The planned impact of the waste containers and the trucks is a cleaner environment in the northern part of Montenegro and a greater amount of recycled waste. However, users paying collection taxes and properly using the containers (e.g. not burning waste in them) will be needed for optimal impact to be achieved and this is planned under future IPA assistance.

The drafting of waste management plans directly contributes to the objectives of the NPAA/EP to develop and implement strategies. To ensure commitment and real implementation of the strategies however, it will be important to link them with the local and national development plans and the budgets, which is foreseen in the IPA project.

The evaluation concurs with the ROM score given for the impact of the environmental management, i.e. 'Good' ('B').

4.4 Impact in Agriculture & Fisheries

The agriculture & fisheries sector benefits from very substantial assistance from the World Bank for the development of sustainable agriculture and rural development via a loan of 11MEUR and GEF grant of 4MUSD. In comparison, the on-going EU support under IPA 2008 for the establishment of a programming and implementation system for IPARD is 1.5MEUR. The World Bank has also been supporting the equipping of the veterinary laboratories for microbiological issues. Even though cooperation with the MIDAS team was good initially, this has proved variable during implementation. Better collaboration could have speeded up changes, including commitment and ownership in MARD although future IPA funds will be implemented through the structures established by MIDAS. .. GIZ (Germany) has been active in projects related to the development of processing of the animal products, while among other donors were the Kingdom of Denmark; USA USAID; Italy, Swedish Development Agency and Lux Development. There was hardly any national financing in the sector, other than direct payments to agriculture and support to several initiatives¹⁴.

Most of the strategic objectives of the sector were focused on creating the institutional, strategic and legislative basis for implementation of a rural development policy; improving operational capacity in the MARD as well as in the public services, improving operational capacity for food safety control, strengthening of the Veterinary Directorate as well as the Fishery Unit within the MARD. IPA assistance made a substantial contribution to the changes in the sector since the 2006/07 European Partnership and which formed the baseline for the sector analysis in Annex 5 (and summarised in Section 2.3)

Institutional structures have been established through support to the IPARD sub-sector. MARD and its services have been strengthened to deal with EU and WTO policy and legislative issues and cooperation between all concerned departments of the Ministry and IPA related structures have been strengthened. Even though the main legislation is in place, there are still gaps in the legal framework, among others on agro-tourism which is important for the rural development of the

¹⁴ Greenhouse gases and energy related issues.

country. IPA has also contributed to effective inter-institutional coordination and cooperation, particularly in the veterinary and phytosanitary area. However, the inter institutional collaboration with the Ministry of Finance in its role as accrediting body for EU funds management structures and recruitment of agreed staff was not good. Nevertheless, even though much remains to be done in a changing policy environment, a strong belief in the EU accession process is inherent to all stakeholders.

In **human resources**, the IPA has contributed to the sharing and transfer of knowledge. Immediate impacts from systematic training have already contributed to more effective legislation, produced rules and written procedures and manuals as well as programme documents. Immense gaps remain however, stemming from a lack of knowledge of what remains to be done, by whom and in which time frame - particularly in the area of IPARD but also in fisheries. On the whole, stronger organisational structures are still needed with more efficient and strengthened capacity in all agriculture related institutions and services.

Systems and tools have been established through IPA assistance in the area of food safety as well as animal identification and registration and fisheries, primarily in IT and laboratory equipment. Most equipment is in operation, with some reservations over the fisheries sector, although it remains uncertain whether ongoing operational budgets for consumables and maintenance will be sufficient.

Sub sectoral impacts

Impact in veterinary and phytosanitary sub sector

Institutional structures are in place in the veterinary and phytosanitary sub sector where IPA made visible contributions. However, there are several weak areas including confusing delegation of competencies, lack of a single competent authority for food safety¹⁵ as well as the persistent lack of coordination and communication among the different authorities performing official controls. The lack of cooperation and communication procedures contributes also to weak linkages between food control authorities and the public health system. There is also a lack of coordination between the institutions involved in food control related to staff training and some overlap between Sanitary Inspectors and Veterinary Inspectors. These issues may be resolved by the establishment in 2012 of a horizontal Directorate for Inspection Affairs.

IPA assistance has made useful contributions to legal approximation and a methodology (and timetable) for full transposition has been established. Legislation in the food safety area has been adopted and enforced and secondary legislation has been drafted. IPA assistance focused on animal health issues also improved relevant legislation and procedures. However, preparations in this area of the *acquis* are still in the initial stages and no progress has been achieved related to animal by-products legislations. A number of strategies have also been developed, including the Food and Safety Strategy and IT strategy for the food sector. However, neither has been adopted, reflecting the currently low level of commitment towards policy implementation. Annual control plans have also been drawn up by the Sanitary, Phytosanitary and Veterinary Inspection, but there is no communication between the three bodies. As with IPA assistance to rural development assistance, good results have been achieved in developing institutional structures and legislation but the lack of action plans or effective implementation suggests inadequate ownership by the national authorities.

Strengthening of the public veterinary, phytosanitary and sanitary services staff through **human resource development** has had impact in reinforced capacity of the beneficiary institutions in all

¹⁵ A first step has been made however since an Agreement has been reached between all concerned departments to set up a dedicated food safety unit.

areas of the sub-sector. Capacity was particularly raised for delivering effective food safety systems as well as for dealing with CSF and rabies. However, even though the preconditions for impact have been defined - particularly staff reinforcement - this has not been undertaken due to budget constraints and weak ownership.¹⁶ Further human resource development is needed in the sanitary and veterinary inspections, food safety laboratories and food business operators.

VA staff have limited knowledge on the methodology for transposition of the *acquis*, the EU legislative process, as well as limited practical experience in the application of EU standards, indicating that the transposition has so far been done on an ad-hoc basis.

Numerous **systems and tools** have been developed in the sub-sector through IPA assistance. Several laboratories have undergone accreditation for various analytical methods and others have been supported in introducing new operating processes and equipment. An evaluation study is also being developed for an integrated data information system for food safety, but no progress has been made so far in the phytosanitary area of the food safety system. IPA assistance also led to the preparation of guidelines and procedures for the official control of food from animal origin. The established VIS implies further strengthening of systems and tools¹⁷ and even though there were problems in its implementation¹⁸. Once national funds were secured and training provided the equipment has supporting microbiological food control, although further staff reinforcement is a key precondition for effective use of the equipment.

Impact in IPARD

IPARD **institutional structures** have been supported through IPA. The Sector for rural development within MARD was appointed as the MA for the IPARD instrument and important steps towards EU agriculture payment structures were achieved by the establishment of the Sector for Payments (the future IPARD agency)¹⁹. The entire structure for IPARD is now being finalised and the IPARD Programme is in the process of adoption. Progress is also seen in improved cooperation between the existing and newly established institutions, particularly between the Sector for Rural Development, the Paying Sector within the MARD and the National Fund within the State Treasury Department of the Ministry of Finance, to which IPA assistance contributed. Legal approximation has been furthered. The Law on agriculture and rural development, developed with IPA assistance, was adopted in 2009, as well as some progress in legislation related to quality policy, with the Law on designation of origin, geographical indications and traditional specialties guaranteed for agricultural and food products. The law was adopted in March 2011 and is broadly aligned with the EU *acquis* in this area. The IPA was not successful in revising the Law on Cooperatives and whilst this is being revised with national funds the closure of the Union of Cooperatives raises concerns over the government's commitment to this rural development mechanism. Notwithstanding the visible progress and achievements in the developed structures and legislation, as well as several drafted strategies and programmes, the weak ownership on the central government level toward the IPARD process is the main factor compromising impact.

IPA assistance to the IPARD sub sector focused also on **human resource development**, with staff trained to implement the IPARD Programme. On the whole, the capacity within MARD for strategic decision making related to rural development policy has been improved and, even though they are insufficient in number, the staff are increasingly prepared for their role as the IPARD Management Agency. Although MARD management is aware that staffing is a critical issue which needs to be

¹⁶ Despite some improvements, the current food safety system is understaffed and the number of civil servants needs to be increased in order to be able to deal with all the new tasks related to the process of EU integration. Reorganization of the food safety sector, including staff increases, was proposed in June 2011, but there has been no further progress.

¹⁷ Related to the introduction of the food production (animal origin) establishments in the system.

¹⁸ National budget resources were not available.

¹⁹ Established by the Systematisation act approved by the government in March 2011.

resolved, the administrative capacity was only met after associated IPA assistance had completed. Assistance to the cooperative system contributed to increased capacity of local actors but much remains to be done to build capacity in this area.

Impact in Fisheries

Despite the fact that the Fishery management plan and other recommendations were drafted, they are not implemented. The lack of practical application of the recommended measures and approaches means that the ability to effectively manage marine fisheries has not been proven²⁰. The contractor did not receive comments for the draft FMP. The sustainable fishing practices in Montenegro are more a result of the small size of the commercial fleet than of sustainable fishing policies.

At the time of writing there was no information available on the impact of the IPA projects on (i) vessel earnings and incomes in the fish catching sector; (ii) reduced risk of investment in related on-shore activities (processing and ancillary services); (iii) reduced need to import fish to cover consumer demand; and (iv) the supply of fresh fish to discerning tourists.

So far the expected impact of developing a fish catching sector with new investment in the restructuring and modernisation of the fleet has not been realised. The fleet has been modernised with equipment during the project but a catalytic effect from the project has not occurred.

The evaluation agrees with the ROM score on impact as indicated in table 4.2 with the exception of fisheries where the impact achieved by the end of the project has been significantly lower than the expectations of the ROM report, which was prepared half way through implementation.

Table 4.2 Overview of the Result Oriented Monitoring scores on impact

IPA Year	Project title	ROM score(s)*
2008	Support to Establish an IPA Rural Development Programming and Implementation System	C (at 50% of project)
2008	Development of Food Safety Services in Montenegro	B (at 85% of project)
2007	Animal identification and registration (I&R) – Phase II	B (at 10% of project)
2007	Control & Eradication of rabies & Classical Swine Fever	B (at 60% of project)
2009	Sustainable Management of Marine Fishery	B (at 50% of project)

a = very good; b = good; c = problems; d = serious deficiencies.

Source: ROM reports

4.5 Additional impact

EQ4 Are there any additional impacts (both positive and negative)?

An alternative definition of impact is 'the total of all effects: direct and indirect, expected and unexpected, positive and negative'. In this section the existence of unexpected, positive or negative impacts caused by the IPA interventions is investigated.

4.5.1 Additional Impact in Environment & Energy

Good cooperation with the experts has created a good spirit of cooperation at the Energy Efficiency Sector at the Ministry has been developed. The Sector has more confidence and is taking on greater responsibility with a clearer idea of their objectives.

²⁰ Final Report of the Fisheries project.

4.5.2 Additional Impact in Agriculture & Fisheries

One of the additional positive impacts is seen in the area of *Food Safety* with the introduction of proper handling and safe disposal mechanisms for animal-by-products that will improve environmental conditions. It is envisaged that the IPA assistance to this area is likely to have positive effects on consumer health and could increase the market opportunities for the agriculture and food sector industries on the internal market as well as abroad.²¹

The establishment of cooperation mechanisms for multi-stakeholder projects had positive impact in encouraging the sharing of knowledge, information, exchange of best practices and joint cooperation on activities and initiatives within the sector.

The expected impact of *Animal Identification and Registration*, is to ensure the quality of the products of animal origin, their full traceability and realise the concept 'from the table to table'. These accomplishments will have additional positive impacts for the economy of the country, supporting efforts by the agricultural sector to reach a disease free status, a sign that Montenegro aims to fully comply with EU and international health standards.

4.6 Conclusions on impact

Summarising, with reference to the judgement criteria;

- IPA projects in both sectors contributed to the EP objectives for 2006 and 2007, particularly in the phytosanitary and veterinary subsector and the energy sector.
- Progress has been made particularly in the development of institutional structures as well as human resources. However, impact is dependent on greater political will from the central government to support the enlargement process with the resources needed, particularly in agriculture.
- The IPA twinning project on environmental protection is expected to have a substantial impact and contribution to protection of the environment.
- The evaluation of the assistance had observed only limited unplanned impacts, and particularly only a few negative ones, mainly related to lack of ownership and political will, weak coordination with donors, too condensed assistance as well as contracting of experts with inadequate local knowledge and experience related to main project objectives.
- Among the positive additional impacts are well functioning cooperation mechanisms among stakeholders on multi-stakeholder projects, as well as the establishment of functional cooperation mechanisms; good cooperation of beneficiary and EUD in the process of drafting the TORs as well as through the projects' implementation.

²¹ With the aim of maximizing the project's impact it is important to involve food business operators and other private institutions in any further actions targeting food safety services.

5 Key conclusions and recommendations

5.1 Thematic and programme level conclusions

Overall conclusion

This Country Programme interim Evaluation for Montenegro shows that the IPA has contributed to the further development of the 'sectors' of environment (energy, environmental management, waste water and waste) and agriculture (veterinary and phytosanitary, rural development and fisheries), but to varying degrees. The energy sub-sector especially has developed by laws and improved market rules. There has been clear capacity building in environmental management but progress has been more challenging in delivering investments in waste water and waste. The achievement in the agriculture and fisheries sector has often been less than expected due to insufficient resources or commitment of the beneficiary in the areas of IPARD, co-operatives and fisheries and to some extent food safety. Human resource capacity remains a key systemic constraint to effective utilisation of EU funds in Montenegro. More positive results were achieved in the veterinary sector.

Efficiency

Projects in both sectors have been mostly implemented in a timely manner, especially in energy. Cost effectiveness has been compromised by the lower than expected results in some areas of agriculture where the administrative burden exceeded capacity and the assistance was sometimes too intensive. There were several extensions to agriculture projects due to delays in the delivery of equipment in related supply contracts caused variously by lack of co-finance, insufficient collaboration by some stakeholders and poor contractor performance. Infrastructure investments for both waste and waste water have faced delays due to both internal and external factors, but practical solutions have been found and the investments implemented.

Effectiveness

IPA assistance strengthened capacity in all beneficiary institutions and the public services, particularly in energy and environmental management, as well as in the veterinary and phytosanitary services. Effectiveness in both sectors will depend heavily on adequate recruitment of new staff and the current performance questions whether this will be achieved. The lack of staff in agriculture generally and specific lack of political commitment in the fisheries and IPARD sub-sectors are concerning. Even though capacity was increased in IPARD for the end of the associated IPA assistance, the change in government in late 2012 may lead to changes in key staff.

The IPA developed sector studies, legislation and rules and procedures that will form a base for further actions of the beneficiary institutions in both sectors. However, even though relevant strategic documents have been produced, most lack a commitment to implement in the form of lack of action plans and financing plans connected to national budgets.

IPA interventions could have been more effective if collaboration with donors had been more consistent, particularly with the World Bank MIDAS project in the agriculture sector, but is good in other areas.

Sustainability

Prospects for sustainability are positive in the areas of environmental management, energy, rabies, classical swine fever and animal registration, where the well-established, stable operational structures and inclusion of key stakeholders are key factors. The establishment of the EPA and the separate sector for energy efficiency have been supported by procedures and legislation through

the IPA. Inter institutional agreement on resources underpin strong sustainability for animal identification. Relevant and good quality legislation has been drafted in energy and this should help sustainability but in the agriculture sector a range of legislation and strategic plans have been developed but either not passed or implemented. There has been a lack of political commitment for both co-operatives and fisheries which represent key elements of sectoral development for Montenegro in the accession agenda.

Sustainability in both sectors will depend on additional staff and further political commitment, which is not always apparent. Staff turnover remains a risk as institutions are small and the loss of individuals has a substantial effect. National funds generally and specifically in veterinary and fisheries remain vulnerable. When additional donor financing is not ensured after the IPA assistance expires in 2013, sustainability is seriously threatened.

Impact

The IPA has made a variable contribution to the impact objectives outlined in the European Partnerships that underpin the programme as a whole. Impact is broadly positive in the environment and energy sector despite problems with the investment components, with the added benefit of providing important lessons that will improve the performance of future planned IPA assistance. Capacity within the institutions of the sector has substantially improved through legislation, training and institutional development.

Despite the problems with ownership in some areas of the agriculture and fisheries sector, positive impact has been achieved in the development of institutional structures through legislation, co-ordination and capacity building. Commitment from beneficiaries has been variable and gaps remain in key areas - impact in fisheries and co-operatives is for example expected to be minimal. A lack of resources and effective co-ordination between the involved institutions could negatively influence impact in food safety where strategic plans still have not been adopting outlining the sectoral structure.

Better donor coordination could have improved sectoral progress in agriculture and fisheries, including ownership in MARD but has been better in other areas such as energy efficiency

5.2 Recommendations

5.2.1 Improving efficiency and effectiveness

EQ 7 Are there potential actions which would improve the efficiency and effectiveness of the on-going assistance?

General

1. Despite the imminent transfer of decentralised management, national authorities require substantial input from the EUD in project preparation due to insufficient capacity at the beneficiaries. There have been positive examples of effective beneficiary collaboration in the development of project documentation, such as preparation of the terms of reference for support to the energy sector.
 - **Whilst the EUD retains a supervision and coaching role, the national authorities should be left to develop project documentation with the support of contractors. The EUD should limit their involvement to facilitation and guidance in their ex ante control function.**

2. Whilst office space within central institutions is at a premium in Montenegro, physically locating the contractor in the same office as the beneficiary strengthens their involvement in the project. It has been a contributory factor to the success of support to the energy sector. It is not, however, consistent and the fisheries, animal diseases as well as the animal identification projects were all located in alternative premises to their respective beneficiaries.
- **It is recommended that TA contractors should be located in the offices of the beneficiary, preferably in close proximity to key decision makers.**

Fisheries

3. The administrative capacity in the fisheries sector remains unsatisfactory, despite commitments from the national authorities to improve it and the recruitment of two junior experts to replace a senior advisor. It is not considered as an economic priority in MARD and therefore lacks political support. Legislative progress has been delayed by changes in the Common Fisheries Policy and will be clarified by the chapter screening process due to start in 2013. It remains unclear whether the transfer of inspection responsibilities to a central directorate in MARD will improve inspection and control functions in the sector.
- **Any further support to the fisheries sector should be based on clear conditionalities for levels of administrative capacity, financial resources and evidence of adoption of existing strategic planning.**

Food Safety and IPARD

4. Beneficiaries in Food Safety and IPARD have insufficient administrative capacity to be able to effectively absorb the scale of IPA assistance.
- **The Montenegrin authorities need to address the administrative capacity issues throughout the agriculture sector, focusing on increased budgets for recruitment and, more broadly, the development of financial and non-financial inducements to improve recruitment and retention.**
- and
- **The Commission Services should establish clear administrative capacity benchmarks and conditionalities or otherwise scale the assistance to the absorption capacities of the beneficiaries. Administrative capacity conditionalities should be established at the programming stage rather than at project inception to ensure that they are in place before assistance arrives.**

5.2.2 Improving impact and sustainability

EQ8 Are there actions which would improve the prospects for impact and sustainability of the on-going assistance?

General

5. Strategic planning has led to the creation of numerous strategies but many do not have action plans, budgets or a connection to the financial expenditure plans of their beneficiaries, resulting in them largely not been implemented. This could be improved with the introduction of a more sectoral based approach to the delivery of EU funds but this concept remains nascent.
- **It is recommended that the MARD, MSDT and related public services ensure that not only strategies are drafted (as is the case with the food safety strategy), but that they link them to action plans and finance to ensure that they have the capacity to be implemented.**
- and

- **The EUD should ensure that future assistance is underpinned by functional national level sectoral strategic planning. More broadly, strategic planning at the national level should become more systematic and overseen by a body at the centre of government with sufficient institutional authority to establish planning formats, monitor progress and hold institutions to account for their performances.**
6. Legislation has been drafted for IPARD, the veterinary phytosanitary and energy, reflecting some good progress with legislative alignment in the sector. Nevertheless, there are still notable gaps and even with action plans and finance, the implementation is not always ensured. The existing legal framework is not sufficiently prepared to meet the objectives of the national action plan towards IPARD accreditation, although is due for revision in 2013.
- **It is recommended that the MARD, MSDT and the government ensure more commitment and willingness to sustain the achievements in the legislative segment. The remaining legislation needs to be aligned and drafted laws need to be adopted and implemented.**
- and*
- **The EUD should ensure that any future assistance in legislative harmonisation is directly related to agreed sectoral strategic planning or where relevant Chapter benchmarking for those Chapters that have been opened for negotiation.**
7. Relevant outputs have been achieved in the food safety area. However, despite some involvement of the Chambers of Commerce, there was no systemic involvement of business operators and other private institutions, which compromises both impact and sustainability.
- **Future assistance to the food quality sector – and indeed all aspects of the agriculture programme – should take adequate consideration of the role of the private sector in the future implementation of policies. Whilst they would not be eligible to be included as direct beneficiaries, representative organisations should be consulted during project preparation and included within project steering committees.**
8. Staff turnover remains a systemic issue in the public administration and the culture of formal and systematic information flow and communication within government institutions is not as strong as it could be. This becomes more important when considering the generally small number of people involved in the assistance.
- **Staff turnover and capacity constraints will not be resolved in the short term and thus institutional memory of IPA assistance needs to be strengthened. Knowledge management systems should be established or elaborated within the MARD, including within staff job descriptions. Future IPA assistance should have the establishment of relevant knowledge management systems within their respective beneficiaries as a formal project output.**
9. A closer link is needed between the political objectives of the EC and the IPA projects by improving the quality of indicators. Currently it is difficult to evaluate the progress made in impact on a sectoral level as there are no clear indicators.
- **It is recommended that for IPA II, clearer indicators are included in both programming and project documents.**

Annexes

Annex 1 Evaluation Matrix

Annex 2 List of used documents

Annex 3 List of interviews

Annex 4 List of people trained

Annex 5 Sector Analysis

Annex 6 The evaluation methodology

Annex 1 Evaluation Matrix

Evaluation matrix of the environment and energy sector

The table below summarises the extent to which the IPA projects have contributed to the European Partnership objectives, the status in 2007 and the indicators that have been used to measure progress.

Table 0.1 Summary table of IPA contribution to the development of the environment and energy sector

Table 6.1 Summary table on A contribution to the development of the environment and energy sector			IPA Contribution		
2006/2007 EP Objectives (actual)	Baseline in 2007 (from Progress Report 2006)	Indicators (defined from EP Objectives)			
			None	Some	High
Adopt and implement a long-term strategy for an environmentally sustainable energy policy.	Entry into force of the Energy Community Treaty will be challenging as the sector remains unreformed	Transmission & distribution unbundled and the market opened		✓	
Continue to implement regional and international commitments in this area in view of establishing a competitive regional energy market		New tariffs developed along with support schemes			✓
		Competition in energy supply	✓		
		Energy Community Treaty in force		✓	
Ensure a viable financial framework for the implementation of a mid to long-term environmental protection policy.	Low capacity in national institutions and low awareness in the judiciary. An EPA will be established in 2006	EPA is established and provided with sufficient resources.			✓
		Separation of policy and legislation		✓	
		Awareness on environmental issues improved in national bodies		✓	
Continue strengthening the administrative capacity of ministries and bodies in charge of environmental planning, permitting, inspecting, enforcement and monitoring, as well as project management	The EPA is expected to be established by the end of 2006. Substantial weaknesses exist at local level and in the judiciary. Co-ordination is poor	Quality of environmental protection meets European standards by 2011		✓	
		Awareness on environmental issues improved in regional and local bodies		✓	
Continue implementing and enforcing legislation approximated to EU legislation.	The law on EIA & SEA are adopted and will enter force in 2008	EU and international legislation and implementing provisions are adopted and operational	✓		
		Solid waste management system for Bijelo Polje, Kolašin and Mojkovac is functioning		✓	
		SWM in other communities in preparation		✓	
		EIA commonly applied	✓		
Ratify and start implementation of the Kyoto protocol.	Preparations are under way	Kyoto ratified	✓		

Source: Ecorys on basis of the interviews and documents.

Evaluation matrix for agriculture and fisheries sector

The table below summarises the extent to which the IPA projects have contributed to the European Partnership objectives, the status in 2007 and the indicators that have been used to measure progress.

Table 0.2 Summary table of how IPA is contributing to the development of agriculture & fisheries sector

2006/2007 EP Objectives (actual)	Baseline in 2007 (from Progress Report '06)	Indicators (defined from EP Objectives)	Progress of indicators	IPA Contribution		
				None	Some	High
Further administrative capacity for <u>policy formulation and implementation</u> in the agricultural and <u>rural development</u> sector	Awareness as well as commitment to preparing the ground of future implementation of the rural development component under IPA exists	Ministry of agriculture and related services institutions able to deal with EU and WTO policy and legislative issues	Legal approximation has been furthered. A methodology for full transposition and timetable of the relevant <i>acquis</i> is established. MARD and related institutions are capacitated for dealing with EU and WTO legislation and policy issues.			✓
		Cooperation between all concerned departments of the Ministry and IPA related structures strengthened	Agreement reached between all concerned departments to set up a dedicated food safety unit and elaborate a work programme to develop food safety in line with EU requirements. Close cooperation established between the Sector for Rural Development, The Paying Sector within MARD and the National Fund within the State Treasury Department of Ministry of Finance.		✓ ✓	
Design and start implementing a <u>rural development policy</u>	Strategy for the Development of Agriculture has been prepared, focused on central role of agriculture in rural and regional development	A comprehensive programme for the adoption of the <i>acquis</i> devised, launched and implemented.	National legislation aligned with <i>acquis</i> assessed and evaluated. Prioritized laws have been harmonized with the <i>acquis</i> . IPARD Programme Montenegro was sent to DG AGRI in November 2012 and is in the process of adoption.			✓
		Law on agriculture and rural development and national programme for food production and rural development adopted	The National Program for food production and rural development was adopted in 2008. Law on Agriculture and Rural Development was adopted in 2009. Draft cooperative law submitted to MARD and approved by the Strategic Table of the Project. Ground work laid for agricultural cooperative and social cooperative laws.			✓ ✓
		Implementation of National Strategy for Agricultural development	Montenegro's agriculture and EU- agriculture and rural development strategy" adopted. The National program for food production and rural		✓	

2006/2007 EP Objectives (actual)	Baseline in 2007 (from Progress Report '06)	Indicators (defined from EP Objectives)	Progress of indicators	IPA Contribution		
				None	Some	High
			development represents a framework for Strategy implementation, and the final implementation in financial and structural terms over the national budget for agriculture – agro budget which is adopted for each year		✓	
		Establishment of complete IPARD structures for implementing pre-accession assistance	The entire structure for IPARD is in its final stage of being established		✓	
		Increased access of farmers to credits	Farmers have increased access to credits through the established Investment Development Fund			
	Several laws are adopted in the phytosanitary sector, including laws on protection of plant variety rights, plant nutrition and forest reproductive materials. Organisational set-up of administration in the concerned sectors needs to be reviewed and clear responsibilities assigned to individual departments.	New legislation for food safety in compliance with EU standards enforced	Draft Law on food safety developed in April 2012. Legislation adopted and enforced, secondary legislation is being drafted and a number of rulebooks have been developed: Capacity was raised for delivering effective food safety systems.		✓ ✓	✓
		Appropriate administrative and technical infrastructure facilities strengthened and modernized.	Training on specific areas from food safety sectors conducted for inspectors, officials, laboratory staff and FBO, guidelines and strategies were drafted, laboratory equipment and equipment for service were purchased, VIS system was upgraded.			✓
		Reduced incidence of animal diseases	In comparison with rabies cases in the past, the number of positive cases decreased in the past 2 years, especially in wild population		✓	
Prepare a programme for upgrading <u>food processing</u> establishments to meet EU requirements	Preparation in the field of fisheries are at an early stage	Inspection and control services in regard to fisheries strengthened	Activities have been undertaken to strengthen the Ministry, the IMB & Inspections with capacity, equipment and refurbishing offices (inspections). However, progress is slow and low political commitment		✓	
Start action to ensure <u>efficient control of domestic plan production</u> , in particular for	Strategy on food production and rural development is adopted and provides the basis for further major reforms and	Control capacity is reinforced	Inspectors were trained to perform inspection control and detection of quarantine pests; staff was trained for administration jobs (procedures, registry...); and for		✓	

2006/2007 EP Objectives (actual)	Baseline in 2007 (from Progress Report '06)	Indicators (defined from EP Objectives)	Progress of indicators	IPA Contribution		
				None	Some	High
products subject to specific EU requirements	legislative work. Control capacity is still not sufficiently developed		diagnostic methods in the field of mycology, virology, nematology and bacteriology.			
		Inspection services and laboratories are equipped	Equipped laboratories and Inspection services		✓	
Continue ensuring <u>protection of geographical indications</u> and designations of origin registered in the Community under Council Regulation No 510/2006	Initial protection of geographical indications and designations of origin is in place. However, the legal framework aligned with EU <i>acquis</i> is missing.	Adoption of law on designation of origin and geographical indications, aligned with EU <i>acquis</i> in this area	A law on designation of origin, geographical indications and traditional specialities guaranteed for agricultural and food products, broadly aligned with the EU <i>acquis</i> in this area, was adopted in March 2011		✓	

Source: Ecorys on basis of desk research and interviews.

Annex 2 List of documents used

Table 0.2 List of documents used, obtained or found per project

Sector	Project	Type	PF	IR	PR	FR	MSC	ToR	C	Other
Energy	Supporting the implementation of the Energy Community Treaty	Service	✓	✓	✓	✓	✓	✓		Project video, brochure, photos, other reports
Environment	Support to Environmental Management	Twinning	✓		✓		✓		✓	Work plan
	Upgrading of environmental infrastructure	Works	✓		✓				✓	(just two monthly reports from beginning of the year); Provisional certificate of acceptance; Extension request
	Environmental alignment and solid waste management	Service	✓					✓		Explanatory note
		Supply – vehicles	✓						✓	Certificate of delivery, explanatory note
		Supply - containers	✓						✓	Explanatory note
Fisheries	Sustainable Management of Marine Fisheries	Works	✓					✓	✓	Request for variation, Certificate of Provisional Acceptance
		Supply	✓					✓	✓	Request for extension; Certificate of Provisional Acceptance; Explanatory note
		Service	✓	✓	✓	✓	✓	✓		Background conclusion sheet; Monitoring report; brochure, video
Veterinary & Phytosanitary	Strengthening Veterinary Services: Animal Identification II	Service	✓	✓	✓	✓	✓	✓		
		Supply	✓	✓	✓	✓	✓	✓		
	Control & eradication of rabies & classical swine fever	Service	✓	✓	✓	✓	✓	✓		
		Supply	✓	✓	✓	✓	✓	✓		
	Development of food Safety services	Service	✓	✓	✓	✓	✓	✓		
		Supply	✓	✓	✓	✓	✓	✓		
IPARD	Preparing fruit and vegetables study	Service	✓	✓	✓	✓	✓	✓		
	Support to IPA RD Programming	Twinning	✓	✓	✓	✓	✓	✓		
	Cooperative structures	Grant	✓	✓	✓	✓	✓	✓		
	Ex Ante IPARD	Service	✓	✓	✓	✓	✓	✓		

PF= Project Fiche, IR = Inception Report, PR = Progress Report, FR = Final Report, MR = Monitoring Report, ToR = Terms of Reference, MoU = Memorandum of Understanding, MSC = Minutes of Steering Committee, C = contracts

Documents from the European Commission:

2004:

- European Partnership 2004: Council Decision of 14 June 2004 on the principles, priorities and conditions contained in the European Partnership with Serbia and Montenegro including Kosovo as defined by the United Nations Security Council Resolution 1244 of 10 June 1999, (2004/520/EC)

2005:

- European Partnership 2005: Council Decision of 30 January 2006 on the principles, priorities and conditions contained in the European Partnership with Serbia and Montenegro including Kosovo as defined by the United Nations Security Council Resolution 1244 of 10 June 1999 and repealing Decision 2004/520/EC, (2006/56/EC)

2006:

- European Partnership 2006: Council Decision of 22 January 2007 on the principles, priorities and conditions contained in the European Partnership with Montenegro (2007/49/EC)
- Enlargement Strategy 2006-2007, Communication from the Commission to the European Parliament and the Council, COM(2006) 649
- Montenegro 2006 Progress Report, Commission Staff Working Document, SEC (2006) 1388

2007:

- Multi Annual Indicative Programme for Montenegro (MIPD) 2007 – 2009, C(2007)2269 of 01/06/2007
- Enlargement Strategy 2007-2008, COM(2007) 663 final
- Montenegro 2007 Progress Report, SEC(2007) 1434 (used abbreviation: EC PR 2007)
- National Programme for Montenegro 2007, Commission Decision C(2007)5559 of 14/11/2007

2008:

- MIPD Montenegro 2008 – 2010
- Enlargement Strategy 2008-2009, COM(2008) 674 final
- Montenegro 2008 Progress Report, SEC(2008) 2696 (used abbreviation: EC PR 2008)
- National Programme for Montenegro 2008

2009:

- MIPD Montenegro 2009 – 2011
- Enlargement Strategy 2009-2010, COM(2009) 533
- Montenegro 2009 Progress Report, SEC(2009) 1336, (used abbreviation: EC PR 2009)
- National Programme for Montenegro 2009

2010:

- Enlargement Strategy 2010-2011, COM(2010) 660
- Commission Opinion on Montenegro's application for membership of the European Union, COM(2010) 670
- Analytical report (annex to opinion), SEC(2010) 1334
- National Programme for Montenegro 2010

2011:

- MIPD Montenegro 2011 – 2013, Commission decision C(2011) 8220 final
- Enlargement Strategy 2011-2012, COM(2011) 666 final
- Montenegro 2011 Progress Report, SEC(2011) 1204 final (used abbreviation: EC PR 2011)
- National Programme for Montenegro 2011, Commission implementing decision C(2011) 8069 final

2012:

- Enlargement Strategy 2012-2013, COM(2012) 600 final
- Montenegro 2012 Progress Report, SEC(2012)(used abbreviation: EC PR 2012)

Resources for Agricultural sector

- Analytical Report Accompanying the Communication from the Commission to the European Parliament and the Council Commission Opinion on Montenegro's Application for Membership of The European Union SEC(2010) 1334)
- Control and Eradication of rabies and Classical Swine Fever. Project fiche
- Development of the Food Safety Services. Project fiche
- Draft law on agricultural co-operatives, Ministry of agriculture and rural development, 2012
- Food Safety Terms of Reference Draft, -, -
- Food Safety Strategy Draft, EuropeAid/128208/C/SER/ME, 2011
- FAO Montenegro brief, Food and Agriculture Organization of the United Nations, http://www.fao.org/fileadmin/user_upload/Europe/documents/Publications/AI_briefs/Montenegro_ai_en.pdf, 2011
- Institutional framework of MARD, Ministry of agriculture and rural development, 2012, -
- List of donors in rural development, Ministry of agriculture and rural development, 2012, -
- Development of Food Safety Services in Montenegro, Final Report, Ministry of Agriculture and Rural Development and Ministry of Health, 2012
- Development of Food Safety Services in Montenegro, Inception Report, Ministry of Agriculture Forestry and Water Management; Ministry of Health, 2010
- Animal Identification and Registration – Phase II, Final Report, Ministry of Agriculture and Rural Development; Veterinary Directorate, 2011
- Animal Identification and Registration – Phase II, Inception Report, Ministry of Agriculture Forestry and Water Management; Veterinary Directorate, 2009
- Support for the control and eradication of rabies and classical swine fever in Montenegro, Fourth Quarterly Report, Draft, Veterinary Directorate of Montenegro, 2012
- Preparation of a Fruit and Vegetables Sector Study for IPARD Programme, Final Report (second draft), Ministry of Agriculture, Forestry and Water Management. 2010
- Control & eradication of rabies & classical swine fever, ROM, Sep 2009
- Development of Food Safety Services, Feb 2012
- Project Fiche, Development of the Food Safety Services
- Project Fiche, IPA 2011, Strengthening Veterinary Service
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- Support to Establish an IPARD Programming and Implementation System; Final Report, MARD, 2012
- Support to Establish an IPARD Programming and Implementation System, minutes from Steering committee meetings Sept. 2010k, May 2010, November 2011, March 2011
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- Montenegro MIDAS Project, Pre-appraisal Mission, Aide-Memoire, March-April 2008
- Project Appraisal Document, MIDAS, Final Board, March 2009
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- Support to Establish an IPA Rural Development Programming and Implementation System, ROM: 15/04/2011
- Development of Food Safety Services in Montenegro, ROM: 23/02/2012
- Sustainable Management of Marine Fishery, ROM: 19/07/2011

Resources for Fisheries

- FINAL DRAFT Program for Agriculture and Rural Development of Montenegro under IPARD 2007-2013, February 2012, Ministry of Agriculture and Rural Development of Montenegro (used abbreviation: FD IPARD 2007-2013)
- Final Report Technical Assistance to the Fishery Sector Unit of Ministry of Agriculture, Forestry and Water Management of Montenegro for the preparation of ToR for IPA 2009 project “Sustainable Management of Marine Fishery”, Delegation of the European Commission in Montenegro, July 2009 (used abbreviation: FR 2009)
- Final Report Sustainable Management of Marine Fishery Project, Ministry of Agriculture & Rural Development, 13 Sep '10- 30June 2012 (used abbreviation: FR 2010-2012)
- Monitoring Report, Sustainable Management of Marine Fishery, 19/07/2011, ROM; 19/07/2011
- Montenegro's Fisheries Development Strategy and capacity building for implementation of EU Common Fisheries Policy, Ministry of Agriculture, Forestry and Water Management, 2006 (used abbreviation: MFDS 2006)
- Standard Summary Project Fiche, Sustainable Management of Marine Fisheries, Ministry of Agriculture, Forestry and Water Management (MAFWM), Institute of Marine Biology of the University of Montenegro (IMB), 2009, (used abbreviation: PF, 2009,4).

Resources for Environmental & energy sector

- Upgrading the Pljevlja waste water treatment. Project fiche
- Waste water treatment systems in Cetinje and Bijelo Polje. Project fiche
- Upgrading of environmental infrastructure. Project fiche
- Support to Environmental Management. Project fiche
- Supporting the implementation of the Energy Community Treaty. Project fiche

Annex 3 List of interviews

Table 0.3 People interviewed in Montenegro (either interview or at kick off of 30 Oct)

Date	Name	Organization	Position	Topic/Sector
29 Oct	Andre Lys	EU Delegation (EUD)	Head of operations	Overall
29 Oct	Odoardo Como	EC DG Enlargement, A3	Head of sector Evaluation	Overall
30 Oct	Onma Asciuti	EUD	ATA	Overall
30+31 Oct	Aleksandar Drljević	NIPAC: MFAEI (Ministry of Foreign Affairs & European Integration)	Director of Directorate for programming and monitoring of Pre-Accession Assistance	Overall
30 Oct	Snezana Radovic	NIPAC: MFAEI	Director General	Overall
31 Oct	Tijana Ljiljanić	NIPAC: MFAEI	Head of Office for Coordination & Horizontal Affairs (General Directorate for Coordination of EU Assistance Programme);	Overall
30 Oct	Bojan Vujović	NIPAC: MFAEI	Attaché in the Directorate for programming and monitoring of Pre-Accession Assistance;	Overall
30+31 Oct	Miodrag Raceta	NIPAC: MFAEI	Secretary II; Officer for Coordination and Horizontal Affairs I of Office for Coordination and Horizontal Affairs	Overall
31 Oct	Kristina Perazić	NIPAC: MFAEI	Officer for Coordination and Horizontal Affairs II of Office for Coordination and Horizontal Affairs	Evaluation
30 Oct	Sladjan Maslač	EUD	Task manager	Environment
15 Nov	Ivana Vojinović	Ministry of Sustainable Development and Tourism (MSDT)	Deputy Minister, Sector for Environment	Environment
30 Oct + 15 Nov	Djordjina Stajkić	MSDT	Advisor	Environment
30 Oct	Olivera Kujundzić	MSDT	Advisor	Environment
30 Oct	Darko Kasalica	MSDT	Deputy SPO/Assistant HOS	Environment
22 Nov*	Dragan Asanovic	Environmental Protection Agency	Assistant Director, Sector for Permits	Environment
30 Oct	Stojan Vuletić	PRO-CON	Program Manager	Environment
13 Nov	Sanja Mugoša	PRO-CON	Manager	Environment
30 Oct + 14 Nov	Sanela Ljuca	World bank	Operations analyst	Environment
30 Oct	Siniša Stanković	MSDT	Deputy minister, Waste Management and Communal Service Department, SPO HOS	Waste
14 Nov	Igor Jovanović	MSDT	Senior Advisor I – Waste Management and Communal Services Department	Waste
14 Nov	Jovica Zečević	Municipality Berane	Coordinator ecological projects	Waste
14 Nov	Mira Božović	Local tourism	Director	Waste

Date	Name	Organization	Position	Topic/Sector
		organisation Berane		
14 Nov	Popović Željko	City of Nikšić	Manager	Waste Water
30 Oct + 14 Nov	Olivira Božović	Water Utility Company	Board director president JP Vik	Waste Water
15 Nov	Božidar Pavlović	Ministry of Economy	Senior Advisor, Sector for Energy Efficiency	Energy
15 Nov	Dragica Sekulić	Ministry of Economy	Deputy Minister, Sector for Energy Efficiency	Energy
30 Oct + 15 Nov	Mija Nenezić	Ministry of Economy	Advisor, Sector for Energy Efficiency	Energy
16 Nov	Milica Knežević	KfWEntwicklungsbank	Energy Sector Project Coordinator	Energy
30 Oct + 16 Nov	Simon Bergmann	GIZ	Project Manager	Energy
15 Nov	Deniz Frjuckic	Ministry of Agriculture and Rural Development (MARD)	Advisor for Fishery	Fisheries
30 Oct	Dr.AleksandarJoksimovic	Institute of Macro Biology	Director	Fisheries
30 Oct	Mirko Durović	Institute of Macro Biology	Researcher	Fisheries
30 Oct + 15 Nov	Maja Sljivancanin	EUD	Task Manager for Agriculture and Rural Development	Agriculture & Fisheries
30 Oct + 31 Oct	Pierre-Yves Bellot	EUD	Task Manager for SME and private sector development, Local Government, Rural development	Rural
30 Oct +14 Nov	Igor Golubovic	MARD	Minister Assistant	Agriculture
14 Nov	Irina Vukčević	MARD	Advisor	Agriculture
30Oct+ 15 Nov	Suncica Boljević	MARD	Minister Advisor	Agriculture
30 Oct + 13 Nov	Zorica Blagojevic	COSV Montenegro	Project Manager	Agriculture
30 Oct + 13 Nov	Alessandro Brullo	COSV Montenegro	Coordinator	Agriculture
30 Oct + 14 Nov	Mevlida Hrapovic, VD	Veterinary administration	Senior advisor – National Coordinator	Agriculture
14 Nov	Tatjana Babović	Veterinary administration	Advisor	Agriculture
15 Nov	Ljiljana Milovanović	Veterinary administration	Advisor	Agriculture
6 Dec	Karin Hoerhan**	GIZ		Agriculture

Date	Name	Organization	Position	Topic/Sector
29 Nov	Zorka Prljević***	MARD	Director of Phytosanitary Directorate	Agriculture
15.Nov	Snežana Vučinić	Veterinary administration	Advisor	Agriculture
15 Nov	Milka Petrušić	Veterinary administration	Advisor	Agriculture
15 Nov	Vesna Novaković	Veterinary administration	Advisor	Agriculture

* Through email since after frequent phone calls and emails and a visit to EPA a face-to-face meeting appeared not to be possible.

** Through email since she was on mission, out of the country on the occasion of our field trip.

*** Through questionnaire since she was not available during our own field trip.

Annex 4 List of people trained

On 13 November 2012 the Ecorys Academy has provided a training on Evaluation to civil servants. The trainers were Marie Jose Zondag (Ecorys Academy) and Sanja Malekovic (IMO).

The content of the training and target participants was discussed during the kick off meeting and scoping interviews after which a small training needs assessment (TNA) was held among the potential interested participants. Based on this TNA the focus of the training was on:

- The evaluation process;
- The evaluation principles;
- Indicators;
- Practical examples and exercises.

The participants of the training are included below.

Table 0.4 List of participants at the Ecorys Academy training on Evaluation of 13 November 2012

Name	Function	Institution
Nada Knežević	Advisor, substitution of Evaluation Officer for IPA OS III	Ministry of Sustainable Development and Tourism
Đorđina Stajkić	Advisor	Ministry of Sustainable Development and Tourism
Žana Jovanović	Quality Assurance Specialist	Ministry of Finance (Sector for Finance and Contracting of the EU Assistance Funds - CFCU)
Senada Šahman	Advisor, Evaluation Officer for IPA OS III	Ministry of Sustainable Development and Tourism
Bilgena Pačariž	Officer for public procurement	Ministry for Information Society & Telecommunications
Mevlida Hrapović	DVM, Independent adviser	Veterinary administration of Montenegro
Tatjana Babović	Adviser	Veterinary administration of Montenegro
Biljana Krstajić	Evaluation Officer for IPA OS IV	Ministry of Labour and Social Welfare
Kristina Perazić	Officer for Coordination and Horizontal Affairs;	Ministry of Foreign Affairs and European Integration
Miodrag Raceta	Officer for Coordination and Horizontal Affairs	Ministry of Foreign Affairs and European Integration;
Jasmina Vojnovic	Finance -CULTEMA / CHERPLAN	Ministry of Culture
Igor Golubović	Assistant Minister and Senior Programming Officer	Ministry of Agriculture and Rural Development; Department for Rural Development
Enis Gjokaj	Advisor	Ministry of Agriculture and Rural Development; Department for Rural Development
Irina Vukčević	Advisor	Ministry of Agriculture and Rural Development; Department for Rural Development
Mija Nenezić	Advisor	Ministry of Economy, Sector for Energy Efficiency
Jadranka Novović	Programme Evaluation Officer	PRO-CON doo, National Project Implementation Unit for communal services & environment
Lidija Škatarić	Advisor	PRO-CON doo,
Marie Jose Zondag	Senior Consultant, Trainer	ECORYS Netherlands
Sanja Maleković	Research Coordinator, Trainer	Institute for International Relations

Annex 5 Detailed sector analysis

Progress in the Environment & Energy sector

Institutional structure, legislation and policies

The environment & energy sector receives a considerable amount of support and attention. Moreover, the importance of the sector for potential foreign investment and the development of tourism is acknowledged in the National Strategy for Sustainable Development of Montenegro.

The Montenegrin legislation system has experienced a comprehensive reform. Starting from the new constitution which is still in the process of adoption and continuous harmonization of domestic regulations with relevant EU directives as part of the Stabilization and Association Process, many other laws are currently in the process of revision²².

Among recently drafted legislation, harmonized with *acquis communautaire*, there are:

- Law on Environmental Impact Assessment;
- Law on Strategic Environmental Impact Assessment;
- Law on Integrated Pollution Prevention and Control;
- Law on Waste Management;
- Law on Environmental Noise.

Some crucial pieces of legislation are still in the process of preparation:

- Law on Environment;
- Law on Chemicals;
- Law on Ambient Air Quality.

The new laws provide for special sanctions for environmental violations, and include a decree on the amount of fees, the manner of calculation and payment of fees related to the pollution of the environment, etc.

In March 2007, Montenegro ratified the Kyoto Protocol to the UN Framework Convention on Climate Change and officially became a party of the Protocol in June.

During the course of 2006-2011, the responsibility for environmental policies had been transferred several times as well as, in case of the water sector, shared between several institutions (including the then Ministry of Agriculture, Forestry and Water Management, now the Ministry of Agriculture and Rural Development). Initially, the central environmental protection authority was delegated to the Ministry for Tourism and Environmental Protection. Later, following the decision to concentrate all environmental protection issues under one ministry, it was assigned to the newly established Ministry of the Environment and Spatial Planning. Finally, in 2011, the responsibility was transferred to the Ministry for Sustainable Development and Tourism. In 2009, the Environmental Protection Agency (EPA), an implementing institution of environmental legislation, was established and became operational.

The Montenegrin Government prepared and adopted a number of strategic documents, among others, the National Strategy for Sustainable Development of Montenegro, Update of Energy Development Strategy up to 2030, Sewage and Wastewater Strategic Master plan, Sewage and Wastewater Strategic Master plan and an Action Plan for Integration of Sustainable Development into the Education System (2007-2009).

²² See http://www.asser.nl/Default.aspx?site_id=7&level1=12222&level2=12305&level3=12332

Despite the improvements, Montenegro still faces many challenges where the lack of administrative capacity (caused by high employee turnover, reliance on temporary staff, lack of skills (Progress report 2011)) is one of the most important as it hinders proper implementation of environmental regulations. The approximation of the EU legislation has not been consistently pursued across all policy areas. For the environment & energy sector that means that as also indicated in the Progress reports 2007 and 2008, administrative capacity is weak and coordination between central and local government is poor. EPA remained seriously under staffed. Currently, in 2012, there are 50 people working.

Energy

Progress and developments in the institutional structures

Institutions

The energy sector falls under the competence of the Ministry of Economy which has the following structural units responsible for the policy development and implementation:

- Sector for Energy (which performs the majority of energy policy related functions);
- Sector for Energy Efficiency;
- Sector for Mining and Geological Explorations.

Since 2010 there is a separate Sector for Energy Efficiency at the Ministry of Economy. Until that time it was part of the Energy Sector.

Other relevant parties of the energy sector include:

- The Energy Regulatory Agency (ERA), an autonomous and independent non-profit organization which oversees the enforcement of energy policies and programmes, independent from the state authorities and energy undertakings. It was established in the beginning of 2004.
- Electric Power Company of Montenegro (EPCG) which is undergoing the unbundling of its vertical activities. It is a share-holding company with majority state ownership. It is vertically integrated which carries out generation, distribution and supply businesses. EPCG incorporates:
 - the Functional Unit (FU) Generation that manages and plans the three generating plants: Hydro Power Plant (HPP) „Perucica“, HPP „Piva“, and Thermal Power Plant „Pljevlja“.
 - FU Distribution operates, maintains and develops the electricity distribution system.
 - FU Supply performs *acquisition* and sale of electricity (incl. settlement of accounts and collection of debt) to customers, connected to the distribution grid (households, industrial and commercial customers).
 - Electro-construction (Elektro-gradnja) deals with construction of electric facilities primarily for the needs of EPCG.
- Transmission Company which is legally separated from other activities such as generation in electricity sector. Transmission Company (Transmission JSC - Prenos AD) was separated from EPCG in March 2009. As of February 2010, Transmission JSC was a share holding company with 71% state ownership, with the rest owned by various funds and by other legal and physical persons (minor shareholders). Transmission JSC was awarded three licences by ERA, for: (i) Transmission of Electrical Energy, (ii) Transmission System Operator, and (iii) Electricity Market Operator.
- The Electricity Market Operator (Crnogorski operator tržišta električne energije - COTE d.o.o.), previously being part of the Prenos AD / CGES, was established as an independent 100% State Owned Company on the basis of the Decision of the Government on 16/12/2010. With subsequent decisions, the Government adopted the Statute of Market Operator and the Board

of Directors. The formal procedure of establishing MO was completed by registration of COTE Ltd in the business court of Montenegro in August 2011.

- Partnership of CGES with TERN– Italy: CGES and the State of Montenegro as a majority shareholder of CGES, signed three agreements with the Italian Transmission Company “TERNA - Rete Elettrica Nazionale SpA”:

The Energy Regulatory Agency is experiencing credibility issues since it is often blamed by many stakeholders such as consumers, NGOs and politicians for undertaking necessary reforms and decisions which often include unpopular measures such as stopping energy price subsidies.

Legislation

The Law on Energy is one the most important pillars for energy related legislation in Montenegro. It was adopted in 2010 and transposed the Second EU Energy Package. The law governs the main principles for implementing energy policy and strategy, competencies of the government in the energy sector. The law also clarifies the establishment, role and responsibility of the Energy Regulatory Agency. With support from an IPA project bylaws have been developed. Additional implementing legislation for the internal energy market remains to be adopted.

In the same year, the Law on Energy Efficiency and the Law on Exploration and Protection of Hydrocarbons were introduced. The former transposed three Directives on energy efficiency: Directive on energy end use efficiency and energy services, Directive on the energy performance of buildings and Directive on labelling appliances.

Insufficient resources introduce certain challenges for transposition of EU Directives into national law. For example, the Law on Energy Efficiency provided only the necessary definitions and allocated responsibilities but did not provide all the details. Thus, some provisions have to be transposed through secondary legislation. In addition, the Secretariat for Legislation of the Government of Montenegro often rejects proposals for by-laws based creating some gaps in the legislation.

With respect to the new EU regulations, Montenegro will have to update the Law on Energy Efficiency in the near future. This could also present an opportunity to address previously rejected provisions.

Strategies

The development in the energy sector of Montenegro is driven by its participation in the Energy Community Treaty (EnCT), and guided by the Energy Development Strategy (EDS) of Montenegro until 2025.

Montenegro ratified the Treaty establishing the Energy Community in December 2006, thus undertaking the obligation to implement the 2nd EU Energy Package and a number of other related Directives included in the Treaty. The Kyoto Protocol was ratified on March 2007 and Montenegro became member as an Annex B country on 2 September 2007.

The Energy Development Strategy (EDS) of Montenegro by 2025 is in line with the EnCT and was adopted in December 2007. The Action Plan for Implementation of the EDS (2008-2012) was adopted in October 2008. It includes the environmental effects of energy generation. In respect to transport sector, it encompasses the introduction of biofuels and envisions development of small cogeneration plants for industrial and local use. In the same year, Montenegro prepared the strategy on renewable energy resources (wind, solar and biomass energy).

In 2011 the country adopted an updated version of the (originally adopted in 2005) Energy Policy for Montenegro through 2030 (Energy Development Strategy and Strategy for Energy Efficiency). The policy stresses the strategic importance of energy efficiency and renewable resources as well as gives special attention to the transport sector.

Development of human resources

Despite external support, the Ministry of Economy remains understaffed with respect to posts related to the energy sector policy. Out of 14 positions only half are filled with FTE employees. On the other hand, the Transmission Company and Electricity Market Operator both have satisfactory level of expertise to carry out their responsibilities.

Establishment of systems and tools

The same project focused on providing necessary tool and systems for the Ministry of Economy and Energy Regulatory Agency. The goal was to ensure the implementation of the Treaty, including the Regional Energy Market. It helped to achieve progress on implementing technical codes, tariff methodologies, market rules and other aspects of the secondary legislation. In addition, it also assisted with the restructuring and preparation for the privatisation of the electricity utility.

As of 2011, Montenegro was developing a regulatory framework for 90-days crude oil stock and, with the assistance from Slovenian Government, was in the process of developing a statistical system for monitoring and reporting changes in energy sector.

Donor assistance to the sub-sector

Apart from the EU, through IPA, there are several donors and IFIs active in the field of energy:

- GIZ (Germany): Energy Efficiency in Montenegro, 2008-2010: building the awareness on necessity of energy efficiency and renewable energy sources, creating initial legislative framework and following implementation of specific pilot measures related to overall energy efficiency.
- GIZ/CIM (Germany): Technical assistance to the Ministry of Economy Renewable energy unit for development of RES field, 2009-2011.
- KfW (Germany): Advisory Services for the Implementation of the Energy Strategy, 2008-2012
- Ministry of Foreign Affairs of Norway: Energy Efficiency in Montenegro, 2007-2008. The project created a pool of experts specialized in energy auditing and certification and gave EE measure recommendations in public sector that were used later on in reconstruction projects (financed via KfW and World Bank loans).
- UNIDO: Energy Development Strategy of Montenegro by 2025 and the Action Plan, 2006-2008.
- World Bank: Different options for public-private partnership regarding future production of electrical energy in Montenegro, 2008-2010.
- EBRD: Western Balkans Sustainable Energy Direct Financing Facility, 2009-2010.
- UNFCCC –UNDP: Climate Change - Initial National Communication (INC), 2008 - 2011.
- World Bank: Montenegro Energy Efficiency Project (MEEP) — loan for Energy Efficiency reconstruction in public sector, 2009 - 2012.
- EBRD: Technical assistance to the Ministry of Economy on developing regulatory framework for renewable energy sources and high-efficiency cogeneration based on Energy Law and Programme for use and development of renewable energy sources, 2010 – 2011.
- Official Development Aid of Slovenian Government: Development of IT-infrastructure system for Montenegrin energy sector, 2011-2012.
- KfW loan: Energy Efficiency in Public Buildings, 2010- 2012.

Progress and developments in the institutional structures

Institutions

In 2006, the Ministry of Tourism and Environment (now the Ministry of Sustainable Development and Tourism) was established with responsibilities for environmental protection and management. Four departments consisting of 15 employees were responsible for (1) air and radiation; (2) control of industrial pollution, waste and waste water management; (3) nature protection, Environmental Impact Assessment, Strategic Environmental Assessment and Integrated Pollution Prevention and Control; and (4) integration of strategic processes on environment.

Within the ministry, the Sector for Environment takes charge of all relevant activities while the Sector for International Cooperation and Climate Change is responsible for climate change related policies and the Sector for Waste Management and Municipal Development deals with waste management. The sustainable development is promoted by the Department providing support to the National Council for Sustainable Development.

The separation of environmental policy and legislation was achieved by establishing the Environmental Protection Agency (EPA) in 2009 which has the mandate to issue environmental permits, perform inspections, and other practical implementation while the Ministry is responsible for long-term policies. Its tasks include organization, planning and participation in environmental monitoring, analysis of environmental issues. In 2011, the Aarhus Centre was created within EPA to support the implementation of the Aarhus Convention. In addition, the Hydrometeorological Office has an Environmental Sector with the staff of 13.

In 2007 the Project Implementation Unit (PIU-PROCON) was established with the mandate for strategic planning documents in the area of communal service activities. It provides support for local authorities in the preparation of project documentation, etc.

Finally, other bodies at the national administration level include The Ministry of Agriculture, Forestry and Water Management and the Water Administration.

Legislation

The new Law on Environment was adopted in 2008. A number of international air protection laws as well as secondary regulations were adopted and ratified in 2011. International treaties include Protocol on Persistent Organic Pollutants, Protocol on Heavy Metals and Convention on Long-range Transboundary Air Pollution. In addition, the Government of Montenegro adopted a Rulebook on air quality monitoring, the Decree on maximum national emissions of certain pollutants and the Decree on limit values of emissions of air pollutants from stationary sources. The latter two decrees were adopted in accordance with the Law on Air Protection which was adopted in 2010.

In the field of chemicals, Montenegro adopted the new Law on Chemical in 2012. The law transferred the responsibility for chemicals from the Ministry of Health to the Ministry of Sustainable Development and Tourism and the Environmental Protection Agency. In addition, the law is harmonized with the EU *acquis* and it establishes a legal framework for better chemical management system in Montenegro as well as improves free trade with the EU. It also creates a demand for secondary legislation.

In 2011, the new Law on Environmental Noise Protection and related bylaw were adopted. It seeks to transpose Directive 2002/49/EC.

Strategies

The national priorities in the environment & energy sector are documented in the National Strategy for Sustainable Development and the National programme for Integration for the period 2008-2012.

During 2012, Montenegro was drafting the National Strategy for Air Quality Management for the period of 2013 – 2017. The Italian Ministry for Environment, Land and Sea provided legal and technical assistance for the draft strategy.

Development of human resources

At MSDT 15 people are dealing with environment, waste and climate change. The administrative capacity of the EPA has improved. The third office opened in September 2012 and EPA has now 50 staff after it started in 2009. Most of the staff at the Environmental Agency is on fixed-term contracts (13 permanent over 41 fixed). PIU-PROCON has now 17 people after its start in 2008, which is up to its needed capacity. However, the decision in 2012 to reduce staff at PIU-PROCON could seriously impact its operations. Through the IPA twinning project the capacity of the staff of EPA and PIU-PROCON has been increased.

The heavy reliance on temporary staff and the high staff turnover remain issues of concern. The shortage of administrative capacity to address climate change and the ad hoc inter-institutional cooperation are delaying the preparation and implementation of a climate policy in line with the *acquis*.

Establishment of systems and tools

As of 2012, the recommendations for the National Environmental Information System, which will be used for a coordinated environmental data collection, compilation and reporting, were submitted, yet the physical IT infrastructure was still absent.

Donor assistance to the sub-sector

Other donor initiatives to the environmental sector are from:

- The Netherlands: reviewing existing organisation and operational arrangements within former Ministry of Environment and Physical Planning.
- World Bank: solid waste initiatives, including establishing landfills.
- World Bank (Global Environmental Facility): integrated ecosystem management in Skadar Lake area.
- KfW: development of a regional water and wastewater utility serving the coastal region.
- Furthermore under EU- CARDS there has been support to the environmental sector. Significant support was received under IPA.

Waste Water

Progress and developments in the institutional structures

Institutions

In 2007, and the then Ministry of Agriculture, Forestry and Water Management became the competent authority for the Water Framework Directive. In general, the progress in institutional structure for waste water management reflects the general changes in structure for the environmental management.

Legislation

In 2007 the new Law on Water transposed some of the obligations under the Water Framework Directive. Montenegro signed the Barcelona Convention as well as adopted new sector-relevant legislation such as a law on the sea, by-laws on implementing the law on water, a law on water

management and financing. However, alignment with the EU standards remains low (for instance the Drinking Water Directive).

Strategies

The priority orientations for the investments in water sub-sector are outlined by the Sewage and Wastewater Strategic Master Plan which envisions the design and construction of wastewater systems in municipalities.

The National Strategy for Sustainable Development of Montenegro among its priorities stresses the importance of infrastructure for wastewater treatment.

The Regional Development Strategy of Montenegro (2010 – 2014) also highlights the importance of the communal and public infrastructure, including waste water management.

Despite external support (see below), the progress is rather slow as the responsibilities for the sector are shared by two ministries and there is lack of investments²³.

Establishment of systems and tools

Several IPA-funded projects have been initiated to build or upgrade waste water treatment plants, related infrastructure and train staff in Nikšić (IPA 2008), Pljevlja (IPA 2010) and Cetinje, Bijelo Polje (IPA 2011). The projects are expected to improve the quality of wastewater in Nikšić by improving the sewage system.

Donor assistance to the sub-sector

Previously there have been several activities funded under CARDS (e.g. preparing of sewerage and wastewater strategic master plan in Central and Northern Region (Cards 2003), support to the ministry of environment (Cards 2005), Support to the development of environment sector (Cards 2006)). Based on this master plan the European Investment Bank (EIB) agreed to provide a 57MEUR framework loan to address the urgent waste water infrastructure needs. Together with the waste management, the water sector received a considerable amount of attention from IPA with for example several IPA-funded projects aimed at enhancing waste water treatment infrastructure. Other donors involved are the EIB – Danube Investment Support Facility. They supported a feasibility Study for Wastewater Treatment Plant.

Waste

Progress and developments in the institutional structures

Institutions

The Ministry of Sustainable Development and Tourism is in charge of coordination of all waste activities. The EPA is taking care of the environmental protection, monitoring and reporting, communication, permits issuing and inspection supervision over the application of environmental regulations.

Legislation

The EU Progress reports on Montenegro of 2007 and 2008 state that the alignment of national legislation with the EU standards remains weak with some exceptions (Montenegro follows Waste Framework Directive and with the Hazardous Waste Directive). Montenegro acceded to the Basel Convention in November 2006. However, alignment with European standards needs considerable strengthening and acceleration, in particular concerning the landfill Directive and the waste shipments regulation.

²³ EU Progress report on Montenegro 2011,

The 2005 Law on waste management foresaw seven to eight landfills. Due to protests from the population (Kotor, Berane), property issues (Nikšić), lack of funds and an unsuitable location (Bijelo Polje), there were no landfills developed. Only Podgorica constructed a landfill in 2006. In 2010, the country carried out feasibility studies on the locations of six regional landfills and started designing the projects.

In 2008, the country adopted a national waste management plan for 2008-2010. Finally, the government adopted the Solid Waste Management Plan for the period 2008-2012.

Strategies

The government adopted the Solid Waste Management Plan for the period 2008-2012 which seeks to create an integral system of waste management based on better waste collection and recycling, development of new landfills as well as closure and / or revitalisation of existing ones.

In 2008, the country adopted the National Waste Management Plan for the 2008-2010. It seeks to raise public awareness with respect to proper waste disposal and waste recycling, as well as construction of new landfills.

In 2012, IPA-funded project "Preparation and Implementation of National and Local Waste Management Plans" commenced with the aim to create a national waste strategy document which will serve as a base for the National Waste Management Plan 2013 – 2018. It seeks to transpose priority legislation identified in SAA and the National Programme for Integration.

The Regional Development Strategy of Montenegro (2010 – 2014) also highlights the importance of the communal and public infrastructure, including waste management.

Establishment of systems and tools

In 2010, the country carried out feasibility studies on the locations of six regional landfills and started designing the projects. It received €4.8 M financing from IPA to create and build solid waste management system for municipalities of Bijelo Polje, Kolasin and Mojkovac. However, little progress has been achieved. On the other hand, the first recycling centre has begun operating in Podgorica and 35 refuse collection vehicles as well as a number of waste containers were delivered in the northern part of Montenegro.

Also, Montenegro introduced the system of permits for establishments and undertakings carrying out disposal or recovery operations.

Donor assistance to the sub-sector

The past and present assistance from the EU and other donors is focused on strengthening the Ministry and providing grounds for implementation of newly adapted EU compatible environmental legislation. Other donors include:

- USAID: Feasibility study for the establishment of the Environmental Fund in Montenegro;
- World Bank: Strengthening capacities for strategic assessment.

Progress in the Agriculture & Fisheries sector

Institutional Structure of the agriculture & fisheries sector

The Ministry of Agriculture and Rural Development (MARD) proposes laws and other regulations, systemic solutions in agriculture, sets forth the agricultural policy and undertakes measures for its implementation. It proposes to the Government the scope of incentives for agriculture and rural development (Agrobudget) and a series of other documents, regulations and acts necessary for smooth operation of the agricultural sector. MARD is mainly in charge of agriculture, rural, fishery, forestry and water management development. The Ministry is also responsible for the work of the Veterinary Directorate, the Phytosanitary Directorate, the Forest Directorate, the Water Directorate, and the Agency for Tobacco.

In the field of agriculture, fishery and rural development, the functions have been separated – the policies are set forth in the Sector of Agriculture and Fisheries and the Sector for Rural Development, while they are implemented by the Sector for Payments with support from the Department for Databases. Controls are carried out by the Department for Inspectorial Supervision. MARD has the overall responsibility for rural development policy implementation. However, in setting the priorities and rural development measures, and in particular in their implementation, the following ministries also play an important role: the Ministry of Economy, the Ministry of Sustainable Development and Tourism, the Ministry of Education and Sport, the Ministry of Science, the Ministry of Transport and Maritime Affairs, the Ministry of Culture, the Ministry of Labour and Social Welfare as well as other governmental bodies (directorates, administrations, etc.). The Biotechnical Faculty in Podgorica also has a relevant role since it is the main partner of the MARD in performing tasks related to quality control, food safety as well as the defining and implementation of the agricultural policy, drafting of legal documents etc.

The veterinary service in Montenegro comprises two branches: the Veterinary Administration within the Ministry of Agriculture and Rural Development (MARD) and a separate Veterinary Inspectorate, which includes border inspection, within the Administration for Inspection Affairs comprising different fields of inspection. This reorganization, which was an option favoured by the Government, was completed in May 2012.

The Diagnostic Veterinary Laboratory was established as a public institution, under the authority of the Veterinary Directorate. The Laboratory's scope of work includes veterinary specialist diagnostic and research activities on the territory of Montenegro. The Veterinary Directorate, in close cooperation with the field veterinary service and the Diagnostic Veterinary Laboratory, implements a programme of health protection of domestic animals and safe production and trade in food of animal origin. The Phytosanitary Directorate, is a single and central body under the supervision of the Ministry and the Government and carries out the administrative and related technical affairs.

Veterinary & phytosanitary sub sector

Progress and developments in the institutional structures

Institutions

The Veterinary and the Phytosanitary Directorate are additional competent authorities, although they are constituent parts of the MARD. In this context, the Veterinary Directorate is responsible for food of animal origin, including composite food and feed in production, international trade, wholesale and retail sale of meat, fish and other aquaculture products and the Phytosanitary Directorate performs activities in the area of food safety.

The Veterinary Administration is an independent decision making body and the Competent Authority for animal health, animal welfare, animal identification and registration, food of animal origin, composite food and feed. The Department for Health Protection and Animal Welfare within the Veterinary Sector is responsible, among others, for monitoring and prevention of outbreak, detection, control and eradication of certain infectious animal diseases, preparation and implementation monitoring of programs on preventive measures for protection of animal health and of crisis management plans.

Sanitary, veterinary and phytosanitary control in Montenegro is performed in the following institutions: Institute of Public Health in Podgorica, Diagnostic Veterinary Laboratory in Podgorica, Centre for Eco-Toxicological Researches in Podgorica, Biotechnical Faculty of the University of Montenegro, Phytosanitary Laboratory, Laboratory for Seeds, Laboratory for seeds material, Milk testing laboratory and Institute of Marine Biology in Kotor. However, there is no laboratory for GMO examination.

According to provisions of the Food Safety Law, the National Council for the Assessment of Food Safety was established in September 2009. The Council provides scientific advice and assistance towards all risk assessment activities concerning food and feed safety. IPA assistance supported the agreement to set up a dedicated food safety unit as well as a work programme aiming to develop food safety in line with EU requirements.

With regards to institutional structures the following weak points in the field of food safety in Montenegro can be identified: confusing delegation of competencies; one single competent authority for food safety has not been appointed and the persistent lack of coordination and communication among the different authorities performing official controls. The lack of cooperation and communication procedures contributes also to weak linkages between food control authorities and the public health system. There also appears to be a lack of coordination between the institutions involved in food control related to staff training. Furthermore, overlapping can be seen between Sanitary Inspectors and Veterinary Inspectors.

A coordination protocol exists between the Veterinary Administration (VA) and the Institute for Public Health (IPH) in the case of human exposure to animals potentially infected by rabies. The VA has also developed good cooperation with the homologue institutions in all neighbouring countries. As to the local level, cooperation between local governments and NGOs in providing shelters for stray dogs has been established only in three municipalities.

Legislation

The basic law in Montenegro on food safety is the Food Safety Law, which has been only partially harmonized with the *acquis* and remains to be adopted. IPA assistance supported the approximation of the legislation - the draft new Law on Food Safety was developed in May 2012 and Secondary legislation is being developed. A detailed programme for producing the secondary legislation is outlined in the National Programme for Integration for 2008-2012, developed by the Montenegrin Government. Nevertheless progress in the implementation of food safety rules has been modest.

A draft Law on official controls performed to ensure the verification of compliance with feed law and food law, animal health and animal welfare rules was also developed in January 2012. With the support of the IPA programme legal approximation has evidently been furthered in this segment and methodology for full transposition and timetable of the relevant *acquis* has been established. In the field of phytosanitary policy, amendments to the law on seed materials of agricultural plants were adopted with the aim of aligning it with the *acquis*. Laws were adopted on protection of plant

variety rights, plant nutrition and forest reproductive materials and rulebooks on phytosanitary measures to prevent the introduction and spread of several harmful organisms have also been adopted. Amendments to the Law on Inspection Surveillance were also adopted, but altogether, preparations in this area of the *acquis* are still in the initial stage.

No progress has been achieved in regards to animal by-products legislation since Montenegro has still not aligned this legislation with the EU *acquis*. Likewise, no progress has been achieved in the alignment and implementation of the *acquis* in the area of genetically modified organisms. There was also no progression on specific rules for feed since legislation on feeding stuffs intended for particular nutritional purposes and on certain products used in animal nutrition has still not been adopted.

Some progress has been made towards alignment with the *acquis* in the area of veterinary policy. A new Veterinary Law was adopted, as well as a Law on livestock breeding, along with the implementing legislation, aiming at the alignment with the EU guidelines. The Law on animal identification and registration was amended with the support of IPA assistance and is been implemented. IPA assistance focused on animal health issues was relevant in improving associated legislation and procedures.

Strategies

The Montenegrin Food Safety Strategy was elaborated jointly by the Ministry of Health and the Ministry of Agriculture, Forestry and Water Management in 2006. IPA assistance resulted in the draft of the new Food Safety Strategy in November 2011. The proposal for the reorganization of the Montenegrin Food Safety System was also developed in June 2011 – institutional reforms and future cooperation between the food safety parties were proposed as well as the upgrading of establishments and development of the food safety laboratories networks.

A Strategy for IT development for the overall food safety sector was also prepared (with the indication of the amount of the future investments in such a system). However, no further actions have been undertaken so far by the authorities.

Annual control plans are drawn up by the chief inspector of the Sanitary, Phytosanitary or Veterinary Inspection, however, without any communication between those three bodies. Furthermore, a Multi Annual National Control Plan, as an instrument to ensure that food safety legislation is properly implemented, has still not been developed. The preparation of the Food Contingency Plan has also not started.

A draft Strategy for the Upgrading of Establishments Producing Animal Origin Food was developed in October 2011 and several programmes were drafted and are being implemented. A monitoring programme for pesticide residues in food of animal and plant origin as well as a programme for monitoring residues of veterinary medicinal products has been adopted. The programme on the eradication of rabies also started in 2012.

Development of human resources

The current structure of the Veterinary Administration consists of two departments, a Department for Animal Health and Welfare and a Department for Veterinary Public Health. Together the two Departments have six Senior Advisors, all of whom are veterinarians. Administrative support is provided by three non-technical employees.

Substantial gaps remain however due to an insufficient number of staff involved in food safety, animal health and plant health sector as well as the consequences of still weak coordination and

cooperation in the field of food safety control. Currently, human resources in food safety sector represent only 71% of those foreseen by the National Ordinance on work organization, confirming the fact that the food safety system is understaffed. This is particularly evident in the Veterinary Directorate where only a few officials are dealing with a large amount of work. This reason, along with the low salary makes this job unattractive for possible employees. The VA staff covers has approximately

42 employees, covering all areas related to implementation of the veterinary policy. A programme to strengthen the Veterinary Administration capacity has been drafted. and the process has lead to a new organisation scheme in 2012.

The current structure of the VET Administration is that there are 2 departments, a Department for Animal Health and Welfare and a Department for Veterinary Public Health. Together the two Departments have six senior advisors, all of whom are veterinarians. Administrative support is provided by 3 non-technical experts.

The administrative capacity of the phytosanitary inspectorate has improved through the recruitment of one additional phytosanitary inspector, but total capacity remains insufficient. Reorganization of the food safety sector was proposed in June 2011, highlighting the need to increase the number of officials for proper system functioning and development. However, to date, this has still not been approved and adopted nor have follow up actions been undertaken.

VA staff still has limited knowledge related to the methodology for transposition of the *acquis*, the EU legislative process, as well as limited practical experience in the application of EU standards. Therefore the transposition has so far been done on an ad-hoc, case-by-case basis.

Capacity of staff in the field of food safety has been raised as the result of IPA assistance. The assistance supported the drafting of a document in January 2011, with the aim of supporting food safety authorities in setting up a permanent training system in January 2011. Inspectors were also trained to perform inspection control and the detection of quarantine pests and staff were trained administration (procedures, registry) as well as in diagnostic methods in the field of mycology, virology, nematology and bacteriology.

Conducted training and train-the-trainer programmes also resulted in further building of competences. With the aim of achieving maximum impact, the initial training was directed towards the public veterinary, phytosanitary and sanitary services.

Capacity building of the relevant authorities and the food business operator related basically to the following fields: Genetically Modified Organisms (GMO), Basic principles of food safety, Official control, hazard analysis and critical control point system (HACCP), Control of residues, Development of monitoring programmes, Microbiological criteria, Control of contaminants, Risk Analysis, Sampling and EU harmonization legislative. Training in the food safety sector was conducted for inspectors, officials and laboratory staff. Nevertheless, training has been organised occasionally and general planning of training programmes in all areas of food safety sector is still missing (sanitary and veterinary inspections, food safety laboratories and food business operators).

Establishment of systems and tools

Numerous systems and tools have been developed in the sub-sector in the past few years, to a large extent by way of IPA assistance. However, needs are still pressing for further developments.

In the segment of food safety, the laboratories' equipment was out-dated and inadequate, so that overall food testing capacity was limited. Several laboratories have undergone the process of accreditation for various analytical methods and laboratories have been supported by the IPA assistance in introducing new operating processes and equipment. An Evaluation study is also being developed for an integrated data information system for food safety, but no progress in this field has yet been made in the phytosanitary area of the food safety system.

The basic equipment for sampling for routine checks, as well as appropriate equipment for rapid information exchange with other border veterinary posts has been provided at all border inspection posts. However, networking into the central information system did not follow. With the exception of newly built Debeli Brijeg and Božaj, other border inspection posts do not have the infrastructure, premises and equipment for carrying out checks.

Guidelines for official inspection are still not available. Therefore, individual inspection staff operates according to their own procedures, which compromises the uniformity of inspections. However, this issue has been addressed within the IPA assistance which, led to preparation of guidelines and procedures for the official control of the animal origin food. A hindering fact is that adequate resources for inspectors (premises, facilities, equipment, transport) are frequently not available or not adequate which prevents them to carry out their tasks effectively.

The Trade Control and Expert System (TRACES) has not yet been established in Montenegro. Furthermore, the HACCP principles are not always applied by producers, with the exception of establishments authorised for export. Additionally, there is no guideline for the implementation of HACCP principles in food and feed industries, nor are there guidelines for inspectors responsible for field assessment of HACCP

The Veterinary Information System was brought into operation in May 2011 with the support of IPA assistance. There are still some deficiencies in the veterinary administration related to the incomplete information system, and some facilities for veterinary controls which are still in unsatisfactory condition. A further hindering fact is that the procedures, the guidelines, instructions and quality management have not been developed so far. However, with the support of IPA the draft document containing the procedures for the establishment of an efficient food safety IT network, targeting the needs of the Veterinary Directorate, had been prepared in 2012.

A diagnostic system has been introduced for the detection of food borne diseases and compulsory notification system. However, collected data on food borne diseases are not accurate and in most cases causes of food borne diseases at field level are not identified. Furthermore, data on the national level are not merged nor collected by competent authorities for the risk assessment.

The animal identification and registration system (I&R) for domestic pigs does not exist and whilst this is not important from an animal health perspective (pigs do not move between farms regularly, if at all), data on pig population (at both individual and herd level) are inconsistent. Consequently, it is not possible to understand the role played by feral pigs in the circulation of the virus. This issue has been tackled through IPA assistance, resulting, among other, with produced maps which define the distribution and density of the different target species, thus improving the monitoring of wildlife populations. Additionally, the guidelines for the management of stray animals were finalised and the detailed concept, system design and implementation plan to introduce electronic identification of dogs and cats was prepared. IPA also contributed to the expansion of the animal I&R system to ovine and caprine species. Under EU funding, a system for identification of bovine animals, sheep and goats and registration of their movements has been implemented.

No Geographical Information Systems (GIS) are available in the Veterinary Administration.

IPA assistance contributed to the development of a series of rulebooks in the whole subsector. Furthermore, Rabies surveillance and vaccination monitoring - sampling plan and standard operating procedures for sample collection were developed as well as surveillance for classical swine fever (CSF) of wild boars - sampling plan and standard operating procedures for sample collection. The sampling process and the maintenance of the initiated effective surveillance system for CSF is underway.

Similarly a number of rulebooks and guidebooks have been developed, including: Guidebook for the official control of food of animal origin, developed in October 2011; Guidebook for Audit in catering and retail sector, developed in November 2011 and the Guidebook for training the subjects in the food business, developed in March 2011. The Food Safety Laboratory Network of Montenegro was also established in March 2011. These form the basis for institutional development in the sectors but effective implementation requires the recruitment of additional staff which is currently unlikely.

The Veterinary Information System (VIS) was upgraded to introduce food production (animal origin) establishments. Equipment for food safety Laboratories and for services was also supplied.

Related to equipment, one of the main weaknesses of the fruit and vegetable sector relates to machinery and agricultural equipment which have not been updated, investment level which is far behind requirements and out-dated post-harvest technologies. Furthermore, logistics centres, cooling facilities and packing houses do not exist or are rudimentary. As a consequence, logistics and trading arrangements and facilities, including the Wholesale Market in Podgorica, are poorly equipped and without any modern facility.

Donor assistance to the sub-sector

The most significant activities carried out by other donors other than EU were those under the World Bank MIDAS programme aimed to support the creation of a Modern Food Safety System in Montenegro by means of investments in Montenegro's food safety infrastructure. The 2009-2013 World Bank funded MIDAS project is also contributing to the sub-sector by way of further improving laboratory equipment for microbiological examination methods.

German GIZ has an on-going programme supporting development of specific food products for a value of €70,000, which is complementary to the EC support programme. While the EC programme focuses on state services, GIZ is working directly with specialised food producers.

In the framework of the Technical Assistance and Information Exchange (TAIEX), support was provided through training.

The governments of Luxembourg and the Netherlands as well as the United States Department of Agriculture's (USDA) donations have supported the development of veterinary services.

IPARD – Rural Development

Progress and developments in the institutional structures

The Sector for Rural Development within MARD was appointed as the Managing Authority for the IPARD pre-accession instrument and important steps towards EU agriculture payment's structure were achieved by the establishment of the Sector for Payments (future IPARD agency), to which IPA assistance contributed. The conferral of management power of IPARD is expected at the latest

in June 2013. The establishment of a complete IPARD structure is in its final stage and the establishment of the Investment Development Fund has been important for increasing farmers' access to credits.

Further achieved progress can mainly be observed in the ability of the MARD and related service institutions to deal with EU and WTO policy and legislative issues.

Progress is also seen in improved cooperation between the existing and established institutions. It is particularly developed between the Sector for Rural Development, the Paying Sector within the MARD and the National Fund within the State Treasury Department of the Ministry of Finance. IPA assistance contributed to both the establishment of the new structures as well as to the strengthening of their cooperation. However, the coordination between public institutions and local communities in rural areas is inadequate, resulting in the insufficient involvement of local self-governance and local communities in the initiation, adoption and implementation of the rural development policy.

Considering inter-ministerial cooperation, the small size of the sector allows for the establishment of efficient and systemized communication. Cooperation is still far too dependent on personal and informal contacts rather than on systematic communication lines and cooperation structures.

Legislation

Montenegro's agricultural policy is based on the 2009 Law on agriculture and rural development, which was adopted in 2009, with IPA assistance highly contributing to the process. However, the existing legal framework is not sufficiently prepared to meet the objectives of the national action plan towards IPARD accreditation and is due to be revised by the end of 2013.

Some progress in legislation has however been achieved related to quality policy, with the Law on designation of origin, geographical indications and traditional specialties guaranteed for agricultural and food products. The law was adopted in March 2011 and is broadly aligned with the EU *acquis* in this area.

Related to cooperatives, the first draft Law on Agricultural Cooperatives was prepared in late 2008 by the Ministry of Agriculture, Forestry and Water Management (now the Ministry of Agriculture and Rural Development). The existing draft Law on Agricultural Cooperatives was then harmonised with EU legislation and revised in November 2011. In March 2012 the working group finalized the draft which was submitted to MARD. The revision of the law was supported by IPA assistance. In May 2012 EU legal experts gave their comments to the first draft of the Law on Social Cooperatives and concluded that the legislative reform did not fully meet their expectations. Namely, the final version of the draft Law on Agricultural Cooperatives does not recognize cooperatives as an enterprise. Their expectations had also not been met related to the General law on cooperatives. The Government of Montenegro is currently not planning the adoption of this Act.

Strategies

The key strategic documents setting out the Government policies for agriculture, rural and agro-industry development are the National Strategy of Sustainable Development; the National Programme for Integration 2008-2012; the National Programme for Food Production and Rural Development 2009-2013 that was prepared in cooperation between the Ministry of Agriculture, Forestry and Water Management of Montenegro and the European Agency for Reconstruction; the Food Safety Strategy; the National Strategic Plan for the Fisheries sector 2009–2013; SME Strategy for 2011-2015 and the National Programme of Consumer Protection.

The Montenegro Development Directions 2013-2016, which will reflect Montenegro's development vision in line with the EU guidelines set up in the Europe 2020 Strategy, will serve as a main framework for defining annual priorities, is to be completed by December 2012.

The rural development programme under IPA (IPARD), focused on enhancing the rural economy, was submitted to DG AGRI in November 2012. Even though it is in the process of adoption, it still needs to be further amended. As for rural development on the local level, only one local rural development strategy has been developed so far - for the Municipality of Pljevlja 2011-2015.

The National Programme for Food Production and Rural Areas Development for the period 2009-2013, adopted in 2008, follows the rural development strategy and provides the basis for further major reforms and the legislative work required for modernising the sector of agriculture.

The Plan for Use of Funds for Support to Agricultural Development (Agrobudget) was elaborated and all of its measures aiming to support to rural development have been approved and implemented.

The National Programme for the Preservation of genetic resources in Agriculture (2009 – 2013) was also adopted in 2007, with an action plan for its implementation. Furthermore, the Organic Agriculture Development Programme for 2009-2012 is being implemented, providing support for investments in organic agriculture with the help of donor funding.

Related to the development of cooperatives, the National Strategic Programme Scheme for the Introduction of the Cooperative System was adopted in October 2008. The national cooperative development plan is to be developed and the Action Plan for the development of cooperatives is close to completion. IPA assistance is contributing to the development of these documents. However, national commitment and ownership as to achieved results needs to be strengthened. A national strategic plan for the development of cooperative entrepreneurship has still not been developed by the Ministry.

Development of human resources

An IPA RD Programming and Implementation System was established, as well as the IPARD Paying Agency, and staff was trained under an IPA programme. This was followed by the strengthening of the capacity of IPARD Operating Structures to implement the IPARD Programme. On the whole, the capacity within MARD for strategic decision making related to rural development policy has been improved and the staff, even though insufficient in number, is prepared for implementing its role as the IPARD MA. Awareness about IPARD and EU rural development policy has also been raised on all levels. However, the establishment of the management and control system under IPARD is slow.

The government adopted a rulebook on the internal organisation of MARD, providing for strengthening the administrative capacity in this field. The appointment of staff to the IPARD operating structures is not however very advanced. Furthermore, the administrative capacity is still not sufficiently prepared to meet the objectives of the national action plan towards IPARD accreditation. Currently, the Managing Authority (MA) for IPARD has five employees, while the Paying IPARD Agency has 25 employees.

In the segment of cooperatives, as the results of significant IPA assistance, the capacity of the staff of MARD, as well as staff from other Ministries and stakeholders was raised by way of provided training at macro and meso levels on the agricultural cooperative sector and related policies.

Overall, capacity is gradually being raised on the central government level as in the last five years a number of activities were undertaken with the aim of improving the administrative capacity of MARD, including training and institution building. Nevertheless, Montenegrin rural development policy still suffers from the lack of training.

Capacity is by far less developed on lower government levels. The existing insufficient capacity and available human resources in the rural areas are the consequence of an overall low level of education of rural population. This problem is emphasised all the more by problems of depopulation of rural areas as well as unfavourable age and gender structure of the rural population.

Establishment of systems and tools

Procedures for the implementation of Rural Development measures have been prepared and the IT system for rural development measures has been established. A hindering fact is that the lack of data makes it difficult to prepare a comprehensive and updated statistical picture of the agricultural and food processing sector.

Donor assistance to the sub sector

The Support for rural development measures is increasing due mainly to grant support under a World Bank project. In the period from 2009 until 2014 the World Bank provides a loan (11MEUR) and GEF grant (4MUSD) for sustainable agriculture and rural development in a manner consistent with the EU pre-accession requirements. IPA assistance in the period 2008-2012 targeted the creation and strengthening of administrative capacity in IPA RD.

Co-financing for Project „Introduction of social economy and rehabilitation of the co-operative system supporting Rural Development in Montenegro “was supported and provided by FAI (Foundation Assistance Internationale). COSV, Cooperatives Europe, with Cecop and Euricse co-financing part of the activities.

Other international support to Montenegrin rural development has been implemented through bilateral cooperation of the EU Member States with the institutions of Montenegrin agriculture. The most important donors in the previous period have been:

- Grand Duchy of Luxembourg, through their developmental agency (Lux-development), basically supporting the dairy sector).
- Kingdom of Denmark (Organic Agriculture Development Program in Montenegro - OADP).
- Germany through GTZ (several projects) and German Cooperative and Raiffeisen Confederation (DGRV).
- Government of Austria, through cooperation with the Austrian Development Agency (ADA).
- Italy – several smaller projects.
- USA – several USAID projects (technical support to development of economic analyses and farm management, setting up of a market information system, various infrastructure projects, etc.).
- Sweden, through Swedish International Development Agency (SIDA): support to the preservation of plant genetic resources.
- GIZ (Germany), project Economic Development and Employment Promotion (duration: from 01/2005-06/2012) had the overall objective of effectively supporting structures and enhance development and growth potentials in selected sectors. It marginally dealt with the rural development sub-sector, by way of supporting the wine sector and honey producers in cooperation with the Ministry of Agriculture. MARD was supported in elaborating the new Wine Act which was adopted in 2007. Furthermore, GIZ initiated the establishment of the Wine Growers Association and supported them in establishing internal procedures, followed by numerous training events, mainly in production and marketing areas. Study visits were also

organized, as well as exhibition appearances and similar. Likewise, the honey producers were supported, mainly in improving marketing activities.

- Support of the UN through FAO is reflected in the support to small producers in organic production with an investment of around 0.4MEUR, and with the implementation period July 2008 - March 2011.

Fisheries

Progress and developments in the institutional structures

Legislation

The Montenegrin Government has adopted new freshwater, marine, marine culture fishery legislation, according to EU Common Fishery Policies (CFP) and is currently considering secondary legislation to make it compatible with that of the EU. The CFP itself is in the process of revision and this will delay any further legislative changes at national level.

On the basis of the Law on marine fisheries and mariculture, new implementing legislation was adopted with the aim of achieving closer harmonisation of the national fishery policy with the *acquis*. In 2012 no progress can be reported related to further alignment of the relevant legislation with the fisheries *acquis*. Efforts are needed with regard to this alignment and the implementation of EU standards, in particular in the areas of resource management, inspection and control, market policy, structural policy and State aid policy. On the whole, preparations related to the legal framework in the sub-sector are at an early stage.

Montenegro has not concluded any new international agreements on fisheries. There have also been no developments regarding Montenegro's application to join the International Commission for the Conservation of Atlantic Tunas (ICCAT).

Institutions

The administration body in charge of the marine and freshwater fisheries, is the Ministry of Agriculture and Rural Development (MARD) through its FSU (Fishery Sector Unit). The Ministry of Transport and Maritime Affairs is responsible for safety matters on board fishing vessels and also operates a mandatory satellite surveillance system.

The Veterinary Directorate is the competent authority for approval of establishments for farming, processing and treatment of fish and fish products, i.e. the authority that examines the compliance with veterinary and sanitary conditions in such premises for specific activities (farms, processing of fish and fish products).

Further Institutional support to the fisheries sub-sector is provided by the following institutions:

- The Marine Biology Institute in Kotor.
- Faculty of Biology.
- National Parks of Montenegro - responsible for issuing licenses and for control of fishermen on lakes and rivers on the territory of the respective national parks.
- MONSTAT (Statistics Institute of Montenegro) - is in charge of tasks relating to preparation and implementation of statistical research. The on-going reform process in the statistical service is expected to help with the data collection in line with EU standards.

Institutional strengthening is not yet ensured, despite commitments, all the more so since the marine fishery is still not considered as an economic priority in MARD (ROM; 19/07/2011, 3)

Among the involved institutions in MCS are also two agencies - the Marine Police and the Fisheries Inspectors of the MARD Inspectorate. While willing to assist the fisheries inspectorate, the Marine Police have their own priorities and very little available time for fisheries which highlights the need for substantial additional institutional strengthening.

Fishery and sanitary inspectors are under Inspection Affairs Administration. The inspectors assess sanitary, hygienic and technical conditions prior to the issue of licenses for food handling facilities in Montenegro (production, manufacture, processing, storage, transportation and sale). Substantial work is being carried out by MARD on food safety throughout the agricultural sector, mainly supported by (previously) CARDS and currently IPA funding. The Veterinary Directorate is responsible for the enforcement of state food safety legislation and the veterinary Diagnostic Laboratory is the only veterinary laboratory authorised to perform bacteriological, parasitological, and human / health diagnostic of disease including analysis of feedstuff of fish origin.

Despite the fact that stakeholders have been involved in the fishery management process, there has been no political support for the establishment of the National Marine Fishery and Mari culture Council.

The strategic planning role of the Ministry implies cooperation with other ministries and agencies (e.g. Ministry of the Environment), as well as with regional and international fishery management organisations (e.g. GFCM, AdriaMed, FAO, ICES). There has been no progress in establishing a procedures' organisation, as is the case with market policy, including the collection of market data.

Strategies

The "Strategy for development of Montenegrin fishery and for capacity building regarding implementation of the Common EU fishery policies", the development of which was supported by EU assistance, was adopted at the end of 2006 and is being implemented. The government has also adopted a national strategic plan for the fisheries sector for 2009-2013 which sets objectives for the development of aquaculture and marine fisheries, including scientific assessment of fish stocks. (EC PR 2009, 38)

Development of human resources

Even though the administrative capacity of the Fisheries Sector Unit in MARD has been strengthened by employing additional advisors, (EC PR 2012, 35), the Unit is institutionally still weak and lacks the experience and ability to implement and maintain activities required for effective administration and management of the fisheries sector. (FR 2010-2012, 2). The under-staffed legal department in MARD, engaged on the secondary legislation of the fisheries law, contributes to the slowing down of the process.

There has altogether been limited progress in the area of inspection and control. The fishery inspectors had undergone training to improve their abilities to inspect and monitor fishing activities in accordance with the relevant EU Regulations and practices. However, the capacities of the fishery inspectorate remain limited.

Even though some progress has been made on upgrading administrative capacity, enhancing inspection and control of marine fishery resources and performing in a more reliable manner, the capacity of the fishery inspectorate still remains limited.

Further, even though the management structure of the Institute for Marine Biology (IMB) was not fully geared to direct the research needed to provide answers to fisheries management questions, on the basis of provided EU assistance (trained in assessing the biological state of the fish stocks)

capacity was strengthened and IMB currently has the capacity to undertake the work required if it is allocated sufficient resources.

Establishment of Systems and Tools

There have been no major developments on agricultural and fishery statistics, but MONSTAT has substantially contributed to increased knowledge of the EU requirements regarding agricultural statistics.

With no equipment to allow sea based activities, the majority of MCS work by inspectors is dedicated to fishery outlets (mongers and restaurants) on – shore. Hence fish inspectors focus on food quality rather than on what they should be doing which is MCS of fishing vessels and their catching activity. Vessel Monitoring System (VMS) is functioning, although not fully . Recent efforts to implement VMS were slowed down by the fishermen's refusal to cooperate in their installation. The situation was resolved when MARD committed to providing fuel subsidies in 2012 if the fishermen would collaborate with the VMS and the completion of log books (as required by Law since June, 2011).

Investment in appropriate fishing vessels is limited and there is a lack of on-shore capacity to handle bulk landings of species such as anchovy and sardine. HACCP procedures have been introduced in facilities where new investment has recently taken place. (FD IPARD 2007-2013, 69)

Progress can be seen however in the field of resource and fleet management. The Fishery Information System was further developed to make it compatible with the relevant EU requirements and the fleet register has been brought into operation, just after the precondition of issuing of licenses for commercial fishing for 2011 was met.

Preparations have also been initiated aiming at meeting the upcoming obligation to record all catches by electronic means and to submit this information electronically to the competent authorities. However, no progress has been made on ensuring systematic processing of logbooks, adequately registering catches and landings and using sales notes. In this respect, no progress was made towards meeting the requirement for systematic cross-checking between the catch composition and logbook records.

Some progress can be reported on systematic collection of data on the fishing fleet, catches and landings, the biological state of the fish stocks and socio-economic data.

As regards resource and fleet management, progress is limited. The fishery information system has been further developed. Efforts continued towards setting up a vessel monitoring centre. Increased efforts are however needed to ensure the systematic processing of data from logbooks, adequate registration of catches and landings, the use of sales notes and systematic cross-checking between catch composition and logbook records. Preparations in the area of inspection and control are not very advanced

Donor Assistance to the sub sector

In addition to EU funded support, also other donors and IFIs were active in this sector. In the period June 2009 - June 2014, the World Bank is providing support to Montenegrin agriculture by implementation of the MIDAS project (Montenegro Institutional Development and Agriculture Strengthening). Support is provided through an IBRD credit (11MEUR) and GEF (Global Environmental Fund) grant (4MUSD). The Government of Montenegro accepted the MIDAS proposals in early 2011 but to-date these have not been implemented. MIDAS financed some of the

modernisation of the IMB building in Kotor that was complemented by the EU funded Works contract.

Support of the UN through FAO was implemented through support to small producers in organic production with support through the FAO ADRIAMED scientific cooperation project with the fisheries sector in the Adriatic Sea.

Annex 6 The evaluation methodology

The country level interim evaluations (and the MBP evaluation) will consist of two constituent and complementary elements – the evaluation of individual projects in the sample and the creation of a wider sectoral assessment. The interim evaluations follow the formats and methodology of the Commission's Evaluation Guide and the Project Cycle Management (PCM) Guide of EuropeAid. Each project included within the evaluation is assessed against the indicators in the project and programme documentation for efficiency, effectiveness, impact and sustainability and the results used to answer the Evaluation Questions established in the ToR.

With the focus of the evaluation on the measurement of impact, a sectoral approach is being used which requires a further level of assessment. The objective is to review how a particular sector in a country has evolved over time and assess the influence that the IPA has had on the changes that have been observed. This is undertaken by creating a picture of the sector and assessing how it has changed by identifying the initial sectoral objectives of the national authorities, determining what the situation was when the IPA assistance was planned and then measuring progress against impact level indicators. The evaluation questions, around which the evaluation report itself is also framed, fit into this sector focussed approach by building on the data gathered for the sectoral impact analysis.

The evaluation starts with a sampling process to reduce the overall population to a more manageable size whilst retaining sufficient scope to provide a credible evidence base for the conclusions and recommendations. Sectoral assessment matrices are developed based on programming documents to develop an understanding of the intervention logic of the programmes and ensure there are sufficient SMART²⁴ indicators, particularly at the impact level. Project evaluation forms are used to gather data on performance based on the indicators given in the project documents and made available from primary research and secondary information sources.

Elaboration of the sectoral assessment methodology

Creating the sectors

In the 2007-09 programming period, the IPA was structured along 'priority axes' and therefore firstly, the sectors to be included in the evaluation should be defined by reallocating individual projects into the same sectors used in 2011 programming onwards. It should be noted that whilst the MIPD refers to grouping projects into sectors for the process of programming there is no common definition or consistent use of the term 'sector' in DG ELARG. For the purposes of this evaluation the term 'sector' is used to refer to groupings of projects along the same lines as in the MIPDs. For each sector in the sample the sectoral objectives and the baseline are identified from the Accession Partnership (s) and Progress Reports which underpin the assistance under review. From these sectoral objectives we can identify or define indicators of expected impact. The second stage is to describe the current status of these sectoral objectives and therefore understand what has changed. The third stage is to analyse how and whether IPA assistance contributed to the observed change in the sectoral objectives, or to what extent the changes can be attributed to IPA.

Defining the baseline

The European Partnership (EP) is a summary of the short and medium term objectives (described by the Copenhagen Criteria and the chapters of the *acquis*) agreed between the Commission and the beneficiary applicant state. It forms the basis for the programming of EC assistance but clearly

²⁴ Specific, Measurable, Available, Relevant and Time bound – characteristics of good indicators.

its objectives are of a significantly broader scope than can be funded from the resources available solely from the EU. It is supported by an Action Plan prepared by the beneficiary country detailing the timetable for completion of the objectives of the EP. The EP is prepared in the year preceding the financing memorandum and thus the IPA 2007 programme is based on the EP of 2006 and the IPA 2008 on the EP of 2007²⁵. For the purposes of the evaluation, the baseline is taken from the Progress Report and the sectoral policy objectives (and the indicators derived from them) from the medium term priorities of the EP – those which should be achieved within 3-4 years (i.e., by 2010/2011).

Measuring progress

The current status of the sector will be defined using information from the most recent progress report, sector strategies and sector studies, complemented by interviews with key sectoral stakeholders. Where necessary we can also bring in the services of external specialists to bring further clarity to the analysis. The final stage is to establish whether the IPA made a contribution to these observed changes.

Establishing contribution

The objectives identified in the planning stages will be cross referenced against specific projects funded in the sector and used to determine the extent to which there could have *potentially* been an impact realised by IPA assistance. The indicators defined from the programme documents (EP, project fiches) will then be used to measure the extent to which the IPA assistance has contributed to the changes observed. This can be supplemented by a review of documents, ROM reports and interviews with key stakeholders and other experts in order to establish whether specific changes can be attributed to the IPA assistance or to other factors, or whether IPA has contributed to internal processes of change. If there are no observable changes – i.e. there has been no impact – the reasons behind this can also be determined by the analysis.

Where documentary evidence is not available the contribution of the IPA to observed change will be made using a public administration capacity systems analysis methodology. This approach identifies the type of effects generated by the assistance and the contribution this has made to the sectoral changes observed. Where indicators are lacking or insufficient, it offers an objective and logical explanation of how and whether impact could have been achieved by IPA assistance.

Disregarding externalities for a moment, any sectoral change can be defined within one or a combination of three categories: Institutional Structures, Human Resources or Systems and Tools. These features of administrative reform need to be visualized along a time line of sectoral policy development, with investment provided at appropriate times to effect the achievement of impact. For example, there is little point in investing in Information and Communications Technology (ICT) until the institutional structures have been established; the development of Human Resources must be a constant process.

Institutional Structures considers the changes to the structures of the institutions in the sector (state and Non-Government Organisations (NGOs)) driven by the introduction of new policy. It can be disaggregated into a number of sub components, including organizational reform (such as restructuring or decentralization) and the legal framework (scope of responsibilities between ministries, introduction of commercial service delivery, creation of regulatory agencies).

Human Resources covers the changed behaviour and working methods of the individuals working within institutional structures and can consist of staffing (adequacy of numbers, limiting turnover),

²⁵ Due to the changing constitutional nature of some of the beneficiaries of the region over the programme time period, some consolidation of objectives from different reports has been necessary.

resources (existence of Human Resource (HR) policies and career paths, risk of brain drain) and competencies (completeness of required competencies, effectiveness of training).

Systems and Tools consists of the delivery of those elements of technical or managerial infrastructure needed by institutional structures and human resources to effect change. It includes Information and communication technology, infrastructural investment, management information systems or monitoring systems.

The Evaluation Questions

The questions in this evaluation fall into two groups. Those addressing efficiency and effectiveness cover the project level environment and are essentially directly within the control of the implementing authorities and contractors. Those looking at impact and sustainability consider the affects the programmes will have on the wider environment and are both more difficult to objectively measure and less under the control of operational stakeholders.

- For the evaluation of questions covering efficiency and effectiveness we will be looking at systemic issues affecting the delivery of IPA assistance. The data for these evaluation questions will come from the analysis of project performance through the review of indicators and interviews with key stakeholders. Programme level evaluations do not consist of the sum of the performance of individual projects, but the analysis of individual projects does form the basis for the derivation of programme level conclusions.
- For the evaluation of questions covering impact and sustainability we will be looking at how the IPA assistance has contributed to changes observed at the sectoral level. The data for these evaluation questions will come from the analysis of how the sector as a whole has developed since the time of programming and disaggregates the specific impact of the IPA. This element of the research also looks at whether sectoral objectives not assisted by the IPA have been met and thus provides a counterfactual analysis. As well as measuring the expected versus actual impact indicators, interviews with key stakeholders will determine process and therefore lessons learned in achieving impact and sustainability.

Evaluation of Efficiency and Effectiveness

There are three evaluation questions covering aspects of efficiency and effectiveness:

Table 5.1 Assessment of efficiency and effectiveness

Assessment of efficiency and effectiveness	
EQ 1	To what extent are interventions financed under IPA efficient in terms of value for money when delivering outputs and immediate results?
EQ 2	To what extent are interventions financed under IPA effective in delivering outputs and immediate results?
EQ 7	Are there potential actions which would improve the efficiency and effectiveness of the on-going assistance?

This element of the evaluation will consist of the measurement of the extent that outputs have been delivered, at an appropriate quality level, and objectives achieved; the timeliness of their delivery and their cost. Questions considering efficiency seek to understand whether outputs were delivered on time and at a reasonable and expected cost. Effectiveness looks at what use has been made of the outputs delivered, or are likely to be delivered. At the same time, realistic alternatives should be identified which are likely to be more effective and/or efficient than the observed solutions.

In the context of this evaluation, efficiency focuses on the achievement of value for money for both outputs and objectives. To assess this we need to determine:

- Whether the assistance has been, or is likely to be, delivered within the originally planned budget and time-frame.
- Whether the planning process took adequate consideration of other ways of delivering outputs or objectives and whether assistance could have been delivered in a more cost effective manner to achieve the same outputs or objectives.

In principle, the questions will be answered at the level of the sector concerned. This means that especially for impact and sustainability sector-specific indicators were developed. Capacity building and institutional strengthening has however also many common elements, which is why many indicators, especially for efficiency and effectiveness, can also be presented at a more general level (as is done in this section).

When analysing efficiency, it should be furthermore kept in mind that the emphasis of the evaluation is on impact and sustainability of the combined IPA effort on the relevant sectors. The evaluation will therefore not go in detail on individual examples of bad or poor performance in specific interventions (if at all, this will be done to illustrate common phenomena), but instead endeavour to identify embedded strengths or weaknesses in the system (procedures, modus operandi) which influence efficiency and overall value for money in terms of 'impact for money.'

EQ I To what extent are interventions financed under IPA efficient in terms of value for money when delivering outputs and immediate results?

Judgement criteria:

The assistance has delivered the planned outputs and achieved project objectives in the most cost effective manner.

Planned outputs were normally delivered within the foreseen timespan.

Procedures for programming and supervision are transparent and promote efficiency.

Budget and timelines for the majority of interventions were realistic.

IPA interventions normally do not result in excessive administrative burden for the beneficiary organisations.

Generally a good mix of financial sources (incl. non-EU sources like IFIs etc.) was applied.

Indicators/Descriptors	Data source
• All contracts were subject to competitive tender	Project fiches, EUD/CFCU
• All tenders are contracted at least six months before the end of the commitment period thereby providing the Contracting Authority with sufficient time to cancel, redesign and re-tender if offers are unduly expensive	Perseus reports, Implementation status report
• The beneficiary authorities provided the minimum required levels of co-financing in a timely fashion	Perseus reports
• A comprehensive needs assessment, updated detailed design and commercial assessment by an appropriately qualified independent expert has been completed within one year of the launch of the tender	ROM reports, CFCU Interviews
• Administrative capacity assessments are used on all institution building projects to scale assistance to beneficiary absorption capacity	ROM Reports, CFCU Interviews
• The type of contract (works, supply, service, TA or Twinning) is appropriate for the objectives targeted	Contracts / Project fiches
• Delay and performance clauses and other appropriate penalties have been included in contracts and is there clear evidence that they have been enforced where necessary	Sample contracts Interviews with NAO/CFCU
• For all infrastructure components, alternative sources of funding to IPA grant aid been considered at the planning stage (soft loan finance, government funds, municipal bonds, other EU financing)	Project fiches Interviews with NIPAC/IFAs
• Resources have been leveraged with other donors/beneficiary budgets where possible	MIPD
• Duplication of funding with other sources has been avoided	NIPAC
• An effective aid co-ordination structure is in place to ensure no overlap and	NIPAC co-

EQ I To what extent are interventions financed under IPA efficient in terms of value for money when delivering outputs and immediate results?

collaborative financing	ordination meetings
• The costs, including indirect and on-going costs, to achieve the planned objectives have been clearly considered in programme design	Project fiches
• There is good governance at all levels with sound financial management to ensure corruption is avoided	Management systems
• Timely approval procedures for institution building outputs	NAO/CFCU
• Timely preparation and mobilization of twinning contracts	ROM reports,
• Generally, service providers deliver outputs within the foreseen timeframe	progress and final reports
• Generally, beneficiary organisations make the required resources (space, human resources, translation services, IT etc.) available in time	ROM reports,
• Project outputs can be applied by beneficiary organisations without the need for unduly large investments or other costs.	NIPAC
• Project outputs are timely absorbed by beneficiary organizations	ROM reports,
	NIPAC

The evaluation question directed at effectiveness looks at the extent to which the outputs and objectives of the assistance have been successfully achieved (or are likely to be achieved) or if there were better ways of delivering outputs and objectives.

EQ II To what extent are interventions financed under IPA effective in delivering outputs and immediate results?

Judgement Criteria:

The assistance was effective with the planned outputs delivered, at the appropriate quality level.

Normally, appropriate service providers or twinning partners have been selected.

Procedures for programming and supervision are pro-active and promote quality and effectiveness.

Generally, outputs were relevant for the beneficiary organisations.

Generally, outputs have been taken up/used by the beneficiary organisations.

Indicators/Descriptors	Data source
• The extent to which outputs have been delivered (or are on schedule to be delivered) as defined in programming and contract documents	ROM reports, CFCU / Perseus
• The beneficiaries were included in the design and definition of objectives	NIPAC
• Each project contains clear and convincing intervention logic with evidence and assumptions/conditionalities	NIPAC
• Regular management meetings are held between contractors and all stakeholders at least quarterly (process)	NIPAC / CFCU / EUD
• EUD Task Managers apply good management practices with at least quarterly internal management reviews of all projects (process)	EUD management
• The risks to the achievement of the objectives are identified at appropriate intervals during the project duration (process)	ROM reports, NIPAC
• If risks were identified, generally appropriate action is taken by EUD or other relevant bodies	EUD, NIPAC, progress reports
• Objectives or outputs are amended to take into account changing circumstances	NIPAC
• Project outputs are generally at an appropriate quality level and relevant for the beneficiary organizations	EUD, NIPAC, interviews with BOs
• Project outputs are generally accepted and implemented by the beneficiary organisations	EUD, NIPAC, interviews with BOs

EQ VII Are there any potential actions which would improve the efficiency and effectiveness of on-going assistance?

Judgement Criteria:

Is there a need for improvement in efficiency and/or effectiveness (answer delivered by EQ 1 and 2)?

For most interventions in the design phase a conscious selection has been made between different delivery methods, with a view to maximizing efficiency and/or effectiveness.

Actions can be or cannot be defined that can improve the efficiency and effectiveness of the assistance.

Indicators/Descriptors	Data source
Corrective actions to improve systemic impediments to efficiency and effectiveness	document review, field research interviews or institutional capacity analysis provided in the framework of Structures, Human Resource Management and Tools
Extent to which beneficiaries/other actors involved identify possibilities for the improvement of efficiency	Expert judgements (interviews, focus groups)
Extent to which the "environmental" preconditions are available (e.g. political support, project fits in wider sector strategy, HR strategy, etc.)	Expert judgements (interviews, focus groups)

Evaluation of Impact and Sustainability

There are five evaluation questions covering impact and sustainability.

Table 1.2 Assessment of impact and sustainability

Assessment of impact and sustainability	
EQ 3	Are the outputs and immediate results delivered by the IPA translated into the desired/expected impacts, namely in terms of achieving the strategic objectives/priorities linked to the accession preparation? Are/can impacts be sufficiently identified/quantified?
EQ 4	Are there any additional impacts (both positive and negative)?
EQ 5	Are the identified impacts sustainable?
EQ 6	Are there any elements which could hamper the impact and/or sustainability of the assistance?
EQ 8	Are there actions which would improve the prospects for impact and sustainability of the on-going assistance?

EQ III Are the outputs and immediate results delivered by IPA translated into the desired/expected impacts, namely in terms of achieving the strategic objectives/priorities linked to accession preparation? Are/can impacts be sufficiently identified/quantified

Judgement Criteria:

The assistance provided under the IPA is making, or can be expected to make, a visible contribution to the institution building objectives of the NPAA.

All interventions fit logically into the wider objectives of IPA.

Generally, outputs have been taken up by the beneficiary organisations.

Generally, the objectives of the programme have been met.

Indicators/Descriptors	Data source
Extent of progress on the fulfilment of the <i>acquis</i> and Copenhagen Criteria within the sector	Project fiches, Perseus, Task Managers, annual reports on progress towards adoption of the <i>acquis</i>
The interventions contribute directly to the requirements of the <i>acquis</i> as laid down in NPAA and Action Plan	ROM reports, Questionnaire
For earlier projects now in their later stages (FM 2007/2008) measurement of existing impact indicators must show at least some progress towards target	ROM reports, Questionnaire
Strategic programming documents (MIPD, national strategic plans) are clearly	MIPD, NPAA

linked to the NPAA	Strategies
• There exist realistic but sufficiently ambitious national strategic plans	NPAA strategies
• The suite of IPA funded project fits logically in the national strategic plans for institution building	Project fiches, Strategies
• Pre-conditions for impact have been defined during programming (such as staff reinforcement, premises, equipment)	Project fiches, EUD
• All conditionalities have been enforced prior to contracting	Interviews with EUD
• Measurement of individual sector performance indicators against sectoral objectives and the baseline (given in detail in annex 4)	EUD/NIPAC/document analysis
• Measurement mechanisms are in place to assess impact and implement corrective management actions as necessary	NIPAC
• Qualitative progress is measured on strengthening of Structures (legislation, co-operation, management)	ROM reports, Questionnaires, annual projects
• Qualitative progress is measured on strengthening Human Resources (competencies, staffing, resources)	ROM reports, Questionnaires
• Qualitative progress is measured on strengthening Systems and Tools (ICT, finance, M&E)	ROM reports, Questionnaires

EQ IV Are there any **additional impact** (both positive and negative)?

Judgement Criteria:

Unplanned impacts are identified in the interventions.

There have been unplanned indirect positive effects of the interventions, which significantly augment the impact of IPA.

There have been unplanned indirect negative effects of the interventions, which significantly take away from the impact of IPA.

In hindsight, could these effects have been anticipated?

Indicators/Descriptors	Data source
• Mechanisms are in place to capture information on unplanned impacts and mitigate/promote them	NIPAC questionnaire +
• List unplanned impacts identified by the beneficiary authorities and management actions taken/planned	NIPAC questionnaire +
• Are these (unforeseen and/or indirect) effects of a significant size, to what extent do they augment the direct effects or take away from the latter (to be further specified in Annex 4)	NIPAC questionnaire +
• Does IPA in general contribute to the emergence of relations with relevant partner organisations within the EU (member states)	NIPAC questionnaire +

As with impact, sustainability can usually only be finally assessed once a project has been completed and thus the evaluation must focus on pre-conditions for sustainability. Much of the IPA consists of multi-annual interventions and the sustainability of earlier elements is sometimes a useful proxy for the sustainability of current actions.

EQ V Are the identified impacts **sustainable**?

Judgement criteria:

Long term institutional capacity building impacts will be sustained as they are a pre-requisite for membership of the European Union.

Beneficiary budget is sufficient to sustain the effects.

Beneficiary organisations are able to retain human resources necessary to implement the results of the IPA interventions.

IPA enabled effects are logically embedded in beneficiary (new) structures.

Indicators/Descriptors	Data source
• For earlier projects in their later stages (FM 2007/2008) measurement of existing sustainability indicators show progress towards targets	ROM reports, Contractor interviews, Project reports, beneficiary interviews

• Identification of external factors such as staff turnover or political support that influence the sustainability of impact	ROM reports, Contractor interviews
• For investment projects, beneficiaries must have sufficient budgets for consumables, replacement and additional equipment	Beneficiary interviews
• For institution building projects, beneficiaries must have sufficient budget to effectively retain or recruit staff based on an administrative capacity plan approved by the budgetary authority	Beneficiary interviews
• Conditional legislation (especially secondary legislation) should be in place before the end of the associated assistance	Beneficiary interviews / NIPAC
• Existence of examples of the sustainability of any completed comparable interventions as a proxy for likely sustainability of assistance under evaluation	NIPAC / EUD

Given the programme level nature of the interim evaluations, the identification of issues which could hamper the achievement of impact and sustainability should concentrate on common rather project specific issues.

EQ VI Are there any elements which could hamper the impact and/or sustainability of the assistance?

Judgement Criteria:

There are (no) systemic issues which reduce the impact or sustainability of assistance.

There are (no) embedded defects in the system in the partner country and/or beneficiary organisations which prevent adoption of the outputs of IPA interventions, e.g. excessive lack of staff, brain drain or lack of political will (either government or parliament) to adopt the changes).

Indicators/Descriptors	Data source
• Problems identified affecting impact and sustainability of investment projects such as: poor needs assessment & specification, sufficiency for beneficiary needs and availability of additional financing (e.g. To complete networks of laboratories for food testing), staffing of new facilities, funds for consumables & replacements, rapid obsolescence of equipment due to legislative or institutional change, operating budgets, user costs & cost recovery. • Common problems on institution building projects include: involvement of the beneficiary in project design, adequacy of staff and facilities, retention of trained employees (private sector pull), maintenance of reform momentum, loss of reform champions.	Beneficiary interviews, NIPAC, EUD interviews, ROM reports

The lack of focus of those charged with operational management of the IPA offers a substantial opportunity for evaluation to identify and develop institutional corrective actions to improve the potential for impact and sustainability of the programme.

EQ VIII Are there any actions which would improve the prospects for impact and sustainability of the on-going assistance?

Judgement Criteria:

Actions can(not) be defined that can improve the impact and sustainability of the on-going assistance.

Such actions (if at all) are not so expensive or invasive that their introduction would take away from impact or sustainability.

Indicators/Descriptors	Data source I
• Corrective actions to improve impact and sustainability identified in the institutional capacity analysis will be provided in the framework of Structures, Human Resource Management and Tools	Same as for EQ III – VI
• Other identified actions based on the findings on factors that influence the sustainability negatively	

Annex 7 Debriefing note

Montenegro Country Programme Interim Evaluation

Debriefing meeting, 17th June 2013

The purpose of the debriefing meeting is to discuss the conclusions and recommendations proposed by the evaluation report. Members of the meeting have the option to agree with the recommendation as it is, amend it to make it more appropriate to their needs, or to reject it.

Conclusion	Recommendation	Action by	Timing	Debriefing Response
1. Despite the imminent transfer of decentralised management, both environment (including energy) and agriculture (including fisheries) sectors require a substantial input from the EUD in project preparation due to insufficient capacity at the beneficiaries. There have been positive examples of effective beneficiary collaboration in the development of project documentation, such as preparation of the terms of reference for support to the energy sector.	1. Whilst ongoing assistance from the EUD is likely in the short term, the national authorities should be left to develop project documentation with the role of the EUD limited to facilitation and guidance in their ex ante control function.	EUD / Beneficiaries	Immediate	The EUD considers that it should retain an advisory role towards the national authorities until such time as their capacity is sufficient to enable them to proceed independently.
2. Physically locating the contractor in the same office as the beneficiary strengthens the beneficiary's involvement in the project. It has been a contributory factor to the success of support to the energy sector. It is not, however, consistent and the fisheries, animal diseases as well as the animal identification projects were all located in alternative premises to their respective beneficiaries	2. It is recommended that TA contractors should be located in the offices of the beneficiary, preferably in close proximity to key decision makers	Beneficiaries	Immediate	The national authorities noted that whilst they agreed with the recommendation in theory, the critical shortage of office space in ministries makes this impractical
3. Strategic planning has led to the creation	3. It is recommended that the MARD, MSDT	NIPAC	For 2014	Agreed

Conclusion	Recommendation	Action by	Timing	Debriefing Response
of numerous strategies but many do not have action plans, budgets or a connection to the financial expenditure plans of their beneficiaries, resulting in them largely not been implemented. This could be improved with the introduction of a more sectoral based approach to the delivery of EU funds but this concept remains nascent.	and related public services ensure that not only strategies are drafted (as is the case with the food safety strategy), but that they link them to action plans and finance to ensure that they have the capacity to be implemented.		programming	
	4. The EUD should ensure that future assistance is underpinned by functional national level sectoral strategic planning.	NIPAC / EUD	For 2014 programming	Agreed
4. Staff turnover remains a systemic issue in the public administration and the culture of formal and systematic information flow and communication within government institutions is not as strong as it could be. This becomes more important when considering the generally small number of people involved in the assistance	5. Staff turnover and capacity constraints will not be resolved in the short term and thus institutional memory of IPA assistance needs to be strengthened. Knowledge management systems should be established or elaborated within the MARD, including within staff job descriptions. Future IPA assistance should have the establishment of relevant knowledge management systems within their respective beneficiaries as a formal project	NIPAC / EUD	For 2014 project design	Agreed
5. A closer link is needed between the political objectives of the EC and the IPA projects by improving the quality of indicators. Currently it is difficult to evaluate the progress made in impact on a sectoral level as there are no clear indicators	6. It is recommended that for IPA II, clearer indicators are included in both programming and project documents	NIPAC / EUD	For 2014 programming	The use of standard indicators for the next financial perspective should address this issue

Conclusion	Recommendation	Action by	Timing	Debriefing Response
6. It was not possible to construct the landfills planned under the IPA assistance and waste trucks and containers were delivered instead. However, this meant that the planned awareness campaign on waste component was not implemented even though it remained relevant for sectoral needs	7. It is recommended that when assistance has to be cancelled or reallocated, a comprehensive analysis is undertaken by the Contracting Authority to determine whether any of the elements can be implemented and the effects on other parts of the programme if they are not implemented	CFCU / EUD	Immediate and ongoing	Not agreed. There was no awareness campaign planned under the original assistance.
Fisheries				
7. The administrative capacity in the fisheries sector remains unsatisfactory, despite commitments from the national authorities to improve it. It is not considered as an economic priority in MARD and therefore lacks political support. Furthermore, no progress can be seen related to further alignment of the relevant legislation with the fisheries acquis and there has also been only limited progress in the area of inspection and control	8. Any further support to the fisheries sector should be based on clear conditionalities for levels of administrative capacity, financial resources, evidence of adoption of existing strategic planning and evidence of institutional reform to address existing weaknesses in inspection and control capacity	EUD	Immediate	The beneficiary considered that the administrative capacity issues had been largely addressed despite the clear failings in project performance
Food Safety and IPARD				
8. Beneficiaries in Food Safety and IPARD have insufficient administrative capacity to be able to effectively absorb the scale of IPA assistance. They are still not sufficiently prepared to meet the objectives of the national action plan towards IPARD accreditation	9. The Montenegrin authorities need to address the administrative capacity issues throughout the agriculture sector, focusing on increased budgets for recruitment and, more broadly, the development of financial and non-financial inducements to improve recruitment and retention	MARD / MNE Govt	Immediate	The national authorities note their limited financial capacity to improve inducements and remuneration for civil servants at the moment
	10. The Commission Services should establish clear administrative capacity benchmarks and conditionalities or otherwise scale the assistance to the absorption capacities of the beneficiaries	EC HQ / MNE Govt	For 2014 programming	Agreed, but this should be undertaken by the national authorities as DIS will be conferred

Conclusion	Recommendation	Action by	Timing	Debriefing Response
9. IPA assistance supported the development of successful coordination and cooperation of line ministries and governmental services, as particularly demonstrated with assistance to food safety. Multi-beneficiary working groups have contributed to effective achievement of results. However, cooperation, even though lately improved, has not been satisfactory in the IPARD sector. It was particularly weak between MARD and MoF. MoF had not been sufficiently reactive, resulting with delays. On the whole, MARD had underestimated the importance of continuous involvement of MoF in the overall process	11. Successful experience with establishing mechanisms of inter-institutional cooperation should be replicated throughout the sector. Specifically, an inter institutional working group should be established between the MARD and the MoF to improve both institution's ownership and commitment towards the IPARD process	MARD/MoF	Immediate	Agreed, but the national authorities note that co-ordination working groups have been established for the purposes of chapter negotiation. The issue of MoF and MARD collaboration is considered to have been resolved.
10. Legislation has been drafted for IPARD, the veterinary phytosanitary and energy, reflecting some good progress with legislative alignment in the sector. Nevertheless, there are still notable gaps and even with action plans and finance, the implementation is not always ensured. The existing legal framework is not sufficiently prepared to meet the objectives of the national action plan towards IPARD accreditation. Furthermore, even though a good Law on Cooperatives was drafted, it is apparent that the Government is not planning the adoption of this Act.	12. It is recommended that the MARD, MSDT and the government ensure more commitment and willingness to sustain the achievements in the legislative segment. The remaining legislation needs to be aligned and drafted laws need to be adopted and implemented	MARD/MSDT/Govt	Immediate	This will be driven by the chapter screening process
	13. The EUD should ensure that any future assistance in legislative harmonisation is directly related to agreed sectoral strategic planning or where relevant Chapter benchmarking for those Chapters that have been opened for negotiation	EUD	For 2014 programming	Agreed, but this is the likely focus of future IPA funding anyway
	14. The EUD should require a formal response from the Montenegrin authorities on their plans for the development of the co-operative sector and how they plan to achieve the planned results for this assistance	MARD / EUD	Immediate	A development plan is in preparation

Conclusion	Recommendation	Action by	Timing	Debriefing Response
11. Donors are present in the both sectors. In the agriculture sector some complementarity has been achieved with IPA assistance but cooperation with the main donor in the sector, the World Bank, has weakened after a good start. Donor co-ordination needs to be improved under the aegis of the national authorities	15. Better donor co-ordination is likely to come from the introduction of the sector wide approach and the decentralisation of management to the national authorities. In the meantime, specifically improved co-ordination needs to be overseen by the NIPAC to ensure complementarity between the IPA assistance and the MIDAS project	NIPAC/MARD	Immediate	Cooperation is considered to be good and sufficient
12. Relevant outputs have been achieved in the food safety area. However, there was no systemic involvement of business operators and other private institutions, which compromises both impact and sustainability	16. Future assistance to the food quality sector – and indeed all aspects of the agriculture programme – should take adequate consideration of the role of the private sector in the future implementation of policies. Whilst they would not be eligible to be included as direct beneficiaries, representative organisations should be consulted during project preparation and included within project steering committees	MARD/NIPAC	For 2014 programming	Agreed but should be limited for practical purposes to representative organisations who have the capacity to effectively contribute.



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