

Monitoring System of the Implementation of Projects and Programmes
of External Co-operation financed by the EU – Tacis/ ENPI

MONITORS' REVIEW

***of the Technical Assistance to
the Countries of the
Commonwealth of Independent
States (Tacis) in 2005 to 2007
based on the Findings of
Result Oriented Monitoring.***



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1. INTRODUCTION	2
2. GENERAL REVIEW OF THE TACIS PROGRAMME.....	3
2.1. Results per Region over time.....	3
2.1 Russia	4
2.2 Ukraine, Moldova, and Belarus	7
2.3 Armenia, Azerbaijan, and Georgia.....	12
2.4 Central Asia (Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan).....	17
3. STRENGTHENING FUTURE TECHNICAL ASSISTANCE TO THE CIS: LESSONS LEARNT FROM 2005 TO 2007.....	24
3.1 Relevance and Design.....	25
3.2 Efficiency of Implementation.....	30
3.3 Effectiveness	34
3.4 Impact.....	37
3.5 Sustainability.....	40
3.6 Strategic Guidance/Management by EC Services.....	42
3.7 Absorption Capacities.....	43
3.8 National Ownership	44
3.9 Learn from Experience (Use of Monitors' Recommendations)	45
3.10 Multi-Donor Co-ordination.....	46
4. RECOMMENDATIONS FOR STRENGTHENING FUTURE INTERVENTIONS WITHIN THE CIS.....	50

Introduction



1. INTRODUCTION

The main objective of this report is to undertake an evaluation of the Tacis programme over the three year period - 24 November 2004 to 23 November 2007 inclusive – particularly from the perspective of a sector wide approach. This evaluation is based upon the statistical data held in the “Monis” database and through consultation with key individuals at the various monitoring offices in the region. The goal is to identify the main lessons learnt and, thereafter, to “draw out” the relevant conclusions and recommendations to be incorporated into future programming under the European Neighbourhood and Partnership Instrument.

This report is divided into two Sections. The first focuses on a general evaluation of the Tacis programme, based upon the monitoring reports issued by the Moscow, Kyiv, Tbilisi, and Almaty monitoring offices over a two year period (2006 to 2007). No analysis is presented for 2005 due to the difference in the evaluation system used. Nevertheless two years' worth of monitoring data is considered more than adequate to draw the main conclusions and recommendations. Particular emphasis will be placed upon analysing the overall impact and sustainability of the programme by way of determining how it reached its overall objective of supporting the process of transition to market economies and democratic societies in the countries of Eastern Europe, South Caucasus and Central Asia.

The second section focuses on cross-cutting issues. In this context, the analysis of the Tacis programme over the last three years will attempt to identify lessons learnt showing how to improve strategic guidance/management by EC Services, absorption capacity of implementing or benefiting stakeholders, national ownership, multi-donor co-ordination, as well as making the most effective use of monitors' recommendations. This section presents a qualitative assessment of the main lessons learnt over the last three years on a cross-cutting sector basis and presents recommendations for strengthening the impact of future interventions by Commission Services in this region.

2. GENERAL REVIEW OF THE TACIS PROGRAMME



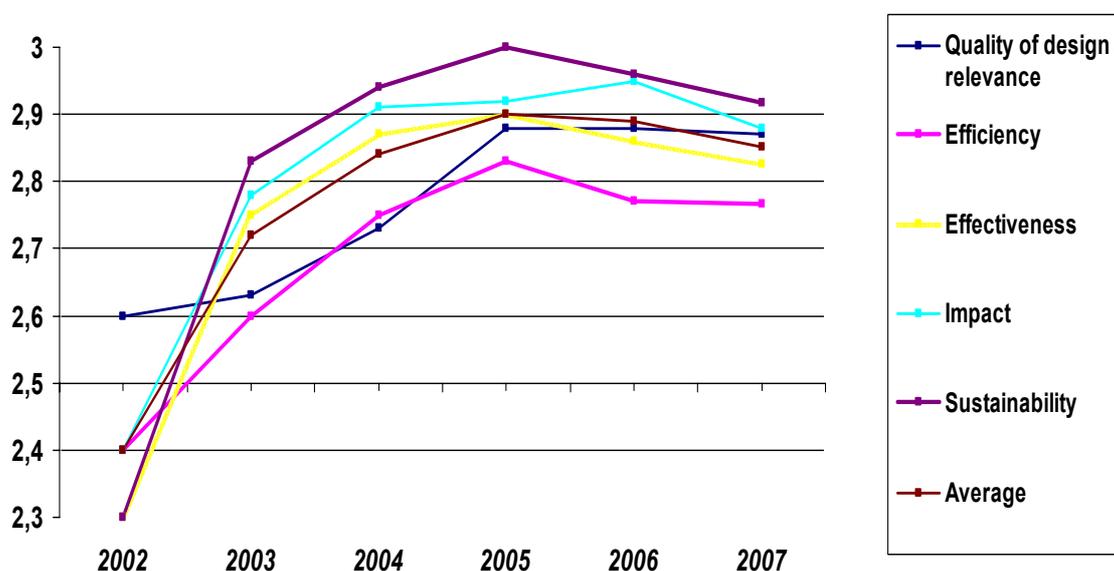
2. GENERAL REVIEW OF THE TACIS PROGRAMME

The main objective of this section is to assess how well the Tacis programme in general supported the process of transition to a market economy and democratic society in the region. Although essentially a qualitative evaluation, some statistical analysis is undertaken – particularly with respect to overall impact and sustainability, as surrogate indicators for assessing the effectiveness of the programme.

2.1. Results per Region over time

Considering the timelines over the years (2002-2007), the quality of Impact and Relevance/Project Design steadily increased. Sustainability scored highest over the last years slight drops in 2006-2007 are mainly caused by less performing Regional Programmes. In addition, considerable decreasing scores occurred in Efficiency and Effectiveness.

Table 1: Average scores for main criteria - by region – timeline



Note: A = very good (4); B = good (3); C = problems (2); D = serious deficiencies (1)

What is most relevant to note, however, is a general stabilisation of the overall scores since 2003 in all five criteria. This indicates a steady evolution in the implementation of EU-funded programmes, based on the accumulated experience on the part of the EC Delegations in administering them, the gradually improving performance of EC contractors and finally, on a heightened sense of ownership and

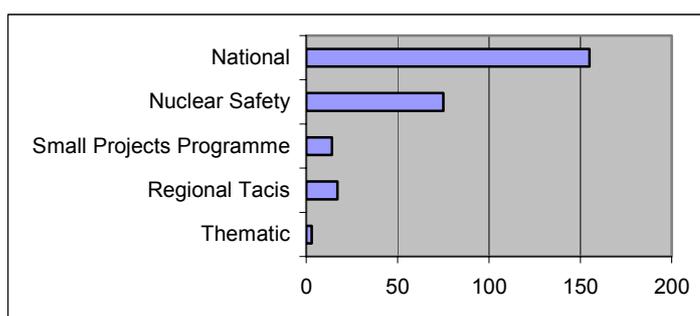
commitment on the part of the national project partners. The ROM system itself – by providing useful recommendations on project management - has also undoubtedly contributed positively to the overall project performance. This general picture underlines the conclusion, that the Tacis programme can be considered an effective and successful programme with sustainable results over the years.

This section firstly presents the main observations on a sub-regional basis (illustrated with relevant project examples where appropriate) using the monitoring reports generated by the four regional monitoring offices in Moscow, Kyiv, Tbilisi and Almaty and, thereafter, draws some overall conclusions for the region as a whole.

2.1 Russia

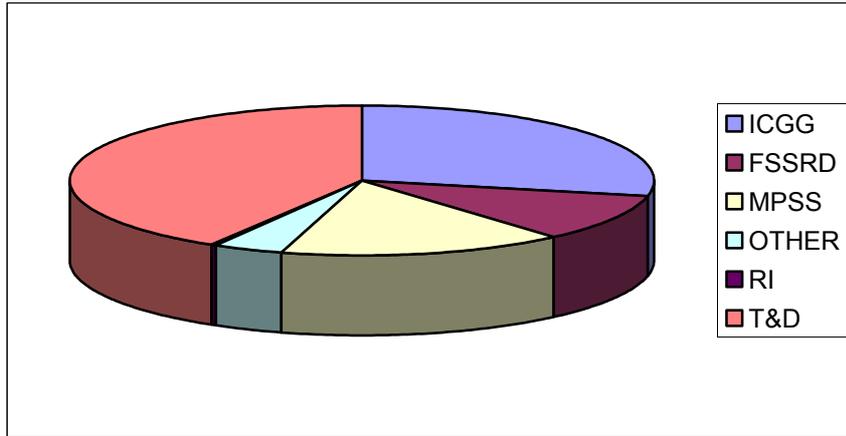
As the following table shows, a substantive number of reports (261 full fledged Monitoring Reports plus 3 Monitoring Notes) were generated during 2006 and 2007, of which the vast majority were for national projects (155) and the nuclear safety programme (75).

Table 2 – Reports produced per type of project by Moscow Office



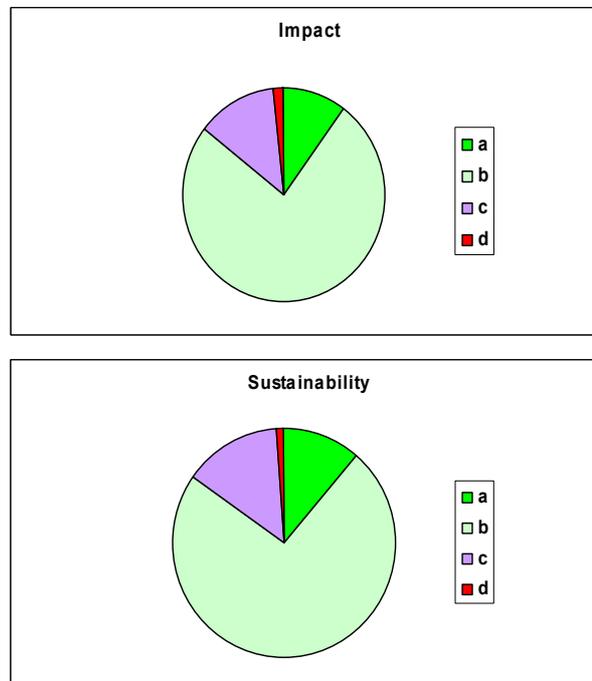
In terms of priority areas, 106 reports were produced for projects in the trade and development priority area (T&D), 75 for projects within the institutional capacity and good governance (ICGG) area, 26 reports for projects within the food, security, and sustainable rural development (FSSRD), 4 were in the macro-economic policies and social sector (MPSS), 12 were in the “Other” category and 1 was in the Regional Integration (RI) priority area.

Table 3 – Priority areas of intervention



Impact prospects and sustainability of projects implemented over the last two years scored 3.00 and 3.07 respectively, i.e. “good”. Indeed, as regards impact, 203 reports (86.7%) were classed as “good” or better. As regards sustainability, 195 reports (85.2%) were classed as good or better.

Table 4 and 5 – Scoring of reports for the criteria Impact and Sustainability



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

The overall average score in total over the two year period was 2.96 or “good”. From the statistical data alone, one can conclude that the implementation of Tacis projects has made a very solid contribution towards the sustainable achievement of their respective overall objectives and, by definition, towards the process of democratisation and market reform.

Out of the total number, 26 reports manifested a “very good” impact and 29 reports scored “very good” for potential sustainability. Of these, 15 reports scored “very good” for both impact **and** sustainability. Ten of these were for projects in the ICGG priority area; one was in the FSSRD priority area, one in the MPSS area, one in the T&D area and one was recorded under the “Other” category. Within the ICGG priority area, the majority of the high performing projects had a DAC Code of 15000 (Government and Civil Society) with notable examples including:

- *“Support to the Implementation of Land and Property Tools in Russia”*
- *“State Budget Reform”*
- *“Training of Judges and Court Administrators II, Russian Federation”*
- *“Strengthening Capacity for Support for Women and Men Making Complaints against the Russian Federation to the European Court of Human Rights”.*

These high performing projects have all made a positive and explicit contribution to the process of democratisation. For example, the *“State Budget Reform”* project was highly appropriate and timely (operating in the context of the Russian Government’s long-term public sector reform process), the introduction of medium-term budget preparation having a considerable impact on working practices. It facilitated the move away from the principle of control, with performance and ownership principles being introduced elsewhere in other reform processes taking place within the Russian Federation.

Ref. No	DAC	Budget	Short Title	Date	D	E/I	E	I	S
MR-40383.05	15000	2.999.771	STATE BUDGET REFORM	28/03/06	4,00	3,80	3,60	4,00	3,75
MR-40383.04	15000	2.999.771	STATE BUDGET REFORM	29/03/05	a	b	b	a	-

Similarly, with respect to the project *“Support to the Implementation of Land and Property Tools in Russia”*, a substantive contribution has been made towards the creation of the necessary legislative, institutional, methodological, technical and informational framework for the consistent implementation of government policies in the field of land and property relations, in order to develop economic sectors on a more market-driven basis.

Ref. No	DAC	Budget	Short Title	Date	D	E/I	E	I	S
MR-40395.05	15000	3.395.400	SUPPORT TO THE IMPLEMENTATION OF LAND AND PROPERTY POLICY TOOLS RUSSIA	13/01/06	3,00	3,80	4,00	4,00	4,00
MR-40395.04	15000	3.395.400	SUPPORT TO THE IMPLEMENTATION OF LAND AND PROPERTY POLICY TOOLS RUSSIA	03/11/05	b	a	a	a	a
MR-40395.03	15000	3.395.400	SUPPORT TO THE IMPLEMENTATION OF LAND AND PROPERTY POLICY TOOLS RUSSIA	01/02/05	b	a	b	b	b

Outside of the ICGG priority area, a notably high performing project in the FSSRD priority area was “*Project Supervision Unit for the Construction of a Sludge Incineration Plant at the South-West Wastewater Treatment Plant in St Petersburg* (DAC Code 14000 - Water Supply and Sanitation) and “*Corporate Governance Facility, Russian Federation* (DAC Code 24000 - Banking and Financial Services) in the MPSS priority area.

With respect to the former, the successful completion of this project has made a substantive contribution to not just reducing the discharge of untreated effluent to the Gulf of Finland but also improving living standards for the population in St Petersburg by improving municipal services for water and wastewater.

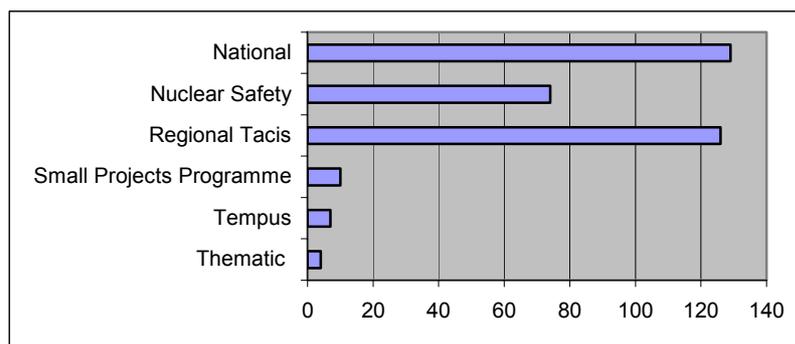
In terms of the latter, a solid basis was laid by the project for proceeding with legislative reform, in particular drafting a set of laws to protect shareholder rights (in the event of corporate takeovers), laying the basis for legislation countering market abuse, and building sustainable capacity for further improvement in the legislative system and judicial practices.

Ref. No	DAC	Budget	Short Title	Date	D	E/I	E	I	S
MR-40403.04	24000	1.957.400	CORPORATE GOVERNANCE FACILITY, RUSSIAN FEDERATION	21/03/06	3,00	3,40	4,00	4,00	3,71
MR-40403.03	24000	1.957.400	CORPORATE GOVERNANCE FACILITY, RUSSIAN FEDERATION	12/09/05	b	b	b	b	b
MR-40403.02	24000	1.957.400	CORPORATE GOVERNANCE FACILITY, RUSSIAN FEDERATION	25/03/05	-	b	c	c	b

2.2 Ukraine, Moldova, and Belarus

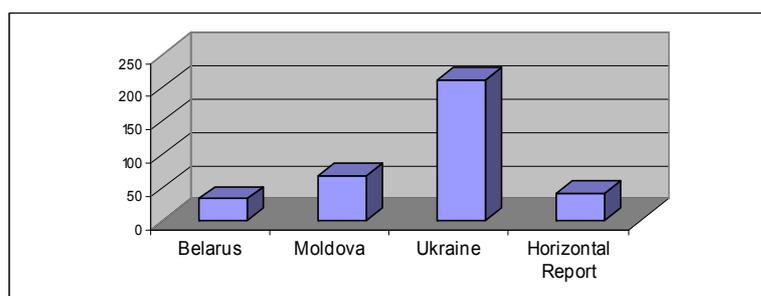
A substantial number of reports (307 full fledged Monitoring Reports plus 44 Monitoring Notes) were produced for the three countries from January 2006 to December 2007. The vast majority of these reports were, as for Russia, produced for National Projects and projects on Nuclear Safety, in addition to Horizontal and Country Components reports related to Regional Programmes.

Table 5 – Reports produced per type of project by Kiev Office



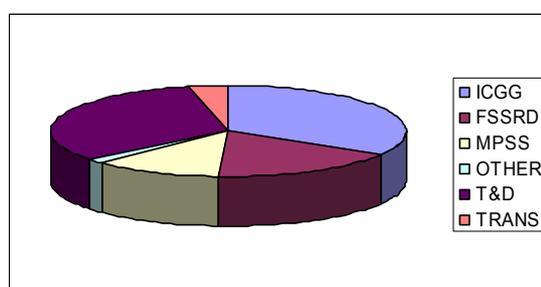
In terms of Geographical coverage, as shown in the Graph below, out of a total number of 350 reports 32 were produced for Belarus, 67 for Moldova and 211 for Ukraine, while 40 are Horizontal Reports.

Table 7 – Geographical coverage



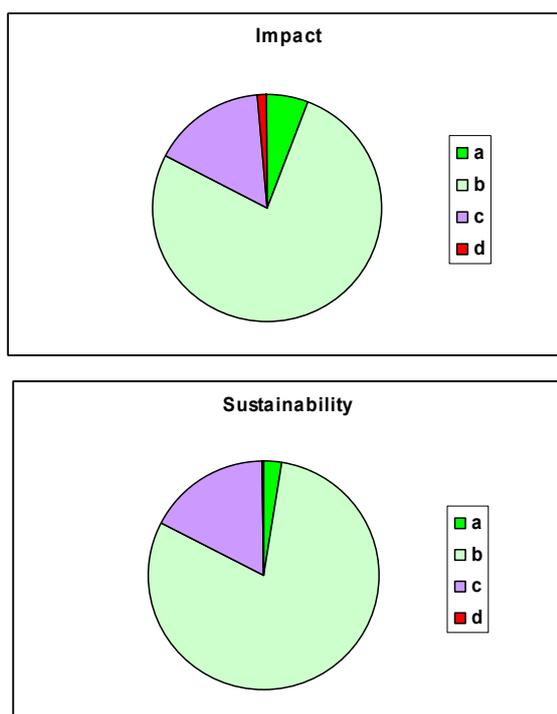
In term of priority areas, the majority of reports were produced for the FSSRD (60), ICGG (115), MPSS (41), and T&D (111) sectors.

Table 8 – Priority areas of intervention



In terms of overall impact alone, 251 reports (83.7%) were scored as “good” or better and, with respect to sustainability, 247 reports (83.8% of the total) were classed as “good” or better.

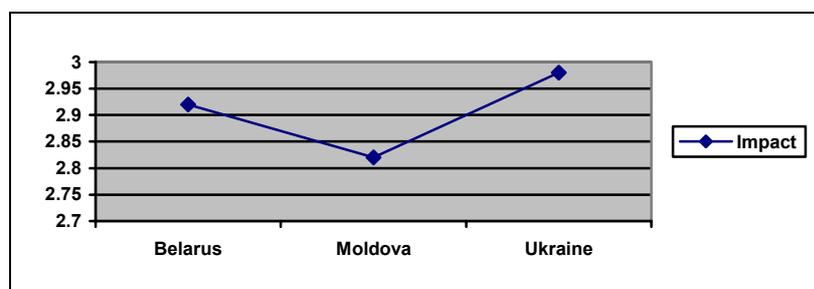
Table 9 and 10 - Scoring of reports for the criteria Impact and Sustainability



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

The average score of all reports produced over the last two years was 2.86, i.e. “good”. On a country by country basis, the respective scores for overall “impact” in Belarus, Moldova, and Ukraine were 2.92, 2.82, and 2.98 respectively (i.e. “good”), as illustrated in Table 10. Overall scores for all five ROM criteria were of 2.92, 2.78, and 2.89 respectively, also suggestive of a very solid contribution made by the Tacis programme towards achieving its overall objective.

Table 11 - Average level of Impact on a country by country basis



There were a slighter smaller proportion of high performing projects in terms of overall impact (i.e. 23 reports in total, or 7.7%) than for the Russian sub-region and, more noticeably, even fewer projects (7 reports,

or 2.4%) showing “very good” prospects of overall sustainability. Only two projects (“*Enhancing Border Management in the Republic of Belarus*” and “*Combating Trafficking of Women in the Republic of Belarus*”) showed both high impact **and** high potential sustainability – thus suggesting that the potential sustainability of the programme’s intervention within this sub-region is more problematic than for Russia.

Nevertheless, examples of high performing projects are spread amongst the three main priority areas, with eight projects belonging to the ICGG priority area, most of which have DAC Code 15000 – Government and Civil Society. Notably:

- “*Development of Integrated Social Services for Exposed Families and Children in Ukraine*”
- “*Strengthening Civil Society in Ukraine*”
- “*Capacity Building in Social Policy Reform in Moldova*”
- “*Combating Trafficking of Women in the Republic of Belarus*”.

Eight projects fall instead within the FSSRD priority area, and notably:

- “*CITES Award Scheme for Environmental Protection*”
- “*Management of the Bug, Latoritza, and Uzh River Basins*”
- “*Capacity Building in Donetsk Oblast for Waste Management*”.

Another good project within the MPSS category is:

- “*Health Promotion and Disease Prevention Project (Moldova)*”.

Within the ICGG priority area the project “*Development of Integrated Social Services for Exposed Families and Children in Ukraine*” had a crucial impact towards its overall objective (“*To reduce the number of children placed in boarding institutions... by assisting... in developing and implementing efficient integrated social services...*”), establishing within a relatively short time a strong “change management team” (comprising high level decision makers, social workers and vulnerable families) to jointly create a framework for establishing a modern system of social services across Ukraine and by establishing strong political will accordingly.

Ref. No	DAC	Budget	Short Title	Date	D	E/I	E	I	S
MR-40531.04	16000	1.599.950	DEVELOPMENT OF INTEGRATED SOCIAL SERVICES FOR EXPOSED FAMILIES AND CHILDREN	09/10/07	3,00	3,80	3,78	4,00	3,33
MR-40531.03	16000	1.599.950	DEVELOPMENT OF INTEGRATED SOCIAL SERVICES FOR EXPOSED FAMILIES AND CHILDREN	03/11/06	3,00	3,20	3,67	3,00	3,22
MR-40531.01	16000	1.599.950	DEVELOPMENT OF INTEGRATED SOCIAL SERVICES FOR EXPOSED FAMILIES AND CHILDREN	31/08/05	c	c	b	b	b
MR-40531.02	16000	1.599.950	DEVELOPMENT OF INTEGRATED SOCIAL SERVICES FOR EXPOSED FAMILIES AND CHILDREN	28/02/06	2,30	2,20	2,00	3,00	3,00

Similarly, the project “*Strengthening Civil Society in Ukraine*” made a substantive contribution towards achieving its overall objective (“*to*

enhance the development of NGOs as a crucial factor of participatory democracy in the social sector and as providers of social services”) by successfully improving cooperation between local authorities and NGOs, through an increased number of social projects co-financed by local authorities and through an improved provision of social services by NGOs via the creation of working/dialog groups, volunteer agencies, and advice to client NGOs.

Ref. No	DAC	Budget	Short Title	Date	D	E/I	E	I	S
MR-40523.03	15000	1.344.806	STRENGTHENING CIVIL SOCIETY, UKRAINE	03/04/07	3,70	3,60	3,70	4,00	2,78
MR-40523.02	15000	1.344.806	STRENGTHENING CIVIL SOCIETY, UKRAINE	01/06/06	3,70	3,40	4,00	4,00	2,75
MR-40523.01	15000	1.344.806	STRENGTHENING CIVIL SOCIETY, UKRAINE	23/09/05	a	b	b	b	b

In Belarus, the implementation of the two projects “*Enhancing Border Management in the Republic of Belarus*” and “*Combating Trafficking of Women in the Republic of Belarus*” – DAC Codes 15000: Government and Civil Society) showed what could be achieved with a properly designed project fully appropriate to Project Partners’ needs. With respect to the former, the project made a significant and substantive contribution towards combating trafficking in women in Belarus and fostering cross-border cooperation between Belarus and the EU in the area of justice and home affairs. In particular, the amendment of the legislation on trafficking by the Belarusian Government enabled the benefits generated by the project to continue long after the project ended.

Ref. No	DAC	Budget	Short Title	Date	D	E/I	E	I	S
MR-40779.02	15000	4.500.000	ENHANCING BORDER MANAGEMENT IN THE REPUBLIC OF BELARUS	02/08/06	3,00	3,40	3,80	4,00	3,70
MR-40779.01	15000	4.500.000	ENHANCING BORDER MANAGEMENT IN THE REPUBLIC OF BELARUS	02/11/05	b	b	a	b	a

With respect to the second project, the strong political support (under the state concept “*The Programme for Realisation of the Concept for the Protection of the State Border*”) allowed the project to make a substantive impact towards laying the technical foundation for the common asylum and immigration policy, the start of border control harmonisation and a more effective joint approach to cross-border problems.

Ref. No	DAC	Budget	Short Title	Date	D	E/I	E	I	S
MR-40741.05	15000	900.000	COMBATING TRAFFICKING IN WOMEN IN THE REPUBLIC OF BELARUS	19/04/07	4,00	3,80	4,00	3,10	2,67
MR-40741.04	15000	900.000	COMBATING TRAFFICKING IN WOMEN IN THE REPUBLIC OF BELARUS	28/02/06	3,00	3,80	3,80	4,00	3,56

In Moldova, the positive contribution made by the Tacis programme towards greater democratisation and market economies is eloquently illustrated by the project “*Health Promotion and Disease Prevention*” (DAC Code 12000: Health) in the MPSS area. The Government’s capacity to implement coherent social policy reforms in the childcare area has been dramatically strengthened with some of the developed instruments (i.e. the Gate-keeping procedure and the justification of sufficiency of the resources allocated for residential childcare for financing alternative services with achievement of much better results), considered quite revolutionary albeit highly appropriate for Moldova. In short, this intervention has had an exceptional impact on facilitating the reform of the social development system.

Ref. No	DAC	Budget	Short Title	Date	D	E/I	E	I	S
MR-40475.06	12000	2.754.162	THE HEALTH PROMOTION AND DISEASE PREVENTION PROJECT	21/09/07	4,00	3,80	3,70	3,90	3,30
MR-40475.05	12000	2.754.162	THE HEALTH PROMOTION AND DISEASE PREVENTION PROJECT	18/11/05	a	a	a	a	a
MR-40475.04	12000	2.754.162	THE HEALTH PROMOTION AND DISEASE PREVENTION PROJECT	16/03/05	a	a	b	a	b

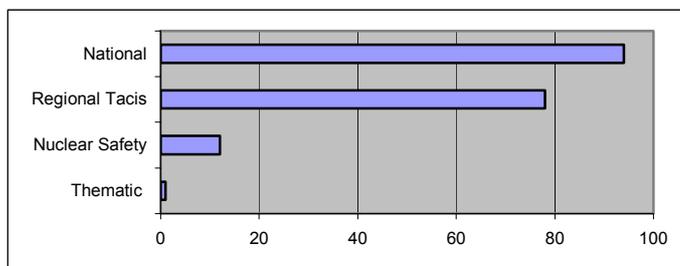
The project “*Capacity Building in Social Policy Reform*” (DAC Code 16000: Other Social Infrastructure and Services) in the ICGG priority area, also had a substantial impact, both during its lifetime and after the project’s end. For example, the HP & DP Strategy, made with project support, was approved by the Ministry of Health in autumn 2005 and, based on this, the National Programme on Promoting the Healthy Style of Life (2007-2015) was adopted in June 2007. It set out stakeholder responsibilities, actions to be taken and financial resources needed. The project recommendations on diversifying funding for health promotion were taken into account, as well as those on the creation of a National Council to coordinate and monitor this Programme. As such, this intervention is a good example of persuading stakeholders of the importance of inter-sectoral co-operation, i.e. the idea that HP & DP activities are not only the responsibility of specialist medical institutions but also require inter-sectoral cooperation.

2.3 Armenia, Azerbaijan, and Georgia

The implementation of the Tacis programme in this sub-region over the period January 2006 to December 2007 was characterised by a gradual move towards a more “modular” approach, targeted upon specific sectors/sub-sectors, which combined different types of projects in an attempt to approach the respective targets, e.g. technical assistance, rapid reaction mechanism, supply contracts, rehabilitation, and twinning projects.

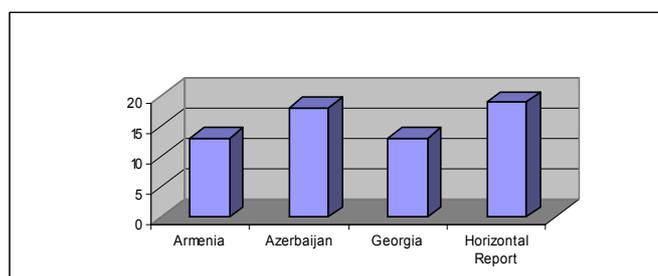
A total of 185 monitoring reports (of which 34 were Monitoring Notes) were produced for this sub-region during 2006 and 2007; these include 94 reports of National Projects and 78 reports of Regional Programmes, in addition to 12 Nuclear Safety projects and 1 thematic project.

Table 11 – Reports produced per type of project by Tbilisi Office



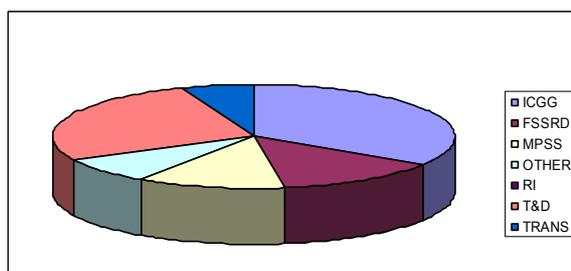
On a country-by-country basis, 51 reports were produced for Armenia, 55 for Azerbaijan, and 61 for Georgia, whereas 19 are Horizontal Reports (see Graph below).

Table 12 – Geographical coverage



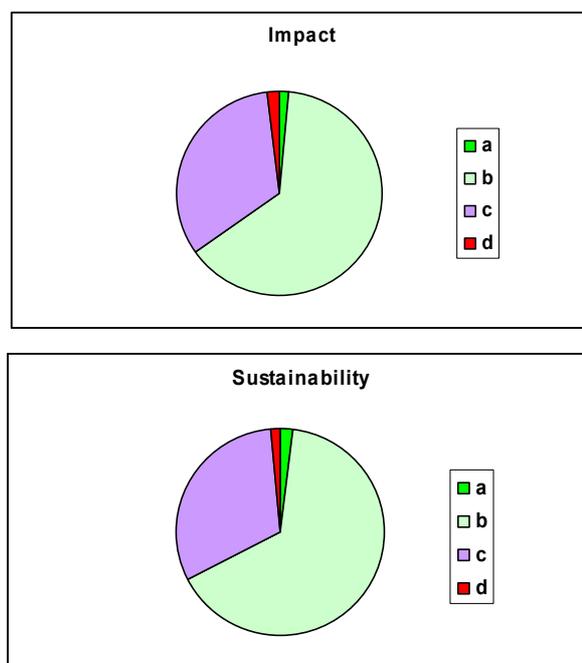
In terms of priority areas, the majority of reports were produced for the FSSRD (25 reports), ICGG (61 reports), MPSS (22 reports), and the T&D (49 reports) priority areas.

Table 14 – Priority areas on intervention



In terms of overall impact, 95 reports (or 66.4%) were scored as “good “or better and, with respect to sustainability, 94 reports (or 67.7% of the total) were classed as “good” or better. The average score of all reports produced over the last two years was 2.73, i.e. “good”.

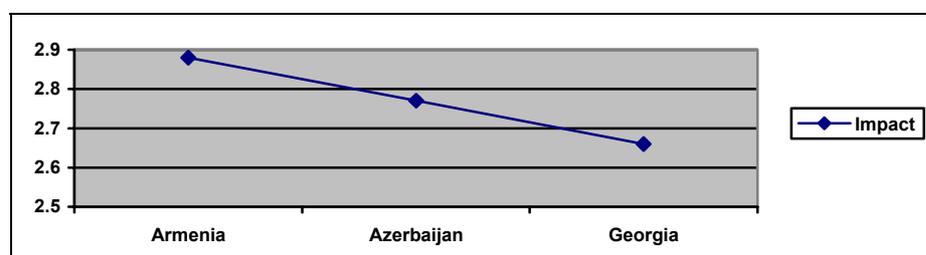
Table 15 and 16 - Scoring of reports for the criteria Impact and Sustainability



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

On a country by country basis, the respective scores for overall “impact” in Armenia, Azerbaijan, and Georgia were 2.88, 2.77, and 2.66 respectively (i.e. “good”).

Table 17 - Average level of Impact on a country by country basis



Overall average scores, with respect to all five ROM cross-cutting criteria – relevance, efficiency, effectiveness, impact, and sustainability- are of 2.79, 2.78, and 2.67, again suggestive of a very solid contribution made by the Tacis programme in this sub-region towards the achievement of its overall objective.

Nevertheless the statistical data suggests that overall impact and potential sustainability for Tacis interventions within this sub-region are slightly lower than for both the Russian and Belarus/Moldova/Ukraine sub-regions. Thus, on balance, although the Tacis programme has been unequivocally successful, its impact and potential sustainability in the Caucasus have been slightly lower than for the preceding two sub-regions.

There were only 7 high performing projects in terms of overall impact (i.e. 4.9%) and even fewer (3 or 2.2%) showing “very good” prospects of overall sustainability. There were no projects which scored “very good” for both overall impact **and** sustainability prospects. Of those projects showing a “very good” overall impact, the vast majority fall within the T&D priority area (comprising two main DAC Codes: 88000 – Institutional and Legal Reform, and 25000 – Business and Other Services), with two of the best examples coming from Azerbaijan:

- *“Establishment of Integrated Border Management Model at the Southern Borders of Azerbaijan”*
- *“EU/TMG Programme for the Development of Private Enterprises in Azerbaijan”.*

Similarly, examples of those interventions showing the highest potential sustainability are also in Azerbaijan and encompass either the T&D or the ICGG priority areas:

- *“Rehabilitation of Caucasian Highways”*
- *“Implementation of the Economic Strategy and Pay Policy for the Budget Sector, Azerbaijan”*
- *“Child Welfare Reform in Azerbaijan – Capacity Building and Awareness Raising”*

By definition, these high performing projects have all made a positive and explicit contribution to the process of democratisation and market reforms in this sub-region. For example, the on-going project *“Establishment of Integrated Border Management Model at the Southern Borders of Azerbaijan”* has already made a substantive contribution towards its overall objective of establishing an Integrated Border Management System (incorporating relevant EU experience and capacity building), so as to enable a more efficient management of flows of persons and goods. The government agreed on key project recommendations to create a single, strong and independent civilian co-ordinating agency (State Migration Services) mandated to develop the necessary policies and through the creation of a Border Guards Academy established by the project.

Ref. No	DAC	Budget	Short Title	Date	D	E/I	E	I	S
MR-40705.02	88000	2.000.000	ESTABLISHMENT OF INTEGRATED BORDER MANAGEMENT MODEL AT THE SOUTHERN BORDERS OF AZERBAIJAN	30/07/07	3,00	3,20	3,30	4,00	3,00
MR-40705.01	88000	2.000.000	ESTABLISHMENT OF INTEGRATED BORDER MANAGEMENT MODEL AT THE SOUTHERN BORDERS OF AZERBAIJAN	23/10/06	3,00	2,20	2,40	3,00	3,00

Similarly, for the second project, a substantive contribution was made towards improving the competitiveness of SMEs in Azerbaijan by introducing the concept of business relations between the various market actors, introducing the business approach model to management, and the "building of viable enterprises" through the transfer of know-how/technologies.

Ref. No	DAC	Budget	Short Title	Date	D	E/I	E	I	S
MR-40656.04	25000	1.200.000	EU/TMG PROGRAMME FOR THE DEVELOPMENT OF PRIVATE ENTERPRISES IN AZERBAIJAN	05/01/07	3,00	3,60	3,90	3,55	3,44

Although no "top performing" projects (i.e. with a "very good" overall impact and/or potential sustainability) were evaluated in Armenia and Georgia during the 2006-2007, the Tacis Programme as a whole was responsible for delivering a substantive contribution towards its overall objective. For example, notable examples are provided by the following projects:

- "EU Programme for Private Sector Development in Armenia"
- "Armenian-European Policy and Legal Advice Centre"
- "Georgian-European Policy and Legal Advice Centre at Georgia – Phase V"
- "Rural Economic Development Programme in Samegrelo/Upper Svanetia Region".

The first project is part of the longer chain of EC interventions targeted at supporting Armenia's economic, political and social development in the framework of the PCA, ENP and WTO. The project contributes notably to achieve the overall objective by supporting the implementation and update of National Programme of PCA, improving the key clusters of policy and legislative approximation, thus enabling a multiplier effect, and by creating the necessary information infrastructure and knowledge base.

Ref. No	DAC	Budget	Short Title	Date	D	E/I	E	I	S
MR-40658.04	25000	1.400.000	EU PROGRAMME FOR PRIVATE SECTOR DEVELOPMENT IN ARMENIA	17/11/06	3,00	2,80	3,00	3,45	3,00

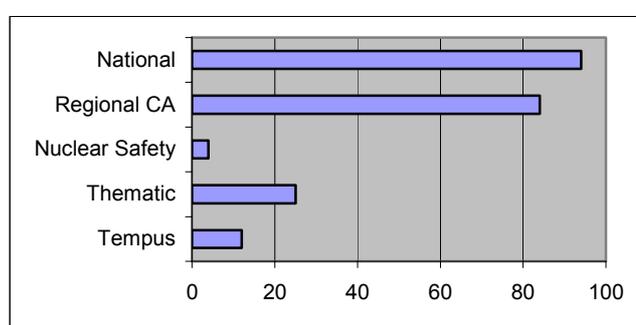
In terms of Georgian projects, the rural economic development project is particularly noteworthy. Although this project is still in its early stages, it has already made an impressive contribution towards the economic empowerment of small and medium scale farmers in Georgia's Samegrelo-Upper Svaneti region.

Ref. No	DAC	Budget	Short Title	Date	D	E/I	E	I	S
MR-41688.01	43000	748.000	RURAL ECONOMIC DEVELOPMENT PROGRAM IN SAMEGRELO/UPPER SVANETIA REGION, GEORGIA	22/11/07	3,00	3,00	3,00	3,00	3,00

2.4 Central Asia (Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan)

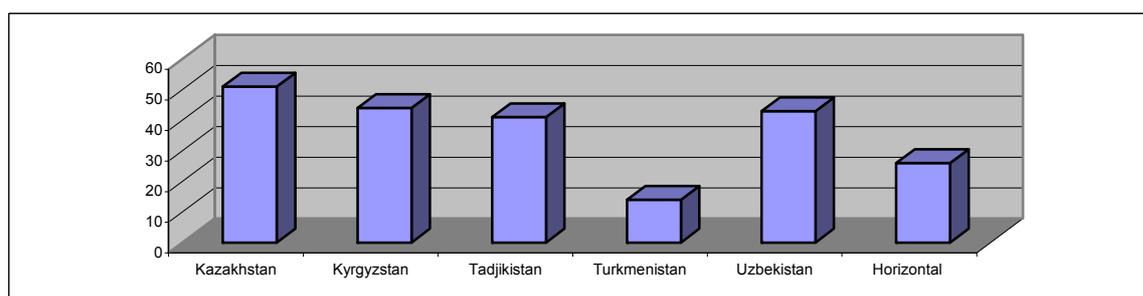
The Central Asian region saw a substantive number of interventions under the Tacis programme from 2006 to 2007. As the Table below will show, a total of 217 monitoring reports and monitoring notes were produced for a combination of 92 national projects, 4 nuclear safety projects, 12 Tempus projects, and 21 Thematic projects.

Table 18 – Reports produced per type of project by Almaty Office



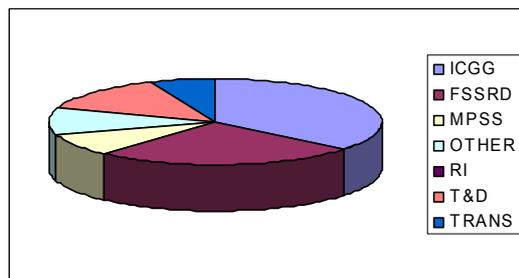
On a country-by-country basis, 51 reports were produced for Kazakhstan, 44 reports produced for Kyrgyzstan, 40 for Tajikistan, 14 for Turkmenistan and 43 for Uzbekistan, whereas 26 are Horizontal Reports.

Table 19 – Geographical coverage



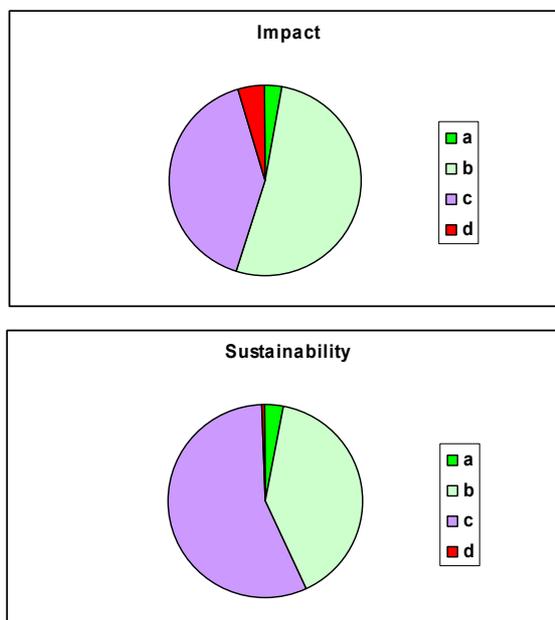
In terms of priority areas, the majority of reports were produced for the FSSRD priority area (57 reports), ICGG (75 reports), MPSS (19 reports), and the T&D (31 reports) priority areas.

Table 20 – Priority areas of intervention



The overall impact of all interventions in this sub-region was evaluated as “good” or better for 91 of the 155 reports (56.9%), while 89 (57.4%) reports described sustainability prospects as “good”. The average sustainability of all reports produced over the last two years scored as 2.62, i.e. “good”.

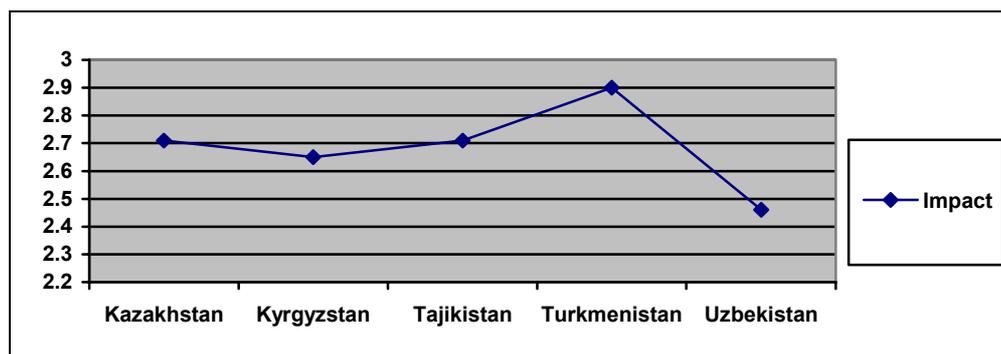
Table 21 and 22 - Scoring of reports for the criteria Impact and Sustainability



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

However, the fact that almost half the reports testify to an evaluation of “poor” or worse suggests that the contribution made by the Tacis programme towards its overall objective of market reforms and democratisation has, comparatively speaking, been the least successful of the four sub-regions in the CIS.

On a country-by-country basis the respective score for overall “impact” in Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan is 2.71, 2.65, 2.71, 2.90 and 2.46 respectively. The first four countries report a level of impact which can be classed as “good”, while impact of projects in Uzbekistan is on average described as “poor”.

Table 22 – Average level of Impact on a country by country basis

Overall scores, based on cross cutting ROM criteria of design, efficiency, effectiveness, impact, and sustainability are of 2.63, 2.70, 2.64, 2.67, and 2.62 respectively (i.e. “good”) suggestive of a solid contribution being made by the programme as a whole. That said, and as already suggested, the data indicates that the overall impact of the Tacis programme in Uzbekistan is the weakest of the countries in this sub-region and, indeed, the CIS.

Within the Central Asia sub-region, there were only ten high performing projects in terms of overall impact (i.e. 6.3%) and only one project (0.6%) whose potential overall sustainability could be classed as “very good”. The projects showing a “very good” overall impact were spread across the different priority areas and occurred in three of the Central Asian countries, i.e. Kazakhstan, Tadjikistan and Kyrgyzstan. Examples of these include the following the ICGG and MPSS priority areas respectively, two projects in Tadjikistan :

- *“Support to the Development of Standards for Civil Service Provision”* (Kazakhstan, ICGG priority area)
- *“Support to the Development and Monitoring of a Quality Assurance System for Higher Education”* (Kazakhstan, MPSS priority area)
- *“Facilitating Recognition of Higher Education by Harmonisation of Qualification Requirements”* (Tadjikistan)
- *“Support to the Setting Up of a Structure to Provide Information, Training, and Advice to Farmers in the Khatlon Region of Tadjikistan”* (FSSRD priority area)
- *“Support to the Strengthening of Local Governance in the Kyrgyz Republic”* (ICGG)

The top performing project in terms of overall sustainability prospects was in Kyrgyzstan:

- *“Modernisation of University Library in Kyrgyz Technical University”* (ICGG priority area, DAC-Code 11000, Education).

These projects provide the best case scenario of what interventions under the Tacis programme have achieved (and indeed can achieve in the future) in encouraging the process of democratisation and market reforms in Central Asia. With respect to the “high impact” civil service project in Kazakhstan, the intervention has already made a substantive contribution towards developing an effective, professional, transparent and customer-orientated civil service in Kazakhstan, not least due to the full support of a committed Project Partner, even though it is still in its relatively early stages. For example, the civil servants involved in the project have a better understanding of the need to have civil service standards, they feel more confident and are prepared to work with normative documents and regulations, and they understand the importance of consulting with the public on improving the quality of public services.

Ref. No	DAC	Budget	Short Title	Date	D	E/I	E	I	S
MR-40643.02	15000	1.396.500	SUPPORT TO THE DEVELOPMENT OF STANDARDS FOR CIVIL SERVICE PROVISION	16/03/07	3,00	2,80	3,00	4,00	3,00
MR-40643.01	15000	1.396.500	SUPPORT TO THE DEVELOPMENT OF STANDARDS FOR CIVIL SERVICE PROVISION	30/03/06	3,30	3,00	3,00	3,00	3,00

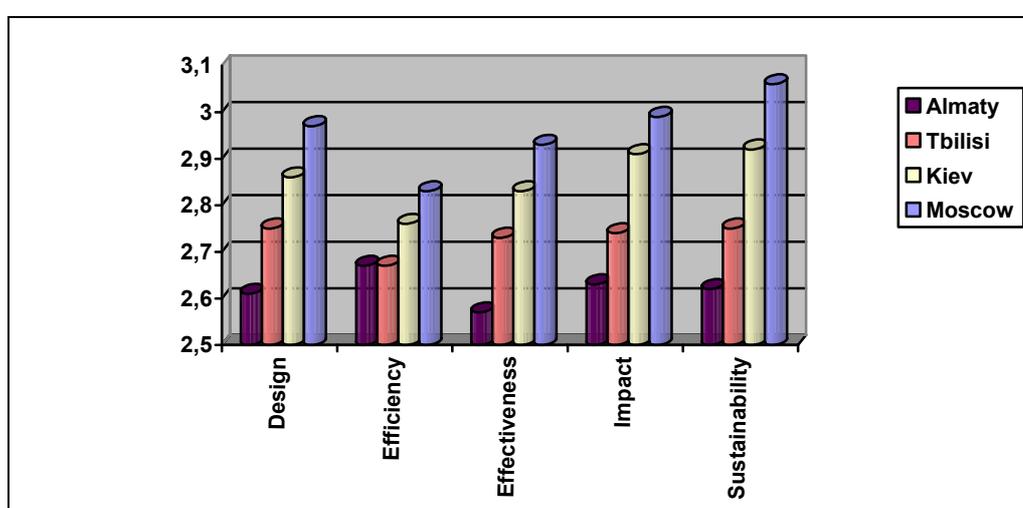
In Kyrgyzstan, the Tacis programme has also made in-roads into strengthening local governance. For example the project “*Support to Strengthening Local Governance in the Kyrgyz Republic*” met the demand for policy papers and guidelines on local self-government during the Presidential Elections in 2005 via a number of policy papers, consultations, and production of materials to transfer knowledge and best practice from other countries to facilitate effective reforms in the area of local self-governance.

Ref. No	DAC	Budget	Short Title	Date	D	E/I	E	I	S
MR-40644.03	15000	800.000	SUPPORT TO THE STRENGTHENING OF LOCAL GOVERNANCE IN THE KYRGYZ REPUBLIC	16/04/07	3,00	2,40	2,90	3,10	2,86
MR-40644.02	15000	800.000	SUPPORT TO THE STRENGTHENING OF LOCAL GOVERNANCE IN THE KYRGYZ REPUBLIC	31/05/06	2,30	2,40	2,50	3,55	2,86
MR-40644.01	15000	800.000	SUPPORT TO THE STRENGTHENING OF LOCAL GOVERNANCE IN THE KYRGYZ REPUBLIC	30/05/05	b	c	c	c	c

In summary, one can conclude that the Tacis Programme has unequivocally contributed to the process of market reforms and the wider democratisation process within the CIS over the last three years. In some sub-regions, an analysis of the data within the MONIS database suggests that the “impact” of the programme has been higher in some sub-regions than others (e.g. Russia when compared to Central Asia) but, even within the latter region, there are some noticeable success stories.

Table 23 – Average scoring per region per criteria

Summary of conclusions	Average Score			
	Moscow	Kiev	Tbilisi	Almaty
Relevance/quality of design	2,97	2,86	2,75	2,61
Efficiency of implementation to	2,83	2,76	2,67	2,67
Effectiveness to date	2,93	2,83	2,73	2,57
Impact prospects	2,99	2,91	2,74	2,63
Potential sustainability	3,06	2,92	2,75	2,62
Average Score in Total	2,96	2,86	2,73	2,62

Table 24 – Average scoring per region per criteria

Almaty: Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, Uzbekistan;

Tbilisi: Armenia, Azerbaijan, Georgia; Kiev: Belarus, Moldova, Ukraine; Moscow: Russia

However it is also true that the process has been rather uneven within each country with some outstanding success stories balanced, on the other hand, by some noticeable failures.

This clearly raises the question as to why some projects achieve a better impact than others and, once understood the reasons for this, what lessons can be learnt to better focus the sector wide approach which is rapidly becoming the central element in EC external assistance. For example, to what extent does the constructive efforts of other donors and national authorities make towards the achievement of the overall objective? How important is effective communication and co-ordination between the various key stakeholders in maximising the project's impact? Is project design a critical issue and, if so, how important is it in making a significant impact towards achieving the overall objective? Moreover, to what extent does professional and effective contractor performance play a role in maximising project impact?

It is the response to the above issues, and particularly the lessons that can be learnt and used by Commission Services in the development of future sector policy and specific interventions within the CIS, that is the subject of the next section.

***3. STRENGTHENING
FUTURE TECHNICAL
ASSISTANCE TO THE
CIS: LESSONS LEARNT
FROM 2005 TO 2007.***



3. STRENGTHENING FUTURE TECHNICAL ASSISTANCE TO THE CIS: LESSONS LEARNT FROM 2005 TO 2007.

This section draws upon many of the case studies presented in the preceding section to establish the key lessons learnt during the last three years of programme implementation, with particular reference to sectors or cross cutting issues, specific to the Tacis region, that will be used in the future by the EC to develop its sector policy. The analysis of the lessons learnt will be presented on the basis of the following criteria:

- Relevance and Design;
- Implementation Efficiency;
- Effectiveness;
- Impact;
- Potential Sustainability;
- Strategic Guidance/Management by EC Services;
- Stakeholder Absorption Capacity;
- National Ownership;
- Learning from Experience/Use of Monitors' Recommendations; and
- Multi-donor Co-ordination.

In its original form, this analysis intended to only concentrate upon lessons learnt within the last five criteria within the above list, i.e. from "*Strategic Guidance/Management ... to Multi-donor Co-ordination*". However the experience gained over the last three years suggests that the lessons learnt within the context of the first five criteria (relevance, design, etc.) are as equally, if arguably not more, important in strengthening the implementation of future EC external assistance within the region. Hence considerable weight will be given to these criteria in the analysis presented below.

In addition the following analysis is, where appropriate, sub-divided into a "national" and "regional" perspective when there are distinctive lessons to be learnt from each context. The key recommendations are presented at the beginning and then subsequently justified within the following text. The vast majority of the recommendations presented are not sector specific (i.e. they are designed to be equally applicable to any sector), although where certain sector nuances apply then these will be duly noted within the text.

3.1 Relevance and Design

Considerable attention is given to the formulation of lessons learnt from the “Relevance and Design” of previous projects within the region because it is, without doubt, a major pre-requisite for successful project intervention. Indeed, on the basis of the experience gained over the last three years, it can be argued that relevance/design is responsible for the majority of underperforming projects within the region and, conversely, for the best performing ones.

National Projects

For sectoral projects implemented at a national level several key lessons must be taken into account. In particular, it is important to ensure that:

- the Project Partner is properly engaged in the project design, otherwise it simply won't feel involved in the project, with all the subsequent ramifications for effectiveness, impact and sustainability thereafter;
- the ToRs are professionally prepared by someone with sufficient expertise in the sector;
- the design has a clear intervention logic that does not directly depend on the action of non-committed third parties, i.e. there is a clear definition of project components in line with specific objectives – the grouping of results and activities under such components helps better planning of activities and better understanding of the intervention logic by beneficiaries;
- the Project Partner is properly selected at design stage and, furthermore, that the intervention belongs to areas or sectors regarded as national priority, as defined in the national/sector medium term programmes and action plans;
- those project components related to the transfer of methodology, know-how and staff training are “well balanced” with activities for the practical application by recipients of the acquired knowledge during project execution;
- the project addresses a practical and real need, i.e. that it brings valuable results whose further use can be anticipated with a high likelihood, based on clearly defined national policy, legislative, financial and procedural provisions;
- the monitoring team are involved as much as practicably possible during the Inception Phase so that, through their recommendations, they can considerably contribute to the improvement of project design; and

- that the project is highly relevant by supporting the implementation of government policies and programmes and commitments fixed in the international agreements and documents.

If the project design is perceived as highly relevant by Project Partners and key stakeholders, then impact prospects are dramatically enhanced. For example, the success of the Ukrainian projects within the energy generation and supply sector (e.g. “*Support Ukraine Progressive Integration to Electricity TENs*”) and the banking and financial services sector (e.g. “*Support to Taxation Reform in Ukraine*”) eloquently demonstrate just how important it is that future interventions within the T&D and MPSS priority areas are fully aligned with, and relevant to, national priorities. For example, the interconnection of Ukraine’s electricity network with the TENs is one of the key priorities in the energy sector development of Ukraine according to the Energy Strategy of Ukraine for the period until 2030.

Ref. No	DAC	Budget	Short Title	Date	D	E/I	E	I	S
MR-40536.02	23000	2.831.900	SUPPORT UKRAINE PROGRESSIVE INTEGRATION TO ELECTRICITY - TENS	30/11/07	2,30	1,80	2,80	3,00	3,00
MR-40536.01	23000	2.831.900	SUPPORT UKRAINE PROGRESSIVE INTEGRATION TO ELECTRICITY - TENS	03/03/07	2,30	2,20	3,00	3,00	3,00

Similarly, the Ukrainian taxation project assisted Ukraine with the implementation of taxation reform, and in particular the State Tax Service Modernisation Project launched under the loan agreement signed between Ukraine and the World Bank in 2003.

Ref. No	DAC	Budget	Short Title	Date	D	E/I	E	I	S
MR-40526.04	24000	1.575.200	SUPPORT TO TAXATION REFORM IN UKRAINE	31/05/07	3,70	3,80	3,20	3,00	3,11
MR-40526.03	24000	1.575.200	SUPPORT TO TAXATION REFORM IN UKRAINE	10/11/06	3,00	3,60	2,20	3,00	3,00
MR-40526.02	24000	1.575.200	SUPPORT TO TAXATION REFORM IN UKRAINE	09/03/06	3,00	3,00	2,55	3,00	3,00
MR-40526.01	24000	1.575.200	SUPPORT TO TAXATION REFORM IN UKRAINE	15/07/05	b	b	a	b	b

Closely related to the issue of relevance, is the level of commitment shown by the Project Partners. Where commitment is high, then project impact is maximized. For example, for the following Ukrainian project, as for many others within the ICGG area, serious attention was paid to discussion of the work plan with multiple stakeholders.

Ref. No	DAC	Budget	Short Title	Date	D	E/I	E	I	S
MR-40521.02	15000	2.000.000	JUDICIAL SELECTION AND APPOINTMENT PROCEDURE, TRAINING, DISCIPLINARY LIABILITY, CASE MANAGEMENT AND ALTERNATIVE DISPUTE RESOLUTION METHODS	08/11/07	3,30	3,60	3,00	3,10	3,00
MR-40521.01	15000	2.000.000	JUDICIAL SELECTION AND APPOINTMENT PROCEDURE, TRAINING, DISCIPLINARY LIABILITY, CASE MANAGEMENT AND ALTERNATIVE DISPUTE RESOLUTION METHODS	09/01/07	2,60	2,20	3,00	3,00	3,00

In Russia, the selection of properly committed project partners remains a problem. In the National Projects, Tacis usually insists on having a senior Government institution (generally a Ministry) as formal project partner. When the beneficiaries themselves are central Government institutions this is not a problem, but when they are either low-level government agencies, NGOs or private sector organizations, there is a strong risk that projects can be negatively affected if, during its lifetime, there are major changes in Government structures or in responsibilities of individual institutions and even the complete abolition of the project partners themselves. This means that the selection of project partners must be thoroughly examined at the stage of project design – always from the standpoint of the intended beneficiaries. In many cases this is not done and the project suffers from reduced relevance, adequacy and even faulty internal logic, as the project S&T Commercialization shows.

Ref. No	DAC	Budget	Short Title	Date	D	E/I	E	I	S
MR-40408.03	32100	3.100.100	SCIENCE & TECHNOLOGY COMMERCIALIZATION	25/12/06	2,30	3,40	3,90	4,00	2,71
MR-40408.02	32100	3.100.100	SCIENCE & TECHNOLOGY COMMERCIALIZATION	07/04/06	2,30	3,60	3,50	3,50	2,43
MR-40408.01	32100	3.100.100	SCIENCE & TECHNOLOGY COMMERCIALIZATION	12/09/05	b	c	c	c	b

The Terms of Reference and logical frameworks also present certain difficulties. Although the EC has for a long time required the preparation of a logical framework for each project, there is little evidence that anyone knows how to prepare or use one. It has become a formality only. When this is not the case, then design can make a substantive contribution to overall impact.

For example one of the reasons for the success of the project “*Strengthening Civil Society, Ukraine*” (DAC Code 15000 – Government and Civil Society) and for future projects in the ICGG priority area is the quality of the intervention logic. This intervention was well-structured and managed in a transparent way by using result-oriented management information systems, the project was flexible in decision-making, efficient in internal monitoring and well took into account regional peculiarities.

When not the case, then the result is that the TORs are frequently over-detailed – even OVIs and single activities are specified – and the flexibility of the Contractor to implement the project is correspondingly reduced. Two main consequences of this can be identified:

- over-ambitious ToRs lead to implementation delays, temporary suspensions and/or time extensions, as well as the necessity to find additional funds

- logframes are produced once only, at the beginning of the project, usually as part of the contractor's bid in compliance with TORs provisions, and they immediately become incomprehensible and of no use as a planning, monitoring or even supervisory tool.

It is thus not surprising that logframes are often ignored or that, as a result, the project's internal logic suffers. Activities, results, specific and overall objectives are confused with each other, and connected by OVIs which are neither objective nor verifiable. A further problem occurs when the task of preparing TORs is given to people who are not professionals in the field in which the project is to operate, or who may have a hidden (personal) agenda for the project itself.

Regional Projects

The design and relevance of regional projects is, by definition, more difficult than that for national projects, not least because the design is often a compromise between competing national priorities. The institutional and organisational level of the countries involved should be always taken into account, otherwise resulting in an approach that is too generic. Due to difficulties in identifying common priorities, regional programmes can either:

- tend to find the lowest common denominator, and as a consequence the more advanced countries are likely to disengage: or
- focus on the priorities of the more advanced country, and thus the less advanced countries do not really benefit and impact becomes questionable.

Nevertheless, in terms of relevance/design of future interventions, the following recommendations can be made on the basis of lessons learnt over the last three years:

- Project Partners need to be engaged more at the design stage, otherwise there will be a general lack of interest;
- Projects should be designed for a group of countries which are limited in number, in close geographic location, and with political commitment and existence of clearly defined common problems in policy papers; and
- The assistance should be well-timed to be supportive for the countries in implementing their policies as defined in the international agreements and national sector programmes.

Regional programmes in Russia have, for example, suffered from the general lack of interest shown by the Government and thus beneficiaries need to be engaged more at the design stage. When this can be achieved,

then the regional intervention is often successful. For example, the project “*Technical Assistance to Ukraine and Belarus with Respect to their Global Climate Change Commitments*” (DAC Code 41000 – General Environmental Protection) was highly relevant to the needs of Belarus and Ukraine in fulfilling their UNFCCC/Kyoto Protocol obligations. The timeliness of the project pre-determined its success, i.e. the project was realised before the Conference of the Parties in Nairobi (November 2006) and the Kyoto economic mechanism started in 2007, thereby assisting Ukraine to implement, and Belarus to be eligible for, mechanisms under the Kyoto Protocol.

Ref. No	DAC	Budget	Short Title	Date	D	E/I	E	I	S
MR-40760.06	41000	1.243.544	T.A. TO UKRAINE AND BELARUS WITH RESPECT TO THEIR GLOBAL CLIMATE CHANGE COMMITMENTS	02/08/06	4,00	3,60	2,90	2,90	3,10
MR-40760.08	41000	1.243.544	T.A. TO UKRAINE AND BELARUS WITH RESPECT TO THEIR GLOBAL CLIMATE CHANGE COMMITMENTS	02/08/06	4,00	3,80	3,30	3,00	3,10
MR-40760.04	41000	1.243.544	T.A. TO UKRAINE AND BELARUS WITH RESPECT TO THEIR GLOBAL CLIMATE CHANGE COMMITMENTS	17/11/05	a	a	b	b	b
MR-40760.05	41000	1.243.544	T.A. TO UKRAINE AND BELARUS WITH RESPECT TO THEIR GLOBAL CLIMATE CHANGE COMMITMENTS	23/11/05	a	a	b	b	b
MR-40760.02	41000	1.243.544	T.A. TO UKRAINE AND BELARUS WITH RESPECT TO THEIR GLOBAL CLIMATE CHANGE COMMITMENTS	10/05/05	a	a	a	b	b

By contrast, the project “*Trans-Boundary River Basin Management: Phase II for Seversky Donets*” (DAC Code 41000 – General Environmental Protection) is an example of what can happen to regional environmental projects when this is not the case. The lack of interest of the Russian Partner (the Ministry of Natural Resources) in the project (the ToR was not endorsed at federal level and responsibility was lowered to the region) negatively impacted upon both its efficiency and effectiveness.

Ref. No	DAC	Country	Budget	Short Title	Date	D	E/I	E	I	S
MR-41725.04	14000	Regional	1.850.600	TRANS-BOUNDARY RIVER BASIN MANAGEMENT: PHASE II FOR SEVERSKY DONETS PROJECT	08/11/07	2,00	2,00	2,70	3,00	2,80
MR-41725.03	14000	Russia	1.850.600	TRANS-BOUNDARY RIVER BASIN MANAGEMENT: PHASE II FOR SEVERSKY DONETS PROJECT	30/10/07	2,00	2,40	3,00	3,00	2,60
MR-41725.02	14000	Ukraine	1.850.600	TRANS-BOUNDARY RIVER BASIN MANAGEMENT: PHASE II FOR SEVERSKY DONETS PROJECT	24/09/07	3,00	2,40	2,78	4,00	2,70
MR-41725.01	14000	Regional	1.850.600	TRANS-BOUNDARY RIVER BASIN MANAGEMENT: PHASE II FOR SEVERSKY DONETS PROJECT	04/12/06	3,00	2,80	2,67	3,00	2,78

Furthermore, with respect to future projects from the INOGATE Regional Programme – or indeed future regional projects under DAC Code 23000 (Energy Generation and Supply) in the Trade and Development area - the chances of success will be enhanced should three pre-conditions be fulfilled, namely that:

- local companies directly involved in the projects know about them in advance;
- the Contractor is officially introduced by the EC to not only the related ministry but also to the direct beneficiaries; and
- the Contractor is mandated to spend more time in the beneficiary countries.

3.2 Efficiency of Implementation

The efficiency of a project's implementation is determined by a number of factors, not least project design/relevance as discussed above. However, that said, this is one of those key areas which are directly influenced by the Contractor (e.g. the degree to which inputs have produced the desired results together with the timeliness of delivery of activities and results) and this is reflected by the following recommendations based on best practice within the region over the last three years.

National Projects

For sectoral projects implemented at a national level, it is recommended to ensure that:

- clearly established responsibilities for parties' contribution to the project are established during the Inception Phase, along with solid procedures for parties' interaction and co-ordination;
- both the Contractor and the EC Project Manager have a good knowledge of AidCo rules and procedures and make professional use of management tools, so as to ensure dynamic, proactive and quality project management;
- an effective communication between the Contractor, the Project Partner and other key stakeholders is established, so that problems can be quickly solved as and when they arise;
- pre-conditions and assumptions for project implementation are clearly defined at the design stage, and that they are properly considered during the Inception Phase; and
- highly qualified local experts and/or local co-ordinators are involved, in full agreement with the Project Partners.

In terms of implementation efficiency, the best performing projects have one thing in common: excellent communication between the Contractor and the Project Partner(s)/key stakeholders, which enables problems to be quickly solved as they arise, even in a difficult political and institutional context. As a consequence, the use of resources and implementation of activities is at an optimum and invariably to plan. This is eloquently demonstrated by three projects within the ICGG and MPSS priority areas implemented in the Russian Federation.

For the project "*Support to the Implementation of Land and Property Tools - Russia*" (DAC Code 15000 – Government and Civil Society) despite a slow and difficult start, activities were timely and well managed and, once

effective lines of communication were established with the Project Partner, results were delivered to the full satisfaction of the latter.

Ref. No	DAC	Budget	Short Title	Date	D	E/I	E	I	S
MR-40395.05	15000	3.395.400	SUPPORT TO THE IMPLEMENTATION OF LAND AND PROPERTY POLICY TOOLS RUSSIA	13/01/06	3,00	3,80	4,00	4,00	4,00
MR-40395.04	15000	3.395.400	SUPPORT TO THE IMPLEMENTATION OF LAND AND PROPERTY POLICY TOOLS RUSSIA	03/11/05	b	a	a	a	a
MR-40395.03	15000	3.395.400	SUPPORT TO THE IMPLEMENTATION OF LAND AND PROPERTY POLICY TOOLS RUSSIA	01/02/05	b	a	b	b	b

Similarly, for the project “*Corporate Governance Facility – Russian Federation*” (DAC Code 24000 – Banking and Financial Services), despite a difficult start the Project Partner and Contractor eventually found a common language which greatly facilitated efficient project implementation.

Ref. No	DAC	Budget	Short Title	Date	D	E/I	E	I	S
MR-40403.04	24000	1.957.400	CORPORATE GOVERNANCE FACILITY, RUSSIAN FEDERATION	21/03/06	3,00	3,40	4,00	4,00	3,71
MR-40403.03	24000	1.957.400	CORPORATE GOVERNANCE FACILITY, RUSSIAN FEDERATION	12/09/05	b	b	b	b	b
MR-40403.02	24000	1.957.400	CORPORATE GOVERNANCE FACILITY, RUSSIAN FEDERATION	25/03/05	-	b	c	c	b

Conversely, for the project “*Regional Development Strategies in Russia*” (DAC Code 15000 – Government and Civil Society), major communication problems between the Contractor and Project Partner hampered all aspects of project implementation.

Ref. No	DAC	Budget	Short Title	Date	D	E/I	E	I	S
MR-40824.02	15000	2.710.060	REGIONAL DEVELOPMENT STRATEGIES	28/03/07	3,00	1,80	2,00	2,00	1,86
MR-40824.01	15000	2.710.060	REGIONAL DEVELOPMENT STRATEGIES	22/05/06	2,30	1,00	1,20	1,50	1,40

With respect to lessons learnt on implementation efficiency within the Transport priority area (DAC Code 21000 – Transport and Storage), an excellent example of best practice project is provided by the Ukrainian intervention “*Border Management Improvement – Implementation of the Border Crossing Projects*”.

Ref. No	DAC	Budget	Short Title	Date	D	E/I	E	I	S
MR-40487.05	21000	1.211.176	BORDER MANAGEMENT IMPROVEMENT: IMPLEMENTATION OF BORDER CROSSING PROJECTS	04/07/06	3,00	2,80	2,33	3,00	3,10
MR-40487.04	21000	1.211.176	BORDER MANAGEMENT IMPROVEMENT: IMPLEMENTATION OF BORDER CROSSING PROJECTS	31/10/05	c	b	c	b	b
MR-40487.03	21000	1.211.176	BORDER MANAGEMENT IMPROVEMENT: IMPLEMENTATION OF BORDER CROSSING PROJECTS	08/04/05	b	b	b	b	b

One of the reasons for this project’s high efficiency was the clear definition of pre-conditions and assumptions for the project implementation. Consequently, project stakeholders perfectly understood the conditions

and risks of the project implementation process and consequently were able to react, and adapt, in a timely fashion to the project. Similarly, in terms of co-operation and communication, the timely establishment of the project Steering Committee and working groups also contributed effectively to implementation efficiency.

In terms of the value which the involvement of qualified, highly regarded, local experts can add to implementation efficiency, best practice provided by the project *“Support to Economic Reforms in Ukraine through the Blue Ribbon Advisory and Analytical Centre”* in the ICGG priority area offers an excellent example for future interventions in this sector. The use of credible local experts was not just highly appreciated by the Project Partner but, at a later date, facilitated access to confidential information for the analytical reviews.

Ref. No	DAC	Budget	Short Title	Date	D	E/I	E	I	S
MR-40519.02	15000	900.000	SUPPORT TO ECONOMIC REFORMS IN UKRAINE THROUGH BLUE RIBBON ADVISORY AND ANALYTICAL CENTRE	12/10/07	3,30	3,20	3,80	3,00	3,00
MR-40519.01	15000	900.000	SUPPORT TO ECONOMIC REFORMS IN UKRAINE THROUGH BLUE RIBBON ADVISORY AND ANALYTICAL CENTRE	04/12/06	2,30	2,60	3,00	3,00	3,00

Similarly, the presence of strong local project co-ordinators on the project *“Strengthening Civil Society, Ukraine”* pre-determined this project’s success and further reiterates this lesson learnt for future projects in the ICGG priority area. In addition, this project (together with the projects *“Implementation of Twinning Operations”* and *“Strengthening Multi-Sectoral Approaches towards HIV/AIDS Prevention Amongst Youth in Ukraine”* – ICGG and MPSS priority areas respectively) demonstrates the importance of a flexible project management with a good knowledge of EC procedures and the ability to effectively communicate with all key stakeholders. Lessons learnt in this respect must be incorporated into future sector interventions under the Government & Civil Society and Population Policies & Programmes etc under the 15000 and 13000 DAC Codes respectively. By contrast, a characteristic of poor performing projects, irrespective of the sector, is the numerous changes made to the Contactor’s expert team during implementation, which not only adversely impacts on implementation efficiency in its own right (leading to a process of “stop-and-go” implementation) but which also causes considerable frustration and distress on the part of the Project Partner(s), ultimately leading to a loss of commitment on their side.

Regional Projects

Best practice for maximising the implementation efficiency of regional projects is consistent with that for national projects. However, two

additional key lessons can be distilled from the experience of the last three years, namely:

- A good level of co-operation between all project parties, especially with Partners in the countries during the Inception Phase, is a key to the achievement of an efficient implementation in terms of time and quality of results; and
- Efficiency is higher when, in addition to policy oriented activities, some concrete practical issues are tackled by the project as well, including procurement of equipment and other elements contributing to the improvement of the working environment.

Projects manifesting best practice in support of the former include “*Technical Assistance to Ukraine and Belarus with respect to their Global Climate Change*” and “*Transboundary River Basin Management: Phase II for Pripjat*” (Ukraine). Projects manifesting best practice in support of the later recommendation are the “*Cities Award Scheme for Environmental Protection*” and “*Capacity Building and Technical Co-operation for Moldovan Border Guards and Border Officials*”.

Ref. No	DAC	Budget	Short Title	Date	D	E/I	E	I	S
EPR-40499.04	15000	900.000	CAPACITY BUILDING AND TECHNICAL COOPERATION FOR MOLDOVAN BORDER GUARDS AND BORDER OFFICIALS	12/12/06	3,00	2,80	3,00	3,00	3,11
MR-40499.03	15000	900.000	CAPACITY BUILDING AND TECHNICAL COOPERATION FOR MOLDOVAN BORDER GUARDS AND BORDER OFFICIALS	07/11/05	b	b	b	b	b
MR-40499.02	15000	900.000	CAPACITY BUILDING AND TECHNICAL COOPERATION FOR MOLDOVAN BORDER GUARDS AND BORDER OFFICIALS	20/01/05	b	b	b	c	b

Ref. No	DAC	Country	Budget	Short Title	Date	D	E/I	E	I	S
MR-40896.11	41000	Belarus	394,26	CITIES AWARD SCHEME FOR ENVIRONMENTAL PROTECTION	10/12/07	3,00	1,80	1,50	2,00	2,00
MR-40896.10	41000	Ukraine	394,26	CITIES AWARD SCHEME FOR ENVIRONMENTAL PROTECTION	13/11/07	3,30	3,80	3,22	4,00	3,30
MR-40896.09	41000	Georgia	394,26	CITIES AWARD SCHEME FOR ENVIRONMENTAL PROTECTION	08/11/07	3,00	2,40	2,67	2,00	2,25
MR-40896.08	41000	Moldova	394,26	CITIES AWARD SCHEME FOR ENVIRONMENTAL PROTECTION	30/10/07	3,00	3,80	4,00	3,00	3,22
MR-40896.07	41000	Regional	394,26	CITIES AWARD SCHEME FOR ENVIRONMENTAL PROTECTION	23/01/07	3,70	3,60	3,22	2,90	2,90
MR-40896.01	41000	Regional	394,26	CITIES AWARD SCHEME FOR ENVIRONMENTAL PROTECTION	07/04/06	3,00	3,00	3,00	3,00	3,13

From the best practice presented by these projects, it is clearly important that the above recommendations are incorporated into future regional interventions under the FSSRD (DAC Code 41000 – General Environmental Protection) and ICGG (DAC Code 15000 – Government and Civil Society) priority areas.

3.3 Effectiveness

Improving the effectiveness of project interventions (i.e. the degree to which the project is progressing towards the achievement of the project purposes) for future sector initiatives within the region will, first and foremost, require ensuring the applicability of the risks and assumptions in the project design, so as to better ensure their maintenance and management during the course of the project's implementation.

National Projects

There are two preconditions for improved effectiveness:

- first, beneficiaries must be fully engaged from the start;
- secondly, the contractor should be a recognised practitioner in the field in which he operates and should be able to deploy local professionals who understand local needs, possibilities and peculiarities. If consultancy is complementary to his normal business, this will ensure that the Contractor is not only motivated to develop the sector but that he is also able to provide up-to-date and practical knowledge and experience. The transfer of knowledge is therefore effective, as beneficiaries can understand and use it. Irrespective of the sector, this is the key lesson to be learnt for improving the future effectiveness of interventions within a national context.

On this basis, it is recommended to ensure that:

- the Contractor directly engages with the beneficiaries in the project implementation process, e.g. by establishing working groups composed of representatives of the beneficiaries and project experts to facilitate adsorption capacity;
- access to the project results is as broad as possible, including as many sector players as practicable, in order to simultaneously bring the existing inter-linkages within the sector to a higher level;
- the Contractors are professional in their field; and
- there is real and confirmed commitment and responsibility of the beneficiary and recipient.

Within the ICGG and MPSS priority areas, best practice has demonstrated the rewards that can be reaped from the close involvement of beneficiaries during project implementation. For example, within the two Ukrainian projects "*Legal and Institutional Basis for Protection of Competition in Ukraine*" (DAC Code 15000 – Government and Civil Society) and "*Support*

to *Taxation Reform*" (DAC Code 24000 – Banking and Financial Services), the mechanism for co-operation was established via working groups for each project component, with project results being produced from joint work, thereby maximising effectiveness. The project *"Increased Independence, transparency, and efficiency of the justice system of the Republic of Moldova"* also well illustrates best practice in this aspect, albeit from a slightly different perspective: access to project results should be as broad as possible and include as many sector players as possible, in order to simultaneously bring existing inter-linkages in the sector to a higher level.

Ref. No	DAC	Budget	Short Title	Date	D	E/I	E	I	S
MR-40569.01	15000	3.000.000	INCREASED INDEPENDENCE, TRANSPARENCY AND EFFICIENCY OF THE JUSTICE SYSTEM OF THE REPUBLIC OF MOLDOVA	12/03/07	2,00	2,00	2,10	3,00	3,00

In addition, another important lesson that can be learnt from this project are the benefits that can be gained from the real and confirmed commitment and responsibility of beneficiary/recipient, primarily through the submission of a provisional plan for project effectiveness by the beneficiary/recipients, by way of supporting their official commitments, at the statement of endorsement stage. The value that can be added via the step-by-step involvement of local partners is at maximum safeguarding the full acceptance and organic incorporation of the project results into their routines.

Regional Projects

Best practice for maximising the efficiency of regional projects is consistent with that for national projects. Nevertheless an analysis of best practice suggests the importance of ensuring that:

- regional projects reflect the common interests and priorities of the participating countries;
- regional projects link in as closely as possible with the work of other relevant donors; and
- the use of regional project services is stimulated at sector level by holding a sufficient number of strong regional events where both new and existing best practices in the sector can be exchanged.

Most regional programmes and projects are designed and managed centrally. As far as Russia is concerned, the big failing (irrespective of sector) has always been that Russia is seldom consulted on the structure and design of regional projects, and therefore sees no reason to participate, particularly as regional cooperation is not a national priority.

The result is that some regional projects suffer from partial, and therefore ineffective, implementation. This is exacerbated by the fact that regional projects frequently do not adhere to Project Cycle Management (PCM) principles. Results are often not too well defined, lacking adequate objectively verifiable indicators (OVIs) and, in addition, they tend to be “output driven” rather than “results oriented”, which makes results oriented monitoring particularly inappropriate. Other regional programmes, designed to assist other official development agencies rather than local beneficiaries, such as the EBRD and other IFIs, are ineffective in that they address the needs and requirements of local participants only insofar as these support the business plans of the IFIs themselves.

Nevertheless, best practice does prevail within the region from which valuable lessons can be learnt for improving project effectiveness. For example, the project “*Enhancing Border Management in Belarus*” is one of the best regional projects performed in Belarus and shows what can be achieved by future projects within the ICGG priority area. It was effective due to the common interests of EU and Belarusian Government to improve the border management between EU and Western NIS in the area of approximation of border services.

Ref. No	DAC	Budget	Short Title	Date	D	E/I	E	I	S
MR-40779.02	15000	4.500.000	ENHANCING BORDER MANAGEMENT IN THE REPUBLIC OF BELARUS	02/08/06	3,00	3,40	3,80	4,00	3,70
MR-40779.01	15000	4.500.000	ENHANCING BORDER MANAGEMENT IN THE REPUBLIC OF BELARUS	02/11/05	b	b	a	b	a

Similarly, the project “*Support to the European Environment Agency Data Collection in EECCA*” (DAC Code 41000 – General Environmental Protection) shows the value of linking in with other donor initiatives and the importance of regional workshops in building capacity thereby allowing beneficiaries from different countries to meet (often for the first time), thereby increasing information exchange and co-operation. The use of such regional workshops in this context should be incorporated into future regional interventions to strengthen effectiveness.

Ref. No	DAC	Budget	Short Title	Date	D	E/I	E	I	S
MR-41714.02	41000	1.000.000	SUPPORT TO EUROPEAN ENVIRONMENT AGENCY DATA COLLECTION IN EECCA	06/07/07	4,00	2,80	2,70	3,00	3,20
MR-41714.01	41000	1.000.000	SUPPORT TO EUROPEAN ENVIRONMENT AGENCY DATA COLLECTION IN EECCA	09/11/06	3,00	3,00	3,00	3,00	2,90

3.4 Impact

It is important to note that no single project by itself is likely to achieve the overall objective in its entirety – all that one can best expect is that it will make a positive contribution towards it, which will be subsequently built on by other sector initiatives either by Commission Services and/or other donors. This applies equally to national and regional projects although, in the case of the latter, multi-donor interventions within the sector are particularly important. It is thus within this context that the following recommendations are based for improving the impact of future interventions within the region.

National Projects

Three key recommendations can be discerned from best practice over the last three years. It is important to ensure that:

- the project is oriented towards bringing about fundamental change and long term benefit;
- future interventions involve multiple stakeholders but, critically, make sure that co-ordination between them is well organised; and
- the project contains a strong public awareness component targeted at high level officials, politicians, and the general public.

For future interventions within the ICGG priority area, the project “*Ukrainian Policy and Legal Advice Centre (UEPPLAC)*” is an excellent example of the impact that can be achieved in implementing those projects that bring about fundamental change. For example, it is anticipated in the longer term that the approximation of the legislation to be produced under this project will have generated an impact in the economic, social, and political spheres.

Ref. No	DAC	Budget	Short Title	Date	D	E/I	E	I	S
MR-40461.05	15000	4.793.825	UKRAINIAN POLICY AND LEGAL ADVICE CENTRE (UEPLAC)	14/04/05	b	b	b	b	b

This is also illustrated by the project “*Judicial selection and appointment procedures, training, disciplinary liability, case management and alternative dispute resolution methods*” whereby the involvement and efficient co-ordination of a number of many different institutions charged with judicial reform in Ukraine has maximised impact. Irrespective of sector, the example provided by the project “*Legal and Institutional Basis for the*

Protection of Competition in Ukraine” eloquently demonstrates the importance of awareness raising upon overall impact, with the Contractor in this example making substantive efforts at increasing public awareness of the competition rules.

Ref. No	DAC	Budget	Short Title	Date	D	E/I	E	I	S
EPR-40484.05	15000	2.190.130	LEGAL AND INSTITUTIONAL BASIS FOR PROTECTION OF COMPETITION IN UKRAINE	22/03/07	3,00	3,80	3,90	2,82	3,33
MR-40484.04	15000	2.190.130	LEGAL AND INSTITUTIONAL BASIS FOR PROTECTION OF COMPETITION IN UKRAINE	23/12/05	b	a	a	b	b
MR-40484.03	15000	2.190.130	LEGAL AND INSTITUTIONAL BASIS FOR PROTECTION OF COMPETITION IN UKRAINE	08/07/05	b	b	b	b	a

From Russian experience, sector impact is maximised when the intervention directly affects peoples’ livelihoods, e.g. Merit II, small projects programme and health/HIV programmes. For example, by way of illustration of best practice in the MPSS priority area, the impact of the project “*Small Business Credit Bank – KMB Bank Expansion Plan*” (DAC Code 24000 – Banking and Financial Services) reached well beyond its wider objective: the competition offering similar services is increasing, particularly so in the regions, the product portfolio of KMB Bank is progressively expanding, larger loans are available and inter-bank relations are in place on both the domestic and international markets.

Ref. No	DAC	Budget	Short Title	Date	D	E/I	E	I	S
MR-40364.05	24000	3.999.975	SMALL BUSINESS CREDIT BANK (KMB) - BRANCH EXPANSION PLAN	28/03/06	2,70	3,80	2,90	3,00	3,00
MR-40364.04	24000	3.999.975	SMALL BUSINESS CREDIT BANK (KMB) - BRANCH EXPANSION PLAN	22/03/05	b	b	b	a	b

Similarly the best practice provided by the project “*State Budget Reform*” offers important lessons to be learnt for future interventions in the ICGG priority area. The overall impact of this project can be considered tangible and highly significant due to the exceptional timeliness of the project and the involvement of the project team in elaborating policy making documents, in the draft budget making process and through the adoption of key Government resolutions.

Ref. No	DAC	Budget	Short Title	Date	D	E/I	E	I	S
MR-40383.05	15000	2.999.771	STATE BUDGET REFORM	28/03/06	4,00	3,80	3,60	4,00	3,75
MR-40383.04	15000	2.999.771	STATE BUDGET REFORM	29/03/05	a	b	a	a	-

The project “*Corporate Governance Facility (Russian Federation)*” (DAC Code 24000 – Banking and Financial Services) provides important lessons to be learnt for future interventions in the region under the MPSS priority area. This project had a strong impact on all aspects of corporate governance in Russia. It prepared a good foundation to proceed with legislative reform, particularly via a set of draft laws to protect shareholder rights with the focus on measures to be taken against corporate take-

overs (developed in full co-operation with the Project Partner), which were subsequently submitted to the government for approval.

The Russian project “*Institutional, Legal, and Economic Federalism*” also illustrates many of the recommendations formulated above for maximising impact of future interventions within the ICGG priority area. In this particular example, the planned level of progress has been reached in all the project’s focus areas. The project adapted well to external factors and absorbed changes in the project context without negative effects. Close working relations were also established with numerous relevant projects in the field funded by EU or other donors. The result was a mutually enriching process enhancing network cooperation, complimentary efficiency and information transparency in this particular field.

Ref. No	DAC	Budget	Short Title	Date	D	E/I	E	I	S
MR-40418.04	15000	2.899.515	INSTITUTIONAL LEGAL AND ECONOMIC FEDERALISM	22/01/07	4,00	3,80	4,00	4,00	3,38
MR-40418.03	15000	2.899.515	INSTITUTIONAL LEGAL AND ECONOMIC FEDERALISM	13/04/06	3,70	3,60	4,00	3,50	2,63
MR-40418.02	15000	2.899.515	INSTITUTIONAL LEGAL AND ECONOMIC FEDERALISM	02/11/05	b	a	b	a	b
MR-40418.01	15000	2.899.515	INSTITUTIONAL LEGAL AND ECONOMIC FEDERALISM	15/04/05	b	b	a	b	b

Regional Programmes

Two key recommendations arise from an analysis of best practice for maximising the impact of regional projects, namely:

- Political will is essential to maximise impact by achieving the Overall Objective and fostering cross-border co-operation; and
- Continuity between project phases should be maintained as much as possible.

The project “*Combating the Trafficking in Women in the Republic of Belarus*” is one of the best regional projects and shows what can be achieved for future regional interventions under DAC Code 15000 (Government and Civil Society) and for the IGCC priority area in general. Its activities produced three impacts on society and sector, namely:

- **i.** Combating trafficking in women;
- **ii.** Reducing illegal migration; and
- **iii.** Fostering cross border co-operation.

The main impact was the Belarussian law amendment in the field of “*Trafficking in Human Beings*” which was implemented during the project life following the recommendations of the project experts.

3.5 Sustainability

The lessons learnt from best practice observed in the region for maximising sustainability prospects are essentially the same for both regional and national projects and, hence, will be collectively dealt with below. It is important to note that the identification of lessons learnt/best practice in terms of maximising the potential sustainability of technical assistance is more difficult – not least because the majority of the lessons learnt are outside the Contractor's control.

Key recommendations based on lessons learnt suggest ensuring that:

- sufficient absorptive capacity is present in the Project Partner and other key stakeholders to optimise the sustainability of capacity building and institutional strengthening;
- project implementation goes ahead only if, and when, all pre-conditions are met;
- a supportive wider policy framework is in place to sustain any institutional and regulatory strengthening interventions;
- the issue of sustainability is addressed at the beginning of the project; and
- future interventions contain significant capacity building by means of training, both formal and on-the-job.

There is no doubt that, as far as sustainability is concerned, absorption capacity (e.g. technical, organisational, institutional, and financial) is critical. An analysis of lessons learnt suggests that absorption capacities are often over-estimated, with Project Partners often struggling with severe constraints. For example, the paucity of human resources limits the contractor's capacity to transfer expertise to the beneficiaries. In such circumstances, when absorption capacities are known to be low and are presumed to remain so, the project should not be too ambitious. In such circumstances, a medium term approach may be needed, albeit with the strict provision that further support is dependent on more local financial and human resources being allocated.

Commission Services should give the go ahead for project implementation only when all pre-conditions are met. Although ToRs often include clearly stated pre-conditions, they are often interpreted in a very loose manner or simply disregarded by both beneficiaries and Project Managers. However, for reasons of time and contractual constraints, Commission Services is sometimes reluctant to freeze or suspend a project and prefers to adjust it. Internal changes can be such that only the original title is kept, which might cause legal/contractual problems.

In terms of having a wider supportive framework in place, the project “*Corporate Governance Facility (Russian Federation)*” again shows what can be achieved for future interventions within the Russian Banking and Financial Services sector and for the MPSS priority area in general. The political support for the project was high, as Russia showed its commitment to proceed with its programme of socio-economic reforms, one of its provisions being to improve transparency of the economy to enhance foreign direct investments and integrate into the world economy. The recommendations elaborated by the project indicate the ways to improve further the condition of corporate governance in Russia and to strengthen the new competences of regulators and judges. As such, the sustainability of the project’s impact prospects is at the highest level.

Ref. No	DAC	Budget	Short Title	Date	D	E/I	E	I	S
MR-40403.04	24000	1.957.400	CORPORATE GOVERNANCE FACILITY, RUSSIAN FEDERATION	21/03/06	3,00	3,40	4,00	4,00	3,71
MR-40403.03	24000	1.957.400	CORPORATE GOVERNANCE FACILITY, RUSSIAN FEDERATION	12/09/05	b	b	b	b	b
MR-40403.02	24000	1.957.400	CORPORATE GOVERNANCE FACILITY, RUSSIAN FEDERATION	25/03/05	-	b	c	c	b

In support of the above recommendations, the Moldovan project “*Capacity Building in Social Policy Reform*” is a perfect example of just how important strengthening institutional capacity is to the further development, and hence sustainability, of the achieved results for future interventions within the DAC Code 16000 (Other Social Infrastructure and Services) and the ICGG priority area in general.

Similarly, the project “*Support to Taxation Reform*” (Ukraine) eloquently demonstrates the advantages of addressing sustainability at the beginning of the project for future interventions in all sectors and not just the Banking and Financial Services sector (DAC Code 24000): beneficiaries have a high sense of ownership and, as such, they are closely involved in the activities and production of outputs. The importance that increasing project ownership plays on sustainability for future regional interventions within the Emergency Assistance Sector (DAC Code 70000) and FSSRD priority area is eloquently illustrated by the regional project “*Cross Border Co-operation Programme – Soderkoping Process*”, whereby measures were taken to secure an adequate level of project ownership by WNIS governments (Ukraine, Moldova, and Belarus). Their responsibilities were gradually increased through an enhanced participation in project’s activities, i.e. co-chairing thematic meetings and involvement of the governments of the countries that host meetings in their organisations.

The Ukrainian project “*Support to Taxation Reform*” also demonstrates the important role played by capacity building (both formal and non-formal) in

maximising sustainability for interventions within the Banking and Financial Services sector and the MPSS area in general, chiefly through ensuring sustainability at middle management and working levels, which are less sensitive to political changes when compared to top management.

Although not the “be all and end all”, it is clear that financial resources need to be available to enhance sustainability prospects. Weaknesses in financial sustainability are either due to beneficiaries not planning their budgets correctly and/or failing to allocate sufficient budget resources to adequately absorb the project. In this respect, the environment sector is particularly problematic in terms of financial sustainability and future interventions under the DAC 41000 code for this sector can expect similar constraints. For future interventions under the Transport and Storage Sector (DAC Code 21000), and for the Transport priority area in general, local co-financing is an important element for the sustainability and ownership of infrastructure projects. A good example is the project “*Border Management Improvement: Implementation of the Border Crossing Points*” where the Ukrainian government has allocated state money to improve border facilities/management – and hence to implement many of the recommendations produced under the Tacis project.

Ref. No	DAC	Budget	Short Title	Date	D	E/I	E	I	S
MR-40487.05	21000	1.211.176	BORDER MANAGEMENT IMPROVEMENT: IMPLEMENTATION OF BORDER CROSSING PROJECTS	04/07/06	3,00	2,80	2,33	3,00	3,10
MR-40487.04	21000	1.211.176	BORDER MANAGEMENT IMPROVEMENT: IMPLEMENTATION OF BORDER CROSSING PROJECTS	31/10/05	c	b	c	b	b
MR-40487.03	21000	1.211.176	BORDER MANAGEMENT IMPROVEMENT: IMPLEMENTATION OF BORDER CROSSING PROJECTS	08/04/05	b	b	b	b	b

The availability of local financing is particularly important, of course, for the new ENPI programme. ENPI projects will only be sustainable when the countries' commitment has met the programme's requirement to co-finance. The failure of this pre-condition nullifies national ownership. Thus, at the project conception stage, it is important to investigate whether a country/region really has a corresponding legal framework in place from this perspective.

3.6 Strategic Guidance/Management by EC Services

Lessons to be learnt for strengthening the strategic guidance/management by EC Services are important because the success of previous, existing and future interventions within the region does not solely reside with the Contractor but it is ultimately a team effort of which the EC Project Manager is an important member. The lessons learnt from best practice observed in the region are essentially the same for both regional and national projects and, hence, will be collectively dealt with below.

- Centralised and de-concentrated projects were successful, regardless of their complexity, when a flexible approach for adapting the project to the changing project environment was applied by the EC management; and
- Centralised implementation of regional projects requires streamlined project management, especially when several DGs are involved.

New junior Commission Services staff often have little experience of project management and are in a learning process. For the implementation of Twinning Programmes and other interventions in politically complex countries, international staff with previous experience should be appointed – at least in an overseeing or mentoring role for the junior Project Manager.

3.7 Absorption Capacities

As already discussed in Section 3.5, absorption capacity has a critical role to play in ensuring successful project implementation. For example, absorption capacities of recipients are limited in some areas of assistance and thus a flexible approach to planning of work within the project scope is an adequate response to this issue.

Recommendations arising from good practice for strengthening future sectoral interventions have already been presented elsewhere in this analysis and will not be repeated here. However additional recommendations based on the lessons learnt from best practice comprise:

- Projects should first learn what actual practice stakeholders are faced with on a daily basis and then cut up the whole body of skills and experience they want to transfer in portions of a volume and content that invites maximum stakeholder participation in both classroom and on-the-job settings; and
- A pre-requisite to a good absorption capacity is the presence of a well defined HRD policy and clear strategic view/plan of action in the local partners' institutions.

3.8 National Ownership

In terms of national ownership, the situation is changing, i.e. it is increasingly recognised that all stakeholders are, and have to be, involved within the project implementation process. However, it is recognised that some stakeholders are more pro-active than others. Indeed, although national authorities still have limited capacity (e.g. with respect to the identification of the required institutional changes), they are becoming increasingly aware of the importance of ensuring that project design is fully in line with their needs. In this context, and in order to better ensure national ownership of future sector oriented initiatives, there are a number of important lessons that can be learnt from the last three years. It is important to ensure that:

- the assistance addresses the National Authority within the sector;
- national stakeholders participate in the design phase and later in management and decision-making;
- all local partners are deeply involved in all phases of the PCM, sharing *de facto* the responsibilities on project implementation;
- Co-financing is a must; and
- project construction strongly relies on the specific needs/modalities of sector programmes; implementation or at least by comparable with the techniques used by partner institution(s).

In essence, the above recommendations can be summarised in a single sentence: *Project planning needs to be properly done and projects have to be designed with the direct support and engagement of the beneficiaries!*

On the basis of case studies from Russia, ownership of future sectoral initiatives will be assured when:

- **i.** The project is able to improve individual people's lives, either at work or at home;
- **ii.** At central government level, where it is designed to provide specific support for an official policy (especially a new one), or to resolve a particular problem related to the enforcement of that policy; and
- **iii.** At much lower levels, particularly in small projects, where individuals are directly engaged and affected.

By contrast, where the project is designed only "to do good", and/or where the underlying policy has not been fully endorsed by the Government, and/or if it is very late in starting, then it is much more difficult to engage the interest and ownership of the beneficiaries.

The existence of project Steering Committees is aimed at encouraging national ownership through the involvement of National Authorities. The respective EC Delegations should always be involved within the Steering Committees (ideally within a “chairing” role – particularly for regional projects), although the mandate of the Steering Committee differs in practice between those that are merely regarded as a vehicle for the Contractor to get the reports approved and, in other cases, a genuinely participatory and consultative body. The other constraint upon effective national ownership is that the ToRs tend to rely on partner countries’ administrative structures, whilst the institutional arrangements often prove cumbersome and time-consuming. For example, some Ministries are organised around several units (all potentially relevant to the project) causing a blurring of responsibilities and subsequent communication problems between the beneficiary and the Contractor.

3.9 Learn from Experience (Use of Monitors’ Recommendations)

This is an often overlooked, but nevertheless important, factor in strengthening not just existing interventions within the region but future interventions. However, that said and following a number of ex-post evaluations testifying to the need for more careful planning of interventions within the region, AIDCO have stipulated that monitors’ recommendations need to be taken into account during the planning process. This has subsequently increased the attention to the recommendations given by monitors during the implementation phase.

Nevertheless the following recommendations are still valid:

- Recommendations of the monitors will more likely be given consideration by the AidCO Project Managers and project parties if they directly address the issues that directly affect, or may affect, the project/contract execution;
- Recommendations on co-ordination with other projects should be supported by the information on ongoing relevant projects. For example, in the Ukrainian project “*Support to Taxation Reform*” the project was recommended to establish contacts with the *UEPLAC* project thus resulting in a round table on VAT issues; and
- Recommendations for improving intervention logic are not usually deemed to be very important either by Contractors or Project Managers. However, if followed, such recommendations would help facilitate both internal and external monitoring. The Ukrainian projects “*Accountancy Training*” and “*Legal and Institutional Basis for the Protection of Competition*” are good examples of this. The revision to the intervention

logic during the Inception Phase, as recommended by the monitors, was consequently well established and clear.

Indeed it would be fair to conclude that, on the basis of the Belarus-Moldova-Ukraine sub-region, the monitors' recommendations related to project design, implementation, effectiveness and impact were an essential early warning signal contributing for improving project performance and proper/timely delivery of the planned results. The extensive workload of the EC Project Managers did not permit them to be close enough to the projects, whilst the monitors as observers and impartial participants to the process could bring valuable opinions/views and informed messages from the "grass roots" level. This was eloquently illustrated by a number of projects, not least *"Capacity Building and Technical Co-operation for Moldovan Border Guards and Border Officials"*, *"Development of Integrated Social Services for Vulnerable Families and Children at Risk"* (Ukraine) and *"Support to Continued Democratic Reforms 2004-2006"*.

3.10 Multi-Donor Co-ordination

Donor co-ordination takes place in many ways, the most important ones being co-ordinated events and mutual observer seats on Steering Committees. Nevertheless, that said, in Russia there is very little multi-donor coordination between Tacis and other donors or IFIs. The main reasons are that the National Co-ordinating Unit is not interested and that the donors themselves do not like to be coordinated. Thus the planning of TA programmes as a whole fail to deliver their full potential. Where donor activities are well coordinated (South Africa is an example), results can be spectacular. Nevertheless there are some successes for donor coordination in Russia. They concern projects where Tacis has contracted WHO and UNICEF, both of which have special expertise in Northern Caucasus. Both their projects are being implemented very successfully. Lack of success is generally evident in those projects which depend for their success on satisfying the priorities of other donors or IFIs at the expense of those of Tacis itself

Examples of good practice in Russia in this respect include projects encompassing a number of sectors, e.g. *"Improvement of Health Care in Chechnya"* (DAC Code 12000, Health) and *"Strengthening of Education and Health Care Services in the Chechen Republic and Ingushetia, North Caucasus"* (DAC Code 1100 - Education) within the MPSS priority area.

Ref. No	DAC	Budget	Short Title	Date	D	E/I	E	I	S
MR-40877.01	12000	3.200.000	IMPROVEMENT OF HEALTH CARE PROVISION IN CHECHNYA	26/10/07	3,00	3,00	4,00	3,00	2,89

Ref. No	DAC	Budget	Short Title	Date	D	E/I	E	I	S
MR-40827.01	11000	9.500.000	STRENGTHENING OF EDUCATION AND HEALTH CARE SERVICES IN CHECHEN REPUBLIC AND REPUBLIC OF INGUSHETIA	06/07/07	4,00	3,00	3,00	3,00	3,00

Conversely, examples of bad practice include the “*Joint Environmental Programme I and II*” (DAC Code 43000 – Other Multisector) and “*Municipal Investment Support Programmes I and II*” (DAC Code 15000 – Government and Civil Society) under the ICGG priority area.

Ref. No	DAC	Budget	Short Title	Date	D	E/I	E	I	S
MR-40353.05	15000	2.982.200	MUNICIPAL INVESTMENT SUPPORT PROGRAMME	24/08/07	2,00	2,20	1,89	2,00	2,38
MR-40353.06	15000	2.982.200	MUNICIPAL INVESTMENT SUPPORT PROGRAMME	24/08/07	2,00	2,00	1,77	1,50	2,14
MR-40353.04	15000	2.982.200	MUNICIPAL INVESTMENT SUPPORT PROGRAMME	16/03/05	b	b	c	b	b

Ref. No	DAC	Budget	Short Title	Date	D	E/I	E	I	S
MR-40860.01	16000	1.000.000	MUNICIPAL INVESTMENT SUPPORT PROGRAMME (MISP II)	13/12/07	2,00	1,20	1,20	2,10	2,13

Key lessons learnt from the Belarus-Moldova-Ukraine sub-region comprise the following:

- During the Inception Phase, other donor activities in the related field should be properly analysed such that, in cases of duplication, changes to the design should be considered; and
- Donor co-ordination meetings, regular exchange of information, access to other donor recommendations from an EU perspective co-ordination and co-funding of events, if properly organised, add to the effectiveness and impact.

Best practice supporting both of these recommendations can be seen via the projects “*Establishment of Mortgage Market Rules and Legislation*”, “*Judicial Selection and Appointment Procedures ...*”, and “*Support to Taxation Reform*”. With respect to the former, the situation analysis performed by the Contractor during the Inception Phase revealed that the interventions of other donors partially aimed at the same objectives. The Contractor was flexible in adjusting the current situation, i.e. suggesting changes to the original design in order to avoid duplication with other donors.

Ref. No	DAC	Budget	Short Title	Date	D	E/I	E	I	S
MR-40502.03	15000	2.709.010	ESTABLISHMENT OF MORTGAGE MARKET RULES AND LEGISLATION	26/07/06	3,70	2,80	2,90	3,00	2,22
MR-40502.02	15000	2.709.010	ESTABLISHMENT OF MORTGAGE MARKET RULES AND LEGISLATION	10/02/06	3,00	2,80	2,90	3,00	3,00
MR-40502.01	15000	2.709.010	ESTABLISHMENT OF MORTGAGE MARKET RULES AND LEGISLATION	28/07/05	c	c	c	b	b

With respect to the second project, the review of recommendations for revising the project design by another donor helped to avoid some wrong decision-making.

Ref. No	DAC	Budget	Short Title	Date	D	E/I	E	I	S
MR-40521.02	15000	2.000.000	JUDICIAL SELECTION AND APPOINTMENT PROCEDURE, TRAINING, DISCIPLINARY LIABILITY, CASE MANAGEMENT AND ALTERNATIVE DISPUTE RESOLUTION METHODS	08/11/07	3,30	3,60	3,00	3,10	3,00
MR-40521.01	15000	2.000.000	JUDICIAL SELECTION AND APPOINTMENT PROCEDURE, TRAINING, DISCIPLINARY LIABILITY, CASE MANAGEMENT AND ALTERNATIVE DISPUTE RESOLUTION METHODS	09/01/07	2,60	2,20	3,00	3,00	3,00

With respect to the latter example, the project was developed in line with the general objective of the “*Modernisation Project*” assisted by the World Bank under a loan agreement. The project exchanged views with the Supervisory Board members during their missions to the STA for monitoring the status of implementation of the Modernisation Project.

Ref. No	DAC	Budget	Short Title	Date	D	E/I	E	I	S
MR-40526.04	24000	1.575.200	SUPPORT TO TAXATION REFORM IN UKRAINE	31/05/07	3,70	3,80	3,20	3,00	3,11
MR-40526.03	24000	1.575.200	SUPPORT TO TAXATION REFORM IN UKRAINE	10/11/06	3,00	3,60	2,20	3,00	3,00
MR-40526.02	24000	1.575.200	SUPPORT TO TAXATION REFORM IN UKRAINE	09/03/06	3,00	3,00	2,55	3,00	3,00
MR-40526.01	24000	1.575.200	SUPPORT TO TAXATION REFORM IN UKRAINE	15/07/05	b	b	a	b	b

4. RECOMMENDATIONS FOR STRENGTHENING FUTURE INTERVENTIONS WITHIN THE CIS



4. RECOMMENDATIONS FOR STRENGTHENING FUTURE INTERVENTIONS WITHIN THE CIS

Strengthening Relevance and Design

National Projects

- Ensure that the Project Partner is properly engaged in the design of the project, otherwise he simply won't be interested in the project with all the subsequent ramifications for effectiveness, impact, and sustainability thereafter;
- Ensure that the ToRs are professionally prepared by someone with sufficient expertise in the sector;
- Ensure that the design has a clear intervention logic that does not directly depend on the action of non-committed third parties, i.e. there is a clear definition of project components in line with specific objectives. The grouping of results and activities under such components helps better planning and better understanding of the intervention logic by beneficiaries;
- Ensure that the Project Partner is properly selected at the design stage and, furthermore, that the intervention belongs to an area or sector regarded as a national priority, i.e. as defined in the national/sector medium term programmes and action plans;
- Ensure that those project components related to the transfer of methodology, know-how, and staff training are "well balanced" with activities for the practical application by recipients of the acquired knowledge during project execution;
- Ensure that the project addresses a practical and real need, i.e. that it brings valuable results whose further use can be anticipated with a high likelihood, based on clearly defined national policy, legislative, financial, and procedural provisions;
- Ensure that the monitoring team are involved as much as practicably possible during the Inception Phase so that, through their recommendations, they can considerably contribute to the improvement of project design; and
- Ensure that the project is highly relevant by supporting the implementation of government policies and commitments fixed in international agreements and documents.

Regional Projects

- Project Partners need to be engaged more at the design stage otherwise there will be a general lack of interest;
- Projects should be designed for a group of countries which are limited in number, in close geographic location, and with political commitment and existence of clearly defined common problems in policy papers; and
- The assistance should be well-timed to be supportive for the countries in implementing their policies as defined in the international agreements and national sector programmes.

Strengthening Implementation Efficiency

National Projects

- Ensure that clearly established responsibilities for parties' contributions to the project are established during the Inception Phase, along with solid procedures for parties' interaction and co-ordination;
- Ensure that both the Contractor and the EC Project Manager have a good knowledge of AidCo rules and procedures, and make professional use of management tools, to ensure dynamic, proactive, and quality project management;
- Ensure that there is effective communication between the Contractor, the Project Partner, and other key stakeholders so that problems can be quickly solved as, and when, they arise;
- Ensure that the pre-conditions and assumptions for project implementation are clearly defined at design stage and are properly considered during the Inception Phase; and
- Encourage the involvement of highly qualified local experts and/or local co-ordinators, if necessary, in full agreement with the Project Partners.

Regional Projects

- Ensure that good co-operation is established between all project parties, especially with Partners in the countries during the Inception Phase, if efficient implementation is to be achieved in terms of time and quality of results; and
- Efficiency is higher when, in addition to policy oriented activities, some concrete practical issues are tackled by project as well, including procurement of equipment, and elements contributing to the improvement of the working environment.

Strengthening Effectiveness

National Projects

- Ensure that the Contractor directly engages with the beneficiaries in the project implementation process, e.g. by establishing working groups composed of representatives of the beneficiaries and project experts to facilitate adsorption capacity;
- Ensure that access to the project results is as broad as possible, including as many sector players as practicable, in order to simultaneously bring the existing inter-linkages within the sector to a higher level;
- Ensure that the Contractors are professional in their field; and
- Ensure that there is real and confirmed commitment and responsibility of the beneficiary and recipient.

Regional Projects

- Ensure that regional projects reflect the common interests and priorities of the participating countries;
- Ensure that regional projects link in as closely as possible with the work of other relevant donors; and
- Ensure that the use of regional project services is stimulated at sector level by holding a sufficient number of strong regional events where both new and existing best practices in the sector can be exchanged.

Strengthening Overall Impact

National Projects

- Ensure that the project is oriented towards bringing about fundamental change and long term benefit;
- Ensure that future interventions involve multiple stakeholders but, critically, make sure that co-ordination between them is well organised; and
- Ensure that the project contains a strong public awareness component targeted at high level officials, politicians, and the general public.

Regional Projects

- Political will is essential to maximise impact by achieving the OO and fostering cross-border co-operation; and

- Continuity between project phases should be maintained as much as possible.

Strengthening Potential Sustainability

- Ensure that sufficient absorptive capacity is present in the Project Partner and other key stakeholders to optimise the sustainability of capacity building and institutional strengthening;
- Ensure that project implementation goes ahead only if, and when, all pre-conditions are met;
- Ensure that a supportive wider policy framework is in place to sustain any institutional and regulatory strengthening interventions;
- Ensure that the issue of sustainability is addressed at the beginning of the project; and
- Ensure that future interventions contain significant capacity building by means of training, both formal and on-the-job.

Strengthening Strategic Guidance/Management by EC Services

- Centralised and de-concentrated projects were successful, regardless of their complexity, when a flexible approach for adapting the project to the changing project environment was applied by the EC management; and
- Centralised implementation of regional projects requires streamlined project management, especially when several DGs are involved.

Strengthening Absorption Capacity

- Projects should first learn what actual practice stakeholders are faced with on a daily basis and then cut up the whole body of skills and experience they want to transfer in portions of a volume and content that invites maximum stakeholder participation in both classroom and on-the-job settings; and
- A pre-requisite to a good absorption capacity is the presence of a well defined HRD policy and clear strategic view/plan of action in the local partners' institutions.

Strengthening National Ownership

- Ensure that the assistance addresses the National Authority within the sector;

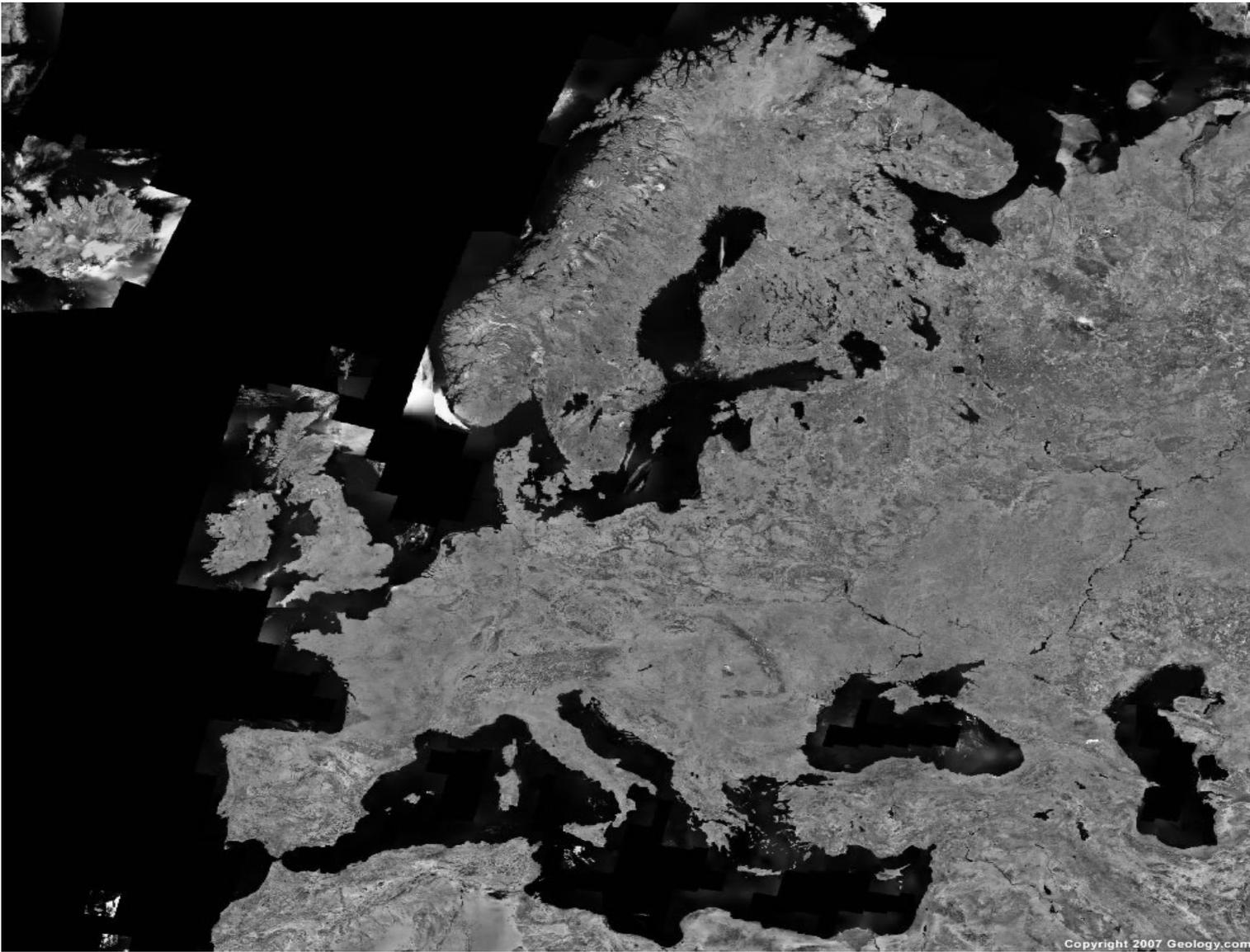
- Ensure that national stakeholders participate in the design phase and later in management and decision-making;
- Ensure that all local partners are deeply involved in all phases of the PCM, sharing *de facto* the responsibilities on project implementation;
- Ensure that Co-financing is a must; and
- Ensure that project construction strongly relies on the specific needs/modalities of sector programmes; implementation or at least by comparable with the techniques used by partner institution(s).

Strengthening the Use of Monitors' Recommendations

- Recommendations of the monitors will more likely be given consideration by the AidCO PM and the project parties if they directly address the issues that directly affect, or may affect, the project/contract execution;
- Recommendations on co-ordination with other projects should be supported by the information on ongoing relevant projects. For example, in the Ukrainian project “*Support to Taxation Reform*” the project was recommended to establish contacts with the *UEPLAC* project thus resulting in a round table on VAT issues; and
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Strengthening Multi-Donor Co-ordination

- During the Inception Phase, other donor activities in the related field should be properly analysed such that, in cases of duplication, changes to the design should be considered; and
- Donor co-ordination meetings, regular exchange of information, access to other donor recommendations from an EU perspective co-ordination and co-funding of events, if properly organised, add to the effectiveness and impact.



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