

M&E Capacity Development in the Western Balkans and Turkey:

Final Regional Conference Summary

1. Objective

The final regional conference convened all participating governments across sectors together to discuss lessons learned from the joint WB-EC initiative, P128734 “Building M&E Capabilities in Western Balkans and Turkey” (henceforth the Project), namely the experience with formulating and vetting the indicators across countries and sectors. The underlying message was that the indicators are only meaningful if they are in demand by high-level decision makers and used for evidence-based policy making. Therefore, the purpose of the conference was to raise the profile of M&E as a part of the policy cycle by convening policy makers and technical staff to discuss the use of indicators for evidence-based policy making and performance-based management.

The conference aimed to:

- Engage high level decision makers in a dialogue on monitoring and evaluation, as well as performance-based management and evidence-based policy making more generally. Specifically, engage them in the discussion on the utility of indicators to both measure the success of their policies and plan new ones.
- Support senior technical line ministry representatives in their monitoring and evaluation practice, by linking the indicators developed under the project to the high level dialogue on monitoring and evaluation, thereby generating increased engagement, ownership and accountability at all levels.
- Provide additional peer learning, at both policy and technical levels, for all sectors and all countries involved, learning from their experiences on M&E.

2. Summary of the Conference Sessions

Day 1: M&E FROM POLICY-MAKERS' PERSPECTIVE

Opening Remarks

Ellen Goldstein (Country Director for South East Europe, World Bank) highlighted that indicators are key to the ability of the governments in Western Balkans to engage in evidence-based policy making and to manage by results. Monitoring and Evaluation ties together policy, results, and accountability and can increase government efficiency and improve governance. This project built on the Bank’s commitment and experience with result-based management and proved to be a powerful strategic alliance with the European Commission. Countries in the Western Balkans have come to appreciate that indicators and effective monitoring are hard

work. It takes practice to identify and track indicators and it takes political will to use them for policy level decisions. The final conference serves as an opportunity to foster dialog with high level decision makers as well as the technical level. The project laid only the foundation for effective M&E systems in the Western Balkans and the conference was a forum for discussing with country and European Commission colleagues how to take this effort forward.

Jean Eric Paquet (European Commission Director ELARG C) emphasized the importance of monitoring and evaluation in the EU accession process and the role of M&E under IPA 2. In addition to monitoring of overall policy reforms (fundamentals first), IPA 2 monitoring would focus on a sector level and strive to identify longer term impacts. In addition, monitoring should also demonstrate how effectively and rapidly is IPA 2 being implemented. Where accession process is more advanced, more resources will be made available. Indicators generated by this project will aid in this process.

Deputy Prime Minister Niko Pelishi (Government of Albania)

Deputy Prime Minister Niko Pelishi described how the Albanian government arrived at its current monitoring and evaluation practice and how the government intends to use M&E going forward. While Albania stands out for the strong central government M&E mandate, the country's previous M&E experience often involved unrealistic targets with little to no accountability. The previous government established good M&E infrastructure that has been carried over to the current government. Recent elections in Albania resulted in high civil service turnover. However, the new government (elected in June 2013) has specifically retained the high-capacity staff from the previous administration, thereby facilitating continuity in the M&E approach.

The government of Albania is embarking on the creation of a delivery unit. It focuses on a limited number of high profile priorities that can be achieved in a time frame of approximately 3 years. Monitoring and evaluation is at the center of the delivery unit as the critical tool for communicating achievements under a citizen centric monitoring approach. Albania aims to connect a top down monitoring approach with a bottom up accountability to citizens. In the end, it's about people who are the ultimate beneficiaries. M&E serves to deliver information up and results down.

Project Achievements and Challenges

Odoardo Como (Head of Evaluation, DG Enlargement, EC) spoke to the challenge the European Commission faces in demonstrating the results of the first wave of Instrument for Pre-Accession (IPA I). Beneficiary countries will need to continue the Project's work by focusing on indicator validation, setting targets and adopting indicators. The conference could serve as an opportunity to facilitate such input. The indicators developed under the Project are a good

match for IPA 2 action programs. The Commission foresees further support and future cooperation to reinforce this M&E work.

Jana Kunicova (Project Task Team Manager, World Bank) presented the project's achievements in developing indicators and countries' on going validation process. In all countries and all relevant sectors, indicators were developed, shortlisted, and selected. Indicator shortlists also served as a base for developing comprehensive results frameworks and were provided to the European Commission as a resource for the IPA2 sector programming. Sector experts helped to catalyze working groups for developing sector level M&E. The project delivered four sector workshops (employment, justice, agriculture, and CSR) and one peer exchange (Private Sector Development).

The workshops also proved to be effective platforms for peer learning, where one country's experience could serve as a potential solution to another's M&E challenge and all countries could learn from past challenges with various M&E tools (justice- court user satisfaction surveys). The project team also identified several notable M&E practices in the region that are being currently documented. Key initial lessons included:

- **Serbia National Priorities for Development Assistance (NAD):** Better to have a good indicator you can report on than the perfect indicator without data; take a comprehensive, sector wide approach to monitoring and ensure strong country ownership.
- **Macedonia Employment Evaluations:** Plan in advance how the results of evaluations will be used, and which policies are to be influenced by them.
- **Bosnia and Herzegovina Justice:** The High Judicial and Prosecutorial Council's Performance management system focused initially on reducing pending cases. HJPC shared information with individual courts to benchmark their performance on pending cases, catalyzing reduction in backlog. Later, other efficiency metrics were added and a more sophisticated system built.

Developing indicators was a challenging task, even more so given the project's complex design. Coordination of all relevant stakeholders proved difficult. Many project countries were interested in indicators even when the required data not readily available. Methodological challenges make monitoring outcomes particularly challenging in sectors such as civil service reform. Finally, governments must lead the target setting process. However, in many countries indicator validation was delayed due to election cycles.

Nonetheless, countries must lead the outstanding target development. There has been good progress with Macedonia Private Sector Development, Kosovo ¹, BiH and Serbia's respective Civil Service Reform, Montenegro and Serbia's respective ARD, Montenegro and Macedonia's respective Justice sector indicators. Validation is outstanding for many Justice and Employment

¹ This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence.

indicators across countries, and for Civil Service Reform indicators in Montenegro and Macedonia, respectively.

Ministers Round Table- Accountability for performance through M&E

The round table discussion provided the Ministers an opportunity to reflect on the utility of indicators to both measure the success of their policies and plan new ones. The first panel included Ministers of Public Administration Reform and European Integration from Albania and Kosovo:

- H.E. Klajda Gjoshja, Minister of European Integration Albania
- H.E. Mahir Yagcilar, Minister of Public Administration Kosovo*
- H.E. Milena Harito, Minister of State for Public Administration and Innovation Albania

Minister Gjoshja discussed how monitoring and evaluation is undertaken in the process of European Integration. She indicated that the European Integration Agenda is up front and center for the Albanian Government. “Monitoring progress on this agenda is my job,” she said. Minister Harito indicated that the government needs data to know if her policies are successful. All panel participants spoke to the importance of multi-stakeholder engagement in monitoring progress for their Ministries’ respective policies.

The second panel focused on performance-based management and included high level participants in Labor, Agriculture and Justice:

- H.E Pedrag Bošković- Minister of Labor Montenegro
- Alban Zusi- Deputy Minister of Agriculture Albania
- Admir Suljagić- Director of the High Judicial and Prosecutorial Council Bosnia and Herzegovina
- Čedomir Backović- Assistant Minister of Justice Serbia

Minister Bošković described how his ministry uses indicators as a basis for formulating policies, but these indicators must be specific to the country context, building on knowledge of country’s specifics. As employment is a multi- sector challenge, it also requires work with inter-ministerial teams. Montenegro has had solid experience with this approach. He expected that more concrete monitoring would follow based on the experiences with this project and the conference.

Similar, stakeholder engagement was also an important theme in Albania’s Agriculture strategy. Deputy Minister Zusi spoke to the important of private sector engagement, particularly in revisiting the Agriculture strategy. The Ministry played a critical role in addressing food safety,

enforcement, and setting rules for the private sector. Furthermore, monitoring also required measuring impacts from the business side.

Assistant Minister Backović described how Serbia's justice sector has used indicators to help anchor priorities. In the face of project proliferation, indicators served as an objective that helped align projects. Indicators have also proved useful both to triangulate with public opinion and as a communication device. In the justice sector, public opinion often reflects impressions and is susceptible to media manipulation. Indicators can provide hard facts to be triangulated with public opinion. Moreover, indicators also help convey the accession process and can provide a more complete picture of this process for the citizens. But as M&E is costly, it is critical that this system identifies and builds on the most essential data.

HJPC Director Admir Suljagić explained the challenge of performance measurement in the Justice sector. While it is feasible to measure outputs, how can quality be assessed beyond perception based indicators? In Bosnia and Herzegovina, the challenge is even greater in establishing accountability for targets: what happens if performance is not achieved?

Day 2: DEVELOPING INDICATORS: A PRACTICIONERS' FORUM

Monitoring system for IPA 2

Odoardo Como presented the monitoring and reporting framework developed for IPA 2. Under this framework, there is a shift in focus from financial execution to results-based performance. Performance is also framed as the synergetic action of on-going policy dialogue and financial cooperation. The M&E framework also takes attribution into account. Countries have been developing indicators that encompass context, context/ impact (longer term results), outcome/ results (medium term), outputs, process, and inputs. The Commission has provided countries with a common set of context, impact and outcome indicators. Countries also received guidance that targets should be set in a realistic and participative manner.

NIPAC representatives raised concerns as to whether there is too much monitoring and too many indicators. The challenge will be how to balance the absorption capacity for evaluation. Furthermore, NIPAC participants from Kosovo* identified that some common indicators can be a challenge as the data sources have not included Kosovo until recently. Participants were informed that countries should have flexibility in their M&E approach. They could combine monitoring committees and quality discussion is the most important element.

Eurostat statistical cooperation: Use of indicators in assistance programmes

Marius Andersen (Eurostat) highlighted key lessons in indicator development and the importance of collaboration with statistical agencies. Indicator development implies a trade off

between indicators that are broad and where data is easily available and those that are specific ones that can more closely measure effect of assistance. There must be close cooperation with policy makers in developing and using indicators, along with use of high quality statistics. Indicators should be used as a group by triangulating information. Indicators should also be limited to an essential few, and statisticians should be involved from the beginning.

Main Technical Sessions Takeaways

Private Sector Development. FYR Macedonia was the main country actively engaged on this sector, with policies focused on investment and links to SMEs, increased competitiveness, increased investment in R&D, and access to finance. The project developed indicators will help demonstrate whether support mechanisms are working, and if so, how well. Indicators were proposed within the context of Macedonia's emphasis on FDI and linkages to its large SME sector, and incentives the government supports for PSD. The indicators attempt to assess whether these incentives lead to increased investment in research and development, supply linkages and improved SME credit access. Specifically defined indicators examine the result of specific incentives such as those related e.g. to increased FDIs.

Ms. Leana Ugrinovska (Office of the Deputy Prime Minister for Economic Affairs, FYR Macedonia) presented the project achievements from the perspective Macedonian government counterparts. The presentation stressed the following points:

- Establishing system for efficient databases and regular data inflow;
- Improved international peer learning capacities-KOSGEB Visit;
- Feedback effect on policy creation and measures design;
- A need for continuous institutional strengthening, capacity building, peer learning.

Participants in the technical session asked why indicators focused heavily on financing, rather than process efficiencies such as business registration. In response, the sector team indicated that the indicators reflected priorities within the Economic Policy. We decided to map to indicators with a similar objective.

Agriculture. Participants in this session acknowledged that IPARD programs are the main driver of monitoring and evaluation in the sector. Participants also recognized that monitoring is an important complement to the stakeholder engagement and relationships they build up within the sector. The most critical task lying ahead was finalizing indicators, ensuring these fit well, and setting targets.

Ivana Dulic Markovic (Sector Expert, World Bank) described the background work undertaken as part of the indicator development. Analysis sector priorities and budgets demonstrated that these were not always aligned. All countries focused on competitiveness.

In Albania, the Ministry is currently working on the indicator matrix to make the indicators more meaningful. They adjusted the targets on growth based on the sector expert's input. Thus far monitoring has been more formal at the level of technicians in the Ministry without involving the broader group of stakeholders. Assistant Minister Zusa indicated that a key takeaway of this conference is that decision makers should be involved in the monitoring process- how and who? Monitoring is not only the task of one ministry but is also cross-sectoral (land resources, water, food safety). The Ministry is bringing people who were not previously involved to the same table. Traditional monitoring reports are good, but what does the experience of our stakeholders tell us?

The message of stakeholder engagement resonated with all participants. Participants from Montenegro suggested that extension agents help communicate the experience of farmers. In the IPARD context, there has also been a survey that included successful and unsuccessful grant applicants. Serbian participants identified that their policies have been sending inconsistent messages to farmers. The most recent approach has been to ensure the Sector strategy is not just on paper but is also discussed with stakeholders through public fora with agriculture producers.

In Kosovo, there has been technical progress with Agriculture policies and monitoring despite political impediments. The Ministry aims to monitor the evolution of direct payments, where it is anticipated that farmers will buy better inputs and replace old technology. The Ministry has worked to develop indicators and monitor increased income and jobs. The challenge is also monitoring the change in mentality: where agriculture should be considered a business, farmers move to higher value added (from cereals to vegetables) and import export ratios suggest that local demand can be satisfied with domestic supplies.

Session participants observed that all countries focused on competitiveness, EU integration and strengthening capacity. As such indicators could be better harmonized. It would also be better to monitor the value of IPARD funds disbursed rather than the access to IPARD funds.

Employment. This technical session was well received, particularly given the target setting guidance discussed. Key messages were that policy should be result and outcome oriented and ideological driven policies should be replaced with evidence driven policy. While all participants accepted this notion in principle, further support is required (from Brussels) to make it a reality and fit it into work plans. With respect to indicator use, participants highlighted the differing context and capacity across regions that must be taken into account when interpreting indicators. Serbia had an example of accountability measure (performance agreement) that has included social partners. Such a system requires fine tuning, as an appropriate M&E structure must be in place before using any results based financing tool. Furthermore, employment

policies cannot be conceived in isolation of other sectors, and thus monitoring also requires looking across indicators (and sectors) at the same time.

Civil Service Reform. For this subsector, countries across the region have some similarities due to similar cultural and historical background and institutional setup. Nonetheless, the sector team developed indicators specifically tailored to the national context and based on the World Bank's ISPMS framework (4 A's- Access on merit and fair competition, accountability, attractiveness, and affordability).

Across the region, M&E is untested for civil service reform. There were limited success stories and outcomes are difficult to measure. Developing and implementing indicators presented challenges such as deciding between qualitative and quantitative indicators, scarcity of in-house and in country expertise and lack of sources for data verification.

Some stakeholders already stipulated the proposed indicators in their country strategy papers: Serbia is incorporating proposed indicators in the new PAR strategy, and Albania and Kosovo* anticipate discussion on inclusion of proposed indicators in their new PAR strategies. BiH is developing baseline and targets for some indicators. The response is outstanding from Montenegro and Macedonia.

BiH highlighted lessons in designing in particular performance/outcome indicators, developing a workable methodology and the challenge of arriving at a consensus on indicators among all relevant stakeholders.

Overall session conclusions were that methodology should be tested and proposed indicators should be implemented and adjusted to be country specific. There is also scope seeking greater commonality in the M&E approach across the region that would also facilitate peer reviewing and policy dialogue on civil service reform. ReSPA will consider how it can support such regional M&E peer learning going forward, based on consultation with GB representatives and line ministries as well as the EC Commission.

Justice Plenary Session- Presentation on EU Justice Scoreboard

Aristotelis Gavriliadis (European Commission – DG JUST) presented the scoreboard as a tool geared to understand and improve the situation in the judiciary. The scoreboard is largely based on CEPEJ, providing a long data history. Key session takeaways were that indicators should not be read in isolation since it can produce misleading conclusions. When it comes to justice reforms, people need to be convinced to proceed: it will not work with external pressure. Countries can gain much by improving transparency. Ministries can start by posting their data and indicators on their webpage, gather reactions and improve their data and monitoring in the process. The discussion focused on how independence and impartiality

(broader- often interpreted as nepotism) are addressed as part of the scoreboard. Fitting monitoring to these concepts is difficult and often refers to the structures. However, the enlargement process goes deeper than what the scoreboard addresses.

Closing Remarks

Adrian Fozzard (Sector Manager, Public Sector and Institutional Reform, World Bank) emphasized that monitoring must be connected to the on the ground reality and reflect the experience of the ultimate beneficiary. At the same time, the conference has been a catalyst for political level participation: the high level participation suggests that decision makers appreciate the utility of indicators and a results framework. M&E is an evolving process: M&E information is applied in decision making, data use and demand for it increases and helps improves data quality. The M&E framework changes over time and system flexibility is critical. Multi-stakeholder engagement is at the core based on accountability for targets.

Rudiger Boogert (Head of IPA Strategy and Quality, European Commission) remarked that the conference was successful. It provided good stocktaking, networking and peer learning opportunities. The project was highly relevant for IPA and the Commission confirmed the overlap with EU Integration agenda. Key issues identified included the tradeoff common and country specific indicators; need for timely involvement of all stakeholders, including statistical experts; and taking a pragmatic approach to monitoring and evaluation. He encouraged participants to keep up the momentum in contributing the Project's Final report and setting IPA targets. Politicians have interest in assistance and citizen pressure. Countries could expect on-going support in capacity building and invest their IPA funds for such purpose.