

# **Sida's Support to Urban Environment and Urban Development in South East Europe**

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**Department for Infrastructure  
and Economic Cooperation**



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**Sida Evaluation 07/20**

**Department for Infrastructure  
and Economic Cooperation**

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## Executive Summary

Sida initiated its support to the environmental and urban development sector in year 2000 in the countries in South East Europe: Albania, Bosnia and Herzegovina, Kosovo, Macedonia, Montenegro and Serbia. A total of SEK 260 million has been channeled through Sida since 2000 for urban and environmental cooperation. The main aim of the Swedish development cooperation with South East Europe is poverty reduction and European integration through the EU Stabilisation and Association process (SAP). Sida's interventions in the region should be pro-poor and help bring about equitable and sustainable development.

Support to the environmental sector was initiated in year 2000 with a number of smaller interventions focused mainly on review of the environmental situation in the Balkans and on hot spot remediation. Since then the cooperation has grown substantially and today 9 projects have been completed and about 18 are ongoing. Focus has gradually shifted towards larger projects mainly supporting governmental policy development and implementation.

An evaluation took place in the period April–May 2007 and included desk studies, a survey questionnaire, field visits to the region and interviews with selected project stakeholders. Questionnaires were sent out to 17 projects, of which 4 did not respond. For two regional projects a total of 33 questionnaires were returned, for the remaining 15 one questionnaire for each project was returned. The focus of the evaluation was to assess the relevance, outcomes and impacts of the support provided. 8 completed projects and 18 on-going projects were subject to the evaluation.

### Main findings

*The first stage* is the period 2000–2002/03 in which two main types of activities took place.

The environmental situation in the region was comprehensively assessed through many different projects. Those of particular concern included the Environmental Performance Review by UNECE, the Environmental Sector Reviews by the World Bank, the Strategic Environmental Assessment financed by Sida as well as the initiation of one of the major areas of activities to be, the Local Environmental Action Planning (LEAP). The other type of activity was the launching of projects that addressed immediate hot spot environmental problems in the region, e.g. the immediate remediation projects for Pancevo and Sharra. These efforts were made in close collaboration with other donors, e.g. UNEP, UN-Habitat, UNDP and the WB. Cooperation was started up in Albania, Kosovo and Serbia.

*The second stage* is the period from 2002/03 and up till 2006/07 where a more comprehensive approach for addressing the environmental and urban development issues in the region was adopted.

In 2003 a Guideline document was produced as a framework for increased financial support to the environmental and urban development area in the region. To an increasing degree focus was shifted towards capacity building at all levels (regional, national, local and public) in order to facilitate the work towards environmentally sustainable development. In addition a small part of the support has been directed towards capacity building in urban planning. During this period, in 2004, Macedonia and BiH became recipient countries for the programmes.

*The third stage* is in its initial development now (2007) and is yet to take a clear form. The outcome of the present evaluation is likely to contribute as an input to the future design of the environmental and urban development support to the region. However, several projects are in place and have been initiated and important steps have already been taken to reshape future support.

*Overview:* Almost 50% of the total budget have been allocated to Serbia/Montenegro (which mainly means Serbia proper) and Kosovo – whilst Albania, Macedonia and independent Montenegro each

take up 10% of the budget allocated whilst Bosnia and Herzegovina has been given 2,5%. Almost 70% of the total funding is related to capacity development projects which are in full line with overall Sida policies. 42% of the total funding provided by Sida has been allocated to UN and other international organisations for implementation, 26% of the funds have been allocated to the NGO Regional Environmental Center (REC), whilst 17% and 15% have been allocated to Swedish and international consultants respectively. Support to environmental and urban development amount to about 10% of Sida's total allocations to the SEE region per year, 650MSEK.

*Relevance* is the extent to which a development intervention conforms to the needs and priorities of target groups and the policies of recipient countries and donors. In summary the relevance has been assessed as follows:

- Poverty Reduction: Low to Partly Relevant
- EU-approximation: Highly Relevant
- Aid-effectiveness: Partly Relevant
- Country Strategies: Highly Relevant
- Sida Environmental Guidelines: Highly Relevant
- Capacity Development: Highly Relevant
- Beneficiary Priority/Needs: Highly Relevant

*Outcome* identifies the intermediate effects of the outputs on the clients/beneficiaries. In summary the project outcomes have been assessed as follows:

The completed projects were fully achieved though the validation process (to few interviews with direct beneficiaries) indicated a high level of uncertainty. The on-going projects were partly achieved, where some were fully achieved (LEAP) and some only in the process of starting up and thus not able to assess outcomes. A main finding is that institutional capacity analysis is inadequate and needed to ensure effective project design, including issues related to the capacity of central and local authorities to manage the projects.

*Impact* is the totality of the effects of a development intervention, positive and negative, intended and unintended. Impacts of the projects in the long-term show a broad palette of answers from the questionnaires: from “strong impact” to “no or limited impact”. This response falls well within and reflects the different stages of implementation each project and the “type” of projects. In summary the project impacts have been assessed as follows:

- Completed as well as generally on-going projects are considered to be isolated interventions. As such there has been a Low-Medium impact on overall environmental and urban development and generally Low impact on overall socio-economic development
- Sustainable/Strategy projects (Serbia and Macedonia) has had a Medium impact
- LEAP projects have had a Medium-High impact mainly because they have been able to make a “correction to the chaotic urban development”, provided a basis for further planning and actions, and tangible results observed from investments in environment and urban development.
- The Environmental Assessment Analysis carried out by REC in the early years of support has had high impact as it formed the basis for all subsequent env. analysis and actions
- Apart from one case no observations were made of significant intended or unintended negative impacts of the projects.



Impacts of the projects on the long-term environmental and urban development can be hinted only to some extent as many of the projects under scrutiny are still on-going, some for longer, some for shorter, time. As such the assessment of impact can only be preliminary and provide only approximated indications on overall impact during the period 2000–2006.

*Participation/Involvement/Ownership* of the projects was assessed as follows:

- More than 90% provided a positive assessment towards participation which included the involvement of beneficiary groups in project design and implementation. The validation process however indicated levels of uncertainty in that the team was only able to discuss with a limited number of direct beneficiaries on this issue.
- Investments and results-oriented activities (particularly for the LEAP project) increased involvement/ownership
- *The role of the media is crucial for effective involvement*

*Cooperation and partner selection* was assessed as follows:

- Sida cooperation with project stakeholders has been very good
- Project cooperation between projects and other local organisations/institutions has been Good-Average. The average mark is primarily based on their lack of interest in the project and limited exchange of information
- Partner selection have been to a large extent “self-explanatory” (central sector ministry, local authority, NGO, etc.) and therefore consequences of inadequate institutional capacity analysis (e.g. donor drivenness and parallel structures) not properly addressed
- There has been cost-efficient use of cooperation and co-financing with international organisations
- There has been efforts to use inter-regional experiences through regional conferences and contracting one regional based consultant/NGO (REC)

*External monitoring* was assessed as follows:

- Relevance is considered High as external monitoring is an external and independent and continuous exercise
- Effectiveness has been ranked at a Low-Average level mainly because of inadequate reporting as well as limited follow-up from Sida on issues raised in reports
- Efficiency is considered Average-High since only less than 3% of the externally monitored project budget has been spent on external monitoring, which is likely to be cheaper than an annual review mission which would have the same aim as continuous external monitoring.
- External monitoring carried out by UN agencies for Sida funds on some of the projects provides a limitation to the efficiency mentioned above. No figures have been available to assess in detail the likely limited efficiency.

*The International Training Programme (ITP)* was assessed as follows:

*Relevance* was rated very high (both from an individual as well as a donor point of view), *Aid effectiveness* has been considered as relatively low primarily due to the high costs related to the implementation of the programme in Sweden. The *impact* of the ITP must, apart from a few cases, be judged as being very limited.

## Main Recommendations

1. *Strengthen the institutional capacity analysis* in project preparation. This is likely to result in better identification in partners and structures for funding mechanisms and will as such strengthen overall aid-effectiveness.
2. *Mainstreaming* environmental and urban development projects into overall Sida programming to the SEE region, including Sida Country Strategies and Sida's Europe Department SEE programmes. This will also include a revision of the Guidelines for environmental and urban development support to the SEE region developed in 2003. Also, strive towards adopting a country based and "programmatically" approach to environmental and urban development.
3. *Adopt where possible Basket Funding/Sector Wide Approach to Planning (SWAP)* mechanisms to increase aid-effectiveness towards a programmatic based environmental and urban development support. Currently basket funding is taking place in some instances. SWAP requires a well functioning administration which may be considered applicable for some of the SEE countries, but not for others. It also requires an in-depth prior analysis of Government policies and planning and funding frameworks to be able to assess its implementation capabilities for effective SWAP mechanisms. With the current policy of Sida, over the next 3–5 years (or more), to strengthen its support to the region considerations on adopting a SWAP like approach to the environmental and urban development "sector" should be considered.
4. Sida should *continue and further support areas that strengthen the EU accession/approximation process*. Sida's support to strengthen EU accession in many of the projects has been successful and reinforced by a strong will and motivation by local project stakeholders. In order to build on furthering EU accession in project and approaches in the future, Sida must identify intervention areas in each country based on thorough investigation on urban and environmental development that will enable effective and faster processes towards EU integration.
5. *Poverty deduction (or "improved social inclusion") should be more effectively addressed* in a revised programmatic approach through:
  - Replicating existing LEAP mechanisms to other municipalities in the region
  - Improving financial funding mechanisms for supporting environment and urban development activities/plans (LEAP), incl. basket funding, SWAP, increased donor cooperation, and use local banks, etc.
  - Re-assessing/analysing within the mainstreaming framework projects that *balance a pro-poor approach* both directly (support to pro-poor environmental and urban development investments) and indirectly (e.g. sustainable development strategies, etc.)
  - Involvement/ownership support through direct pro-poor actions (environmental investments), effective use of media, and applying innovative approaches to beneficiary communication
  - A review of the SECTOR programme may be needed with the purpose to ensure a better coherence with the main policies of Sida's support, and particularly the main aim: poverty reduction. Lessons learned from both Africa and Asia on the projects and programmes linking poverty and environment may be useful
6. *Media*. Support should be considered to be provided to the media in relation to improving the environmental and urban development in the SEE region. A brief analysis of experience in the supported localities could provide inputs to relevant media support in the field of environmental and urban development in the region.

7. *External monitoring* should be continued as a structure for reviewing project progress on a regular basis. However, in order for it to become more effective TOR should be standardised with the purpose to strengthen the internal efficiency of Sida in its efforts to monitoring its programmes. Furthermore, consistency should be applied and projects with a certain funding volume, e.g. SEPA Twinning and the SWM, Serbia – and not current subject to external monitoring, should be so.
8. *IIP participants* should be absorbed into existing alumni networks and train-the-trainer concept should be considered using local consultants or universities.

## List of Abbreviations

BiH	Bosnia and Herzegovina
DAC	Development Advisory Committee
EU	European Union
INEC	Infrastructure, Environment
ITP	International Training Programme
KEAP	Kosovo Environmental Action Plan
LFA	Logical Framework Analysis
LEAP	Local Environmental Action Plans
LEIF	Local Environmental Investment Fund
NGO	Non Governmental Organisation
OECD	Organisation for economic and Development
PRSP	Poverty Reduction Strategy Paper
REC	Regional Environmental Center
SAP	Stabilisation and Accession process
SDS	Sustainable Development Strategy
SEE	South East Europe
SEK	Swedish Kroner
SEM	Strengthening Environmental Management
SEPA	Swedish Environmental Protection Agency
SWAP	Sector Wide Approach to Planning
SWM	Solid Waste Management
TOR	Terms of Reference
UNDP	United Nations Development Programme
UNEP	United Nations Environmental Programme
UN-Habitat	United Nations Programme for Human Settlements (UNCHS)
UNMIK	United Nations Mission in Kosovo
UNECE	United Nations Economic Commission for Europe
UNOPS	United Nations Office for Project Services
WB	World Bank

# 1. Introduction

Many countries in South-East Europe suffer from serious environmental consequences from the Balkan conflicts, further aggravated from a long period of neglect and mismanagement of natural resources under the previous socialist system. Environmental quality and ecologically sustainable development are key challenges and requirements for enabling peace, stability and economic development in all the countries in the region. The region's ecosystems, soils and watercourses are threatened from past and present pollution. Emissions are high despite the low level of economic and industrial development. Government agencies need to strengthen political and institutional capacity to address environmental problems and enforce regulations. Municipalities need capacity to respond to the needs of the citizens for access to water, waste removal and heating. Increased environmental awareness and consideration are needed in the private and public sectors and in society as a whole.

Sida initiated its support to the environmental sector in year 2000 with a number of smaller interventions focused mainly on review of the environmental situation in the Balkans and on hot spot remediation. Since then the cooperation has grown substantially and today 9 projects have been completed and about 18 are ongoing. Focus has gradually shifted towards larger projects mainly supporting governmental policy development and implementation. A total of SEK 260 million has been channeled through Sida since 2000 for urban and environmental cooperation.

The main aim of the Swedish development cooperation with South-East Europe is poverty reduction and European integration through the EU Stabilisation and Association process (SAP). Sida's interventions in the region should be pro-poor and help bring about equitable and sustainable development, and address social and gender issues.

Sida decided to launch an evaluation of its support to the environment and urban development projects during the period 2000–2006 to the countries in South East Europe: Albania, Bosnia and Herzegovina, Kosovo, Macedonia, Montenegro and Serbia. The evaluation took place in the period April–May 2007 and included desk studies, a survey questionnaire, field visits to the region and interviews with selected project stakeholders.

## 2. Evaluation Objectives and Methodology

According to the Terms of Reference (TOR) of the assignment the overall objective of the assignment has been two-fold, namely (a) to aim at an assessment of the assistance implemented so far, focusing primarily on the results and the relevance of the cooperation, and (b) providing recommendations for Sida's future urban and environmental cooperation development in the region. Furthermore, the TOR indicated that the evaluation will assess the outcomes and impacts of the development cooperation. This approach has from a methodological point of view resulted in a review part and a forward-looking part of the evaluation, where the former has been given the overall emphasis in the evaluation team's focus of work. Comments and limitations to the TOR is outlined in the Chapter 3. TOR is presented in Annex 1.

The terminology of the evaluation needs some clarification as many different approaches and interpretations as well as definitions are to be found by different international agencies. Sida's evaluation criteria are outlined in the Evaluation Manual<sup>1</sup> and follow the OECD/DAC terminology of effectiveness,

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<sup>1</sup> Looking Back, Moving Forward. Sida's Evaluation Manual, Sida, 2004.

impact, relevance, sustainability and efficiency. Based on the TOR and the terminology used there, namely results and relevance, and outcomes and impact, the evaluation team has defined the evaluation criteria as follows:

<b>Relevance</b>	<b>Outcomes <sup>2</sup></b>	<b>Impact <sup>3</sup></b>
Relevance is the extent to which a development intervention conforms to the needs and priorities of target groups and the policies of recipient countries and donors	The Outcome identifies the intermediate effects of the outputs on the clients/beneficiaries	Impact is the totality of the effects of a development intervention, positive and negative, intended and unintended

The methodological approach of the evaluation was outlined in the proposal and included mainly two aspects, namely (1) involvement of key stakeholders of the projects to ensure a learning element in the evaluation process, and (2) an application of an “illustrative case” methodology.

The former was to some extent adopted through the participation of particularly Swedish desk officers in the region in the case work and interviews conducted, and ensuring throughout a consensus process in which as many stakeholders as possible understood/agreed to the team’s assessment considerations and results. This was partly initiated through feedback at the end of stakeholder meetings and through debriefings at the Swedish Embassies in the countries visited during the field work.

The “illustrative cases” approach was applied as a tool to develop in-depth understanding of cause-effect relationships and provide important qualitative information of the projects.

The evaluation and data collection instruments included a questionnaire distributed to completed and on-going projects, desk studies of key documents related to the environmental and urban development and related issues, and field work, including interviews and discussions with key stakeholders of selected projects.

The consultant’s technical proposal identified a series of criteria for generation of cases to be identified for the team’s field work. Based on discussions with Sida during the preparatory work it was decided to select 8 cases for the field work out of the total number of projects to be evaluated. The list of questionnaires distributed and cases identified, as well as number of questionnaires returned is presented in Table 1 on the following page.

The return rate of the questionnaires was somewhat uneven in that some projects covering many different stakeholders, such the LEAP (municipalities) and the SECTOR programme (civil society organizations), whilst others, most of them, only cover one project stakeholder response. As a result, the evaluation received 25 questionnaires from the LEAP projects, 8 from the SECTOR programme and 9 from other projects. In the overall assessment the “bias” in the number of questionnaires from each “project” has been taken into consideration in the report.

<sup>2</sup> Results are sometimes defined as the combined outcomes and impacts of a project (e.g. in WB monitoring and evaluation systems). The team decided to include the assessment of the achievements of project outputs, where possible, as they form the basis for evaluating the outcomes, and they are defined in terms of effects of outputs, or more precisely whether the project outputs have contributed to achieving the project outcome.

<sup>3</sup> Impacts of the projects on the long-term environmental and urban development can be hinted only to some extent as many of the projects under scrutiny are still on-going, some for longer, some for shorter, time. As such the assessment of impact can only be preliminary and provide only approximated indications on overall impact during the period 2000–2006.

**Table 2.1: Questionnaires, Illustrative cases and Number of Questionnaires returned**

Project	Survey Questionnaire (SQ) sent out	Illustrative Cases identified	Number of Questionnaires returned
<b>Completed Projects</b>			
Sharra hot spot remediation, Albania	X	-	0
Pancevo hot spot remediation, Serbia	X	-	0
Environmental education, Kosovo	X	X	1
Environmental analysis, Balkan	X	-	0
Aluminium recycling, Kosovo	X	X	1
Environmental consultancy support, Regional	-	-	-
Secondment to UNMIK, Kosovo	-	-	-
Environmental performance review UNECE, BiH & Serbia	-	-	-
Environmental remediation, Gracanica, Kosovo	X	-	1
Urban Planning, Montenegro	-	-	-
<b>On-going Projects</b>			
LEAP and LEAP monitoring, regional	X	X	25
Solid Waste Management, Albania	X	X	1
Twinning with SEPA, Albania & Serbia	X	-	1
National Strategy for SD, Macedonia	X	X	1
Sustainable development strategy, Serbia	X	X	1
Physical Planning, Kosovo	X	X	1
Urban Planning, Montenegro	-	-	-
Strengthening of Department of Environment, Serbia	X	X	1
Regional support to environmental civil society	X	-	8
Environmental strategy, Kosovo	X	X	1
Danube River Preparation	X	-	1
Solid Waste Management, Serbia	X	-	0

As can be seen from Table 1, difficulties were encountered in identifying recipient stakeholders for filling in the questionnaires for completed projects, thus the number of returned questionnaires was low. However, information from some of the completed projects was gathered during the field visit to the region, e.g. the Sharra hot spot remediation project in Albania. In addition, other completed projects lacked recipient stakeholders to answer the questionnaire. The evaluation result of the completed projects is uncertain and not reflecting the complete picture of these projects.

The selection of illustrative cases was identified partly on the proposed criteria outlined by the consultant in his proposal and partly on the likely practical application of the methodology. The illustrative cases included a set of interview questions that further elaborated on the questionnaire survey and provided further qualitative information to the evaluation.

In addition to the evaluation of the projects the team also evaluated the external monitoring function of two of the on-going projects: the LEAPs and Strengthening of the Department of Environment in Serbia. In this evaluation process, the beneficiary stakeholders as well as the monitoring responsible companies were interviewed. In addition, the team looked briefly at impact related aspects of the International Training Programme (ITP).

The material basis for the evaluation has been comprehensive, yet not comprising all necessary documentation for getting a full picture of each of the project. The difficulties have primarily been associated with the time factor (some projects go back 6–7 years) and that documentations are placed in different filing systems. Also, relevant documentation and materials required to assess more general development issues, such as decentralisation, EU integration, have been lacking.

The field visits took place in the period mid- to end of April 2007. The visit included Albania (where the team field tested the case interviews), Bosnia and Herzegovina, Kosovo, Macedonia, Montenegro and Serbia. List of Persons met and Visit programme is presented in Annex 2.

The team would like to express its thanks to the Swedish Embassies in the region and REC for their support in distributing the survey questionnaire and for support in planning the field visits as effectively as possible – and to those project stakeholders that provided time for interviews with the team.

### **3. Comments and Limitations to TOR**

The team has been focused on the key issues raised in the TOR and addressed thoroughly the key evaluation criteria related to outcomes and impacts and as such achieved the overall purpose of the evaluation. The informational background to answering the questions raised in the TOR has varied in general and from project to project. Consequently, some issues have not been dealt with in details and to the level hoped for.

During the course of the assignment the team had discussions with Sida on practical applications of the work. In this process it was agreed that the focus of the work would be on the review rather than the forward-looking part of the evaluation. It has been the documentation background that has guided the team's method of addressing the forward-looking questions raised in the TOR. As such the team has avoided unfounded and undocumented suggestions for improvements. It was also agreed with Sida that stakeholders to be interviewed were reduced from the originally planned number.

The team addressed where possible the administrative systems of the authorities in the countries to assess their consistencies with the results of the programmes. The team has however been hindered in this assessment partly due to the magnitude task in describing systems from many different authorities, but also that authority representatives interviewed either have been reluctant to provide the necessary information or not been organisational "positioned" to provide this information. Therefore the question of whether the programmes results have been in consistency with the administrative systems have therefore only been partly answered.

It was also agreed with Sida that the issue of increased involvement of Swedish actors in the region and how Sida could provide support to this process was to be seen differently, namely as a reverse process in which the needs of the Swedish business community to be identified before likely Sida support to be identified. As such, this being a separate exercise, it would not be included in the TOR.

It should be noted that a few project specific evaluations have been carried out (Sida initiated evaluations of the Gracanica and the Sharra projects) while others have been evaluated within the UN system. As they partly form different perspectives and different TORs they have only been used as reference to the present assignment.



## 4. Project Overview

The period under evaluation, 2000–2006, is characterized by three stages.

*The first stage* is the period 2000–2002/03 in which two main types of activities took place. The environmental situation in the region was comprehensively assessed through many different projects. Those of particular concern included the Environmental Performance Review by UNECE, the Environmental Sector Reviews by the World Bank, the Strategic Environmental Assessment financed by Sida as well as the initiation of one of the major areas of activities to be, the Local Environmental Action Planning (LEAP). The other type of activity was the launching of projects that addressed immediate hot spot environmental problems in the region, e.g. the immediate remediation projects for Pancevo and Sharra. These efforts were made in close collaboration with other donors, e.g. UNEP, UN-Habitat, UNDP and the WB.

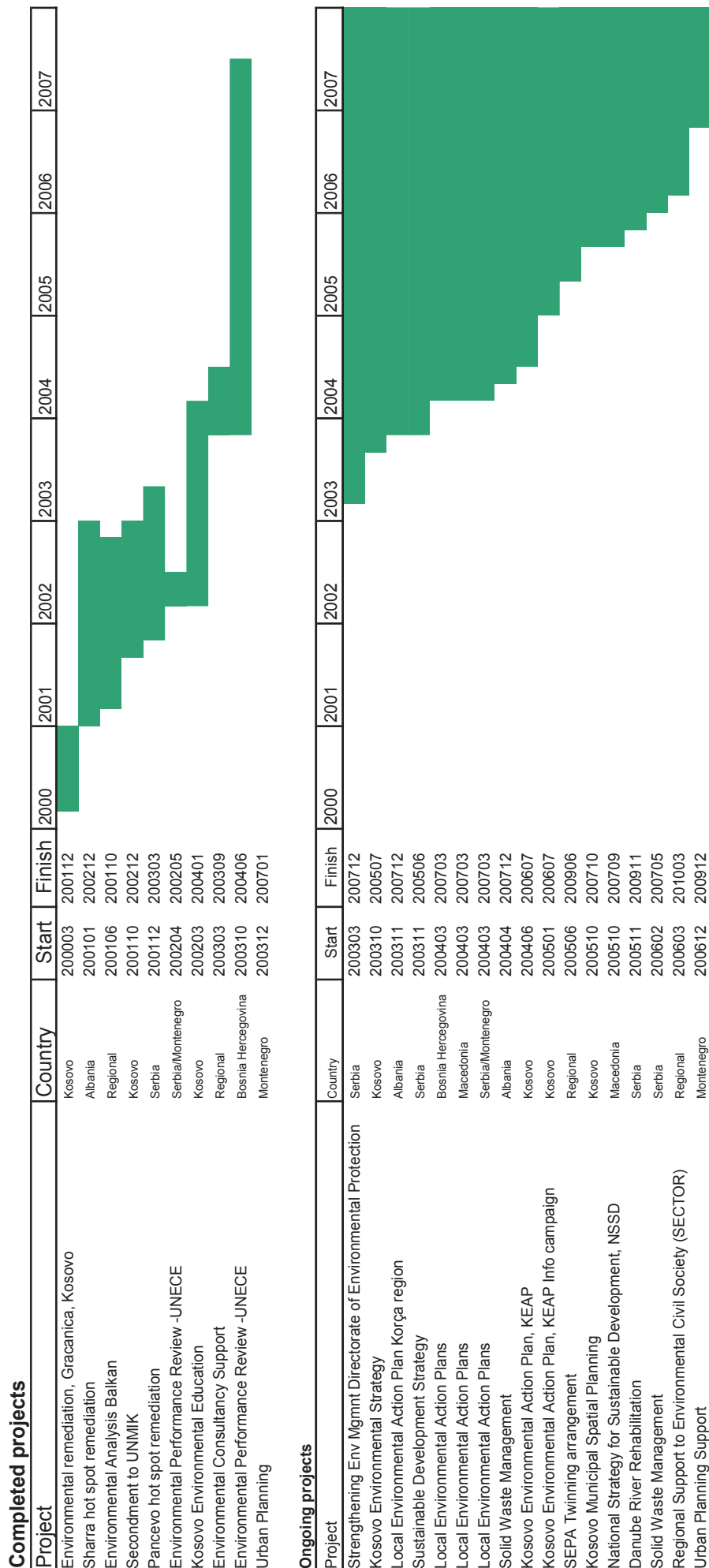
*The second stage* is the period from 2002/03 and up till 2006/07 where a more comprehensive approach for addressing the environmental and urban development issues in the region was adopted. In 2003 a Guideline document was produced as a framework for increased financial support to the environmental and urban development area in the region. To an increasing degree focus was shifted towards capacity building at all levels (regional, national, local and public) in order to facilitate the work towards environmentally sustainable development. In addition a small part of the support has been directed towards capacity building in urban planning.

*The third stage* is in its initial development now (2007) and is yet to take a clear form. The outcome of the present evaluation is likely to contribute as an input to the future design of the environmental and urban development support to the region. However, several projects are in place and have been initiated and important steps have already been taken to reshape future support.

Though the environmental and urban development support has been launched in a programmatic-like framework with the issuing of the Guidelines in 2003, the projects that have been supported have primarily been fragmented projects without a coherent (country or regional) programmatic structure, partly reflected in the limited use of the programme's regional coordination function. This is discussed further below in 4.1.

Fig 4.1 provides an overview of the start-up and completion dates of completed projects and the start-up dates of on-going projects. Of the 9 completed projects listed 8 have been of 2 years or less. This illustrates the “immediate” nature of the support during the early years, including hot-spot and support to identification of key environmental problems/issues. The second stage of the support obviously shows the more long-term nature of the support, where almost all projects have time horizons of three or more years.

**Fig 4.1 Overview of Start-Up and Completion dates of Completed Projects, and Start-Up dates of On-Going Projects (2000–2007)**



## 4.1 Countries receiving Support from Sida INEC/Urban 2000–2006

The total support for the region during the 2000–2006-period has come to 260 million SEK, of which 34 million SEK cover the completed projects and 226 million SEK current projects.

Total support has been relatively evenly spread over the countries in the South East Europe (SEE) that Sida INEC/Urban is supporting, with the exception of Bosnia/Herzegovina, which has received little support. Of the *completed projects* of 34mill SEK the major part was provided to Serbia/Montenegro (30%) and Kosovo (35%), followed by Albania and (independent) Montenegro – 12% and 17% respectively. Few regional projects were initiated and Macedonia and Bosnia/Herzegovina was not yet included in the support activities.

**Table 4.1: Distribution of Funds for environmental and urban development projects in SEE – 2000–2006.**

Projects	Completed MSEK	On-going MSEK	Total MSEK	Total in %
Regional	2,2	77,0	79,2	30,4
Serbia/Montenegro	10,2	52,0	62,2	23,9
Kosovo	12,0	28,4	40,4	15,5
Albania	4,0	22,0	26,0	10,0
Montenegro	5,8	18,0	23,8	9,1
Macedonia	0,0	22,3	22,3	8,6
Bosnia Hercegovina	0,2	6,3	6,6	2,5
Total	34,3	226,0	260,4	100,0

The support increased drastically in the *second stage* (on-going), from 2003 onwards. “Regional” projects constitute this period a significant increase and dominate the support (34%). It should be emphasized that the evaluation team does not see those projects as “regional” in terms of regional cross-border focused projects with an overall regional aim but rather funds allocated to individual projects but within the same theme/funding structure (e.g. LEAP). This does not indicate that regional activities and exchange of ideas and lessons learned across the region have not taken place – on the contrary, but from a regional programmatic and cross-border perspective – this has not been the case.

For on-going projects the largest single country recipient is Serbia and Montenegro (24%) and when adding individual projects in independent Montenegro (8%) the total of 32% or almost one-third of the on-going support is allocated to the two countries. Kosovo follows with 12,5%, Macedonia and Albania 10% respectively whilst Bosnia/Herzegovina constitute less than 3% of the total amount supported by Sida INEC/Urban. The support of on-going projects is illustrated in Fig.3.1.

## 4.2 Types of Support from INEC/Urban 2000–2006

Initially the support was concentrated on individual projects to rehabilitate areas damaged by the war, which were causing serious damage to the environment. The support was also granted to the enhancement of the capacity of central environment ministries where great need was identified. In addition a couple of environmental studies were financed. See Table 3.2 below.

**Table 4.2: Distribution of Funds based on Type of Project for environmental and urban development projects in SEE – 2000–2006.**

Projects	Completed MSEK	On-going MSEK	Total MSEK	Total in %
Ministry capacity building	12 892 933	69 802 000	82 694 933	32
Spatial planning capacity building	0	43 000 000	43 000 000	17
Civil society capacity building	0	37 000 000	37 000 000	14
Projects	19 000 000	30 000 000	49 000 000	19
Local planning	0	29 804 925	29 804 925	11
All levels Capacity building	0	15 000 000	15 000 000	6
Project formulation	0	1 437 948	1 437 948	1
Study	2 417 052	0	2 417 052	1
	34 309 985	226 044 873	260 354 858	100

*Ongoing projects*, decided since 2003, include seven different types of support. Capacity building in central environment ministries accounts for 30 percent of total amount while spatial planning and civil society capacity building accounts for some 20 percent each. Individual projects and LEAPs have received 13 percent each of the support to ongoing projects. Relatively smaller amounts have been used for capacity building at all levels (central and local) and project formulation. In total almost 70% of funding is related to capacity development projects which are in full line with overall Sida policies.

### 4.3 Implementing Partners/Consultants for INEC/Urban Support 2000–2006

In the first stage (*completed projects*), Sida INEC/Urban co-financed projects carried out by the World Bank and different UN agencies, such as UNEP, UNECE (United Nations Economic Commission for Europe), UNMIK (United Nations Mission in Kosovo) and UNDP. This support, mainly for environmental studies and remediation of hot spots, amounts to some SEK 30 million. SEK 2 million was allocated to an environmental analysis carried out by Swedish consultants and a similar amount was allocated to environmental education in Kosovo, implemented by the NGO, Regional Environmental Center (REC).

In the second stage, comprising *ongoing projects*, UN organisations was chosen as co-operation partners for some SEK 80 million or 35 percent of the support. REC was contracted for development of local environment action plans supporting some six municipalities in each of the five countries. Swedish and international consultants were engaged for waste management projects, twinning arrangements and development of national strategies.

In total, for the majority of financial support, 42%, has been allocated to UN and other international organisations (World Bank), 26% of the funds have been allocated to REC whilst 17% and 15% respectively have been allocated to Swedish and international consultants.

### 4.4 Sida's Europe Department and its support to SEE

Sida's Europe Department is operating in the SEE region with a total budget of 2,152 MSEK for ongoing projects in 2007. Two main areas are supported: Democracy and Good Governance, and Sustainable Development. Sida Urban/INEC provides approximately 10% of the total Swedish support to the region and that areas of support are similar to those of Sida INEC/Urban.

**Table 4.3: Sida Europe Department budget for on-going projects in SEE region, 2007, comparing with INEC/Urban SEE support (in MSEK)**

<b>MSEK</b>	<b>Albania</b>	<b>Bosnia and Herzegovina</b>	<b>Kosovo</b>	<b>Macedonia</b>	<b>Montenegro</b>	<b>Serbia</b>	<b>Regional</b>	<b>Total</b>
Democracy and Good Governance								
Public Admin/Institution Building	96,6	184,3	33,0	0,0	65,2	193,9		573
Judiciary/Rule of Law	19,5	40,5	9,0	0,0	10,0	8,8		88
Civil Society/Human Rights	24,0	42,0	67,1	96,0	61,0	83,7		374
Gender/Other	0,0	11,0	0,0	0,0	1,9	1,9		15
Sustainable Development								0
Economic Development	83,0	97,1	2,2	173,5	0,0	48,9		405
Environment and Natural Resources	31,7	0,0	58,0	63,2	32,0	166,3		351
Social Development and Social Security	90,8	46,3	0,0	0,0	7,9	9,1		154
Reconstructin and return	0,0	193,5	0,0	0,0	0,0	0,0		194
	<b>345,6</b>	<b>614,6</b>	<b>169,3</b>	<b>332,8</b>	<b>178,0</b>	<b>512,5</b>		<b>2 152,8</b>
Ongoing projects INEC/Urban	22,0	6,3	28,4	22,3	18,0	52,0	77,0	226
Percentage	6%	1%	17%	7%	10%	10%		<b>10%</b>
	<b>Albania</b>	<b>Bosnia and Herzegovina</b>	<b>Kosovo</b>	<b>Macedonia</b>	<b>Montenegro</b>	<b>Serbia</b>	<b>Regional</b>	
Democracy and Good Governance	140,2	277,7	109,1	96,0	138,1	288,3	0	
Ongoing projects INEC/Urban	22,0	6,3	28,4	22,3	18,0	52,0	77,0	
Other Sustatinable development	183,5	330,6	31,8	214,5	21,9	172,2	0	

Sida INEC/Urban's support to Kosovo marks a relatively large contribution of the total amount (17%) whilst in Bosnia the support is 1% only.

Other Sida departments contribute to support in the environmental field to the SEE region, including Natur and the Environment Policy Division through its global programmes.

## 5. Relevance

### 5.1 Framework for Assessing Relevance

Relevance is defined as the extent to which a development intervention conforms to the needs and priorities of target groups and the policies of recipient countries and donors. Below we will look more closely at these policies, needs and priorities. *The Guidelines* for Sida's Environmental Cooperation to South Eastern Europe was prepared in 2002–03, published in August 2003 and became official policy during 2003. The Guidelines outline the following areas for support, of which the majority of ongoing projects have targeted area 1 and 4.

1. Environmental policy development and capacity building
2. Environmental protection – maintenance of ecosystems
3. Environmental infrastructure and technology
4. Environmental improvements in local communities/municipalities.

The Guidelines describes the overall policy framework within which it is set, Sida's role, the environmental situation and priority areas, Sida's approach to environmental cooperation and priority areas of cooperation and intervention. Ways and means of funding mechanisms and donor collaboration are also discussed, as well is a regional perspective.

*Poverty:* The environmental Guidelines are set in an overall context with Sida's development objectives, which focus on poverty reduction within the framework of a series of policy mechanisms, including the parliamentary bill on Swedish integrated policy for global development and Sida's overall strategy for poverty reduction, presented in *Perspectives on Poverty (2002)*, in which environmental aspects of poverty are also addressed. National poverty reduction and sustainable development strategies of the countries in the region form essential frameworks for addressing sustainable, thus environmentally sound, and pro-poor developments.

*EU approximation:* The European Union Stability and Association process (SAp) forms another key policy framework of Swedish support the SEE region. Support to the approximation to European structures and political and economic integration in Europe strives at contributing to increased stability and regional cooperation, and environmental concerns are essential in this approximation process. At the same time it is acknowledged that the environment is one of the most complex and regulated issues in EU legislation and as such requires considerable efforts and resources.<sup>4</sup>

*Aid Effectiveness:* The effectiveness of aid has most recently been given high priorities in the donor communities and is primarily outlined in the Paris Declaration (2005).<sup>5</sup> The "aid effectiveness" as defined in the Paris declaration terminology has not a focus area or a parametre in Sida's Environmental *Guidelines* for the region. However, close collaborative efforts with other donors and the recipient country's national and local agencies have been put into practice by Sida in many projects being evaluated, e.g. close collaboration has been exercised with particular UNDP. The late "arrival" of the Paris Declaration (appeared in 2005 and the evaluation period is 2000–2006) has to be considered in the overall assessment of its relevance to the projects being evaluated.

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<sup>4</sup> Environmental Guidelines, p. 14.

<sup>5</sup> The key areas of aid effectiveness in development work are five: (1) effective leadership of development programmes in partner countries, (2) donor support is aligned with national priorities, (3) harmonization, (4) measurability and (5) mutual accountability. The Paris Declaration on Aid Effectiveness, March 2005.

*Country Strategies:* During 2002–2003 Sida prepared or re-designed in collaboration with the national agencies policy strategies for the countries in SEE. In most of these strategies the environmental and urban development dimension became an area of increased focus and priority, at least environment was mentioned together with sustainable development of natural resources utilization in most of these strategies. However, environmental concerns as such, and urban development in particular, have not been singled out as integrated parts of the country strategies. As such there appears not to be full correspondence between the content of country strategies in the region and the environmental cooperation and urban development programme for SEE.

The main sector focus of the six country strategies over the evaluation period (2000–2006) have been two: good governance and human rights issues, and sustainable economic development issues. This trend has been reinforced over the period and is well documented in the recent strategies. Based on the country strategies available (they are currently being revised and draft have not been available for the team) it appears that only Macedonia has had a focused agenda on the environment during the evaluation period whilst urban issues as specific orientation and focus are not clearly present in the country strategies.<sup>6</sup>

*National development plans and strategies:* These plans and strategies are crucial as an indicator for high relevance of Sida support given to the recipient country. Though these development plans to a large extent has been and still are heavily donor driven, they have been adopted by national agencies and parliaments for passing and implementation and is increasingly becoming owned by the national and local stakeholders. In this evaluation we have made the assumption that most of the national development strategies are strongly linked to development efforts that match fully donor policies and support strategies for the region as well as for the individual country.

In Annex 3 an overview of the key strategic areas of focus for each of the countries as well as the environmental and urban development dimension is presented.

## 5.2 Relevance Assessment

In Annex 4 is presented an overview of project relevance related to policies and strategies, and needs and priorities of beneficiaries.

*Poverty reduction issue:* From the questionnaire the poverty alleviation aspect of the projects is less evident than the EU alignment process. We have assessed the projects from “low” to “partly relevant” concerning poverty reduction issues. However, most projects are found to be indirectly linked to poverty reduction mainly through the broad development issues raised in the PRSPs but also generally through “social inclusion” considerations in the EU accession activities. Some projects included elements of direct poverty reduction, including job creations and economic development with positive results, e.g. sustained employment and establishment of small businesses (e.g. paper and metal recycling factory). In the SECTOR programme the poverty aspect is surprisingly low rated (the majority of the respondents in the questionnaire say that poverty is “not an issue”). The involvement of civil society would normally have a more intrinsic link to the environment-poverty nexus. A review of the SECTOR programme may be needed with the purpose to ensure a better coherence with the main policies of Sida’s support, and particularly the main aim: poverty reduction. Lessons learned from both Africa and Asia on the projects and programmes linking poverty and environment may be useful.

*EU Accession issue:* From the questionnaires it is evident that the projects that Sida has been supporting “to a large degree” address the needs for EU alignment policies on environmental and urban development. Most of the national development strategies are prepared in compliance with EU requirements<sup>7</sup>,

<sup>6</sup> See Annex 3 for details on contents of strategies for the countries being evaluated.

<sup>7</sup> All countries have agreements with EU.

and generally the projects have as a key feature to harmonise legal frameworks with relevant EU directives. One of the projects has as one of its aims to bringing the country closer to the European Environmental Agency and to improve its reporting at the EU/international level. Also, the European integration process is seen as an integrated part of other development plans and policies, particularly the PRSPs.

*Country strategies:* The Sida country strategies are all broadly defined with respect to addressing environmental concerns (Macedonia is more specific). As such, the projects can all be considered in line with those strategies, however, as mentioned above, clear connection between the environment and urban development “programme” and the country strategies is yet to be established. Based on the analysis of the country strategies there appears not to significant environmental and urban support mechanisms established in other areas of support, such as decentralization and institutional strengthening.

*Beneficiary needs and priorities:* The relevance of the projects in relationship to the needs and priorities of the beneficiary groups have been assessed through an analysis of the returned questionnaires. The questionnaires present an assessment of almost 100% “very high” degree of relevance of the beneficiaries’ respective projects. The justification varies from beneficiary group to beneficiary group where some of those are presented in Box 1 below. Box 2 presents a brief description and discussion of the relevance of selected projects implemented in Kosovo and Serbia.

Other relevance aspects include Sida’s *capacity development policy* from 2000 which states that capacity development is key in development cooperation. By far the most of the projects that have been implemented during the second stage (on-going projects) are capacity orientated projects (almost 70%, ref to Table 2 above). As such the projects embarked on are highly relevant against one of the key aspects of development cooperation, namely, the “transfer of knowledge and building up of sustainable institutions”<sup>8</sup> with the purpose to “enable poor people and countries to take control of their own development”

*Aid effectiveness issue:* Aid effectiveness in relation to the projects has been difficult to assess in details but generally it appears that donor coordination has improved and strengthened over time. We view most of the projects as “partly relevant” based on the time perspective (most completed projects were initiated during times of “urgent actions needed”) and the definition from the Paris Declaration.

**Box 1. List of selected statements indicating the relevance of needs and priorities of the beneficiaries**

- Urbanisation is increasingly taking shape in the countries and thus urban environmental focus is important
- Local development plans is supported by new legislation, national plans and strategies (e.g. sustainable development strategies)
- Local participation and civil society development is crucial for effective environmental progress
- The environmental responsibilities have been transferred to the local authorities and capacity enhancement is key to ensuring effective local environmental development and protection
- The project enabled the citizens and the local administration and government to understand the nature and necessity of addressing environmental issues in development – creating awareness.
- Provision of actual and concrete support as well as relates and influence other environmental concerns and projects (e.g. flood protection, ecological planning, sports and tourism)
- The project provided greatly needed resources (e.g. books, educational materials) to address environmental issues in the localities
- The project (sustainable development strategy) is highly relevant for the country, as it represents the main strategic framework and it offers policy action that could lead not only to large financial savings, but also to better development and an improved state of environment protection

<sup>8</sup> Capacity Development Manual, Sida, October 2005, p.11.



### **Box 2: Project Relevance: Kosovo and Serbia**

**Kosovo:** Two of the projects assessed during the field visits, the Environmental Strategy and the KEAP are no doubt of relevance. The environmental problems in Kosovo are perhaps the most severe in the SEE region. The need for well-formulated strategies and action plans for environmental improvements is evident.

Poor people, Romans and other are benefiting from environmental improvements of all kinds and also of rules and regulations introduced through the spatial planning project. The Strategy and the KEAP will enable Kosovo to harmonise its policies with the demands of the EU need for possible future association negotiations.

Aid effectiveness should be measured against the main Sida goal: poverty alleviation. In a situation with very many environmental problems, including air, water, waste, etc., the starting of a process to define what to do and where to start is of utmost importance. Support as has been executed by Sida's environmental and urban development support in Kosovo has to a large extent met the criteria of some of the effective aid characteristics as is embedded in the Paris Declaration.

**Serbia:** The projects assessed during the field visit (Sustainable Development Strategy (SDS), LEAP and Strengthening Environmental Management (SEM)) appear all to be of relevance to Serbia. The SDS support is closely related to and integrated with overall poverty reduction and EU alignment policies of Serbia and as such fully matches Sida support policies and requirements for Serbia's efforts of EU accession.

SEM is geared towards building strong management capacity in the Ministry/Department of Environment to ensure effective environmental policy development and coordination. The LEAP aims at developing an environmental framework for participatory municipal planning, prioritization and investment at regional and local levels.

The projects are closely inter-related with potential synergy opportunities. As such the relevance in connection with both Sida and national policies and priorities is rated high whilst, admittedly, neither the inter-relationship nor the potential synergies have been exploited effectively. For example, so far, a number of attempts to link economic development and environmental concerns through policy coordination have failed as they were all positioned as trade-off between investments in environment protection and quicker economic development.

In conclusion, the relevance of the projects completed and on-going are assessed to be “very high” with poverty reduction singled out as being assessed “low” or “partly relevant”; this whether viewed from the overall policies and strategies of donors and national and local agencies or from the needs and priorities of the beneficiary groups as presented in the questionnaires.

## **6. Outcomes and Impact**

From the questionnaires it follows that project outcomes and impacts have been “very clear” and that they have been well operationalised through “project documents”.<sup>9</sup>

### **6.1 Assessment of Outcomes**

The Outcome identifies the intermediate effects of the outputs on the clients/beneficiaries. From the questionnaire most of the outcomes of the projects have been either “fully” or “partly” achieved. As many key stakeholders for the *completed* projects have not been accessible, this part of the validation process (the interviews) has not been executed and as such it has not been possible to obtain sufficient validation of the information gathered. However, the questionnaire and the reports available for the completed projects state generally that the projects achieved fully the stated outcomes.

For *on-going* projects (obviously) most of the responses have indicated a “partly achieved” marking. From the reporting documentation and the field visits it is evident that most of the projects have progressed well, in some cases significantly. All LEAP projects have managed to draft a local environmental action

<sup>9</sup> Not all projects have a traditional “project document” format. They primarily have taken form as working papers or basic descriptive outlines of projects.

plan, priorities have been identified and in most municipalities selected local environmental investments have been made. As such, for the LEAP projects the outcome has been fully achieved.<sup>10</sup> Some projects, like the SWM project in Korca, Albania, have provided fast results. Some projects have been subject to delays and have as such caused less progress towards achieving the outcomes.

From the beneficiary groups, thorough the questionnaire and interviews, we have gathered some of the main *positive* aspects of the project preparatory work and implementation that have contributed to achieving the outcomes have included the following:

- Research and thorough assessments were carried out prior to the initiation of some of the projects
- Deliverables have been produced, particularly the “local environmental action plans” and selected pilot/prioritised projects for the LEAP projects
- Generally inclusiveness and readiness of key stakeholders and establishment of good partnerships
- The public generally concerned with the state of the environment
- Making use of planning and management tool (LFA)
- Making good use of national and international consultants
- Support to institutional strengthening and restructuring
- Flexibility on Sida’s side re implementation of the projects (as opposed to other agencies, e.g. the World Bank)
- Cross border cooperation considered as an important technique of exchanges and modeling for replicability from one country to the other.

Some of the main *negative* aspects encountered by the beneficiaries during the preparation and implementation of the projects included the following:

- Institutional confusion and changes have delayed and complicated project preparation and implementation
- Highly politicised public administrations in the region have caused delays in project preparation and implementation
- Major political events have delayed project preparation and implementation (e.g. Kosovo status issue and local elections)
- Limited capacity in central as well as local agencies to meet the project requirements, including limited human resources capacity, in terms of numbers, skills and knowledge
- Difficulties in accessing data for the environmental analysis work
- Though improvements were made to increase the involvement of the public in the LEAP work, many stakeholders did not contribute as they were expected to, and resistance to projects was experienced from construction lobbyists, and at least in one case citizens offered resistance to the construction of new places for containers
- Simple cost-benefit analysis is missing from several projects

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<sup>10</sup> For the LEAP projects the questionnaire stated a 50–50 share for “fully vs. “partly” achieved. The evaluation team has assessed the materials and concludes that the answers to some extent anticipate that the full LEAP developed would be implemented/financed, which has not been the purpose from the project set-out. Therefore we conclude that the project outcomes have been “fully” achieved.

- Civil society and communities were heard but their voice have not in all cases been reflected adequately in the final local plans
- The complexity and difficult management of cross-border cooperation affects project effectiveness and implementation
- Inadequacies and irregularities in public procurement procedures for contracting
- Localised problems, such as land tenure issues and strikes.

In the redesign of current and future projects to be supported by Sida's INEC/Urban it will be necessary to see where the positive aspects can be strengthened and where the negative aspects can be mitigated and reversed.

This will require thorough organisational and financial analysis of the project ideas up-front with the possibilities for identifying alternative scenarios for implementation where, for example, human resource capacities are limited and would hinder effective implementation and where even capacity support will not be viewed as sustainable. In such cases, either a revised project goal or a new project may be defined; the project may include new stakeholders or may be moved from one administrative level to another to ensure improved project sustainability. Close donor coordination will be needed and effective basket funding and/or Sector Wide Approach to planning (SWAp) to projects design and development will be required, which is all in line with the Paris Declaration for strengthened aid-effectiveness.

It is essential to note that capacity development forms the key type of the support, particularly from the beginning of the second stage – after the initiation of the Guidelines in 2003. This is in full alignment with the overall policies of Sida. Sida defines capacity as “the conditions that must be in place, for example knowledge, competence, and effective and development-oriented organizations and institutional frameworks, in order to make development possible.”<sup>11</sup> However it is to be emphasized that Sida stressed the need for carrying out thorough *analysis* of the concrete project situation. It is the impression of the team (based on available documentation) that capacity analysis has been insufficiently executed, considering Sida's strong emphasis on the analysis part of capacity development. As such, outputs and outcomes have been less achievable than if analyses have been carried out.

## 6.2 Assessment of Impact

Impact is defined as the totality of the effects of a development intervention, positive and negative, intended and unintended. Impacts of the projects in the long-term show a broad palette of answers from the questionnaires: from “strong impact” to “no or limited impact”. This response falls well within and reflects the different stages of implementation each project and the “type” of projects.

From the questionnaires the projects dealing with strategic and sustainable development issues see the impact most clearly. They see that environmental protection and urban development in effect are (to be) integrated into the sustainable development strategies in Kosovo, Serbia and Macedonia, and that those strategies will have their final effect when adopted by Government and subsequently implemented. The team however assesses far less “impact” (considering the definition of impact) than the beneficiaries themselves, because most strategies are yet to be completed, passed by relevant authorities and effectuated.

A higher impact has been experienced with the synergy between the local and central level on development plans that has resulted in a “correction to the chaotic urban development” (quote from Questionnaire). Related to this impact assessment (as seen from the LEAP beneficiaries view) is that the local

<sup>11</sup> Manual for Capacity Development, Sida, October 2005, p. 13.

environmental action plans and the related investments made for priority areas have contributed to forming the *basis* for future effective environmental and urban development. In effect this environmental “baseline” work supported by Sida appears to be well anchored in many municipalities, institutionally and partly in civil society as well as in communities. The effect is a powerful “springboard” for further sustained local planning of which many municipalities already are engaged, including development of Local Agenda 21 plans, local sustainable development plans, etc.

For the LEAP projects, another important impact has been the *actual improvements* and effects on the environment and urban development based on the investment funds, which has included reduction of wild dumpsites, elimination of negative impact on water, air and soil pollution, reduction of waste quantity at landfills through selective waste collection and waste recycling, development of tourism, creating new job opportunities, protection of cultural and historical heritages, adequate arrangement of public areas, establishing the resting and recreational area, etc. These actual improvements, or in some case “preventive acts” for further deterioration in the environment, have been assessed highly by the beneficiary groups and the fact that funds have been allocated easily and distributed fast has contributed to the overall positive impact of the LEAP projects.

The Environmental Assessment Analysis project carried out in 2000–2001 by REC is a similar case in which the outcome formed an important *basis* for almost all subsequent environmental action planning and environmental policy developments in the region, and as such had a tremendous intended positive impact on overall environmental and urban development. Other environmental projects carried out in the same period of time complemented the REC study.

The team has not experienced significance in intended or unintended negative impacts of the projects. However, one case from Albania shows aspects of unintended negative impacts with a view to understanding “impacts” in broader terms than just to the individual project. It was obvious that particularly donor support to the remediation of the Sharra dumpsite in Tirana was uncoordinated and no effective planned follow-up was initiated. This had devastating effects that today the situation environmentally and for the people living in and around the expanded Sharra dumpsite has worsened, with severe impacts on human health and continuous pollution of water and air. The Italian Government appears now to provide the means for over a 7–8 year period to close down Sharra.

It is evident that the projects, as fragmented interventions have had a moderate impact on the overall picture of environmental and urban development as well as on overall socio-economic development in the region, partly because of limited resources and the higher priorities given to social and economic concerns by central and municipal authorities, but also the ineffectiveness of limited “economies of scale” as can normally be experienced in well designed programme frameworks. Also, the LEAPs will only have limited influence on the overall socio-economic development if effectively integrated in *local* development plans and financially supported, given a political will to address seriously the environment. Based on these findings the mainstreaming of environmental concerns should be at focus in urban development in Sida’s country strategies. One issue that would be of significance would be for Sida to supporting mechanisms and tools for financing the priorities identified in the existing local development plans. By addressing this approach Sida will not only provide essential capacity development to a key function in the local authorities but also address far quicker and more directly poverty reduction related activities.

## 7. Participation and Ownership

Participation and ownership are development terms and practices that are difficult to assess precisely. Being mainly a qualitative aspect of development the questionnaire data primarily states that there has been a significant level of participation/involvement of beneficiary groups, the design of the projects included a participatory approach and that awareness and local ownership have resulted from the project implementation (>90%). These data have to some extent been validated through the interviews with key stakeholders and available documentation.

Participation and involvement were particularly identifiable with the investment scheme part of the LEAP projects, the local environmental investment funds (LEIF). Fund allocation was flexible with clear and transparent guidelines for identifying and allocating resources for priority areas selected by the municipalities. This flexibility and the relatively fast resource allocation and subsequent tangible results strongly increased involvement and in many cases ownership to the projects. This feature of Sida support distinguishes it from most of the other donors providing support to the environment and urban development.

It was noticed that public participation in the process of developing the local environmental plans has been difficult for most municipalities. The mobilization factor was based on a few enthusiastic persons and municipal departments and eventually, in some cases, supported, in some cases enthusiastically, by the media. Generally it is the impression that local media (radio, newspapers, etc.) has formed a crucial factor in bringing increased awareness on environmental and urban development issues to a higher level in many municipalities, particularly the larger ones, e.g. Novi Grad Municipality Sarajevo.

An interesting feature in mobilizing the public to get engaged with the project was practiced by one municipality in Bosnia and Herzegovina. They used questionnaires in the communities to have them identify the communities' environmental concerns they encountered. Addressing individual families/local communities in this manner using follow up discussions was a new communicative approach and the result appeared to have reflected unexpected and new areas of concern on the environment and urban development. As such new and innovative approaches to effective communication between communities and the local and central authorities could be critical to foster participation, involvement and ownership to development projects.

In the development of the Sustainable Development Strategy in Serbia the participative mechanism was exercised through an open invitation to institutions throughout Serbia, invitations to the NGOs across the country and using a three-layer concept for participation and involvement – Core Working Groups, Wider Working Groups and Workshops. Box 3 presents the case in question in detail.

The co-financing aspect of the LEAP investments of priority areas is obviously a mechanism that illustrates the “ownership” part of the involvement. However, co-financing has not been a “voluntary” contribution but a project based pre-condition, which as such does not, as a sole indicator, illustrate ownership features of the beneficiary groups.

In conclusion it must be acknowledged that ensuring effective participation, involvement and eventually ownership to development processes and results require a broad range of mechanisms to be successful. It appears from the information gathered that most of the projects have been designed to engage all relevant stakeholders, that serious efforts have been made to apply mobilization strategies, and that enthusiastic individuals, the media, leading project stakeholders, sufficient financial means are all combined means required to guarantee eventual success towards real involvement and ownership. Probably an important lesson learned from the LEAP projects are the need to take on board the media in the work process, a lesson learned that appears not to have been disseminated effectively to other projects in the region.

### Box 3. The participative process in developing the Sustainable Development Strategy for Serbia

Participative process in the “Sustainable Development Strategy of the Republic of Serbia” project consists of several components, as the entire project is foreseen as a participative exercise, rather than an assignment confined to a closed group of experts who are supposed to deliver the final product; those participative components include:

1. Several months of “head-hunting” for useful contacts in institutions and among the experts present there, so that a good pool of experts nominated by respectable institutions could be formed. It was a very time-consuming effort to identify which institutions, and within them which people, could be of assistance in such a complex process such as the drafting of the Sustainable Development Strategy. However, as many of such institutions were identified, an invitation letter was drafted by the Project Secretariat, Deputy Prime Minister’s Office, in which each institution has got a description of the project plus an explanation of its participative component, and at the same time each institution was invited to nominate a qualified representative into the pool of experts from which the Project Board could finally select experts for the Strategy-drafting process.

Most of the invited institutions have positively responded to this invitation, so the Project Board has had a chance to effectively select the experts from that „pool“ according to the expertise needed for particular sub-topics of the Strategy outlined through the participative Workshop at the Conference on Sustainable Development Strategy on March 28, 2006.

2. In accordance with the three largest NGO networks a set of criteria was developed, together with an invitation letter, to inform the NGO community about the project and to invite the qualified NGOs to take active part in the project process. The criteria was developed in such way to encourage only those NGOs that have already had a record in working in Sustainable Development to apply for participation in the project and it was split in three parts:

- *general conditions*: that the NGO is registered and that it possesses an Annual Report that proves its work in the fields related to Sustainable Development;
- *general criteria*: that the NGO has had earlier experience in planning its work with at least one of the three pillars/topics of Sustainable Development Strategy of Serbia, that its nominated representative has had operational experiences in working with at least one of those three pillars of the Strategy, that the NGO has experiences in projects demanding extensive exchange of information and multi-party cooperation;
- *specific criteria*: each NGO is obliged to write a Motivation letter on why it would like to work with the Sustainable Development Strategy project, each NGO has to be ready for constructive cooperation with other (non-NGO) interested parties of the project, each NGO has to be capable to cooperate with other parts of the civil society. Finally, it was announced that each of the NGOs admitted (3 in each pillar of the Strategy) will be paid for its contribution to the success of the project.

3. The project has three different modes of participation of various stakeholders in its work:

- *Core Working Groups*: composed mostly of experts coming from the academic community and Government institutions who are supposed to do most of the drafting of the Strategy paper itself. Each Working Group has had 2 team-leaders selected through a public procedure and each group was composed of 10–15 experts coming from the University, research institutes, Government ministries, Academia, etc.
- *Wider Working Groups*: composed mostly of civil servants from the Government institutions that need to link the findings of the Strategy with the policy-making in their respective institutions, but including also the social partners, Chamber of Commerce, selected NGOs, Foreign Investors’ Council, and other institutions who will be invited to give their views/comments/suggestions to the draft versions of the Strategy;
- *Workshops*: organized primarily by the selected NGOs across Serbia in order to get the views of different regional/local social groups across the country, so that the participative process is not overly dominated by Belgrade and its immediate surroundings.

## 8. Partner Choice and Cooperation

Sida's policy on partnership stresses shared values and clearly stated tasks, roles and commitments of the parties, as well as procedures for smooth adjustments as development conditions change and having the capacity to handle unexpected events. It is also important to stress that Sida acknowledges that strong partnerships take time and considerable effort to build. Finally, ownership by the cooperating partner is considered a key feature of the development of a partnership.<sup>12</sup>

The selection of partners for the projects in the environmental and urban programme has been more or less self-explanatory, where central and local authorities and local and regional NGOs form the relevant partners that match their mandate, interest and/or capacity relevant to the projects in question.

However, what appears to be missing in many cases is a more thorough analysis of the capacities of the cooperation partners. For example, the Ministry of Environment in Albanian has been and still is extremely undermanned, brain drain is massive, and administration is inefficient causing inadequate policy support to projects, including Sida's LEAP and SWM projects. Consequently many environmental related projects (currently more than 30 under the MoE) appear to be mainly donor driven and operate some kinds of parallel structures.

International agencies have been another major partner of Sida's programme. UN agencies have formed implementers and provided the technical assistance to the projects on a relatively massive scale (42% of then total project budgets for the period 2000–2006), including UNEP, UNDP and UN-Habitat. Overall assessment has been positive. However, the selection of UNEP as an implementing agency for the assignment may have been reconsidered due to UNEPs limited executing experience. In the final report on the Sharra remediation project is stated that "...UNEP only under certain conditions is an appropriate organisation to undertake and implement projects. Such conditions were in place for a Post-Conflict Environmental Programme in Serbia (which Sida and several donors contributed to), but not in Albania. UNEP contracted UNOPS/Albania for the major part of the implementation of the Sharra Waste Dump Project."

Another major cooperating partner has been REC, an international/regional non-for-profit NGO. REC has provided significant inputs to the environmental and urban development projects. REC has been provided with 26% of the total budget of 260 MSEK during 2000–2006.

Some concerns were raised during the field visit with respect to the role of REC as an NGO. It appears that REC by several interviewed stakeholders in the region was rather considered a consulting company that has been given a too "monopolistic" role by Sida in the regional work. Furthermore, it appears that Sida may not have provided the necessary independent assessment of projects that REC has been or is (to be) engaged in. These are opinions expressed which is beyond the scope of the evaluation to address. However, any choice of partner needs to be clear and meet where possible and reasonable guidelines outlined in the "Sida at Work" or other regulations (e.g. selection of consultants).

Based on the outcome of the questionnaire the cooperation between the beneficiaries group and other local agencies appears to a large extent to have been successful (in the LEAP project 66% scored "good cooperation", 33% "average cooperation"). The "average" marking was primarily related to lack of interest in the project from the cooperating partners and limited exchange of information.

There has been a very high rating on the level of cooperation of Sida and the consultants being used for the projects. Sida's staff has in general been viewed as engaged, committed, participative with quick feedback, and providing advice and support to the design and implementation of the projects.

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<sup>12</sup> Sida at Work, 2005, p. 18–19.

## 9. Reporting and External Monitoring

### 9.1 Reporting

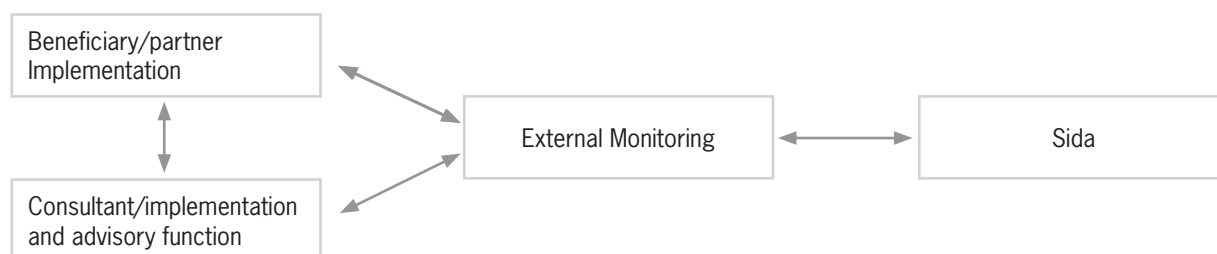
The reporting structures and procedures that link and create the needed flow of information between relevant stakeholders (project, Swedish embassies Sida HQs and external monitoring) have been in place and have largely been adequate, though not systematically and effectively applied. In some of the countries visited it was obvious that though procedures existed these were not always followed which caused inappropriate flow of information and causing frustration among staff, particularly for the office staff at the Embassies. As for the reporting itself, Sweco's monitoring comments on REC's reports (as well as Sida's comments and reactions) has led to a significant improvement in reporting by REC. Efforts should be made to adopt to more effectively execute standardised reporting procedures and practices.

### 9.2 The Role of External Monitoring

Sida has in its support to the urban and environment sectors in South East Europe instituted an external monitoring and advisory function, though not fully applied. Only one of the 9 completed projects was subject to an external evaluation. During the on-going project period (2002/3–2006) all projects but 4 were externally evaluated. There has been no justification for not applying external evaluation for the 4 projects.

The external monitoring function is in the project context positioned between the beneficiary and project consultant(s) on the one side and Sida on the other, as illustrated below and is carried out by independent individual consultants or companies recruited by Sida.

**Fig 9.1 External Monitoring Context**



The purpose of the external monitoring function is outlined in TOR for the individual projects. Two projects were selected for evaluation assessment: (a) the Strengthening of Environmental Management of the Directorate of Environmental Protection (SEM) in Serbia, and (b) the LEAP projects.

For the SEM project the external monitoring adviser should 'monitor project development, through participating in Steering Committee meetings, and through follow-up of project implementation and reporting. This should contribute to quality assurance and also provide Sida with knowledge and experience for further work with capacity building of environmental authorities.' (TOR)

More specifically, the TOR state that the monitoring function includes review the project documentation, discussions with project partners on project start-up, assess the inception phase and the proposed detailed project plan and activity schedule prepared during this phase together with project partners, and participate at regular reviews and review meetings. The consultant should also assess experiences,



results and potential for further coordination and cooperation with other Serbian environmental authorities. (TOR)

For the LEAP (and KEAP) projects the TOR says: ‘Given the magnitude of Sida’s support to the LEAPs and the KEAP and the complexity of the support, being both in several countries and at different levels of the society a monitoring and advisory support is needed to facilitate Sida’s follow-up of the projects. The support should contribute to quality assurance.’ (TOR)

“The Monitoring Consultant shall monitor effects of the projects as well as inputs and outputs. The Consultant shall primarily support Sida in follow-up of the projects. Advice to the project partners in order to reach project objectives can be given as part of the Sida support. The monitoring should be done against the Sida Assessment Memo and the project descriptions.”

The TOR further states that the function is to act as a dialogue partner between all stakeholders, assist Sida with qualified advice during the implementation of the projects, assess project plans, review the project documentation and progress reports, participate in selected meetings, and advice Sida on the appropriateness of pilot projects identified, and monitor the networking/regional aspect of the projects.

As such, the evaluation team sees the external monitoring function relates to measurement of project progress through (active) participation and advisory services, facilitating Sida follow-up and guaranteeing high project quality.

### 9.3 Evaluation

The external monitoring function has been evaluated on three main evaluation criteria: relevance, effectiveness and efficiency. The following questions have been put for the assessment:

- **Relevance:** Is the function relevant to the project and its context?
- **Effectiveness:** (a) Has the monitoring been useful to the consultants/advisers, project managers and beneficiaries for project implementation and for achieving the project objectives? (b) Has the function contributed to Sida follow-up guaranteeing quality assurance?
- **Efficiency:** Has the monitoring function been justified from a cost-effective point of view? Has the contribution of the monitoring function provided the necessary inputs for improved project implementation at a cost level compared to a situation without a monitoring function?

*Relevance:* The relevance of the external monitoring function is crucial as it provides an independent view of project progress over time. As a continuous review function it is a useful tool for improving all aspects of project development. The external monitoring should therefore guarantee a continuous and high level quality in project execution – considering that the monitoring approach, communication with stakeholders, reporting and Sida’s follow-up responsibilities are all well designed and effectively implemented. The monitoring function is an ideal mechanism that provides the necessary project support and continuous measurement of project performance and as such is highly relevant to particular large, regional and more complicated projects. As the projects in question have become increasingly more complicated during the second stage on-going projects relevance has not become less relevant. Sida has also taken the consequences of this and applied external monitoring to many of the projects. Though some projects may not obviously call for being subject to external monitoring (e.g. due to a limited project budget), there appears not to be any justification for not introducing the scheme to the SEPA Twinning project and the SDS in Serbia.

*Effectiveness:* If the external monitoring function relates to measurement of project progress through participation and advisory services, facilitating Sida follow-up and guaranteeing high project quality the SEM monitoring reporting has been inadequate. It lacks clear descriptions of statements of project

objectives and quantitative assessment of progress and has poor indicators. It should be the role of an external monitoring to identify shortcomings in the project, including insufficient monitoring design, and subsequently discuss with the project management with the purpose to clarify matters and improve project design and implementation. The SEM monitoring contains good qualitative considerations but is insufficient for ensuring good quality assurance. No steps have been taken by Sida to remedy this situation in the external monitoring. Being so, it has also been difficult to assess to which extent the project objectives have been fully achieved.

The external monitoring function of the LEAP projects has been set within a too narrow reporting structure causing too few opportunities for reflections and discussions with Sida. The reporting itself has followed the TOR but it is clear that in many cases Sida has not taken the required steps to mitigate or address issues and problems emerging in the reporting.

In conclusion, effectiveness on particularly Sida's side has been limited as Sida has not been exploiting the external function optimally. Also, reporting structures are not standardised and causes inadequacies in measuring the external monitoring effectiveness and limits the internal efficiency work of Sida. Whether monitoring is a required system or not within Sida project operations it is crucial that when it forms a part of the

*Efficiency:* As can be seen from Table 8.1 below only limited resources have been assigned to carry out external monitoring of the SEE projects. Only 1% for the completed projects and 2,2% for the on-going projects. The figures below also show the percentages for different kinds of projects. Monitoring is most widely used for special planning, individual projects and local environmental planning projects. The percentages are, however low.

**Table 9.1 External Monitoring related to Total Project costs (2000–2006), in SEK**

Country	Project	Budget SEK	Monitoring	in %
Albania	Sharra hot spot remediation	4 000 000	0	
Bosnia Hercegovina	Environmental Performance Review - UNECE	217 352	0	
Kosovo	Kosovo Environmental Education, incl Aluminium recycling	1 700 000	0	
Kosovo	Secondment to UNMIK	5 250 000	0	
Kosovo	Environmental remediation, Gračanica, Kosovo	5 000 000	0	
Montenegro	Urban Planning	5 760 000	300 000	5,2
Regional	Environmental Analysis Balkan	2 000 000	0	
Regional	Environmental Consultancy Support	182 933	0	
Serbia	Pancevo hot spot remediation	10 000 000	0	
Serbia/ Montenegro	Environmental Performance Review - UNECE	199 700	0	
<b>Completed projects</b>		<b>34 309 985</b>	<b>300 000</b>	<b>0,9</b>
Country	Project	Budget SEK	Monitoring	
Albania	Local Environmental Action Plan Korça region	6 991 925	160 000	2,3
Albania	Solid Waste Management	15 000 000	310 000	2,1
Bosnia Hercegovina	Local Environmental Action Plans	6 333 000	160 000	2,5
Kosovo	Kosovo Environmental Action Plan, KEAP	2 800 000	160 000	5,7
Kosovo	Kosovo Environmental Action Plan, KEAP Info campaign	420 000	0	
Kosovo	Kosovo Municipal Spatial Planning	25 000 000	764 790	3,1
Kosovo	Kosovo Environmental Strategy	202 000	0	
Macedonia	Local environment action plans	5 768 000	160 000	2,8

Country	Project	Budget SEK	Monitoring	in %
Macedonia	National Strategy for Sustainable Development, NSSD	16 500 000	120 000	0,7
Montenegro	Urban Planning Support	18 000 000	1 200 000	6,7
Regional	SEPA Twinning arrangement	40 000 000	0	
Regional	Regional Support to Environmental Civil Society (SECTOR)	37 000 000	500 000	1,4
Serbia	Sustainable Development Strategy	6 100 000		
Serbia	Strengthening Environmental Mgmt Directorate of Environmental Protection	7 000 000	258 000	3,7
Serbia	Danube River Rehabilitation	30 000 000	1 000 000	3,3
Serbia	Solid Waste Management	1 437 948	0	
Serbia/ Montenegro	Local environment action plans	7 492 000	160 000	2,1
<b>Ongoing projects</b>		<b>226 044 873</b>	<b>4 952 790</b>	<b>2,2</b>

Even if we look at only the projects that have been subject to the external monitoring, excluding other non-externally monitored projects, the picture does not change significantly. The percentage is increased to 2,8 from 2,2. Assuming that an annual review is to replace the external monitoring the costs are anticipated to exceed the 2,8%. As such we can conclude that the cost-efficiency of the external monitoring is relatively high.

The external monitoring function of the LEAP projects has been set within a too narrow reporting structure causing too few opportunities for reflections and discussions with Sida. The reporting itself has followed the TOR but it is clear that in many cases Sida has not taken the required steps to mitigate or address issues and problems emerging in the reporting.

In summary we may conclude that for the external monitoring relevance is high, being external and independent; that effectiveness is considered low-average due to inadequate reporting practices, and limited follow-up by Sida on project issues raised during the reporting; and efficiency is considered average to high, as less than 3% of a total project budget spent on external monitoring is likely to be cheaper than carrying out an annual review mission, which would have the same main aim as continuous external monitoring.

## 10. International Training Programme

Sidas support to sustainable environmental development in South East Europe also comprises training programmes provided by INEC. The ITP Department offers some 100 different training programs covering a large number of topics, half of them are denominated global programmes and the other half are specially designed for regions (Africa, Latin America, Asia etc). Swedish universities, Swedish consultants and Swedish public organisations carry out the training programmes and the training is in most cases divided between Sweden and a partner country.

Two training programmes were chosen for the evaluation: Solid Waste Management and Environmental Impact Assessment, with the purpose to further complete the picture of Sida's support to environmental and urban development in the SEE region. The evaluation of this part of the Swedish support also includes questions regarding relevance, aid effectiveness and impact and ITP participants were interviewed during the field work.

Half of the respondents attended the EIA courses and the other half attended the SWM courses. Half of them went to Sweden for training in 2005 and half of them in 2006. Most of them were employed by NGOs or with the ministries of environment or local authorities. One was a managing director for a private company.

*Relevance* has to be assessed from two different viewpoints – relevance for the individual and relevance for the Swedish support to environmental and urban development. All the persons interviewed regard the personal relevance as very high. They were with no exception very satisfied with the content, the teachers, site visits etc. They expressed that they learned many new things of value for their professional work.

From a donor aid perspective the training must also be regarded as relevant. Professionals with different backgrounds enhance their capacity to contribute to a positive environmental development in their home country.

*Aid effectiveness* has to consider possible impact related to resources used. It could be regarded as similar to cost-benefit analysis. In the case of the ITP training programmes and seen from a recipient country perspective the effectiveness must be regarded as relatively low. Training is carried out in a high cost country using highly paid teachers and the cost of travel to Sweden by all participants is also high. A small number of students are trained using a high amount of financial resources.

On the other hand, and on the more subjectively side of the assessment, out of country training often has significant impact on particularly young people in their approaches to development. The lessons learned is that the expose to a more developed country's mature and professional approach to dealing with environmental issues and urban planning and development often will create a long lasting impact on the individual and shape his/her opinions and skills to address those issues more positively than otherwise in future development.

Several alternatives could be discussed in order to improve aid effectiveness. An alternative that might be considered could be the adoption of a "train the trainer" concept where Swedish experts would be engaged to train local teachers at local universities or institutions to initially participate and then successively take over and continue the training. The "spreading" effect of this support model has proven to be substantial and the concept has been used by Sida e.g. in entrepreneur training in Russia and other East European countries.

Another way of improving aid effectiveness might be to increase networking activities. Though alumni associations exists and networking is practiced among former participants in Swedish development training programmes, the interviews showed that there is very little contact between former ITP participants, and if there were any contacts, they were merely social and not related to professional issues.

The number of interviews in this survey is very limited. However, the *impact* must, apart from a few cases, be judged as very limited. The participants have not been able to mention any significant contribution in environmental projects. They are generally too isolated and in too low rank to actually be able to influence projects, investments, routines etc. It is of course difficult to make predictions of their professional development after only one or two years, but so far only a few of the interviewed ITP participants have taken career steps and impacts of any significance yet to be observed.

# 11. Recommendations

The following recommendations have been identified based on the findings presented in the above chapters.

1. *Strengthen the institutional capacity analysis in project preparation.* This is likely to result in better identification in partners and structures for funding mechanisms and will as such strengthen overall aid-effectiveness.
2. *Mainstreaming environmental and urban development projects into overall Sida programming to the SEE region, including Sida Country Strategies and Sida's Europe Department SEE programmes.* This will also include a revision of the Guidelines for environmental and urban development support to the SEE region developed in 2003. Also, strive towards adopting a country based and "programmatic" approach to environmental and urban development.
3. *Adopt where possible Basket Funding/Sector Wide Approach to Planning (SWAP) mechanisms to increase aid-effectiveness towards a programmatic based environmental and urban development support.* Currently basket funding is taking place in some instances. SWAP requires a well functioning administration which may be considered applicable for some of the SEE countries, but not for others. It also requires an in-depth prior analysis of Government policies and planning and funding frameworks to be able to assess its implementation capabilities for effective SWAP mechanisms. With the current policy of Sida to over the next 3–5 years (or more) to strengthen its support to the region considerations on adopting a SWAP like approach to the environmental and urban development "sector" should be considered.
4. *Sida should continue and further support areas that strengthen the EU accession/approximation process.* Sida's support to strengthen EU accession in many of the projects has been successful and reinforced by a strong will and motivation by local project stakeholders. In order to build on furthering EU accession in project and approaches in the future, Sida must identify intervention areas in each country based on thorough investigation on urban and environmental development that will enable effective and faster processes towards EU integration.
5. *Poverty deduction (or "improved social inclusion") should be more effectively addressed in a revised programmatic approach through:*
  - Replicating existing LEAP mechanisms to other municipalities in the region
  - Improving financial funding mechanisms for supporting environment and urban development activities/plans (LEAP), incl. basket funding, SWAP, increased donor cooperation, and use local banks, etc.
  - Re-assessing/analysing within the mainstreaming framework projects that *balance a pro-poor approach* both directly (support to pro-poor environmental and urban development investments) *and* indirectly (e.g. sustainable development strategies, etc.)
  - Involvement/ownership support through direct pro-poor actions (environmental investments), effective use of media, and applying innovative approaches to beneficiary communication
  - A review of the SECTOR programme may be needed with the purpose to ensure a better coherence with the main policies of Sida's support, and particularly the main aim: poverty reduction. Lessons learned from both Africa and Asia on the projects and programmes linking poverty and environment may be useful

6. *Media*. Support should be considered to be provided to the media in relation to improving the environmental and urban development in the SEE region. A brief analysis of experience in the supported localities could provide inputs to relevant media support in the field of environmental and urban development in the region.
7. *External monitoring* should be continued as a structure for reviewing project progress on a regular basis. However, in order for it become more effective TOR should be standardised with the purpose to strengthen the internal efficiency of Sida in its efforts to monitoring its programmes. Furthermore, consistency should be applied and projects with a certain funding volume, e.g. SEPA Twinning and the SWM, Serbia – and not current subject to external monitoring, should be so.
8. *ITP participants* should be absorbed into existing alumni networks and train-the-trainer concept should be considered using local consultants or universities.

# Annex 1: Terms of Reference

Evaluation of Sida's support to urban environment and urban development in South East Europe, 2000–2006.

## 1. Evaluation Purpose

The overall aim of the evaluation is two-folded; 1) aiming at an assessment of the assistance implemented so far, focusing primarily on the results and the relevance of the cooperation and 2) providing recommendations for Sida's future urban and environmental cooperation development in the region (Albania, Bosnia Herzegovina, Kosovo, Macedonia, Serbia and Montenegro).

- 1) The review should primarily focus on the results and the procedures for development of the cooperation portfolio 2000–2006 and take stock of the experience of starting up cooperation in a new area. It should assess; results achieved, choice of cooperation partners, areas of cooperation as well as instruments and methods in relation to the conditions at the time (i.e. country strategies, budget, relevant policies, personnel resources and country specific desires).
- 2) The forward-looking part should, based on the findings in the review, provide Sida with recommendations for the future urban and environmental cooperation in the region and if needed suggest alternative approaches for the cooperation. It should further analyse if and how Sida can support urban and environmental development through interventions in other areas such as good governance, decentralisation and economic growth. Finally, it should assess the possibilities, interest and possible added value for an increased involvement of Swedish environmental actors in the region, as pointed out in PGU and the country strategies.

The review shall, based mainly on existing documentation and interviews with selected beneficiaries and Sida staff, assess the results of all support to the urban and environmental development area in Albania, Bosnia Herzegovina, Kosovo, Macedonia, Serbia and Montenegro from 2000 until present.

Based on the findings of the review, forward-looking recommendations on the future cooperation (areas, partners, methods) shall be given in the light of the countries integration into European cooperation structures, poverty reduction, an aid-effectiveness perspective and Sida's general aim of a stronger focus both geographically and sector wise.

The main users of the results are Sida's department for Infrastructure and Economic development, the department for South Eastern Europe and the Swedish embassies in the region. The results will be used when developing the continued support to the environment sector in the region and when elaborating new country strategies.

The review is undertaken at this point in time since support to the region has been ongoing for 5 years and a number of projects have been completed and other projects are about to be finalised.

During 2005 several new large projects started and it is foreseen that the yearly budget of about 50 MSEK for the area will remain on the same level for the coming years. It is therefore appropriate to review and analyse the results and working methods used so far and to make use of those experiences when planning future support to the sector.

## 2. Intervention Background

Many countries in South-East Europe suffer from serious environmental consequences from the recent Balkan conflicts, further aggravated from a long period of neglect and mismanagement of natural resources under the previous socialist system. Environmental quality and ecologically sustainable development are key challenges and requirements for enabling peace, stability and economic development in all the countries in the region. The region's ecosystems, soils and watercourses are threatened from past and present pollution. Emissions are high despite the low level of economic and industrial development. Government agencies need to strengthen political and institutional capacity to address environmental problems and enforce regulations. Municipalities need capacity to respond to the needs of the citizens for access to water, waste removal, heating. Increased environmental awareness and consideration are needed in the private and public sectors and in society as a whole.

Sida initiated its support to the sector in year 2000 with a number of smaller interventions focused mainly on review of the environmental situation in the Balkans and on hot spot remediation. Since then the cooperation has grown substantially and today about 10 projects/programmes has been completed and about 18 are ongoing. Focus has gradually shifted towards larger projects mainly supporting governmental policy development and implementation. A total of SEK 82 million has been channelled through Sida since 2000, as urban and environmental cooperation. For the period of 2006–2009, ongoing and agreed support amounts to 120 MSEK and indicative support to 180 MSEK.

The main aim of the Swedish development cooperation with South East Europe is poverty reduction and European integration through the

EU Stabilisation and Association process (SAP). Sida's interventions in the region should be pro-poor and help bring about equitable and sustainable development, and address social and gender issues.

Guidelines for Sida's environmental cooperation in South Eastern Europe were introduced in 2003 and outlined the following areas for support:

- Environmental policy development and capacity building
- Environmental protection – maintenance of ecosystems
- Environmental infrastructure and technology
- Environmental improvements in local communities/municipalities

The majority of ongoing projects have targeted area 1 and 4.

## 3. Stakeholder Involvement

The review calls for involvement of a limited group of stakeholders. The main focus should be put on cooperating governmental partners and Sida staff in the region and at HQ. Representatives of the interviewed cooperating partners should be given the opportunity to comment on the draft report before its finalisation.

The forward-looking component requires dialogue with a somewhat different set of stakeholders, in addition to the stakeholders of the review, involving for example the Swedish Ministry of foreign affairs, the Swedish Ministry of Sustainable Development, the Swedish Environment Protection Agency, the Swedish Chemicals Inspectorate and Swedish companies with interest in the region.



## 4. Evaluation Question

### 4.1 Specific objectives for the review

The review should assess and answer the following questions:

1. What are the outcomes and the impact of the Swedish development cooperation in the field of urban and environmental development in the South East Europe, 2000–2006, based on existing yearly reports, earlier reviews etc?
2. Have the type of cooperation, methods and instruments, including the choice of cooperation partners, been appropriate in relation to the conditions at the time (i.e. country strategies, budget, relevant policies, personnel resources and country specific desires)?
3. Have the projects/programmes and their results been consistent with the development policies<sup>13</sup> and the administrative systems of the authorities in the countries (including the areas of cooperation)?
4. Have the interventions and their results been relevant in relation to the goals and policies<sup>14</sup> of Swedish development co-operation in relation to:
  - a) Poverty alleviation
  - b) EU-alignment
  - c) Aid-effectiveness and increased cooperation with other donors
5. Were the interventions relevant at this time of development in the countries of the region?
6. Have local ownership and the quality of the participatory process in project planning and implementation been satisfactory?
7. Have the reporting of the results been satisfactory and are the methods for reporting appropriate?

### 4.2 Specific objectives for the forward-looking recommendations

1. Should Sida maintain the existing procedures and working methods when pursuing with the environmental cooperation in SEE or what are the alternative ways?
2. In what ways can Sida support urban and environmental development through interventions in other areas such as good governance, decentralisation, economic growth etc?
3. How can the following perspectives be strengthened in ongoing, planned and future interventions:
  - a. Poverty perspective
  - b. EU-alignment
  - c. Aid effectiveness
4. What is the interest, capacity and possible added value of increased involvement of Swedish actors (enterprises, consulting companies and authorities) in the region and how can Sida strengthen the possibilities for such involvement?

## 5. Recommendations and Lessons (expected results)

The assignment is expected to result in the following:

- 1) Review:
  - An assessment according to what is outlined in the evaluation purpose, chapter 1 above and answers to the evaluation questions in chapter 4.1.

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<sup>13</sup> PRSP, European Partnership Plans and environmental policy documents

<sup>14</sup> PGU, Perspectives on poverty, Sida's guidelines for environmental cooperation with SEE

- An assessment regarding the general relevance of the support, including selection of partners, working methods and subject areas, design and implementation of the programme/ projects.

2) Forward-looking analysis:

- An analysis according to what is outlined in the evaluation purpose, chapter 1 above and answers to the evaluation questions in chapter 4.2.
- A set of recommendations with a focus on the future cooperation in the field of urban and environmental development in relation to
  - a) poverty alleviation,
  - b) the countries endeavour for EU-integration and
  - c) an aid-effectiveness perspective.

## 6. Methodology

The evaluation may consist of the following parts (the consultant may suggest amendments or propose alternative approaches):

1. Desk study of written documentation such as; project documents, reports, country strategies, PRSP:s and guidelines. The consultant will review the relevant documentation with Sida.
2. Field visit and interviews with relevant stakeholders in all countries of the region (Albania, Bosnia Herzegovina, Kosovo, Macedonia, Serbia and Montenegro); national environmental authorities, Sida staff, key persons in Sweden (Swedish authorities, twinning partners, Swedish consultants and suppliers).
3. Reporting of the findings and recommendations. An inception report with the preliminary findings of the review part is to be presented to Sida before the second part of the evaluation is started. The final report shall be presented to Sida in a seminar.
4. Dissemination of the findings and recommendations at seminars in the region is optional and will be decided when a draft report has been presented to Sida.

The consultant shall before starting the assignment present a description where the approach and methodology is specified and motivated. The learning aspect of the evaluation should be taken into consideration in the planning and design of the evaluation.

## 7. Work Plan and Schedule

The assignment is planned to start during February 2007 and be finalised not later than May 2007. The time estimated for the fulfilment of the assignment is 55 workdays, including one fieldtrip to each country.

In addition to the 55 workdays, 2 trips to the region, including max 10 working days, for regional seminars for dissemination of the report should be included as an option in the budget.

The consultant shall before starting the assignment provide Sida with a detailed time and work plan and a budget for fulfilment of the assignment.

Sida will inform the involved parties of the evaluation and forthcoming visits by the evaluation team. The evaluation team will be responsible for practical arrangements in conjunction with the mission. The evaluation team will be responsible for all visits and arrangements. Representatives of the interviewed cooperation partners should be given the opportunity to comment on the draft report to the evaluation team.

## **8. Reporting**

An inception report of the preliminary findings of the review part shall be presented to Sida within 3 weeks after the commencement of the assignment. The inception report shall be approved by Sida before the field trips are carried out.

The evaluation report shall be written in English and should not exceed 30 pages, excluding annexes. The report shall have a summary not longer than 2 pages. The consultant shall present a draft report (electronically), written in English, at an early stage allowing for substantial comments to be incorporated. The final report shall be submitted in 10 copies not later than three weeks after receipt of comments from Sida. The final report should be presented by the consultants at a Sida seminar.

Sida's Standard format for evaluation reports shall be used and a Sida Evaluations Data Work Sheet shall be presented along with the report. The terminology of OECD/DAC Glossary on Evaluation and Results-Based Management shall be used. The evaluation report will be assessed against standard quality criteria for evaluation reporting.

The Terms of Reference, a list of persons interviewed and a list of documentation used shall be attached to the final report.

## **9. Evaluation Team**

The evaluation team is foreseen to consist of max 3 consultants. In the team there should be substantial knowledge and experience available from the environment and urban development sector and in evaluation methodology. In addition, the team shall have experience from work in South Eastern Europe. At least one consultant shall be able to read and evaluate Swedish documentation. The consultants shall not have been previously involved in any of the interventions to be evaluated.

## Annex 2: Programme for Field Visit and List of Persons Met

### A. Programme for Field Visit: Evaluation of Sida's Environmental and Urban Development support to the SEE region, 2000–2006

Date	Institution
<b>Albania</b>	
12 April 2007	Projects LEAP and SWM: Ministry of Environment, Forests and Water Administration, Tirana
16 April 2007	Swedish Embassy, Tirana
17 April 2007	Project LEAP: Korca Municipality, Korca Donor Coordination Office, Korca SNV, Dutch Development Agency, Korca
18 April 2007	International Training Programme participants, Tirana
<b>Kosovo</b>	
18 April 2007	Swedish Embassy, Pristina
19 April 2007	Projects: Environmental Education and Aluminium Recycling, Pristina Project: Municipal Spatial Planning Support, Pristina
20 April 2007	Project: Environmental Strategy, Pristina Project: KEAP/LEAP, Pristina
21 April 2007	International Training Programme participants, Pristina Swedish Embassy, Pristina
<b>Serbia</b>	
19 April 2007	Swedish Embassy, Belgrade Project: Strengthening Environmental Management (SEM), Belgrade Project: LEAP, Belgrade
20 April 2007	Project: Sustainable Development Strategy (SDS), Belgrade Swedish Embassy, Belgrade
21 April 2007	International Training Programme participants, Belgrade
<b>Macedonia</b>	
23 April 2007	Swedish Embassy, Skorpje Project: National Strategy for Sustainable Development, Skorpje
24 April 2007	Project: LEAP, Skorpje International Training Programme participants, Skorpje
25 April 2007	Swedish Embassy, Skorpje
<b>Bosnia &amp; Herzegovia</b>	
23 April 2007	Project: LEAP, Sarajevo Swedish Embassy, Sarajevo
24 April 2007	International Training Programme. Sarajevo (cancelled)
<b>Montenegro</b>	
25 April 2007	International Training Programme participants (telephone interview)
26 April 2007	Report writing

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*Besnik Mançelli*, I H P K “GJELBER” (private business) Administrator

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*Festim Tomori*, Maliq Municipality, Member of Municipal Council

*Gëzim Topçiu*, Maliq Municipality, Mayor

*Konstandin Vangjush*, “Drenova Forest” NGO, NGO Leader

*Niko Peleshi*, Korca Municipality, Mayor

*Doloreza Cini*, Korca Municipality, Specialist

*Bianka Llogori*, Korca Municipality, Coordination and Development Office,

*Mihallaq Qirjo*, Environmental Expert, Member of environmental NGO

*Paskal Vogli*, Agrinas Foundation, Head of the Office in Erseka

*Elona Vathi* (ITP participant), Tirana Municipality unit Nr 6, Environment Engineer

*Alba Dakoli* (ITP participant), Foundation for Local Autonomy and Governance, Director

*Alma Koka* (ITP participant), Carrier, Managing Director

*Leonard Gjançi* (ITP participant), Municipality of Korca, Director of Public Works

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*Hazima Pecirep*, Mayor’s Advisor for Economic Affairs (Municipal LEAP coordinator), Novi Grad  
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*Dusko Basic*, Expert Advisor for Urbanism and Architecture, Novi Grad Sarajevo Municipality

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## Annex 3: Country Strategies: Priority areas and Environmental issues

Country	Overall priority areas	Environmental issues
Albania	<p>In 2001–2003, Swedish support has focused on six areas: public administration, human rights and democracy, agriculture, environment, health, and development of the private sector</p> <p>In 2004–2007: Swedish development cooperation with Albania will focus on the following areas: Democracy and good governance, Respect for human rights, Gender equality, Sustainable use of natural resources and concern for the environment, Economic growth, Social development and security. (2004–2007)</p>	<p>Swedish environmental support should focus water and sewage treatment and strengthening the Albanian environmental administration. Environmental support will follow the Guidelines for Sida's Environmental Cooperation with South-East Europe. Regional environmental cooperation and exchange of experiences will be encouraged.</p>
Bosnia	<p>In 2006–2010: Focus areas for support are: (a) the sustainable state particularly at the central and local level, that will facilitate integration into European structures, and (b) economic development enabling BiH to transform itself into a market economy and establish closer ties with the EU, by means of efforts to create jobs, develop the private sector, introduce measures aimed at developing the financial sector, support institutional frameworks for regional and local economic development, integrate the informal economy into the Bosnian economy, and possibly facilitate co-financed investments in the environment field.</p>	<p>Sweden's involvement in the environment sector has been very limited during the period 2003–2005. Needs are considerable, but the area is difficult to work with due to the low priority that Bosnia and Herzegovina attaches to this type of programme.</p> <p>Poverty focus: If poverty is to be reduced in a long-term, sustainable way, natural resources must be used in a sustainable manner and the environment must be protected. BiH has particular problems with air and water pollution and with inferior waste management. (CS: 2006–2010).</p>
Kosovo	<p>2005–2006: Focus on two principal sectors: 1) Democracy and good governance, 2) Sustainable economic development. Part of the strategy is to "support private-sector development, economic development and job creation activities ... combined with measures in the environment ... aimed at promoting sustainable development and protecting Kosovo's natural resources." The strategy of Sida also includes examination of the "the possibility of contributing to the preparation of a national development plan in Kosovo."</p>	<p>Previous support has been focusing on capacity building of the central level of the environmental administration (strategy development) and at the local level (KEAP). In the chapter on Environment and Natural resources specific support areas are defined: (a) Support may be provided to development and implementation of the national environment strategy and for (b) participation in regional environment programmes, and (c) ensure that forestry resources are used in a sustainable way.</p>
Macedonia	<p>2003–2005: Focused on three sectors: (a) democratic governance, (b) economic development and (c) environment. The results are deemed to have ranged from satisfactory to good. Swedish support has contributed to the overall goal of peace, stability and European integration. The sustainability of certain initiatives remains a moot question.</p> <p>2006–2010: Focus on three areas: (a) Agriculture sustainable development, (b) Human rights issues, and (c) sustainable development (environment).</p>	<p>Swedish support is to contribute to environmentally sustainable development and facilitate integration with European structures, by efforts aimed at: (a) strengthening capacity for institutional development and administration and for policy work in the environment field at both central and local level, (b) contributing to a better urban environment and better municipal infrastructure as regards water and sanitation, waste management and energy, by means of individual investment projects, (c) promoting greater environmental awareness, particularly with regard to the urban environment.</p> <p>Human rights and the environment are areas of considerable relevance for poverty alleviation and EU integration. Swedish activities will primarily comprise a continuation of previous successful projects.</p> <p>Support in the environment field will be focused on a small number of long-term strategic activities.</p>



Country	Overall priority areas	Environmental issues
Serbia/ Montenegro 2004–2007	<p>2001–2003: In this period a broad palette of interventions including human rights, repatriation support, strengthening public administration and institutional capacity, rural development, micro-credit, and infrastructure (electricity and transport).</p> <p>2004–2007: The focus for development cooperation with Serbia and Montenegro is to support reforms that will help the country develop closer ties with the EU and its integration in European cooperative structures. This means shifting the emphasis of development assistance to measures aimed at strengthening central structures and long-term processes affecting all parts of the nation. Focus areas of this period include: (a) Democracy and good governance, (b) Respect for human rights, (c) Gender equality, (d) Economic growth, (e) Sustainable use of natural resources and concern for the environment.</p>	<p>Support for Serbia and Montenegro should specifically focus on areas where Sweden has extensive expertise, such as water and sewage treatment as well as efficient energy use. Swedish support should also be given to strengthen environmental administration. Development cooperation related to the environment must comply with EU regulations and contribute to the country's EU alignment. Support to the transport and energy sectors, in which Sweden is already involved and so has special opportunities, should continue during the period (such as railways and the distribution of electricity). In connection with major investment projects in energy and water purification, Sweden should consider financing institutional capacity building.</p>

## Annex 4: Project Relevance related to Policies and Strategies, and Needs and Priorities of Beneficiaries <sup>15</sup>

Project	Guide-lines	Country Strategy	Poverty	EU approx.	Aid Effective	Needs & Priority
<b>Completed</b>						
Sharra hot spot remediation, Albania	-	H	L	H	-	H
Pancevo hot spot remediation, Serbia	-	H	L	H	-	H
Environmental education, Kosovo	-	P	L	P	-	H
Environmental analysis, Balkan	-	H	P	H	-	H
Aluminium recycling, Kosovo	-	P	L	P	-	H
Environmental Consultancy support, Regional	-	-	-	-	-	-
Secondment to UNMIK, Kosovo	-	H	L	L	-	P
Environmental performance review UNECE, BiH & Serbia	-	H	L	H	-	H
Environmental remediation, Gracanica, Kosovo	-	H	P	H	-	H
Urban Planning, Montenegro	-	-	-	-	-	-
<b>On-going</b>						
LEAP and LEAP monitoring, regional	H	H	P	H	P	H
Solid Waste Management, Albania	H	H	P	P	P	H
Twinning with SEPA, Albania & Serbia						
National strategy for SD, Macedonia	H	H	P	H	P	H
Sustainable development strategy, Serbia	H	H	P	H	P	H
Physical Planning, Kosovo	H	H	P	H	P	H
Urban Planning, Montenegro	-	-	-	-	-	-
Strengthening of Department of Environment, Serbia	H	H	P	H	P	H
Regional support to environmental civil society	H	H	P	P	P	H
Environmental strategy, Kosovo	H	H	P	H	P	H
Danube River Preparation	-	-	-	-	-	-
Solid Waste Management, Serbia	-	-	-	-	-	-

<sup>15</sup> The assessment of relevance is rated as very high relevance (H), partly relevant (P) and low relevance (L). For the Guidelines and Country Strategy columns the assessment is based on the evaluation team's interpretation on relevance, whilst the assessment for the other relevance criteria is primarily based on the results of the questionnaire survey.

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