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Sida Decentralised Evaluation

Svend Erik Sørensen
Dr Marina Illic

Review of Swedish support to the Serbian administration to prepare a national project pipeline for environmental investments, “Environmental Infrastructure Support Project”

Final Report

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**Final Report
December 2014**

**Svend Erik Sørensen
Dr Marina Ilic**

Authors: Svend Erik Sørensen and Dr Marina Ilic

The views and interpretations expressed in this report are the authors' and do not necessarily reflect those of the Swedish International Development Cooperation Agency, Sida.

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SWEDISH INTERNATIONAL DEVELOPMENT COOPERATION AGENCY

Address: S-105 25 Stockholm, Sweden. Office: Valhallavägen 199, Stockholm

Telephone: +46 (0)8-698 50 00. Telefax: +46 (0)8-20 88 64

E-mail: info@sida.se. Homepage: <http://www.sida.se>

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Abbreviations

DIS	Decentralised Implementation System
DPM	Department of Project management (in MEDEP)
DSIP	Directive Specific Implementation Plans
EBRD	European Bank for Development and Reconstruction
EISP	Environmental Infrastructure Support Project
ENVAP	Swedish Environmental Protection Agency Project
EU	European Union
FIDIC	International Federation of Consulting Engineers
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH
IMG	International Management Group
IPA	Instrument for Pre-Accession assistance
IR	Interim Report
KfW	Kreditanstalt für Wiederaufbau
MEDEP	Ministry of Energy, Development and Environmental Protection
MISP	Municipality Infrastructure Support Project
NEAS	National Environmental Approximation Plan
NPAA	National Plan for the Adoption of the Acquis
PIU	Project Implementation Unit
PPF5	Project Preparation Facility 5
PUC	Public Utility Company
RENA	Regional Environmental Network for Accession
RWMC	Regional Waste Management Centre
SCTM	Standing Conference of Towns and Municipalities
SEIO	Serbia's European Integration Office
Sida	Swedish International Development Cooperation Agency
SLAP	Municipal Infrastructure database
SMART	Specific, Measurable, Attainable, Realistic and Timely criteria
SWG	Sector Working Groups
TOR	Terms of Reference
WMD	Waste Management Department (in MEDEP)

Summary

The Project

Sida supports the Ministry of Energy, Development and Environment Protection (MEDEP) to increase its capacity to work with environmental investments and for Serbia to increase its uptake of environmental funding from EU's Instrument for Pre-Accession assistance (IPA) and other sources of funding. The support is provided through the implementation of the Environmental Infrastructure Support Project (EISP) targeting primarily the Department of Project Management (DPM) in MEDEP amounting to SEK25M from mid-2011 to mid-2014.

A review of the EISP project was carried out in May 2013 whose objectives were to (i) review progress achieved so far within EISP, and (ii) appraise the request for extension of the project by one year and an additional €1M.

The specific objectives of the EISP project have been as follows:

- Objective 1: The DPM has developed the project pipeline and prioritisation process of sufficient maturity and quality to start to absorb available funds from January 2012.
- Objective 2: The further development of the pipeline in order to improve direct investments in environmental infrastructure in Serbia, to ensure a continuous stream of proposals by May 2013.
- Objective 3: The DPM has the capability to be a full partner of the international and national funding institutions in the planning and preparation of project proposals.
- Objective 4: The staff of the DPM is able to effectively plan, direct and control the use of consultancies and other technical assistance in the project management process.
- Objective 5: Technical upgrade of DPM capability and SLAP system by November 2011.

The Review

The review findings were as follows:

The review found the EISP project successful in its current achievements. Two of the five objectives have been achieved (nos. 1 and 5) and generally good progression has been observed in the three remaining objectives (nos. 2, 3 and 4). Objectives 3 and 4 address the capabilities and skills development of the DPM staff are both on-going efforts and will be so also after the EISP project has terminated. The overall objective is yet to be fully achieved.

The review team conclusion was as follows:

The success and progression observed in objective achievements indicate that the current strategic approach to environmental investments and process of work provided by the EISP should be continued – an approach that is commended by a recent review of the Sida's support to environmental infrastructure in Central and Eastern Europe.

The review team recommends the following:

- Improve the measurement of the impact of capacity building/training on DPM job performance. This is crucial for measuring overall project success.

- Improve ownership and sustainability of the EISP through (i) the continuous and strengthened capability support to the DPM staff, and through (ii) proactive MEDEP Senior Management support, together with SEIO (i.e. the SWGs), to the environmental infrastructure sector, e.g. by calling for aid coordination meetings.
- Strengthen the interim reporting with respect to work plans and simplifying the methodology for progress reporting.

The Appraisal

The appraisal recommends that the EISP is extended for the time requested by MEDEP (up till the end of 2014) and that the additional funding of €1M for supporting investment projects, is – *in principle* – released for this purpose.

Prior to the release of the funds certain critical issues should be taken into consideration by Sida and the MEDEP/Serbian Government. Based on these considerations, as outlined in section 4, the review team recommends the following:

- Projects identified for Sida funded investments should (i) be registered in the SLAP system as priority, mature and quality defined projects, and (ii) they should preferably be completed within the extended time period (December 2014).
- The EISP project must in addition to its use of the SLAP questionnaire for the assessment and identification of investment projects integrate ‘evaluation tools’ related to the projects’ relevance, effectiveness and sustainability.
- The EISP project must prepare a realistic Capacity Development Plan for the DPM staff for the remaining part of current and extended period. The Plan will identify the staff’s capability needs and the technical assistance needed to effectively meet these needs in order for the overall objective of the EISP project is achieved.
- Funding from other sources than Sida is available, and the utilisation of these sources should be optimised best possible for EISP investment projects.
- Strong MEDEP leadership is required to enable the best utilisation of the EISP project and its support to MEDEP’s strategic purpose and the DPM staff. This will necessitate (i) the completion of the systemisation and management structure of the MEDEP, (ii) an operational focal point for the EISP project at assistant minister level in MEDEP, and (iii) stronger efforts by MEDEP leadership to support the institutionalisation of products, processes and procedures delivered by the project at both operational and policy levels.

1. Introduction

Sida supports the Ministry of Energy, Development and Environment Protection (MEDEP) to increase its capacity to work with environmental investments and for Serbia to increase its uptake of environmental funding from EU's Instrument for Pre-Accession assistance (IPA) and other sources of funding. The support is provided through the implementation of the Environmental Infrastructure Support Project (EISP) targeting primarily the Department of Project Management (DPM) in MEDEP.

The first phase of the project (inception) was implemented from January to June 2011. The main phase runs from July 2011 to July 2014. The project receives financial support of 25 MSEK (approximately 2.9 M€ at current exchange rate). The International Management Group (IMG) was contracted to provide technical assistance to the project.

Sida has requested a mid-term/near-end review to be undertaken of progress achieved so far in the project as well as undertake an appraisal for an extension of the cooperation, with an added contribution of 1 M€, based on a request from MEDEP. As such the objectives of the review are two-fold: (i) review progress achieved so far within EISP, and (ii) appraise the request for extension of the project.

The review of Swedish support to the Serbian administration to prepare a national project pipeline for environmental investments, "Environmental Infrastructure Support Project" was carried out during the period 8 May – 31 May 2013, including a field visit to Serbia, 13-18 May. The assignment was carried out by one international (Svend Erik Sørensen, Team-leader) and one national consultant (Dr Marina Ilic).

The Terms of Reference (TOR) for the assignment is presented in Annex 1, the List of Persons Met in Annex2, and the List of Literature reviewed in Annex 3.

2. Applied Method

The review team followed closely the scope of services outlined in the TOR and applied the OECD/DAC evaluation criteria as they were instructed in the TOR, i.e. relevance, effectiveness and sustainability. The review team used the semi-annual interim reports and the project logframe as the point of departure for the review.

Based on a study of background documentation and project reports a series of key questions were identified and forwarded to key project stakeholders as a guide/preparation for the interviews to be conducted during the field visit to Serbia. Data were cross-validated through combined guided/open-ended interviews and an assessment of the project's interim reporting and logical framework. A briefing of the immediate outcome of the field work was presented to the Swedish Embassy in Belgrade on 18 May 2013.

The appraisal part of the assignment was based on the findings gained from the review part and the additional documentation provided for the extension request. This included an assessment of (i) the so-called Long List (Annex 4) which formed the basis for the extension request and (ii) the capacity of MEDEP/DPM to absorb additional funds. The review team emphasised the importance of stakeholder involvement in the review.

Only then are recommendations more likely to be owned and implemented by key stakeholders. While acknowledging the independent nature of the review/appraisal this approach implied an effort to *seek consensus* with stakeholders, and particularly DPM, on key project performance and measurement issues.

3. Review

3.1 Achievement of project objectives

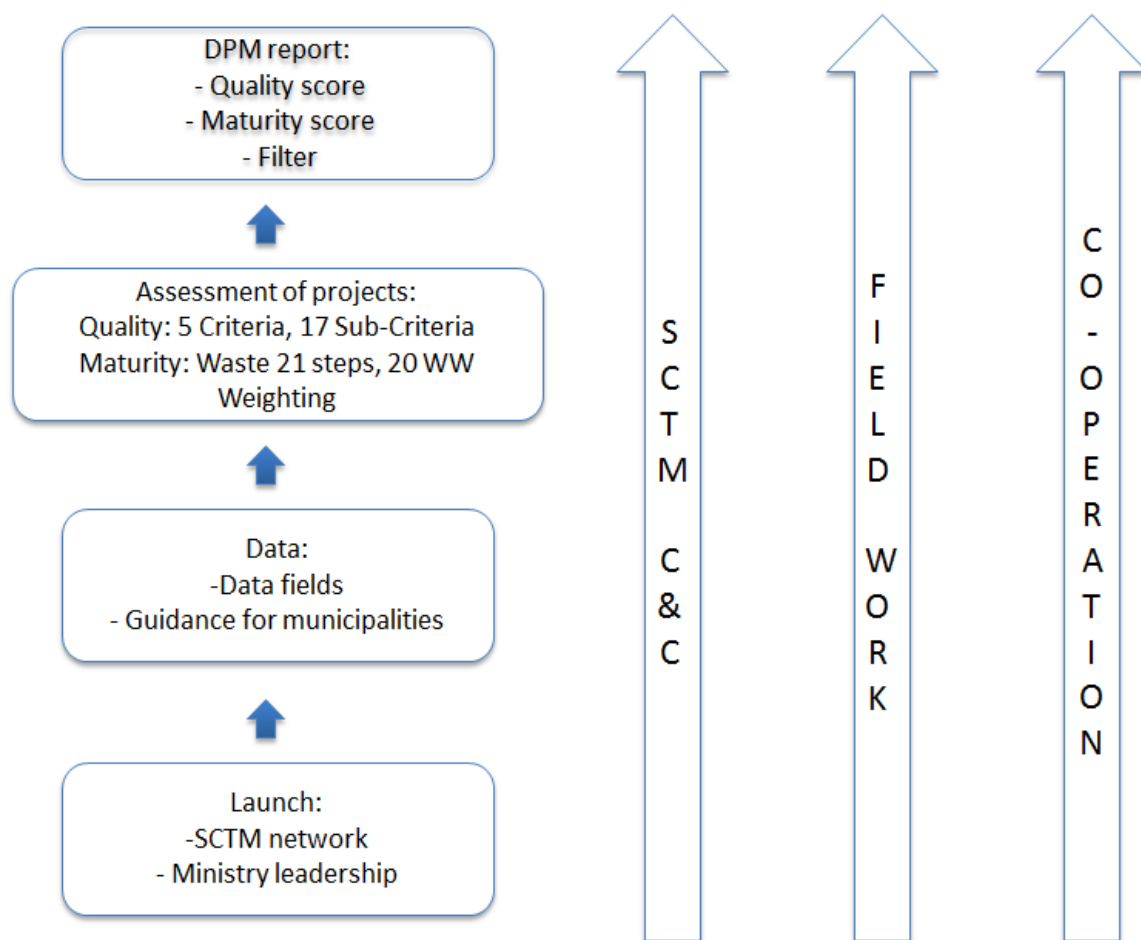
The programme's overall aim is to provide support to the DPM for it to have the capability and tools to oversee the programming and implementation of at least €40M of environmental infrastructure projects each year of accreditation and be ready for EU structural funds on accession.

The *specific objectives* are as follows:

- Objective 1: The DPM has developed the project pipeline and prioritisation process of sufficient maturity and quality to start to absorb available funds from January 2012.
- Objective 2: The further development of the pipeline in order to improve direct investments in environmental infrastructure in Serbia, to ensure a continuous stream of proposals by May 2013.
- Objective 3: The DPM has the capability to be a full partner of the international and national funding institutions in the planning and preparation of project proposals.
- Objective 4: The staff of the DPM is able to effectively plan, direct and control the use of consultancies and other technical assistance in the project management process.
- Objective 5: Technical upgrade of DPM capability and SLAP¹ system by November 2011.

During the inception period preparatory activities for the implementation of the project were carried out by the EISP project staff (DPM/IMG). This included analyses of institutions and the legal and regulatory context in the environmental infrastructure sector as well as a mapping of key stakeholders in the sector. The results of these analyses formed the basis upon which the project was subsequently designed and implemented. In addition, during the autumn of 2011, a baseline study was carried out providing a broader base of measures and indicators that contributes to a more comprehensive assessment of progress. The project context and process, with a point of departure in the SLAP, can be illustrated as in the model on the following page:

¹ SLAP is a municipal infrastructure data base organised in mainly three sectors: economic, environmental and social infrastructure. The core element of the SLAP is the transparent scoring system following the latest EU/International standards and guidelines. Every municipality can enter data online in order to present their project to potential financing partners. The environmental infrastructure sector covers mainly air quality protection, district heating, water supply, waste water management, solid waste management, noise reduction, etc. The SLAP is managed and maintained by the Standing Committee of Towns and Municipalities in Serbia (SCTM).



Source: Project Pipeline, by John Glazebrook and Srdjan Radovic, IMG/EISP, Power Point presentation, no date.

Achievement of Objective 1: The DPM has developed the project pipeline and prioritisation process of sufficient maturity and quality to start to absorb available funds from January 2012.

This objective has been completed. The development of the Prioritisation Manual started in June 2011 and was carried out in close collaboration with the Standing Conference for Towns and Municipalities in Serbia (SCTM). It was completed as a draft in November 2011 and subsequently trailed concurrently with the technical upgrade of the SLAP data base from early 2012. The trailing included on-site testing in SCTM offices; inviting municipalities to propose infrastructure priority projects; going to the municipalities to work alongside the SLAP coordinators; and receiving inputs from selected municipalities with experience in SLAP operations.

Following this process the upgrade of the pipeline was rolled out to municipalities and the result was a significant increase in the number of projects on the SLAP database. By June 2012 17 regional waste management centres (RWMC) projects were in the database, and it was concluded that the situation regarding solid waste projects “has moved from having to count the few proposals on the system to now tracking down the few that are not” (IR 2, January-June 2012, p. 4). However, the number of RWMCs remained the same in May 2013. The Prioritisation Manual for environmental infrastructure projects was assessed by the main target group (the municipalities) as a well-designed product that is easily applicable and helpful in the preparation of projects to be included in the SLAP database.

From mid-2012 the focus then turned towards improving the quality as well as quantity of the information in the database. This has been encountered as a longer and more in-depth process because in many cases the municipalities do not have sufficient information. Different national experts were recruited to address this work (e.g. a solid waste expert).

The number of waste water related projects (defined as at least a waste water treatment plant – with or without wastewater collection) in the SLAP database increased from seven projects in mid-2012 to 18 visible integrated waste water projects in early 2013 – a more than doubling of visible plants. This positive development was attributed to the DPM's good and close collaboration with the Water Directorate in the Ministry of Agriculture, Forestry and Water Management at the operational level. While this figure has remained the same during the first part of 2013 the number of remediation projects in the system has also increased, from 58 in mid-2012 to 74 in early 2013. The number of municipalities applying the SLAP system is now 94, and is likely to increase (all data from the IRs).

Identification and addressing bottlenecks in the processing of the pipeline development was an activity included in this objective. During the course of 2012 bottlenecks emerged and became increasingly observable. This development was remedied by several project initiatives, particularly in developing guidelines. In the autumn of 2011 DPM was, together with the Municipal Infrastructure Support Project (MISP) involved in supporting 11 municipalities in the establishment of the Kalenic Regional Waste Management Centre. *Guidelines on Inter-Municipal Agreements* were prepared and completed as a draft version in late 2012, in collaboration with the SCTM.

Guidelines on formation of project implementation units (PIUs) in Serbia were another set of tools addressed for remedying institutional bottlenecks in supporting the implementation of pipeline projects. This work was carried out alongside with the EISP's direct infrastructure support to mainly two pipeline projects: The Čačak Transfer Station project and the Pančevo Regional Sanitary Landfill project.

Field trips have been organised to Čačak to follow up on the project and the TOR. Progress is being made since a misunderstanding between Duboko, the MEDEP and IMG and the municipal administration was cleared. Now the Transfer Station designer has been chosen and the project can proceed to develop a request for *No Objection* from Sida. Concerning the Pančevo Regional Sanitary Landfill project – letter for *No Objection* has been drafted along with the project proposal for Sida.

Activities have taken place in support of the Kalenic Regional Landfill and specifically in the measurement of waste data and provision of technical supervision. Kalenic RWMC will be financed from IPA 2012, as well as will Subotica RWMC.

Finally, in order to improve the quality of feasibility studies the DPM recruited short-term expertise to develop a *TOR Template for standardised RWMC Feasibility Studies*. Progress has been made following consultation within the Ministry (based on comments from meeting with Ministry of Spatial Planning in April 2013). Changes are underway and a potential final draft submitted for early June 2013.

Pančevo Regional Sanitary Landfill – review team field visit, 16 May 2013

After the May 2012 election, Pančevo changed the local self government, in August 2012. The new Government has paid sincere interest in the EISP support to the Landfill. The city of Pančevo has added 9 projects into the SLAP database. Pančevo has had high priority to the area of waste management, while they can do more in waste water management.

Several activities still remain to be done to solve bottlenecks: remediation of old dumpsites, separation of waste, and vehicle for collection, institutional issues related to PUC and the project management set-up. Yet, steps are taken to solve these matters.

The Sanitary Landfill got usage permission in 2009 but the one-lane access road has yet to be solved. Also, the leachate treatment plant was not successful. Now it is a time to solve it and the City of Pančevo is committed to this and has allocated funds for 2013 for this purposes. Sida is expected to co-financing (75%). Also, the City of Pančevo supports and has benefitted from the technical assistance provided to make the project successful.

The EISP also provided training and field trips to DPM staff to manage the quality of projects in the pipeline. Capacity building issues are dealt with briefly in section 3.2.

Finalisation of the Manual is still outstanding but presentation of the Manual to key stakeholders has taken place and the Serbian European Integration Office (SEIO) agreed that the Manual would form the basis of SEIO's prioritisation for the waste and wastewater sub-sectors.

In conclusion: Objective 1 has been completed while efforts to mitigate emerging bottlenecks will be a continuous process for the DPM to address – beyond the EISP project. Also, the maintenance and further development/upgrade of the SLAP will be an area where DPM will be involved.

Achievement of Objective 2: The further development of the pipeline in order to improve direct investments in environmental infrastructure in Serbia, to ensure a continuous stream of proposals by May 2013.

This objective is basically the same as Objective 1 with a time dimension as the main difference. This is also documented in the reporting where this objective is not addressed in the first two interim reports. With the increase in the number of pipeline projects in both the solid waste and waste water infrastructure this objective is considered in progress (though solid waste infrastructure projects have remained stable since 2012). While the “continuous stream of proposals” is most likely to be modest in pace current activities planned by the EISP will contribute to this process being further accelerated and lead to “direct investments in environmental infrastructure”.

Achievement of Objective 3: The DPM has the capability to be a full partner of the international and national funding institutions in the planning and preparation of project proposals.

This objective has mainly focused on investment planning. It is an on-going process and has made good progress during the course of the project, through, among others, participation in workshops and meetings at national, regional and international levels. This included, among others, DPM's participation in the Regional Environmental Network for Accession (RENA) Training (2011 and twice in 2012), a national investment planning workshop in Kovacica in November 2011, and the Western Balkan Infrastructure Facility meeting in Skopje.

Also, several study trips abroad were carried out during the course of the project (to Lithuania, Hungary, Turkey and Albania) and aid coordination meetings attended and coordinated (December 2011, April and May 2012).

The DPM has been specifically involved in the development of the Directive Specific Implementation Plans (DSIPs) for the Landfill Directive which forms the specific link between the National Environmental Approximation Strategy (NEAS) and the development of pipeline projects. The DSIP of the Landfill Directive will feed directly into the EU negotiation process and as such also link closely to the Sida funded ENVAP programme.

During the latter half of 2012 and the beginning of 2013 focus was on addressing the development of DSIP for the Landfill Directive. This included, among others, the preparation of a database for landfills and dumpsites, a detailed inventory of the existing and estimated costs for the landfill regions, a risk assessment methodology for landfills, a White Paper on closure and costs of old dumpsites, and a recommendation for what are defined as landfill components.

The organisation of the international cooperation changed in 2013. Sector Working Groups (SWGs) as defined by SEIO have now been formed with a strong emphasis on aligning with the EU DIS structures. The EISP team has been asked, and provided, contributions for Sida on the development of these new structures. DPM will have an important role in the SWGs.

DPM's capability to be a full partner of the international and national funding institutions in the planning and preparation of project proposals is a comprehensive task to achieve in full. However, the efforts made and 'building blocks' produced over the project period and the likely challenges and tasks in relationship to the SWGs show clear indications of progress towards achieving this objective – i.e. through (i) exposure of DPM staff to regional experience and aid coordination practices, and (ii) having a work priority on the Landfill Directive DSIP which complies with relevant EU and national goals and strategies for environmental infrastructure investment planning.

Achievement of Objective 4: The staff of the DPM is able to effectively plan, direct and control the use of consultancies and other technical assistance in the project management process.

Capacity building events on FIDIC and PRAG training took place in the spring 2011 and introduction to managing service contracts was held in the autumn of 2012. The latter training was a direct result of the recommendations made by the EU DIS Auditor's report from 2012 (IR no. 2, p.1). Several short-term consultants have been recruited over the project period, for waste water, solid waste, and legal and EU accession issues. In this process DPM staff has participated in the development of TORs and in the evaluation process, including conducting interviews and managing/monitoring of outputs.

Practical application of the formal training delivered was planned for the Pančevo Regional Sanitary Landfill and Čačak Transfer Station projects, but progress has been slow mainly due to changes in the positions of key administrators in the local self-government system and the Public Utility Companies (PUCs) following the national and local elections in May 2012, and the formation of a new Government in July 2012. For example, this included the delay in the delivery of TOR for detailed design of the Čačak Transfer Station. However, some progress was observed in the Pančevo project where a project proposal was prepared, an agreement on a project implementation method for the project and further discussions with municipality on the full support for the project funding and implementation.

Practical experience with project management issues has been on a halt in 2013 but was initiated again in May 2013, e.g. through support to the Kalenic/Kolubara Regional Landfill and specifically in the measurement of waste data and provision of technical supervision. Also, field visits have been reinstated in May 2013 in connection with the EISPs assessment of projects on the Long List (Annex 4) to further enable DPM to get continuous hands-on experience regarding managing and overseeing project implementation.

Achievement of Objective 5: Technical upgrade of DPM capability and SLAP system by November 2011.

This objective has been fully achieved. The IT infrastructure of the DPM office was procured, delivered and installed in time. Laptops are in use, software installed and shared server connected and the archive system is in development. Vehicles are in use.

3.2 Effectiveness of capacity building

Capacity building efforts have been at the core of the EISP project. It is combining development of leadership, technical and administrative skills and knowledge with development of the project pipeline and related tools (manual, prioritization methodology, guidelines, etc.) and practical application – mainly through structured field trips to municipalities and waste sites. While capacity building can be defined in a variety of ways, the review team has considered standardized training programmes (EU DIS, RENA, FIDIC), workshops, field trips and mentoring and on-the-job training as capacity building events.

The project has from its very inception paid serious attention to capacity building of the DPM staff where field trips and workshops were held to clarify the design of the EISP project. In addition, during the inception period, formal training blocks were carried out covering introductory training sessions on a wide range of topics, including legislation, technical documentation, cost-benefit analysis and its practical application, EU procurement practices, and overview of FIDIC contracting. Knowledge was subsequently put into practice through field visits and analysing real life cases, e.g. the Subotica Waste Water Treatment Plant. In 2013 MS Project Training was held for the provision of practical support to potential pipeline projects, but have yet to progress further as projects themselves have not moved. Numerous field trips have provided significant insight and application of learned skills to the DPM staff and reports from field trips have been systematically produced.

The EISPs approach to training has particularly emphasised mentoring and on-the-job training on a demand-driven basis. The effect of these and other trainings carried out has however not been recorded to a sufficient degree. Considering that the increased capability of the DPM to be able to manage the planning and implementation of a comprehensive project pipeline and is the key focus of this project, stronger efforts should be arranged for the remaining project period (and for the extended period too) to record the impact of training delivered on job performance.

While this should be done, in principle, by applying a systematic ‘reaction-learning-behavioral change-results’ chain of measuring progress, a less cumbersome and simplified measurement mechanism should be adopted. This could include informal feedback notes on progress prepared by the mentor and discussed with the DPM staff, minor tests (e.g. multiple-choice, true-false questions, etc.) and design and use of behavioural checklists.

The important thing is to be able to identify demand driven training needs on a continuous basis and record these for measuring progress in DPM's leadership, technical and administrative capability.² Such a process will enable an increasing level of institutionalisation captured in, for example, templates, guidelines and policy where found relevant.

3.3 Relevance and alignment

This section assesses the relevance and alignment of the EISP project, mainly in the context of Serbia's plans for EU accession.

Overall EU context

Serbia applied for EU membership in December 2009 and has demonstrated a renewed commitment towards meeting the Copenhagen criteria³. On 12th October 2011 the European Commission published its *Opinion on Serbia's application for EU membership*. In the *EC Progress Report 2011 COM (2011) 668 for Serbia* it was mentioned that Serbia has built up a positive track record in implementing its obligations. The European Council granted Serbia the status of candidate country on 1 March 2012. Serbia now expects to receive the date for opening of accession negotiations in 2013.

During the past years substantial efforts have been invested in harmonizing the Serbian environmental laws with EU directives, and in developing national and sector specific strategies in this area. Serbia has progressed well with alignment of its legislation with the EU environmental *acquis*. However, realisation of the number of adopted strategies and laws requires a lot of efforts. Effective compliance with EU legislation requiring a sustained high level of investment and considerable administrative efforts can only be achieved in the long term.

The European Partnership with Serbia from 18 February 2008 (2008/213/EC) (under: Sectoral policies – Environment) sets out a number of short and medium term priorities, including: (i) strengthening of the administrative capacity within the relevant government bodies and (ii) further alignment with EU standards in the environmental sector, with the emphasis on implementation of environmental policy.

The Stabilization and Association Agreement (Title VIII, Cooperation policies, Article 111 – Environment) was signed in 2008 and states that cooperation shall be established with the aim of (i) strengthening administrative structures and procedures to ensure strategic planning of environmental issues and (ii) coordination between relevant actors and shall (iii) focus on the alignment of Serbia's legislation to the Community *acquis*.

According to the *EC 2012 Progress Report for Serbia*, some progress has been achieved in the area of the environment. Alignment with the environmental *acquis* and the ratification of international environmental conventions continues. Significant further efforts are needed in order to implement the national legislation, especially in the areas of water management, industrial pollution control and risk

² “Just remember – measurement can be a great stimulus to your organisation or a shackle depending on how you use it. Measures that enable you talk about performance and learn from what you are doing are a great help. Measures that are supposed to drive performance are easy to usurp and work around. So be very clear why you are using measures and how you use them” (citation from Mike Bourne 4:04 pm on May 8, 2013 on Linked-In Performance Management Association network, commenting on Cranfields recent “Best Practices in Performance Management”).

³ These criteria are the rules that define whether a country is eligible to [join the European Union](#).

management, nature protection and air quality. The strengthening of the administrative capacity should remain a priority. Overall, Serbia has started to address its priorities in the field of the environment and climate change.

A new *Needs Assessment Document* is in preparation and will cover the period 2014-2017, with 2020 projections. It will be the main reference document for programming of the IPA 2014-2020 and other donor assistance for strengthening the EU alignment.

National strategic context

The National Environmental Approximation Strategy – NEAS (Official Gazette of RS, 80/11), from 2011, is the key document for the harmonization of regulations in the field of environmental protection in Serbia and includes legislative, institutional and financial components. The objectives of the NEAS are to address the complexity of the challenge to apply EU environmental legislation in Serbia and to provide a sound basis for the accession negotiations on Chapter 27. It aims to transpose EU requirements into national legislation (including the response to deficiencies in the current legislative process in Serbia), the extent of change that will be required in organizing and operating institutions responsible for environmental protection, and the approach to closing the economic gap between ‘business as usual’ and full compliance with the *acquis*.

The National Plan for Adoption of the Acquis (NPAA) was adopted by the Government in 2013. During the period 2014 – 2016, the main focus of the NPAA, related to Chapter 27, is to (i) finalise transposition of the environmental *acquis*, (ii) prepare planning documents to guide implementation, (iii) establish and strengthen the administration and (iv) to further progress with the development of required infrastructure.

There are other strategies relevant for the environment, including Waste Management Strategy, National Programme for Environmental Protection and Sustainable Development Strategy.

Assessment

The EISP is highly relevant in meeting EU environmental requirements for Serbia as an accession country. All interventions have been aligned with external obligations, posed by the EU accession process. For example, the Pančevo Regional Landfill project is directed at helping to meet the EU Directive on Landfills (99/31/EC) and the Directive on Waste (98/2008/EC), which is in line with the priorities of MEDEP.

The focus of the EISP is on developing the capabilities of the DPM in investment planning through pipeline development, international cooperation and the DSIPs process (for Waste Landfill Directive). In addition, the EISP is building the capacity and capability of DPM through direct practical experience of the management of project funds.

EISP is developing the DSIP for Landfills from the original NEAS team draft. This will help Serbia in negotiation about EU environmental requirements. The DSIPs correspond to operational plans in the hierarchy. They are being developed so that the tactical objectives for each sector can be achieved economically, efficiently and effectively. The EISP is also in line with the NEAS. In order to achieve the objective Serbia has to complete the approximation process of transposing, implementing and enforcing all the chapters of the EU *acquis*, including Chapter 27 on environment. Under the direction of SEIO, EISP gives support to the DIS structures. Sida is a co-lead donor (with EU Delegation) of the Environmental Sector Working Group.

Serbia is missing a national strategy for wastewater, although the objectives for wastewater treatment are tackled in the National Program for Environmental Protection and in the NEAS. It is clear that

support of environmental infrastructure development including development of capacity and capability of the DPM is in alignment with national needs and priorities and development assistance is increasingly delivered in accordance with Serbia's priorities.

Building of environmental infrastructure is one of the Government priorities and for which Serbia needs international assistance. For that purpose, project pipeline identification and project preparation as well as implementation is of crucial importance.

According to the NEAS, Serbia needs to invest between €200 and €400 million per annum until 2024 in environmental infrastructure in order to achieve EU standards.

Development of selected bottleneck projects (Pančevo Regional Landfill and the Čačak Transfer Station) that have a wider impact on the pipeline progress and development of DPM skills has been a priority. In addition, the objective has been to maximize the use of donor funding, which is also one of the priority of EAS.

The overall assessment of relevance and alignment is clear. The EISP project is coherent with and suitably integrated into the Government's policy and its relevant institutions for the environmental infrastructure sector.

3.4 Ownership and sustainability

DPM has shown a high level of ownership to the EISP programme. Beside DPM, the Waste Department is involved in the consultation process and discussion about each project in the municipalities. DPM has visited numerous municipalities and have learnt about the steps in project pipeline identification, visiting sites, and applying check lists for evaluations. It has been a "learning by doing" process in which experience has been gained and self confidence built within the DPM staff and has instigated a strong ownership to the project. From interviews with the DPM staff the EISP project has supported strongly the Department in realising the importance and necessity of its participation in all the steps of the project preparation and implementation.

In late 2012 and early 2013, there was a delay in some EISP activities due to the election process in Serbia. Following the change of government a series of reorganisations took place of the ministries. There has been a change of minister, state secretary and assistant ministers as part of the new government structure. The local government structures and public utility companies (PUCs) have been through similar election related changes.

While involvement and commitment of DPM to embrace the EISP project is obvious, Senior Management in the MEDEP may appear less engaged. Lack of calls for donor environmental coordination meetings since the establishment of the new government is one among other indications that environment policy may have changed. The closing down of the Environmental Protection Fund is another indication.

While the support to the EISP is continued on a day-by-day basis by the DPM a *de facto* policy change could impact the overall ownership process to the project and could threaten its long-term sustainability, that is, the leadership, technical and administrative capabilities for the DPM to effectively manage environmental infrastructure pipeline projects.

3.5 Harmonisation

Harmonisation is defined as the commitment made by donors to rationalise their multiple activities in ways that maximise the collective efficacy of aid under country ownership. The relationship of the EISP project to other institutions, activities, programmes and projects is the following:

- The EU-funded *Municipal Infrastructure Support Project* (MISP 2008 & 2010) are both operating in Serbia and continue to be important to EISP. Their main role in environment continues to be the development of technical documentation and MEDEP's identification of priority projects to be supported by MISP is more systematic and better elaborated and supported with data in upgraded SLAP and project prioritisation manual. EISP is co-operating with MISP experts on institutional issues, such as the Guidelines as well as learning from the Duboko RWMC. In addition EISP revised SLAP prioritisation criteria.
- *Project Preparation Facility* (PPF5): EISP cooperates with PPF5 at the policy and operational level. At the policy level the EISP works on issues like DSIP and Feasibility Study quality works best with their cooperation and at the operational level the DPM's project prioritisation and information is becoming an influential determinant in which projects PPF work on. PPF5 is working on strategic relevance for project prioritization and project pipeline for not only environment but also for transport, energy and business infrastructure. PPF5 will also work on project technical documentation preparation. EISP anticipate the cooperation with PPF5 to continue due to the possible cooperation on Kraljevo WWTP project or others.
- The *GIZ IMPACT* project "Management of waste and wastewater in Serbian municipalities" is working with 5 smaller municipalities (up to 30,000 inhabitants). The project potentially has a lot to offer in terms of municipal level experience and pilot projects in waste and wastewater. The data they collect will be valuable for policy development at MEDEP and national level. EISP cooperates closely with them on aid coordination matters.
- *KfW Development Bank* opened credit line for financing waste management and wastewater treatment in the municipalities. As with potential source of financing, EISP had close cooperation with KfW in order to establish open line for consultation and share of information related to the municipal needs for assistance. This potentially represents an improvement in the coordination of environmental infrastructure projects within a single Ministry portfolio. KfW plans to start municipal solid waste projects in the near future.
- EISP is also cooperating with *European Bank for Reconstruction and Development, EBRD*, regarding the possible co-funding of the projects in the municipalities.
- In addition, the Swedish EPA project (*ENVAP*) has completed its project. EISP cooperated and contributed to the work through the development of the DSIP Landfill and associated methodology that was used as a case study for the ENVAP workshop on 3-5 October 2012. A new ENVAP project started in June 2013 and EISP has been included in the planning and consultation process. It appears that the two projects can work in an effective and complementary fashion.

From the above it can be concluded that the EISP project is well coordinated with other projects in the environmental infrastructure sector. There appears to be no important overlaps in terms of focus and activities between projects in the sector. Rather, synergies appear to be the case in mind.

3.6 Roles and mandates

The DPM is the principle partner for the EISP project. It is situated as a staff function in MEDEP outside the sectors. DPM is responsible for management of the projects financed by the international donors related to the environment and energy sectors. This cooperation with EISP is related mainly to waste management projects, but also increasingly includes wastewater projects. Due to the closing down of the Environmental Protection Fund, MEDEP now takes care of wastewater projects already started to be financed by this Fund. As such, there are obviously some overlapping responsibilities between the MEDEP and the Water Directorate. The Water Directorate is within the Ministry for Agriculture, Forestry and Water Management and is responsible for creation of water policy in the country, monitoring of implementation of water and waste water related projects.

The responsibilities of the Waste Management Department (WMD) in the MEDEP are related to overall waste management issues, including creation of waste management policy and strategy, issuing of waste management permits, etc. There is close collaboration between DPM and the WMD. For example, the WMD is responsible for providing technical inputs and data of the waste management projects to the DPM, and the WMD staff is systematically informed about the development of planned and implemented projects. Also, WMD staff occasionally visits infrastructure sites together with the DPM staff. The two departments will also work closely together in the development of the National Biodegradable Waste Plan. As these collaborative efforts are being further developed there will be a need for the two departments to strengthen their working procedures for coordination of project implementation and progress monitoring.

The municipalities have the responsibilities for municipal waste management and water and wastewater treatment within their jurisdiction. A PUC is assigned these duties in each municipality.

SEIO is an important partner for EISP as it coordinates all international development assistance in Serbia and has recently initiated the establishment of Sector Working Groups (SWGs).

The EISP programme has established good cooperation with key partners of the project. It appears that overlapping of responsibilities between MEDEP and the Water Directorate on matters related to wastewater issue is well known and DPM/EISP has been able to ensure adequate coordination in this sector. Eventually, however, any overlap should preferably be removed and institutionally formalised. Close collaboration will also be established with the Waste Department as it is expected to be the key link to the future work on a National Biodegradable Waste Plan.

3.7 Quality of Reporting

The main reporting structure of the EISP project have been the semi-annual Interim Reports, of which three have been available to the review team (IR no. 1, July-December 2011, IR no. 2, January-June 2012, IR no. 3, July-December 2012). In addition, an outline draft for IR no. 4, January-July 2013, was provided.

The IRs are structured in a very systematic way that overall provides the necessary information needed for stakeholders to decide on issues and take actions accordingly. The structure is as follows: A brief summary, a contextual section (key developments that affect the IESP project), brief description of framework for progress reporting, assessments of the EISP's five objectives, the logframe, development of EISP "relationships", i.e. coordination, collaboration, etc., financial summary, a risk assessment applying a Risk Matrix, and a conclusion section which summarises main achievements

and progress during the period in question. Finally, a work plan for the forthcoming period is presented. Also, reference documentation is included. As such the interim reporting is considered of high quality.

However, some room for improvements should be aimed at to further strengthen the structure and its basic simplicity. The work plans that are presented at the end of the IRs should be applied more clearly in the subsequent reporting, which they are currently not. Thus, it is not possible to assess progress based on the planning but on what may or may not be addressed during the period under reporting.

Also, considerations should be made to simplify the progress reporting methodology. The methodology would be strengthened by applying directly objectively verifiable indicators (based on SMART or Quantitative, Qualitative and Time principles) to each of the objectives (which really are outputs) and should be phrased in a generic form, and avoiding timing. If done so, the number of objectives/outputs could have been reduced to at least four. Such improvements could ease the reading of the reports of an outside audience and strengthen the overall progress measuring of the project's performance. With these suggestions in mind the overall assessment of the quality of current reporting practices is still considered to be of high value to stakeholders.

As mentioned in section 3.2 improved reporting on progress in capability and skills development of the DPM staff is important for measuring final project success. Therefore reporting in this area should be significantly strengthened and adequate methods and structures put in place.

3.8 Conclusion and recommendations

The review finds the EISP project successful in its current achievements. Two of the five objectives have been achieved (nos. 1 and 5) and generally good progression has been observed in the three remaining objectives (nos. 2, 3 and 4). The latter two particularly address the capabilities and skills development of the DPM staff (i) to become a full partner in to national and international funding institutions for the planning and preparation of project proposals and (ii) to implement effectively the management process of mature and quality pipeline projects available in the SLAP database. These objectives are both on-going efforts and will be so also after the EISP project has terminated, as will Objective 2. The overall objective is yet to be fully achieved.

The review team concludes that the success and progression observed in objective achievements indicate that the current strategic approach to environmental investments and process of work provided by the EISP should be continued – an approach that is supported in a recent review of Sida's support to environmental infrastructure in Central and Eastern Europe over the period 1995-2010.⁴

The review team recommends the following:

- Improve the measurement of the impact of capacity building/training on DPM job performance. This is crucial for measuring overall project success.
- Strengthen the working procedures between the DPM and the WMD regarding coordination of project implementation and progress monitoring.

⁴ Review of Sida's Support to Environmental Infrastructure and Reforms in Central and Eastern Europe, 1995-2010 – A Desk Study. Sida, December 2012.

- Improve ownership and sustainability of the EISP through (i) the continuous and strengthened capability support to the DPM staff, and through (ii) more active engagement of MEDEP Senior Management in the EISP project, including sharing of information and strengthening of coordination efforts in the environmental infrastructure sector.
- Strengthen the interim reporting with respect to work plans and simplifying the methodology for progress reporting.

4. Appraisal

The review team was asked to appraise MEDEP's request for an extension of the project and additional funding of €1M. The background documentation for the appraisal has been limited to the so-called Long List of Projects (Annex 4) which was produced by the MEDEP for requesting additional funding. It is the opinion of the State Secretary of MEDEP that these projects (i.e. nine projects and four technical assistances), are all implementable projects within the period of the extension requested, i.e. until the end of 2014.

In early 2013 it was noted that the operational risk (i.e. the ability of the DPM to implement projects and use funds effectively) had increased with the institutional changes, following the election in mid-2012 (IR no.3 p. 21). It was obvious that the delays called for an extension of the project and that all funds would not be possible to utilise effectively for project implementation. At the same time the Long List was presented by the MEDEP – which included a patchwork of different types of investment projects and a number of technical assistance activities. As this indicates sending mixed messages, it calls for an assessment of the absorption capacity of the DPM to utilise an additional funding of €1M as well as an assessment of its capacity to utilise the funds within the proposed extension period – considering other sources of funding than from project funds.

Of the initial budget for project implementation of €1,433.000, approximately €1,300.000 is left as of May 2013. With an additional funding request of €1M, the total budget for project implementation and technical assistance related activities comes to €2,3M. The Long List is incomplete and lack documentation with respect to budgets for the proposed projects and as such it is not possible to assess the likelihood of exhausting the proposed extended budget. From the budget data available in the Long List the investment costs (including technical assistance) come to €5M, of which €1,9M is for the “Spot treatment of existing waste leachate”.

Apart from incomplete and un-documented budgets the Long List provides rather sketchy information on project name and location, project partners, description of the project, expected results, activities to be carried out, estimated budget required, existing documentation (such as design and permits), and estimated completion dates.

4.1 Assessment of the release of an additional €1M

Two projects in the Long List have already been at the core of the DPMs work during previous interim periods, i.e. the Pančevo Regional Sanitary Landfill and the Čačak Transfer Station. The proposed budgets for these two projects are totalling approximately €1M, equally divided between the two. The review team's visit to the Pančevo Regional Landfill site and interviews conducted with key

municipal/PUC staff indicated that several of the bottlenecks identified in the Long List were in the process of being solved (e.g. institutional issues related to PUC and the project management set-up).

While progress on the Čačak Transfer Station project is not clear, it appears that activities required as prerequisites for setting in motion the investment is in place (e.g. fee/tariff structures, finalising main project design). As such, structures for investing in the two projects are settled to an extent where DPM support can be continued and funding provided.

Consequently, it is considered most likely that other projects on the Long List or, more likely, other equally relevant mature and quality based SLAP priority projects could be identified for investment, which will easily exhaust the remaining €1,3M. While the review team in principle therefore agrees to the release of the additional funding and the extension of the project until the end of 2014, certain critical issues should be taken into consideration before a full release is agreed upon by Sida and the MEDEP/Serbian Government. These issues are addressed below.

4.2 Project assessment and guidance

While attempts were made by the review team, in close collaboration with the EISP team, to assess the nature of each of the projects in the Long List and its relevance, effectiveness and sustainability, the efforts were not entirely successful, simply due to lack of useful information and limited knowledge of several of the projects by the EISP team.

The review team identified two important conditions for EISP funding of investment projects: (i) they should be listed in the SLAP system as priority and mature and quality defined projects, and (ii) the projects, or the technical assistance delivered, are to be completed within the extended time period (December 2014).

The EISP team has commenced its Long List field work in May 2013 for assessing and identifying investment projects. The review team suggests that the visiting projects listed in the Long List will be subject to an assessment of their (i) *relevance* – in terms of meeting priorities of national strategic objectives in the environmental infrastructure sector, (ii) *effectiveness* – to which extent they have a felt impact on the local/regional/national level, and (iii) *sustainability* – to which extent local/regional/national commitment and ownership is measurable, e.g. co-financing, assigned staff, establishment of PIUs, etc.

While using the SLAP questionnaire as a main tool for its field visits, it should be possible for the EISP team during its field work to identify relevant investment projects by integrating the above ‘evaluation guidelines’ to the assessment process, where the questionnaire may not cover these issues – and having in mind that investment projects should have SLAP priority and be implementable within the project extension period.

4.3 DPM capacity

Environmental infrastructure projects are technically feasible to implement during the course of the extended period, thus exhausting the combined current-extended budget of €2,3M. Therefore, the additional funding will assist in building the project pipeline and will potentially support capacity

building of DPM staff and its capability to manage and oversee the programming and implementation of at least €40M of environmental infrastructure projects (the overall goal of the project). Capability strengthening will however only occur if focused technical assistance is applied using effective methods for transfer of learning. Only then will it be possible for DPM to take up and institutionalise important management knowledge and skills.

One bottleneck is that the DPM staff appears to be overburdened with other work and the implementation responsible personnel in DPM, while being highly engaged and professional, are few, and may not be able to absorb the needed skills and knowledge to oversee execution of several projects effectively.

Therefore, the EISP project should prepare a *realistic* capacity development plan for the remaining part of the existing project and the extended time period (1,5 years) for achieving the EISP overall objective.

This plan should as a minimum take the following elements into consideration when drafted:

- (i) What exact capabilities are needed for the DPM to effectively manage and oversee pipeline project implementation (i.e. competences and training needs) by December 2014; and
- (ii) What particular technical assistance will be needed to meet these competences and needs – particularly identify the need for recruitment of consultants with strong ability to support in continuously developing relevant project implementation tools and in transferring effectively knowledge and skills to the DPM staff, applying measurement mechanisms for learning in the work place.

Based on this approach a balance could be struck between the Long List project assessment on the one side and the proposed capacity development plan for DPM for the remaining part of the project and its extension period, on the other side. From this approach clarity regarding the need for spending €2,3M would be possible. Such a process should be possible to initiate and complete over a period of one month.

4.4 Funding opportunities

Further to the release of the €1M the review team was asked to assess other sources of funding. Below is a brief assessment of these funding opportunities, primarily based on information provided by the IMG Team-leader.

There are several funding sources in the environmental infrastructure sector. The IPA is the principle instrument. IPA 2012 contained two main projects that the DPM is involved in – Subotica and Kalenić RWMCs. IPA 2013 includes technical support for MEDEP in terms of implementation of NEAS. The more significant aspect is the acceptance of the DIS accreditation for the Serbian Government for which the DPM will have a significant role. This is likely to take place from IPA 2014 onwards.

KfW manages mixed credit and grants to medium sized municipalities for water and wastewater projects. They have indicated they are interested to move into the solid waste sector. As mentioned previously the EBRD is due to set up a credit facility for small infrastructure loans applicable to the environmental sector (due mid-end 2013). Funds could be available from here.

A European Investment Bank facility for €150m was established about 3 years ago but was stopped by the Serbian Government because the projects did not exist to absorb the funding and the co-financing mechanism had not been established. According to the Bank the facility is still available if the government changes its mind. Various other donors – smaller donors, like the Dutch, Czech, Swiss and US governments – sometimes produce grant funding. Either as a pure grants, or tied to the donor's national interests.

4.5 Conclusions and Recommendations

As concluded under the review part the progress and achievements made so far in the EISP project supports for the continuation of the current strategic approach towards environmental infrastructure and the process of work of the EISP project.

The appraisal *recommends* that the EISP is extended for the time requested by MEDEP (up till the end of 2014) and that the additional funding of €1M for supporting investment projects, is – *in principle* – released for this purpose. Prior to the release of the funds certain critical issues should be taken into consideration by Sida and the MEDEP/Serbian Government. Based on these considerations, as outlined in section 4, the review team recommends the following:

- Projects identified for Sida funded investments should (i) be registered in the SLAP system as priority, mature and quality defined projects, and (ii) they should preferably be completed within the extended time period (December 2014).
- The EISP project must in addition to its use of the SLAP questionnaire for the assessment and identification of investment projects integrate 'evaluation tools' related to the projects' relevance, effectiveness and sustainability (as presented in section 4.2).
- The EISP project must prepare a realistic Capacity Development Plan for the DPM staff for the remaining part of current and extended period. The Plan will identify the staff's capability needs and the technical assistance needed to effectively meet these needs in order for the overall objective of the EISP project is achieved.
- Funding from other sources than Sida is available, and the utilisation of these sources should be optimised best possible for EISP investment projects.
- Strong MEDEP leadership is required to enable the best utilisation of the EISP project and its support to MEDEP's strategic purpose and the DPM staff. This will necessitate (i) the completion of the systemisation and management structure of the MEDEP, (ii) an operational focal point for the EISP at assistant minister level in MEDEP, and (iii) stronger efforts by MEDEP leadership to support the institutionalisation of products, processes and procedures delivered by the project at both operational and policy levels.

Annex 1 Terms of Reference (TOR)

Review of Swedish support to the Serbian administration to prepare a national project pipeline for environmental investments, “Environmental Infrastructure Support Project”.

1. Background

Sida supports the Ministry of Energy, Development and Environmental Protection (MEDEP) to increase its capacity to work with environmental investments and for Serbia to increase its uptake of environmental funding from EU IPA and other sources of funding, both grants and loans. The project's overall objective is that the Department for Project Management (DPM), within the Ministry (MEDEP), has the capability and tools to oversee the programming and implementation of at least €40m of environment infrastructure projects each year of accreditation and be ready for EU structural funds on accession.

The first phase, the inception, was finalized in June 2011 and was followed shortly by support to the main phase. The main phase runs from July 2011 to January 2014 and receives financial support of 25 MSEK. Sida receives semi-annual progress reports and partners hold semi-annual review meetings based on the reporting.

Sida has received a request from MEDEP for additional funding, in the amount of 1 M€, with the aim to up-scale the Department for Project Management's support to environmental infrastructure investment projects. The extension, including the additional funding, would be based on the same objectives and working methods as in the on-going cooperation. Sida would like to carry out a mid-term/near end review of the progress achieved so far and also appraise plans for an extension of the cooperation.

2. Objective

The assignment has two objectives. Firstly to review progress achieved so far within EISP and secondly to appraise the request for an extension of the project.

3. Scope of services

1. Review of progress made in EISP, 2010-2012:

- a. Study the progress reports and background documentation.
- b. Meetings with key stakeholders, including preparation of one visit to Serbia to meet with MEDEP, SEIO (Serbian EU-Integration Office), EU Delegation, Municipal Infrastructure Support Project (MISP, EU funded), Project Preparation Facility 5 (EU funded) Standing Conference of Towns and Municipalities, selected municipality and if assessed needed also other stakeholders.
- c. To analyse the performance of EISP;
 - To what extent have the project objective and expected results been achieved?
 - To briefly assess the effectiveness of various methods for capacity building.
 - To briefly assess the relevance and sustainability of the support in a country context, mainly Serbia's plans for EU accession.
- d. To review ownership, alignment and harmonization;

- To assess the degree of national ownership and the quality of the participatory process in project planning and implementation.
 - To what degree is the cooperation in alignment with national needs and priorities?
 - To what degree is the cooperation harmonized with other support, e.g. through MISP and PPF 5?
 - e. To analyse systems and routines to ensure quality in project implementation and monitoring and reporting:
 - Are the roles, mandates and coordination between the cooperation partners clear and beneficial to the cooperation?
 - Assess the means and quality of reporting and follow-up: documentation, communication and indicators used.
 - f. If needed propose recommendations, in relation to the above or any other issue of importance, relevant for the continued implementation of the project.
2. Appraise the request for an extension:
- a. Study the proposal and background documentation
 - b. Meetings with key stakeholders (same as 3.1 b).
 - c. Analyze the proposal and make needed recommendations in regards to relevance, effectiveness and sustainability. The following elements shall specifically be assessed and commented on:
 - Assessed need of additional funding for investment related support? The need should be put in relation to other sources of funding (current or planned).
 - Absorption capacity of MEDEP/DPM and the project to utilize additional funding? Could the project absorb more than 1 M€ during the requested extension period?

4. Expertize required

One/two international expert(s) and a Serbian expert are envisioned needed for the assignment. The team should have expertise and experience from work related to EU accession and environmental investments and institutional development/capacity building. The international expert(s) should preferably have experience from working in the Western Balkan region.

The assignment is estimated to require a maximum of 15 days for the international expert(s) plus a maximum of 8 days for the national expert. Translation should not be required.

5. Delivery of reports and time schedule

The assignment shall start latest 13 May 2013 and a draft report shall be delivered to Sida no later than 31 May 2013. The draft final report should be of maximum 20 pages and include a summary of maximum 2 pages.

Annex 2 List of Persons met

Vladan Zdravkovic, State Secretary, MEDEP

Biljana Jezdic, Head of DPM

Dragana Mehandzic, Project Manager in DPM, MEDEP

John Glazebrook, Team Leader, EISP

Srdjan Radovic, Consultant, EISP

Arunas Kundrotas, Environmental Policy Adviser, EISP

Sanja Knezevic, Sector Representative for Environment, SEIO

Zoran Malobabic, Director of PUC Higijena, City of Pančevo

Nikola Ugricic, Executive Director of PUC Higijena, City of Pančevo

Jovanka Dakic, Chief of Nova Deponija

Milica Jovanovic, Executive Director for Financial Issues of PUC Higijena, City of Pančevo

Vesna Kojic, SLAP Coordinator, City of Pančevo

Goran Markovic, Assistant Mayor of the City of Pančevo

Marija Marinkovic, Manager for Municipal Infrastructure and SLAP IS, SCTM

Boris Šćekić, SLAP IS Business Infrastructure Development, SCTM

Nedeljko Curic, SLAP IS Manager, SCTM

David Lyth, Consultant, MISP

Jean Claude Ah Man, Consultant, MISP

Ruggero Tabossi, Team Leader, PPF5

Marija Bogdanovic, Deputy Team leader, GIZ Impact project

Vibeke Christensen, Senior Project Manager, KfW

Branka Dajic, Project Coordinator, KfW

Tomas Nyström, First Secretary of the Swedish Embassy in Belgrade, Sida

Torgny Svenungsson, Counsellor, Swedish Embassy, Belgrade, Sida

Annex 3 List of Literature reviewed

Project related documents

- Project Proposal, Environmental Infrastructure Support Project, Belgrade, 6 December 2010, Ministry of Environment and Spatial Planning.
- Agreement between Sida and IMG on Environmental Infrastructure Support in Serbia, Main Phase, July 2011 – July 2014.
- Inception Report (January – June 2011), EISP
- Interim Report No. 1 (July – December 2011), EISP
- Interim Report No. 2 (January – June 2012), EISP
- Interim Report No. 3 (July – December 2012), EISP
- Interim Report No 4 (January – July 2013) – draft outline, EISP
- Ministry of Environment, Mining and Spatial Planning: Waste Project Pipeline and Bottlenecks, Power Point, no date.
- John Glazebrook and Srdjan Radovic: Project Pipeline, Power Point, no date.
- MEDEP: “Long List”, December 2012.
- White paper No2 for DSIP landfill. Components. Version 01042013 Typical components for the Regional Waste Management System in the Republic of Serbia
- White paper for DSIP Landfill - Closure. Version 8. Landfill Cover Options in the Republic of Serbia

Secondary documentation

- Review of Sida’s Support to Environment Infrastructure and Reforms in Central and Eastern Europe 1995-2010 – A Desk-Study, Sida/Indevelop, December 2012.
- Communication from the Commission to the European Parliament and the Council, Commission Opinion on Serbia's application for membership of the European Union, {SEC (2011) 1208 final}, 2011
- EC Progress Report 2011 COM (2011) 668 for Serbia
- European Partnership with Serbia from 18 February 2008 (2008/213/EC), 2008
- Stabilization and Association Agreement, 2008
- National Environmental Approximation Strategy – NEAS (Official Gazette of RS, 80/11)
- National Plan for Adoption of the Acquis (NPAA), 2013
- National Waste Management Strategy 2010-2019 (Official Gazette of RS, 29/10)
- National Sustainable Development Strategy (Official Gazette of RS, 56/08)

Annex 4 The Long List

	Project Name and Location	Project Partners (Ministry Dept, LSG, PUC or others)	Description	Expected Results	Activities	Estimated Budget required	Existing documents	Est. Complete date
1	Waste Water treatment plant in Kruščica settlement (Bela Crkva)	DPM, Sector for Nature Protection	The Czech Government finances sewage system with connections and procurement of equipment, as well as training for its use. MEDEP to finance the construction of wastewater treatment facility.	Waste water treatment facility in Kruščica settlement is constructed and put in operation.	- Agreement with municipality of Bela Crkva - Assistance in finalizing of tender documentation - Construction works	338.000 EUR	Main project design and building permit are finished.	Works could start in June 2013, considering that construction permit exist and works should be done by October 2014.
2	Pančevo Regional Sanitary Landfill	MEDEP DPM & Waste Dept., Pančevo City Administratio	Complete landfill based on €4m already spent.	Operationa l Regional Landfill;	- Technical Assessment; - Institutional development of PUC; - Repairs to landfill	€517,000 (€129,000 co-financing)	- Feasibility Study; - Project	October 2014 (Assuming start June 2013).

	Project Name and Location	Project Partners (Ministry Dept, LSG, PUC or others)	Description	Expected Results	Activities	Estimated Budget required	Existing documents	Est. Complete date
		n, PUC,			- equipment; - Procurement of compactor; - Operational training.	from LSG) Detailed costs collected.	Proposal; - Financing proposal;	
3	Cacak TS	MEDEP DPM, Cacak City Administration, Cacak PUC, Duboko PUC	Construct Cacak TS to improve sustainability of Duboko.	Operational TS; Improved sustainability of Duboko; Model for TS.	- Design of TS; - Financing of TS; - Agreement with Duboko on fees; - Construction of TS; - Operational Training for TS.	€600,000 (€100,000 co-financing from LSG). Detailed costs after design complete.	Main Project Design of TS in preparation;	Sept. 2014 (Assuming start of construction in September 2013)
4	Wastewater Wetlands Stara Pozova	MEDEP, DPM	System of wastewater wetlands is the natural way of treatment that has advantage in low	Waste water treatment system in Stara Pazova is	- preparation of technical documentation	- indicative budget 350.000 € (early estimation)		End of 2014

	Project Name and Location	Project Partners (Ministry Dept, LSG, PUC or others)	Description	Expected Results	Activities	Estimated Budget required	Existing documents	Est. Complete date
			energy necessary for operation, maintenance is simple, without big expenses.	constructed.	-construction of wetlands			
5	Wastewater Wetlands Ub;	MEDEP, DPM	System of wastewater wetlands is the natural way of treatment that has advantage in low energy necessary for operation; maintenance is simple, without big expenses.	Waste water treatment system in municipality of Ub is constructed.	- preparation of technical documentation -construction of wetlands	- indicative budget 350.000 € (early estimation)		End of 2014
6	Arilje Source Waste Separation project ‘Sourcing for Planet’;	DPM, Waste Dept., Arilje Municipal Administration	MEDEP needs to define a policy and cost on source separation for investment planning. Arilje has small, well prepared	Experience and data on source separation to contribute to DSIP;	- Develop project proposal with LSG; - Establish separation approach; - Increase collection area; - Promote good	€278,000 (€34,000 co-financing) Needs to be	Duboko Regional Waste Management Plan Project	Dec 2014

	Project Name and Location	Project Partners (Ministry Dept, LSG, PUC or others)	Description	Expected Results	Activities	Estimated Budget required	Existing documents	Est. Complete date
			proposal.	Source separation model within Duboko region.	practice example.	confirmed	Proposal	
7	Remediation of polluted sites in Zajaca settlement (Loznica municipality)	DPM,MEDEP	Zajača belongs to the municipality of Loznica. Environmental and occupational pollution from lead smelting, metallurgic activities and unremediated mine tailings dams in Zajaca are causing constantly increased blood lead levels of both environmentally exposed general population living in the smelter's vicinity and professionally	To clean up some of polluted sites in the settlement.	- Preparation of documentation - Works (clean up the polluted location)			Dec 2014

	Project Name and Location	Project Partners (Ministry Dept, LSG, PUC or others)	Description	Expected Results	Activities	Estimated Budget required	Existing documents	Est. Complete date
			exposed smelter workers and environment in the settlement is in danger.					
8	Sopot Treatment of existing waste leachate;	DPM, MEDEP	Construction of wastewater and sewage system is one of the priorities of the MEDEP considering of impact on water quality and environment.	Sewage system and wastewater plant constructed.	Construction of treatment plant Construction of sewage system	- indicative budget for the I phase 1.900.000.000 €	General project design is prepared.	
9	Waste water treatment plant in Kljaićevo	DPM, MEDEP	Construction of wastewater and sewage system is one of the priorities of the MEDEP considering of impact on water quality and environment.	Sewage system and wastewater plant constructed.	Construction of treatment plant Construction of sewage system	- indicative budget for the I phase 480.000 €	Preliminary design developed, and the City of Sombor-PUC Vodovod, at the moment is developing Major project	

	Project Name and Location	Project Partners (Ministry Dept, LSG, PUC or others)	Description	Expected Results	Activities	Estimated Budget required	Existing documents	Est. Complete date
Technical assistance								
	Project Name and Location	Project Partners (Ministry Dept, LSG, PUC or others)	Description	Expected Results	Activities	Estimated Budget required	Existing documents	Est. Complete date
1	Support to the DPM's actions developing Kalenic RWMC project;	DPM, RWMC Kalenic, PUCs	FS for RWMC Kalenic under review with DPM and EU. Support to DPM for additional activities in order to provide quality of FS and additional documentation needed for respecting co financing part.	DPM enables successful review of FS and properly and on time prepared technical documentati on needed for construction of recycling	- Measurement of waste; - Support to PUC; - Preparation of missing documentation support to the DPM's actions developing Kalenic RWMC project;	€120,000 Early estimate	EISP Justification; ToR and Contract for Measurement of Waste;	End of 2014.

	Project Name and Location	Project Partners (Ministry Dept, LSG, PUC or others)	Description	Expected Results	Activities	Estimated Budget required	Existing documents	Est. Complete date
				yards and TSs and purchasing of equipment that will be financed by MEDEP.				
2	Material flow management for waste for Kolubara district and waste water in 12 selected municipalities (Measurement and flow analysis for 4 seasons)	DPM, Kalenić PUC, Municipalities in the Kolubara district, 12 selected municipalities (Stara Pazova, Ub, Lajkovac, Koceljeva, Pirot, Apatin, Vranje, Kursumlija, Cajetina, Brus, Raska) .	Collection of dates and analysis necessary for revision of FS Kalenic. Measurements of wastewater flow during 4 seasons (24 hours)	Study material flow analysis for waste Study material flow analysis for waste water	- Project proposal & ToR; - Procurement of expertise; - Measurement and analysis of waste according to the existing legislation - Measurement and analysis of wastewater flow according to the existing legislation		FS for Kalenic	End of 2014

	Project Name and Location	Project Partners (Ministry Dept, LSG, PUC or others)	Description	Expected Results	Activities	Estimated Budget required	Existing documents	Est. Complete date
3	National Plan for Biodegradable Waste;	MEDEP Waste Dept., DPM,	National Plan required in law and for investment planning process and DSIP.	National Plan prepared.	- Project proposal and ToR; - Procurement of expertise; - -	€110,000 (early estimate)	DSIP Landfill; Waste management Strategy; National Environmental Approximation Strategy	Mid 2014
4	Support in revision of Waste Management Strategy	MEDEP, Waste Management Department, DPM	JASPER's team provides comments and suggestions for the Strategy, but does not improve the text, so it is necessary to contract additional expert to revised the text	Waste Management Strategy is revised	Involvement of experts on developing-improving the text of Strategy on the comments of JASPER'S team	30.000EUR	Waste Management Strategy National Environmental Approximation Strategy	1st quarter of 2014

	Project Name and Location	Project Partners (Ministry Dept, LSG, PUC or others)	Description	Expected Results	Activities	Estimated Budget required	Existing documents	Est. Complete date



Review of Swedish support to the Serbian administration to prepare a national project pipeline for environmental investments, “Environmental Infrastructure Support Project”

The assignment consisted of a review (mid-term) of project results and an appraisal of a proposal for extension. The review found that the project had already achieved two of the five project objectives and had generally made good progress on the remaining three objectives. The objectives achieved so far are the development of a first project pipeline and completion of the upgrade of the national project database for environmental projects. The strategic approach of the project was commended and a continuation of the approach was recommended. The review further recommended to improve the measurement of the impact of the capacity building activities and to continue the efforts within the project to increase the involvement of the responsible Ministry's senior management through different activities.

SWEDISH INTERNATIONAL DEVELOPMENT COOPERATION AGENCY

Address: S-105 25 Stockholm, Sweden. Office: Valhallavägen 199, Stockholm

Telephone: +46 (0)8-698 50 00. Telefax: +46 (0)8-20 88 64

E-mail: info@sida.se. Homepage: <http://www.sida.se>

