



Country Evaluation

Cooperation Strategy Serbia 2010 – 2013

Evaluation and Corporate Controlling Division





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Contents:

- I Evaluation Abstract**
- II Management Response**
- III Evaluators' Final Report**

Annexes

Bern, November 2013

Evaluation process

Evaluations commissioned by the Swiss Agency for Development and Cooperation (SDC) Senior Management were introduced in SDC in 2002 with the aim of providing a more critical and independent assessment of SDC activities. These Evaluations are conducted according to the OECD DAC Evaluation Standards and are part of SDC's concept for implementing Article 170 of the Swiss Constitution which requires Swiss Federal Offices to analyse the effectiveness of their activities. Joint SDC/SECO programs are evaluated jointly.

SDC's Senior Management (consisting of the Director General and the heads of SDC's departments) approves the Evaluation Program. The Evaluation and Corporate Controlling Division, which is outside of line management and directly reporting to the Director General, commissions the evaluations, taking care to recruit evaluators with a critical distance from SDC.

Country strategy evaluations

The Evaluation and Corporate Controlling Division of the SDC has evaluated a range of Co-operation Strategies in the past. In view of the decentralization of program steering responsibilities to Swiss cooperation offices, a new "peer" concept of country programme evaluation is currently being piloted. These evaluations are realized by a team consisting of an external consultant as well as SDC internal peer persons.

The goal of the country strategy evaluations is to enhance the coherence of Swiss development cooperation in regard to national development priorities.

The main purposes of such evaluations are: learning (evaluation concept based on peer exchange represents an added value for learning), steering and strategic management (Swiss cooperation offices and operational divisions benefit from their contribution especially to the definition of a new cooperation strategy), accountability (results of these evaluations are synthesized to report on the Federal Council Dispatch on international development cooperation).

The evaluation results are based on the analysis of existing documents and are augmented by a field visit which includes peer exchanges and semi-structured interviews along the four Evaluation Areas: EA1 Context analysis, EA2 Relevance and appropriateness of projects/programmes with regard to the current strategy, EA 3 Implementation of the strategy and its portfolio and EA 4 Results achieved in relation to the results at country level. The Final Evaluators' Report is published together with the management response of the head of the responsible operational unit.

Time table

Step	When
Approach Paper of the evaluation	October 2012
Desk study and inception report	November 2012 - January 2013
Peer review on-site and final report	January - February 2013
Final evaluation report	April 2013
Management Response SDC and SECO	May - June 2013

I Evaluation Abstract

DONOR	SDC – Swiss Agency for Development and Cooperation SECO – State Secretariat for Economic Affairs / Switzerland
REPORT TITLE	Country Evaluation. Cooperation Strategy Serbia 2010 – 2013
GEOGRAPHIC AREA	Serbia
SECTOR	Country programme
LANGUAGE	English
DATE	April 2013
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Subject Description

This evaluation analyses Switzerland's cooperation with Serbia as defined in the Cooperation Strategy (CS) 2010 – 2013. The CS's overall goal is to support Serbia's efforts towards European integration, by contributing to i) improving social inclusion and reducing poverty, and ii) increasing the competitiveness of its economy. It is structured around four domains: Economic Development, Rule of Law and Democracy, Education, and Energy Efficiency and Renewable Energy. In addition to the bilateral interventions, Switzerland supports Serbia on around 20 regional programmes, mainly economic issues. Gender and good governance have been defined as transversal themes.

The cooperation programme is implemented by the two federal agencies: the Swiss Agency for Development and Cooperation (SDC) and the State Secretariat for Economic Affairs (SECO). Moreover, the Federal Office for Migration (FOM) provides support through its migration partnership, which aims to improve Serbia's migration management capacities.

Evaluation Objectives and Methodology

In keeping with the concept (SDC 2012a) and content and question guide (SDC 2012b), the country evaluation uses a mutual learning process to assess whether Switzerland is achieving the strategic objectives of the CS in Serbia, and how efficiently the strategic and operational steering mechanisms of the Swiss Cooperation Office (SCO) have been put in place.

An Inception Report summarizing the findings of an extensive document review of key documents, such as the annual reports and selected evaluation reports, was the basis for the field mission in Belgrade, which took place from 20 - 29 January 2013, and was conducted by a team of three peers from SDC and SECO, one international and one national consultant.

The evaluation report is structured according to the 4 Evaluation Areas (EA): EA 1 Context analysis, EA 2 Relevance and appropriateness of projects, EA 3 Implementation of the CS and their portfolio, and EA 4 Results of the CS in relation to the results at country level.

Major Findings and Conclusions

Evaluation Area 1: Context analysis

The CS Serbia 2010 – 2013 addresses the main challenges facing Serbia and supports the country's overall objectives in its transition process and efforts to secure EU accession, which is the main driving force behind the political reform agenda. The simultaneous intervention at national level and the geographical focus on the disadvantaged Southern regions are relevant. It allows Switzerland to create synergies, get involved in policy dialogue and design and implement specific projects, which generate added value. It would be relevant to

integrate migration considerations more explicitly in the Swiss Serbia bilateral programme. More attention should be paid to gender inequalities and corruption. The focus on good governance principles should therefore be further developed.

The SCO demonstrates high awareness on context analysis. However, this could be further enriched by enlarging the source base with think tanks or national watchdog NGOs in order to validate the context analysis from different perspectives. (EA 1)

Evaluation Area 2: Relevance and appropriateness of projects with regard to CS

In general, the bilateral project portfolios are broad and are characterized by diversity of topics and large number of projects. In spite of their breadth, the portfolios are relevant with regard to the CS overall goal, but pose challenges in respect of follow-up, supervision and ensuring coherence.

The cooperation programme includes a variety of instruments and aid modalities implemented at subnational and national levels, and a good mix of competent and relevant partners. Besides the bilateral projects which will continue to play an important role, there are a couple of regional programmes, which substantially contribute to domain outcomes, especially in the area of economic development. The current portfolio provides an excellent basis for the upcoming CS 2014 – 2017.

The Swiss Cooperation Office focused strongly on gender, whereas good governance has not been applied as a transversal theme.

Evaluation Area 3: Implementation of the CS and their portfolio

Due to its unique role in promoting EU accession as a non-EU country, Switzerland is adding value to its cooperation with Serbia. Switzerland is well appreciated by national partners and other donors for its quality and flexible need-based services. Switzerland's efforts to link national reform processes with local level actions in the disadvantaged Southern region is especially well recognized. Due to voluntarily low Swiss visibility, cooperation opportunities with other donors might not have been exploited to the full extent. Unfortunately the current CS monitoring system only produces reliable data to a limited extent, which makes it difficult to report results based on evidence.

Due to the more HQ-driven project management set-up, SECO's Economic Development portfolio is only partially congruent with the CS even though good results have been generally achieved. With the new organisational structure, which includes the new Countries and Global Portfolio unit (WELG), the overall coherence of the portfolio will be more strengthened and adequately streamlined.

Evaluation Area 4: Results of the CS – in relation to the results at country level

In the absence of a clearly defined results framework for the different domains, the lack of a comprehensive CS monitoring system with quality indicators and rigorous data collection methods, and missing impact studies, it is difficult to objectively assess how Swiss intervention has helped, and to estimate the significance of its contributions to correspondent country development results.

The Swiss cooperation programme has generated diverse innovative approaches and has supported scaling-up efforts. Key promoting factors in this endeavour are the competent, well-placed and committed national partner organizations, which guarantee ownership and foster sustainability.

Recommendations and Lessons Learnt

Evaluation Area 1: Context analysis

- By taking the EU accession as the only scenario, the main pillars of the current CS, which support Serbia's transition process in economic development, decentralization and local governance, should be consolidated and further developed in the new CS 2014 - 2017.
- Provide continued support to increase Serbia's institutional migration management capacities, and explore and test innovative economic interventions that support the migration agenda.
- Systematically monitor key context factors such as gender inequalities, rule of law, political power changes and good governance principles.
- As a non-EU member with strong relations to the EU, Switzerland is seen as a reliable and neutral partner and thus able to add value in Serbia's EU accession process. Switzerland can contribute to national reform processes mainly through a strong focus on implementation at the local level. (EA 1)

Evaluation Area 2: Relevance and appropriateness of projects with regard to CS

- Streamline the portfolios by possibly reshuffling the interventions / instruments from the current domains of Economic development and Rule of law and democracy in order to foster public sector reform efforts and private sector development with a strong focus on inclusive income and employment generation.
- Carefully evaluate the current energy sector interventions and study the feasibility to develop infrastructure measures at the municipal level, with a focus on social inclusion.
- Strategies to scale up and multiply innovative experiences and approaches include policy dialogue efforts for which appropriate financial and other resources have to be allocated.
- Give strong focus on streamlining good governance principles, in particular on transparency and accountability.

Evaluation Area 3: Implementation of the CS and their portfolio

- Considering the increased financial commitments, and to add value to the cooperation programme through more intensified policy dialogue in key thematic areas, the SCO staffing needs to be critically assessed. Possibly, capacities need to be enhanced. In order to produce more valid and reliable data on aid effects, invest in rigorous, quantitative evaluations of interventions. These investments will contribute towards improved aid effectiveness at project, programme and country level.
- Promote social inclusion wherever possible in all domains through appropriate results statements at outcome level and by exploring synergies within the cooperation programme.

Evaluation Area 4: Results of the CS – in relation to the results at country level

- Integrate the expected results of regional initiatives (SDC, SECO) and of the migration partnership into the Results Framework (RF) of the new CS. Adjust the reporting system accordingly.
- Explicitly address in the intervention designs how scale will be achieved through policy dialogue, alliances, and networking. Pay special attention to creating job opportunities for marginalized groups (Roma, IDPs).

- Political economy and political realities are key factors for reform processes. They give insights into project progress and build a good basis for shaping and planning cooperation strategies.

II Management Response

Management Response to the Country Evaluation Cooperation Strategy SERBIA 2010-13

by SDC Cooperation with Eastern Europe: Western Balkans Division
SECO *Economic Cooperation and Development*
Swiss Cooperation Office Belgrade

Note

The management response reflects the common position of the evaluated units unless otherwise indicated by:

SDC - SDC Cooperation with Eastern Europe: Western Balkans Division
SECO - SECO Economic Cooperation and Development
SCO - Swiss Cooperation Office Belgrade

General appreciation of the Evaluation report

We wish to thank the Evaluation Team for a thorough analysis of the Cooperation Strategy Serbia 2010-13, and their valuable input and recommendations for the forthcoming Strategy 2014-17. We generally agree with the findings, and provide our detailed observations in the table below.

SDC:

The final report (April 2013) with its clear structure (each Evaluation Area being split into tables on conclusions and recommendations) is easy to read. With the evaluation abstract summarizing the recommendations even to a larger extent, the lecturer can bundle and remember the recommendations. The conclusions confirming the relevance and achievements of the current strategy are traceable.

SECO:

SECO welcomes the opportunity provided to participate in this Country Evaluation. Considering that SECO and SDC have a joint cooperation strategy in Serbia and are running a joint office, a common evaluation exercise was highly appreciated and mostly appropriate and contributed to constructive exchanges and to further strengthen synergies and harmonised approach at country level. The fact that SECO was part of the peers team was very much valued; it ensured that SECO perspective was adequately reflected in the evaluation, while contributing to internal learning within SECO.

Regarding the applied methodology, SECO benefited and learned a lot from the methodology developed by SDC for country evaluation. Considering that it is still in a testing phase, it was an excellent opportunity to test it as well in joint priority country of SECO and SDC. Depending on whether or not similar exercises would take place, it would be necessary to consider potential adjustments to better reflect particular circumstances were SECO and SDC are sharing joint strategies. The process itself would need adjustments in order to define a clear delineation of responsibilities in the steering of the evaluation from SECO-SDC HQ

perspectives and to ensure that both agencies are adequately and timely consulted and associated, in particular at the beginning of the process (ex. briefing meetings). The methodology would also need to be considered, to ensure that it adequately reflects organisational particularities and instruments of both institutions.

Regarding both objectives of learning and accountability, we consider that this evaluation provides a useful reference document for the elaboration of a new cooperation strategy. It therefore certainly serves a learning purpose. However, from an accountability perspective, we doubt that such a report fulfils the expectations in terms of external communication on results achieved. For an external reader, the report is rather technical and is difficult to be considered as a stand-alone document, if the content of the Cooperation Strategy is not already known. Regarding the results, apart from the relevance criteria, it does not provide a comprehensive picture of what has been achieved under the Cooperation Strategy.

Conclusions and recommendations are certainly interesting and will contribute to stimulating discussions. The report rightly confirms the need to further strengthen monitoring instruments at country level, and pertinently raises the question of the monitoring of regional programs. The causal link is sometimes difficult to follow between what the reviewers have understood and the conclusions they draw; this is probably due to the fact that briefing meetings were suboptimal to grasp the way SECO is organised (thematically and not geographically) and the instruments applied in the project cycle management. Caveat also lies in the number of recommendations, which could have been better prioritised to ensure that they will be effectively implemented.

SCO:

As regards the overall objectives of the Cooperation Strategy Evaluation (chapter 1.1.), the SCO Belgrade has confirmed the usefulness of mutual learning sequences along with the review in January 2013. The defined Evaluation Areas (context analysis / relevance and appropriateness of projects with regards to CS, / implementation of the CS and their portfolio / results of the CS in relation to results at country level) were suitable for answering important questions in preparing the forthcoming CS, therefore allowing assessing Swiss contributions to the national development agenda. Whether good practices and innovative approaches have been identified and would in future contribute to share experiences beyond the SDC Serbia context (the 3rd objective as per chapter 1.1.) remains questionable: the well-balanced findings as presented now give rare reference points for extraordinary achievements / innovations or failures only.

However, as pronounced opinions are scarce in the report, this gives the overall impression that not much additional relevant information could be gathered that goes beyond insights gained in periodic internal reviews and appraisals.

Management Response by Evaluation Area

Evaluation Area 1: Context analysis

Purpose: Appraise how well the CS reflects the development priorities of the partner country and the policies of the Federal Council Dispatch (FCD).

Recommendations to:	Management Response
<p>R1 Rather than defining contrasting development scenarios, it is advisable to take the EU accession as the only scenario, to define downward risks (i.e. factors that slow down or disrupt reforms) and promoting factors and focus the context monitoring on them. (Base: C1, C2, C3)</p>	<p>SDC and SECO agree with this recommendation.</p>
<p>R2 The main pillars of the current CS which support Serbia's transition process in economic development - with its financial sector programmes and business environment reforms, trade cooperation and systemic market development in Southern Serbia – and in decentralization and local governance should be consolidated and further developed. (Base: C3)</p>	<p>SDC and SECO agree. In fact, SECO is in the process of consolidating and further developing its portfolio based upon the main pillars of the CS.</p>
<p>R3 Irrespective of the future of the current education domain (see EA 2), it is important to keep social inclusion as part of the CS goal, and to consider ways to address social inclusion more explicitly in all domains (with specific objectives and disaggregated indicators) as well as through specific interventions targeting excluded groups (Roma, Internally displaced persons IDPs). (Base: C4)</p>	<p>SDC agrees as regards to keeping social inclusion in the overall goal; partially agreed as regards to social inclusion 'concept' as presented in the report; disagreement concerns: (i) the targeted groups should include all ethnic minorities (e.g. Albanians, Bulgarians etc.) rather than IDPs (the latter being specifically targeted by FOM contribution to the Regional Housing Programme); further developing the social inclusion concept / agenda in the Swiss programme (answering to factors of social exclusion such as ethnicity or language, gender, age, disability, etc.) is required to develop new ideas and projects.</p>
<p>R4 Contribute to increasing Serbia's capacities to deal with immigrants, especially with asylum seekers from other countries. Provide more information to potential migrants about the Western European</p>	<p>SDC Partially agreed. The IMZ Strategy 2013-2016 defines the priorities of the migration portfolio including migration dialogue; interdepartmental decisions / priority setting is functional and will not be re-</p>

<p>countries' asylum systems and the legal ways of emigration, and raise awareness about the risks of irregular migration. (Base: C3, C5)</p>	<p>ferred extensively in the future CS; the Asylum system is already being addressed through a FOM financed project, also the awareness raising is included in some FOM financed projects and is addressed in the migration dialogue.</p>
<p>R5 Address and integrate the developmental potential of returning migrants for their home region. Explore innovative interventions, identify and support opportunities for migration in the area of economic development and in the promotion of sustainable trade by SECO. (Base: C3, C5)</p>	<p>Migration & Development will be addressed through SDC's contribution to the IMZ strategy migration partnership with the Western Balkan.</p> <p>For SECO the nexus migration and economic development is pertinent and will thus scout for projects/programmes that harness and boost the economic potential of migration.</p>
<p>R6 Corruption as a major context element might be mentioned more explicitly as a risk factor and should be reflected in the new CS and its portfolio. It could also be tackled within the transversal governance approach with a specific key focus. (Base: C9)</p>	<p>SDC and SECO agree.</p> <p>The transversal theme of governance requires to be reflected in the future results framework, at least for selected principles (accountability, transparency, non-discrimination, participation and/or effectiveness); reference should be made in the annual reporting.</p> <p>The fight against corruption is an implicit strategic goal not only of the activities under the governance pillar but also those under the economic development pillar. In fact, improving public financial management (both at the central as well as the local level) explicitly aim at enhancing accountability and transparency. Corruption as a risk factor is explicitly being taken into consideration in the project design and subsequent monitoring.</p>
<p>R7 Systematically monitor relevant key context factors such as gender inequalities, rule of law and corruption (also at local level), political issues such as changes in political landscapes (at national and local level), and selected good governance principles (e.g. accountability, transparency). (Base: C7, C8)</p>	<p>SDC and SECO agree.</p> <p>Reference should be made in the annual reporting.</p> <p>Key context factors should also be duly taken into account during the identification and design stage of new projects/programmes.</p> <p>On political changes, the annual MERV is the appropriate instrument.</p>

R8 Continue to invest in context analysis by pro-actively involving the view of the main partners. Involve additional stakeholders in MERV context analysis such as external consultants, think tanks, national watchdog NGOs in order get balanced interpretation of the context development validated from different perspectives. (Base: C8)

SDC disagrees. The MERV is done following the instructions of the SDC guidelines The SCO is conducting sector specific context hearings with key partners in preparation of the annual report. In addition, the weekly coordination meetings with the Embassy provide useful insights for the context analysis. The Embassy is as well involved in the elaboration of MERV.

SECO agrees with this recommendation. MERV might be an appropriate vehicle. Other options might be explored for SECO specific interventions.

R9 Pay even more attention to political economy and to conflict aspects in the context analysis. Explain more explicitly (i.e. in Annual Reports) the implications for programme development and implementation as well as for policy dialogue. (Base: C8)

SDC and SECO agree.

Elements of political economy analysis are known, with specific findings being recent (e.g. IDS-study, as an input for CS-elaboration); implications should be reflected increasingly in project proposals.

Evaluation Area 2: Relevance and appropriateness of projects with regard to CS

Purpose: Appraise the coherence of the project portfolio with the CS and its relevance for achieving the country/domain objectives.

General response regarding Evaluation Area 2:

SDC:

- The remarks on complementarities are interesting and show clear potential for the future strategy.
- Unfortunately, the four figures in the chapter remain ‘uncommented’ and are therefore not very speaking.
- Also, it does not become evident, what facts led to the findings as presented, e.g. governance is seen as a domain with ‘rather loosely related governance areas’ while education is described as quite consolidated however not taking into account the full range of projects (e.g. teachers development and joint Roma education have very different approaches).

Recommendations to:	Management Response
R1 Programme development should aim at streamlining the portfolio and strengthening those dimensions that will become more important under the new strategy. Other interventions and emerging opportunities may well merit support, but their follow-up should not detract from the CS orientation and absorb SCO capacities disproportionately. (Base C1, C3)	SECO and SDC acknowledge the need to streamline the overall portfolio. Concrete efforts are underway in this regard. As a consequence this might lead to larger but fewer projects. Nevertheless, small pilot projects might still be required for identifying new approaches or for developing new projects.
R2 Enhancing focus and internal coherence of the new strategy includes reducing the number of domains. It is advisable to concentrate and innovate within the current domains to enhance the strategic focus rather than embarking on totally new themes. Thus, adding health as a new domain seems questionable, even if needs, potential and relevance are obvious. (Base C1)	SDC and SECO agree with the recommendation to reduce the number of domains. The new CS 2014-17 is going to focus on three domains (instead of four). SDC agrees not to enter into the health sector, in particular as the potential of a bilateral programme is questioned in the current context and confirmed through a specific assessment.
Economic Development (ED)	
R3 In view of the new strategy, it is advisable to assess the domain to strengthen its coherence and structure. Consider to split the current ED domain into two domains (Base C2, C3):	SDC and SECO disagree to split this domain: see set-up of the draft concept note of the future cooperation strategy.

<ul style="list-style-type: none"> • Private sector development, composed by the sub-domains trade cooperation and the making markets for the poor. The domain would have a strong focus on inclusive income and employment generation. • Public sector reform. Interventions from the sub-domains in financial and business environment reforms with selected projects from the RLD domain. Such new domain interventions increase the coherence of the portfolio, and foster an even closer link between local and national level. 	
Rule of Law and Democracy (RLD)	
<p>R4 Explore the potential to further enhance the focus on local governance, well recognized as Swiss specialty, and maybe to design it as a domain in the new CS. (Base C4)</p>	<p>SDC and SECO agree with this recommendation. Switzerland has a good track record of expertise in this field.</p>
<p>R5 Strengthen the linkages of the current local governance portfolio with interventions in Public Finance Management (PFM) (currently under the ED domain), both at national (fiscal decentralization) and local levels (see R3 ii). The latter could include the current support to municipal assemblies. (Base C4, C5)</p>	<p>SDC and SECO have discussed synergies of current and future activities on the local and central government level in support of PFM capacities and strengthening fiscal decentralization. This will be reflected in the new strategy.</p>
Education (EDU)	
<p>R6 Build on the current portfolio assets (partners, experiences, components of existing programmes) in the new CS because they are highly relevant for topics like youth employability and skills development, social (Roma) inclusion or local administration reform (e.g. role of LSG financed regional training centres for local capacity development). (Base C5)</p>	<p>SDC agrees that current portfolio assets have to be recognized. That does not mean that current partners will remain partners under the future strategy though. ‘Structure follows strategy’ as a principle. Meaning that once the social inclusion / youth and employability elements are further conceptualized, an open process can help to find the best partners during implementation. Avoid that regional centres are understood as compulsory entry points for entering youth employability & skills development. These centres should in future be considered or as private business or as public-private utility (financed by municipalities and participants’ fees) however their capacities to develop into skills development centres still has to be proven.</p>

Energy Efficiency and Renewable Energy (EERE)

R7 Evaluate the further engagement in the energy domain with regard to an increased coherence in the portfolio (e.g. link to local governance), and the policy guidance of the Dispatch 2013 - 2016 concerning Sustainable Integrated Urban Infrastructure and develop infrastructure measures at the municipal level. Think about a more active engagement in the policy dialogue with a focus on social inclusion (tariff policy). (Base C6)

SECO takes note of this recommendation and will focus on the collaboration with municipalities for upcoming projects. A pre-assessment of municipalities as possible new partner has started in May 2013. In view of the implementation of the newly adopted law on the rational use of energy, which stipulates the consumption based billing, the dialogue with municipalities and public utilities about their tariff policy will be increased.

Regional programmes

R8 Reflect the regional programmes in the upcoming CS as important part of the portfolio. Focus the SCO follow-up and policy dialogue on those possible few regional programmes that are critical for achieving the domain outcomes, and coordinate appropriately with HQ responsible staff for those regional programmes. (Base C7)

SDC partially agrees. SDC regional programmes are developed either by HO or by SCOs based on strategic topics of the entire division, not necessarily covering the priority domains of the CS ; SDC is not breaking down the financial figures to a country level (different handling than SECO).

SECO agrees with this recommendation.

Transversal themes

R9 Clearly identify the gender inequalities to be addressed in the new CS and define concrete actions on how gender should be mainstreamed. (Base C8)

SDC agreed partially. The CS is probably not the right document to define concrete actions (better placed at project proposal level) or does not even allow to clearly identifying deficits. However if the recommendation aims at asking for more precise statements on where and why gender inequalities are to be identified/addressed, this is very important.

A recommendation on the second transversal theme – governance – is unfortunately not included here.

For SECO, gender did not explicitly constitute a transversal theme under the previous framework credit (2008-2012). Yet it has been taken into account to the extent possible when identifying and designing new projects/programmes. It is part of SECO risk assessment, according to a "do no harm" principle. Regarding monitoring, it is part of the logframe, when thematic projects allow for such disaggregated reporting.

Evaluation Area 3: Implementation of the CS and their portfolio

Purpose: Appraise the efficiency of the portfolio management by the SCO and its contribution to an optimal achievement of results.

Recommendations to:	Management Response
<p>R1 Implement the new SECO organizational structure and measures with the support of the Countries and Global Portfolio unit (WELG) to strengthen the country perspective in SECO's operations, to increase the coherence in the country portfolio, and to foster Switzerland's aid transparency, predictability and accountability through proactive information provision on on-going and planned interventions. (Base: C1, C2, C3, C4, C5)</p>	<p>SECO agrees. The organizational structure of SECO-WE has been adapted and entered into force on 1 January 2013. WELG has been operational since mid-February 2013 and is playing an important role in the project approval process of SECO-WE. By doing so, the coherence in the country portfolio is improving as well as the provision of information related to on-going and planned interventions.</p>
<p>R2 In the light of SCO's limited human resources capacities, commission external professional consultants to help identify and supervise any new projects in the energy domain. (Base: C3)</p>	<p>SECO supports this recommendation. Actually, for the pre-assessment of municipalities as possible new project partners, an external consultant has already been contracted. Additionally, all technical clarification and project development work, will be mandated to external consultants. However, the responsibility for the coordination of the local stakeholders of a new project will stay within SCO.</p>
<p>R3 Use monitoring and evaluation techniques that ensure more rigorous data. The CS monitoring system should be based on key indicators which are relevant, reliable and realistic. To better estimate the significance of the Swiss contribution, it is necessary to collect baseline data and define target values. Further encourage national partners to invest in project monitoring systems and provide assistance with the implementation. Evaluate outcomes to show your programme is making a difference. Conduct – possibly with other donors – impact evaluations for identifying adapted intervention options in critical areas such as social inclusion concerns. (Base: C4, C5)</p>	<p>SDC and SECO partially agree The monitoring system of the current CS was one of the first systematic tools and has to be seen as a pilot tool within SDC, contributing to the current results framework standard. Base line data collection and target formulation need to be improved.</p> <p>Impact evaluations are huge undertakings and have to be performed very selectively.</p>
<p>R4 Regarding the gender theme for the new CS, i) avoid any parallel reporting system on gender; ii) focus on key projects and areas and include specific indicators in the Results Framework to monitor domain outcomes</p>	<p>SDC agrees.</p> <p>SECO agrees in principle with these recommendations, although it</p>

<p>and for annual reporting; and iii) make use of the available disaggregated data. (Base: C6)</p>	<p>will elaborate some basic principles on how to address the gender dimensions under the new framework credit (2013-2016).</p>
<p>R5 Include in the Annual reports the results of the migration partnership and the regional / global initiatives to get a full picture of results achievements. (Base: C7)</p>	<p>SDC agrees concerning migration partnership and will be reflected in the Annual Report 2013.</p> <p>Regional initiatives are reported in the unit where they are managed (e.g. HO or other SCOs, depending on the themes).</p> <p>SECO agrees with this recommendation.</p>
<p>R6 Mobilize financial resources and professional support to increase public relation activities and to improve communication of results (as foreseen in the communication strategy). Use these financial resources in particular to organize information events, but also to publish publications, for the update of webpage information, and for the use of social media. (Base: C9)</p>	<p>SECO and SDC in principle agree with this recommendation. It should, however, be clarified where these financial resources would be coming from. Outsourcing might be required.</p>
<p>R7 Further explore synergies in the Swiss cooperation programme to promote social inclusiveness wherever possible (Roma, education, access to services, employability, gender). Also better explore synergies in the parts of the portfolio related to decentralization and local governance, PFM reform. However, synergy promotion should not be artificial, but need-based driven. (Base: C11)</p>	<p>SDC and SECO agree to further explore synergies throughout the portfolio.</p>
<p>R8 In view of the increased financial commitments and intensified policy dialogue within the future CS, one critical factor will be the accurate staffing of the SCO. This challenge will require further attention, along with the development of a comprehensive (enlarged) programme. (Base: C12)</p>	<p>SECO takes note of this recommendation and will support efforts to improve the staffing issue.</p> <p>For SDC, number of staff, size of projects, mix of aid modalities, extent of decentralization, and also organization of work are all elements of 'accurate staffing'. Therefore the increased financial commitments under the future strategy do not mean more personnel to be employed, but internal re-shuffling of tasks, more efficient procedures etc. Also out-sourcing could be a solution for selected temporary tasks (e.g. Public relations or project identification).</p>

Evaluation area 4: Results of the CS – in relation to the results at country level

Purpose: Appraise and compare the contribution of the Swiss Cooperation portfolio, at the output and outcome level, to the achievement of development results of the partner country.

General response regarding Evaluation Area 4:

The recommendations and the instruments as proposed are appropriate. But whether the current strategy contributed to the achievement of national development results is not really reflected in the conclusions/findings.

Recommendations to:	Management Response
R1 Establish within a domain a platform for sharing information and good practices, which could enhance the contribution to policy development. (Base: C2)	SECO and SDC in principle agree with this recommendation. It should, however, be assessed in advance how such a platform would function in practice. In addition, the regional (SDC) DLGN, E+I and migration networks as part of SDC's thematic networks take on this function.
R2 When strategically relevant for the CS (i.e. strong link with domain outcome) integrate the expected results of regional initiatives (SDC, SECO) and of the migration partnership into the CS Results Framework (RF). Adjust the reporting system to likewise report on their results achievements. (Base: C2)	SECO and SDC agree that Migration and Development (mainstreaming) should be reflected in the RF. Migration partnership is not part of the CS Results Framework though (different strategy, IMZ).
R3 Explicitly address in the intervention designs how scale will be achieved through policy dialogue, alliances, and networking. This is especially important for the M4P's systemic approach, which bases its dissemination strategy on facilitation and limited direct support. Pay special attention to create job opportunities for marginalized groups (Roma, IDPs). (Base: C5, C6)	SECO and SDC agree with the first sentence of this recommendation. It warrants mention that SECO/SDC already put particular focus on achieving scale through policy dialogue, alliances, and networking. SDC agrees that marginalized groups have to be given special attention in all domains. SDC partially agreed on concerning the focus on Roma and IDPs – marginalized groups include also Non-Roma / non-IDPs living under poor conditions.

R4 Involve potential partner organisations (other donors, national institutions, civil society organizations) to scale up promising innovations right from the testing phase to create interest and ownership. Consider supporting strategic and important national organisations so that they can achieve institutional sustainability (SIPRU, SCTM). (Base: C5, C6)

SECO and SDC in principle agree to involve potential partner organizations from the very beginning of the PCM. This is nothing new but an agreed principle.

December 19 / 2013



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III Evaluators' Final Report

The Evaluation report for the country evaluation of the Cooperation Strategy Serbia 2010 – 2013 has been elaborated in collaboration with SDC's Evaluation and Corporate Controlling Division, SECO's Policy and Quality Section, the peers from SDC (Andrea Studer, Jürg Benz) and SECO (Liliana de Sá Kirchknopf) and the consultancy team (Hans Rudolf Felber, ETH Zurich NADEL and Marija Sijan).

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Table of Content

- Abbreviations (see also selected Project List abbreviations in Annex 1) 3**
- Evaluation Abstract..... 5**
- 1. Introduction..... 8**
 - 1.1 Objectives of the Cooperation Strategy Evaluation..... 8
 - 1.2 Methods and structure of the report..... 8
 - 1.3 Overview of the Cooperation Strategy Serbia 2010 - 2013..... 9
- 2. Findings, Conclusions and Recommendations 11**
- Evaluation Area 1: Context analysis 11**
 - 1.1 Positioning and adaptation of CS with respect to the country context and Swiss policies..... 12
 - 1.2 Quality of context analysis..... 17
- Evaluation Area 2: Relevance & appropriateness of projects with regard to CS..... 19**
 - 2.1 Relevance of projects..... 21
 - 2.2 Consistency of projects objectives with Results Framework of the domain..... 25
 - 2.3 Transversal themes at the level of CS and the domains..... 27
- Evaluation Area 3: Implementation of the CS and their portfolio 28**
 - 3.1 Allocation and management of financial resources..... 30
 - 3.2 Management performance 31
 - 3.3 Quality of the CS monitoring system 31
 - 3.4 Coordination and aid effectiveness in the country set up..... 32
 - 3.5 Human resources management 34
- Evaluation Area 4: Results of the CS – in relation to the results at country level 36**
 - 4.1 Domain Results. Effectiveness, and Swiss contribution to country results..... 37
 - 4.2 Sustainability and scaling up 41
- Bibliography 43**

Annexes

Annex 1:	List of reviews and End-of-Phase reports (EPR)	44
Annex 2:	Evaluation matrix with the specific evaluation questions.....	45
Annex 3:	Suggested working schedule for field mission Serbia	48
Annex 4:	Synopsis Result Framework of the CS Serbia 2010-2013.....	51
Annex 5:	Basic statistical data of Serbia.....	52
Annex 6:	Estimated disbursement of international assistance	54
Annex 7:	Duration of projects	55
Annex 8:	Distribution of the projects in main forms of cooperation	59
Annex 9:	Staff Composition: Swiss field office (FO) and project staff in numbers (Full-time-equivalent).....	61
Annex 10:	Additional results of the ED results workshop.....	62
Annex 11:	Main finding of the workshop Rule of Law and Democracy (RLD)	64
Annex 12:	Workshop findings on Social Inclusion	67

Tables

Table 1:	Planned and actual disbursement 2010 - 2013 in CHF millions.....	30
Table 2:	Comparison between budget and actual expenses for SCO office in million CHF (Source: CS Serbia 2008 - 2112, SAP).....	31
Table 3:	Simplified RF of the domain ED 2010 - 2013.....	39
Table 4:	Promoting and hindering factors for achieving Swiss contribution outcomes of the ED domain 2010 – 2013.....	41

Figures

Figure 1:	Temporal development of the amounts of the project portfolio over the CS Serbia 2010 - 2013 period (with number of projects)	21
Figure 2:	Number of projects according to amounts disbursed/planned over the CS period (with number of projects)	22
Figure 3:	ED domain portfolio assessment.....	26
Figure 4:	RLD domain portfolio assessment.....	26
Figure 5:	Logic model of the Sub-domains Financial Sector Support and Business Environment reform (full-size version in Annex 10)	38

Abbreviations (see also selected Project List abbreviations in Annex 1)

AR	Annual Report
BEE	Business Enabling Environment
CS	Cooperation Strategy
CG	Corporate Governance
CHF	Swiss Franc
CHP	Combined Heat and Power Plant
EA	Evaluation Area
EBRD	European Bank for Reconstruction and Development
ED	Economic Development
EDU	Education
EERE	Energy Efficiency and Renewable Energy
EPR	End of Phase Report
EPS	Electric Power Company of Serbia
FCD	Federal Council Dispatch
FOM	Federal Office of Migration
FDFA	Federal Department of Foreign Affairs
FOM	Federal Office for Migration
GDP	Gross domestic product
GIZ	Deutsche Gesellschaft für internationale Zusammenarbeit
GoS	Government of the Republic of Serbia
HQ	Headquarter
IDP	Internally displaced person
IFC	International Finance Corporation
IFM	International Monetary Fund
IPA	Instrument for Pre-Accession Assistance
IR	Inception Report
IMWG	Inter - Municipal Working Groups
M4P	Making Market Works for the Poor
MERV	Monitoring system for development related changes
MoES	Ministry of Education and Science
MSP	Municipal Support Programme
NORAD	Norwegian Agency for Development Cooperation
NPO	National Programme Officer
ODA	Official development assistance
OSCE	Organization for Security and Co-operation in Europe
PBA	Programme-based approach
PDP	Programme for Professional Development
PEA	Political Economy Assessment Programme-based approach
PFM	Public Finance Management
PISA	Programme for International Student Assessment
PPP	Public Private Partnership
PSD	Private Sector Development
REO II	Reorganisation process within SDC
RF	Results framework
RLD	Rule of Law and Democracy
RS	Results statements

SCO	Swiss Cooperation Office Serbia
SCTM	Standing Conference of Towns and Municipalities
SDC	Swiss Agency for Development and Cooperation
SECO	State Secretariat for Economic Affairs of Switzerland
SEIO	Serbian European Integration Office
SIDA	Swedish International Development Agency
SIFEM	Swiss investments funds for emerging markets
SIPPO	Swiss Import Promotion Programme
SIPRU	Social Inclusion Unit within Deputy Prime Minister's Cabinet
SME	Small and Medium Enterprise
SWAp	Sector-Wide Approach
TCP	Trade Cooperation Programme
TENT B	Thermo Electric Power Plant Nikola Tesla B
UN	United Nations
UNICEF	United Nations Children's Fund
VAT	Value Added Tax
WB	World Bank
WEHU	Trade Promotion
WEIF	Private Sector Development
WEIN	Infrastructure Financing
WEMU	Macroeconomic Support
WTO	World Trade Organization

Evaluation Abstract

Subject Description

This evaluation analyses Switzerland's cooperation with Serbia as defined in the Cooperation Strategy (CS) 2010 – 2013. The CS's overall goal is to support Serbia's efforts towards European integration, by contributing to i) improving social inclusion and reducing poverty, and ii) increasing the competitiveness of its economy. It is structured around four domains: Economic Development, Rule of Law and Democracy, Education, and Energy Efficiency and Renewable Energy. In addition to the bilateral interventions, Switzerland supports Serbia on around 20 regional programmes, mainly economic issues. Gender and good governance have been defined as transversal themes.

The cooperation programme is implemented by the two federal agencies: the Swiss Agency for Development and Cooperation (SDC) and the State Secretariat for Economic Affairs (SECO). Moreover, the Federal Office for Migration (FOM) provides support through its migration partnership which aims to improve Serbia's migration management capacities. The total CS Serbia 2010 - 2013 amounts to around CHF 63 million.

Evaluation Objectives and Methodology

In keeping with the concept (SDC 2012a) and content and question guide (SDC 2012b), the country evaluation uses a mutual learning process to assess whether Switzerland is achieving the strategic objectives of the CS in Serbia, and how efficiently the strategic and operational steering mechanisms of the Swiss Cooperation Office have been put in place.

An Inception Report summarizing the findings of an extensive document review of key documents, such as the annual reports and selected evaluation reports, was the basis for the field mission in Belgrade, which took place from 20 - 29 January 2013, and was conducted by a team of three peers from SDC and SECO, one international and one national consultant.

The evaluation report is structured according to the Evaluation Areas (EA): EA 1 Context analysis, EA 2 Relevance and appropriateness of projects, EA 3 Implementation of the CS and their portfolio, and EA 4 Results of the CS in relation to the results at country level.

Major Findings and Conclusions

Evaluation Area 1: Context analysis

The CS Serbia 2010 – 2013 addresses the main challenges facing Serbia and supports the country's overall objectives in its transition process and efforts to secure EU accession, which is the main driving force behind the political reform agenda. The simultaneous intervention at national level and the geographical focus on the disadvantaged Southern regions are relevant. It allows Switzerland to create synergies, get involved in policy dialogue and design and implement specific projects which generate added value. It would be relevant to integrate migration considerations more explicitly in the Swiss Serbia bilateral programme. More attention should be paid to gender inequalities and corruption. The focus on good governance principles should therefore be further developed.

The SCO demonstrates high awareness on context analysis. However, it could be further enriched by enlarging its source base with think tanks or national watchdog NGOs in order to validate the context analysis from different perspectives. (EA 1)

Evaluation Area 2: Relevance and appropriateness of projects with regard to CS

In general, the bilateral project portfolios are broad and are characterized by diversity of topics and large number of projects. In spite of their breadth, the portfolios are relevant

with regard to the CS overall goal, but pose challenges in respect of follow-up, supervision and ensuring coherence.

The cooperation programme includes a variety of instruments and aid modalities implemented at subnational and national levels, and a good mix of competent and relevant partners. Besides the bilateral projects which will continue to play an important role, there are a couple of regional programmes which substantially contribute to domain outcomes, especially in the area of economic development. The current portfolio provides an excellent basis for the upcoming CS 2014 – 2017.

The Swiss Cooperation Office focused strongly on gender, whereas good governance has not been applied as a transversal theme.

Evaluation Area 3: Implementation of the CS and their portfolio

Due to its unique role in promoting EU accession as a non-EU country, Switzerland is adding value to its cooperation with Serbia. Switzerland is well appreciated by national partners and other donors for its quality and flexible need-based services. Switzerland's efforts to link national reform processes with local level actions in the disadvantaged Southern region is especially well recognized. Due to voluntarily low Swiss visibility, cooperation opportunities with other donors might not have been exploited to the full extent. Unfortunately the current CS monitoring system only produces reliable data to a limited extent, which makes it difficult to report results based on evidence.

Due to the more HQ-driven project management set-up, SECO's Economic Development portfolio is only partially congruent with the CS even though good results have been generally achieved. With the new organisational structure which includes the new Countries and Global Portfolio unit (WELG), the overall coherence of the portfolio will be more strengthened and adequately streamlined.

Evaluation Area 4: Results of the CS – in relation to the results at country level

In the absence of a clearly defined results framework for the different domains, the lack of a comprehensive CS monitoring system with quality indicators and rigorous data collection methods, and missing impact studies, it is difficult to objectively assess how Swiss intervention has helped, and to estimate the significance of its contributions to correspondent country development results.

The Swiss cooperation programme has generated diverse innovative approaches and has supported scaling-up efforts. Key promoting factors in this endeavour are the competent, well-placed and committed national partner organizations which guarantee ownership and foster sustainability.

Recommendations and Lessons Learnt

Evaluation Area 1: Context analysis

- By taking the EU accession as the only scenario, the main pillars of the current CS, which support Serbia's transition process in economic development, decentralization and local governance, should be consolidated and further developed in the new CS 2014 - 2017.
- Provide continued support to increase Serbia's institutional migration management capacities, and explore and test innovative economic interventions that support the migration agenda.
- Systematically monitor key context factors such as gender inequalities, rule of law, political power changes and good governance principles.
- As a non-EU member with strong relations to the EU, Switzerland is seen as a reliable and neutral partner and thus able to add value in Serbia's EU accession process. Swit-

zerland can contribute to national reform processes mainly through a strong focus on implementation at the local level. (EA 1)

Evaluation Area 2: Relevance and appropriateness of projects with regard to CS

- Streamline the portfolios by possibly reshuffling the interventions / instruments from the current domains of Economic development and Rule of law and democracy in order to foster public sector reform efforts and private sector development with a strong focus on inclusive income and employment generation.
- Carefully evaluate the current energy sector interventions and study the feasibility to develop infrastructure measures at the municipal level, with a focus on social inclusion.
- Strategies to scale up and multiply innovative experiences and approaches include policy dialogue efforts for which appropriate financial and other resources have to be allocated.
- Give strong focus on streamlining good governance principles, in particular on transparency and accountability.

Evaluation Area 3: Implementation of the CS and their portfolio

- Considering the increased financial commitments, and to add value to the cooperation programme through more intensified policy dialogue in key thematic areas, the SCO staffing needs to be critically assessed. Possibly, capacities need to be enhanced. In order to produce more valid and reliable data on aid effects, invest in rigorous, quantitative evaluations of interventions. These investments will contribute towards improved aid effectiveness at project, programme and country level.
- Promote social inclusion wherever possible in all domains through appropriate results statements at outcome level and by exploring synergies within the cooperation programme.

Evaluation Area 4: Results of the CS – in relation to the results at country level

- Integrate the expected results of regional initiatives (SDC, SECO) and of the migration partnership into the Results Framework (RF) of the new CS. Adjust the reporting system accordingly.
- Explicitly address in the intervention designs how scale will be achieved through policy dialogue, alliances, and networking. Pay special attention to creating job opportunities for marginalized groups (Roma, IDPs).
- Political economy and political realities are key factors for reform processes. They give insights into project progress and build a good basis for shaping and planning cooperation strategies.

1. Introduction

1.1 Objectives of the Cooperation Strategy Evaluation

The objectives of this pilot evaluation of the Cooperation Strategy (CS) Serbia 2010 – 2013 correspond to SDC's new guidelines on country evaluations (SDC 2012a, 2012b). The aims are:

- to assess through a mutual learning process whether SDC, together with its partners, is reaching the strategic objectives, as defined in the CS, and how efficient the strategic and operational steering mechanisms of the Swiss Cooperation Office (SCO) are put in place.
- to assess to what extent the Swiss contribution makes a significant contribution to the national development results and to identify the key factors which foster or hinder aid performance and results achievements.
- to identify good practices and innovative approaches and to share experiences made in managing the CS.

The country strategy evaluation has three purposes: i) to promote institutional learning, ii) to provide inputs for the definition of the new CS Serbia 2014 – 2017, and iii) to provide information – together with other country evaluations - for reporting on the Federal Council Dispatch (FCD).

1.2 Methods and structure of the report

Fact-finding, analysis and report writing are guided by the above mentioned “Content and question guide” (SDC 2012b) which defines key questions and related methods/tools for the four Evaluations Areas (EA), which are as follows: EA 1 Context analysis, EA 2 Relevance and appropriateness of projects with regard to CS, EA 3 Implementation of the CS, and their portfolio, and EA 4 Results of the CS – in relation to the results at country level. The SCO Serbia was asked to prioritize the evaluation questions in order to focus the evaluation on important issues. During the preparation phase and at the beginning of the field mission, the ranking of the evaluation questions was agreed on with the evaluation team (Annex 2).

However, the concept was adjusted in order to better meet the expectations of the SCO management to provide critical assessment for elaborating the new CS 2014 - 2017 whose preparation was initiated when conducting the evaluation. For this reason, workshops on actual and potential synergies and on social inclusion in view of the new CS were conducted.

Due to the large evaluation areas to cover, the evaluation was focused on priority questions agreed between the SCO, the consultancy team and the peers.

Preparation Phase

The Inception report (IR; SDC/SECO 2013), compiled by the international consultant in cooperation with the SCO Serbia, summarises the findings of the document analysis of annual reports (AR) 2010 – 2012 of the SCO Serbia; of 8 selected project evaluations and reviews (Annex 1); as well as other documents such as end-of-phase reports (EPR), and other relevant reference documents.

For preparing the workshops on results achievements in the two domains of intervention “Economic Development (ED)” and “Rule of Law and Democracy (RLD)”, logic models depicting the most important results at the outcome level were prepared.

Field mission in Serbia (20 – 29 January 2013)

The evaluation team, consisting of an international and a national consultant and two SDC and one SECO cadres, held a 10-day field mission in Belgrade, Serbia in January 2013.

During the field mission, a series of semi-structured interviews and two workshops were conducted. The analytical frameworks and the questionnaires were assigned to the different evaluation team members according to their areas of competence. The detailed working schedule as well as the participants involved is listed in Annex 3.

Selected representatives of the national partners and implementing organisations participated at the ED workshop and were interviewed by the peers and consultants to bring in the outside perspective on the Swiss cooperation programme.

At the end of the field mission, the preliminary findings and first recommendations were presented to the SCO in a debriefing session, providing an opportunity for discussion and feedback.

Structure of the report

The international consultant coordinated report writing. The structure of the report is as follows: Evaluation abstract; 1. Introduction; 2. Findings, conclusions and recommendations presented by the four Evaluation Areas.

1.3 Overview of the Cooperation Strategy Serbia 2010 - 2013

Switzerland supports Serbia¹ in its efforts towards European integration, by contributing to i) improving social inclusion and reducing poverty, and ii) increasing the competitiveness of its economy. The objectives of the CS 2010 – 2013 are summarized in a Results framework synopsis (Annex 4). The CS defines the joint programmatic orientation of SDC (Swiss Agency for Development and Cooperation) and SECO (State Secretariat for Economic Affairs) in the following four domains of intervention:

- Domain A: Economic Development (ED).
- Domain B: Rule of Law and Democracy (RLD).
- Domain C: Education (EDU).
- Domain D: Energy Efficiency and Renewable Energy (EERE).

The Swiss ED domain portfolio contributes to the enhancement of economic competitiveness and regionally balanced development. The RLD domain portfolio aims to increase municipal management and lobbying as well as selected central capabilities. The EDU domain contributes to improved quality and inclusiveness of education. The portfolio of the EERE domain supports the enhanced generation of sustainable energy and the promotion of environmentally conscious consumption in Serbia.

In addition to bilateral intervention, Switzerland also supports regional programmes: 12 regional initiatives in economic development (SECO), 5 SDC regional programmes and 4 Swiss investments funds for emerging markets (SIFEM) investments. Gender and good governance have been defined as transversal themes.

The Federal Office for Migration (FOM) migration partnership with Serbia and other Western Balkan countries aims to assert Switzerland's political interests with regard to migration, to incorporate the interests of the partner states and to ensure a continuous international presence of Switzerland in migration issues. The migration partnership programme in Serbia aims to improve the migration management capacities of central and local authorities.

The cooperation programme is implemented by two federal agencies: the Swiss Agency for Development and Cooperation (SDC) within the Federal Department of Foreign Affairs and the State Secretariat for Economic Affairs (SECO) within the Federal Department for Economic Affairs.

¹ <http://www.swiss-cooperation.admin.ch/serbia/>

The overall Swiss programme budget for the period from 2010 to 2013 is approximately CHF 63 million. The yearly budgets of SDC are 7 CHF million, meanwhile SECO's yearly budgets account for between 7 and 9 CHF million. A separate yearly budget of around one million CHF is provided to SDC by the FOM to cover activities related to the migration partnerships.

2. Findings, Conclusions and Recommendations

Evaluation Area 1: Context analysis

Purpose: Appraise how well the CS reflects the development priorities of the partner country and the policies of the Federal Council Dispatch (FCD).

Conclusions (C)

- C1 The EU Accession is a key priority of the Government of Serbia and it is the main driving force of the political reform agenda. However, the reform process is complex, challenging and highly political. Therefore the timing of the EU accession is uncertain.
- C2 The Cooperation Strategy (CS) Serbia 2010 – 2013 and the way it is being implemented is well linked to the Serbian context. In particular it is well articulated to support the country's overall objective to achieve EU accession.
- C3 CS priorities in supporting the transition process in economic development (through improving public financial management and business environment reforms, increased trade and export, and systemic market development in disadvantaged regions), in rule of law and democracy, education and energy efficiency and renewable energy are coherent and complementary to the approaches and thematic priorities of the European Union (EU).
- C4 Social inclusion is an important policy objective for Serbia's design regarding European integration. The CS positions social inclusion appropriately at the level of the overall objective as well as in the education domain as a key entry point.
- C5 In the area of migration, the main concerns of the EU are the large number of Serbian migrants to Western Europe and the country's lack of capacity to deal with immigrants. Many of the migrants bring back valuable skills and resources from abroad.
- C6 The geographical focus on the South and Southwest is relevant to address minority issues (Preševo valley, Albanian, Roma), high unemployment and poverty.
- C7 Although some progress was achieved, economic gender inequalities are still rather pronounced. They are manifested in the unequal position of men and women in the labour market, unequal awards for performance at work, and less opportunities for women to advance to positions of economic power and decision-making.
- C8 The context analysis in the existing strategy has been very relevant. The SCO pays much attention to adequate context analysis and regularly involves its main partners in the process, including the Swiss Embassy. Context analysis could be further enriched by including relevant elements of the political economy assessment and by involving external stakeholders.
- C9 The CS is coherent with Swiss policy targets as reflected in the Federal Council's new Dispatch to Parliament on International Cooperation 2013-2016 (called the "Dispatch"). Although the most visible and pressing policy aspects that are relevant for political dialogue, i.e. corruption, and peace building are part of Swiss cooperation, they are less prominently addressed in the CS than expected by Swiss diplomacy. Likewise, the importance of democratic governance – particularly with regard to citizen participation at the local level – is a policy goal of the new dispatch that should be strengthened.

Recommendations (R)

- R1 Rather than defining contrasting development scenarios, it is advisable to take the EU accession as the only scenario, to define downward risks (i.e. factors that slow down or disrupt reforms) and promoting factors and focus the context monitoring on them. (Base: C1, C2, C3)
- R2 The main pillars of the current CS which support Serbia's transition process in economic development - with its financial sector programmes and business environment reforms, trade cooperation and systemic market development in Southern Serbia – and in decentralization and local governance should be consolidated and further developed. (Base: C3)
- R3 Irrespective of the future of the current education domain (see EA 2), it is important to keep social inclusion as part of the CS goal, and to consider ways to address social inclusion more explicitly in all domains (with specific objectives and disaggregated indicators) as well as through specific interventions targeting excluded groups (Roma, Internally displaced persons IDPs). (Base: C4)
- R4 Contribute to increasing Serbia's capacities to deal with immigrants, especially with asylum seekers from other countries. Provide more information to potential migrants about the Western European countries' asylum systems and the legal ways of emigration, and raise awareness about the risks of irregular migration. (Base: C3, C5)
- R5 Address and integrate the developmental potential of returning migrants for their home region. Explore innovative interventions, identify and support opportunities for migration in the area of economic development and in the promotion of sustainable trade by SECO. (Base: C3, C5)
- R6 Corruption as a major context element might be mentioned more explicitly as a risk factor and should be reflected in the new CS and its portfolio. It could also be tackled within the transversal governance approach with a specific key focus. (Base: C9)
- R7 Systematically monitor relevant key context factors such as gender inequalities, rule of law and corruption (also at local level), political issues such as changes in political landscapes (at national and local level), and selected good governance principles (e.g. accountability, transparency). (Base: C7, C8)
- R8 Continue to invest in context analysis by pro-actively involving the view of the main partners. Involve additional stakeholders in MERV context analysis such as external consultants, think tanks, national watchdog NGOs in order get balanced interpretation of the context development validated from different perspectives. (Base: C8)
- R9 Pay even more attention to political economy and to conflict aspects in the context analysis. Explain more explicitly (i.e. in Annual Reports) the implications for programme development and implementation as well as for policy dialogue. (Base: C8)

1.1 Positioning and adaptation of CS with respect to the country context and Swiss policies

111. Coherence of the CS and defined domains and transversal themes with the development priorities set by the partner country

Key national references are the National Programme for Integration (NPI) with the European Union, the Needs of the Republic of Serbia for International Assistance, the social inclusion policies (GoS 2011), and selected sector policies and guidelines (CS Serbia: 7).

The Republic of Serbia submitted its request for EU membership in December 2009. European integration as a basic strategic-political orientation and as an essential framework for overall democratic and economic development of the country, implies continuing the integration process and fulfilling numerous, complex and interrelated demands. To achieve this goal, it is necessary to develop stable and strong institutions guaranteeing democracy, the rule of law, and respect and protection of human and minority rights, develop a market economy which can face the pressure of competition within the European Union, improve education at all levels, adjust social inclusion policies to the European social model, increase employment opportunities and harmonise national legislation with the *acquis* followed by substantial infrastructure investment (GoS 2011: 11 – *needs international assistance*).

Regarding the national policy and strategies, the CS Serbia 2010 - 2013 has been well aligned with national priorities and tackles the key issues, and its overall goal is relevant.

The four CS domains in the area of economic development, rule of law and democratisation, education, energy efficiency and renewable energy correspond to national priorities and crucial areas of assistance needs. In all these thematic areas, the CS Serbia aims to contribute to the on-going reform processes on the basis of innovative field experiences. The CS appraises correctly that modernising the judiciary, combating corruption and implementing decentralisation are very critical procedures. Respect for human rights and the integration of minorities remain challenges, despite the fact that minorities are officially recognised.

The multi-level Swiss interventions at national and subnational levels are appropriate for pushing ahead key reform processes. Complementary interventions at the central and local levels bring added value to the Swiss cooperation programme by including policy dialogue, system development and local-level activities. Whenever possible and feasible, both Swiss agencies (SDC, SECO) focus on the disadvantaged Southern regions. Strengthening the local level corresponds to the *acquis* reform agenda that asks for subsidiarity, good implementation at the local level, and hence strengthening of local capacities.

The Instrument for Pre-accession Assistance² (IPA) is the means by which the EU supports reforms in the “enlargement countries” with financial and technical help. The IPA fund builds up the capacities of the countries throughout the accession process, resulting in progressive, positive developments in the region.

The CS contributes to the objectives of most IPA sectors³ which are the key sectors for all development assistance and therefore essential for the country’s priority needs. The coherence and complementarity of Swiss cooperation with the EU is achieved in different ways: i) complementary approaches: Swiss focus on software aspects and emphasising implementation on the local level, whereas EU puts more emphasis on infrastructure, ii) using co-financing with EU and of programmes supported by EU-member states, iii) thematic coherence, and iv) participation in donor coordination including informal coordination activities of the EU.

In order to meet the enormous challenges posed by the economic crisis, the new Government has prioritized fiscal stabilization and reduction of public expenses as means for improving its Public Financial Management (PFM). Switzerland has responded to these reforms and provided support in respect of fiscal risk management, tax administration reform and tax transparency and simplification, in order to contribute to Serbia’s fiscal stabilization (AR 2012: 7). Other strong responses to Serbia’s economic challenges have been the provision of support in private sector development, in strengthening the business envi-

² http://ec.europa.eu/enlargement/instruments/funding-by-country/serbia/index_en.htm

³ 1. Rule of Law, 2. Public administration reform, 3. Civil Society, Media and Culture, 4. Competiveness, 5. Human Resources Development, 6. Agriculture and Rural Development, 7. Transport and 8. Environment and Energy.

ronment, in trading measures and in the creation of job and income opportunities focusing on the disadvantaged Southern regions.

Promoting the development of rule of law, democratic principles and better governance are at the core of the reform process in Serbia. Likewise, the comprehensive approach to public administration reform at all Government levels has to be guided by the principles of decentralisation, de-politicisation, professionalization and modernisation, with the overarching objective of offering high quality services to citizens and the private sector, at reasonable costs (GoS 2011). The Swiss decentralisation and local governance programmes in the domain of Rule of law and democracy, and equality and quality-driven reforms together with selected interventions in Education correspond to the GoS's key development areas.

The energy sector is very important for Serbia's economic development in terms of covering the growing energy demand. The Swiss interventions in the energy sector are therefore relevant to support the modernisation of power generation and urgently needed improvements in energy efficiency.

With the EU accession process "Social inclusion"⁴ has become much more important. It encompasses the socio-economic dimension (basically the poverty agenda) with unemployment (50% youth unemployment) as the most dramatic expression, and the exclusion and discrimination of disadvantaged groups (such as Roma and IDPs). The Swiss Cooperation portfolio increased its attention and engagement in this area with innovative interventions, especially in the most disadvantaged regions of Southwest and South Serbia.

In view of the new CS Serbia 2014 – 2017 an internal workshop was held during the field mission of the CS evaluation to appraise – on the basis of the presentation on social inclusion policy and trends in Serbia and Swiss achievements – the future position of social inclusion. All participants agreed that Switzerland is well positioned and has an important role to play in social inclusion in Serbia. Therefore, different options were assessed based on a set of criteria on how to integrate social inclusion in the new CS (see Annex 12). In essence, social inclusion should not be singled out and treated as a self-standing domain, nor should it be addressed only as a transversal theme. Rather it should be part of the overall CS goal and include specific objectives, affirmative actions and measures in each domain.

Transversal themes: Gender and Good governance

Both transversal themes - Gender and Good governance - are highly relevant for Serbia and the Swiss Cooperation Strategy. However, for SECO projects, no specific guidelines on gender issues were defined and systematically applied into the projects' design. Gender and Good governance were not part of the transversal themes defined in SECO's framework credit (up to 2012). The transversal themes defined in SECO's framework credit (up to 2012) are comprised of climate and environment and economic governance. In the future, SDC and SECO will have the same transversal themes.

Although some progress was achieved, economic gender inequalities are still rather pronounced. They are manifested in the unequal position of men and women in the labour market, unequal pay for performance at work, and less opportunities for women to advance to positions of economic power and decision-making⁵.

The Swiss Cooperation is paying strong attention to gender issues in the current portfolio. However results and best practices are not widely communicated and not integrated in the overall reporting.

⁴ The website of Social Inclusion and Poverty Reduction (www.inkluzija.gov.rs/?lang=en) provides a comprehensive overview on social inclusion issues in Serbia on its road to the integration into EU.

⁵ <http://www.undp.org.rs/?event=public.mdgtargets3>

All five transversal governance dimensions are relevant in the current country context. A focus on the two dimensions (as recommended in the key parameters for the new CS 2014 - 2017) should be underlined to receive a clearer emphasis. From the view of the peer evaluation team – Accountability (focus on access to power, questions on political economy) and Transparency (e.g. corruption) could be the most relevant dimensions to apply.

Through pressure from the European Union, corruption is becoming more of a priority and additional reforms in the judicial sector might be expected. Though corruption is rooted deep in the society, methods to fight it should be included in a transversal way within interventions in the portfolio of all domains.

Migration

As for migration the EU is especially concerned about Serbian citizens moving to Western Europe, and the difficulty of dealing with immigrants coming from other regions such as Middle East and South Asia. As long as Serbia is unable to deal with these issues, the EU member states need to fear an increase in immigration in the event of Serbia's EU membership (Ernst 2011).

Over the last few years Serbia has been faced with a considerable flow of returning migrants. Even though empirical evidence from other countries indicates that returnees can have a positive impact on their home countries' development, returning migrants to Serbia are presently rather perceived as a burden for the country and its welfare system, since many of them lack employment, and face problems in the field of social integration, housing, health and language (Ernst 2011).

The objectives of the Swiss migration partnership to assert Switzerland's political interests with regard to migration, to incorporate the interests of the partner states and to ensure a coherent international presence of Switzerland in migration issues are still relevant. On the other hand returning migrants to (Southern) Serbia have a considerable developmental potential for their home region, since many of them bring back valuable skills and resources from abroad. This potential is, however, underutilised, as the majority of the returnees do not have any opportunities to use the gained skills after their return (Ernst 2011).

112. Coherence of Switzerland's foreign-policy objectives for Serbia and the principles of the Federal Council Dispatch

On the Swiss side, the objectives of the Strategy for the Western Balkans of the Federal Council Dispatch 2013 - 2016 continue to provide the overall frame of reference. The Law on Cooperation with Eastern Europe provides the legal basis, and funding derives from the framework credit on the Continuation of Cooperation with Eastern Europe and the Commonwealth of Independent States approved in 2007.

There is a large coherence between the development and the foreign policy agenda. However, there is potential for an intensified cooperation in selected areas such as in the energy sector or in strengthening civil society organisations.

The new Dispatch 2013 – 2016 includes the framework credit cooperation with the countries of Eastern Europe and the CIS. Through its cooperation with Eastern Europe, Switzerland is contributing to the political and economic reform processes (transition) in the former communist states of Eastern Europe and the former Soviet Union. It aims i) to strengthen human rights and democracy by creating political institutions that ensure the rule of law and citizens' rights; and ii) to promote economic and social development and the sustainable management of natural resources.

114. Most significant changes in the context and their effects on the CS

The CS evaluation concept does not foresee an in-depth analysis of the context changes. However, it is important to consider main context issues and changes that strongly influence the CS and its results.

Context changes in the policy environment⁶

The perspectives of the EU integration remain the major driving force behind political and administrative reforms and constitute an important element for the political stability in the region. A large part of the population is hoping that the country's integration into the EU will lead to a better future.

The newly formed government 2012 faces two main challenges: i) to keep the Serbian economy afloat, and ii) to continue with the EU integration process in light of the increasing expectations linked to the Belgrade-Pristina political dialogue (AR 2012: 5).

In the following chapter some relevant context changes concerning the different domains are summarized:

Domain A: Economic Development (ED)

Serbia is in a deep economic crisis due to a wider economic crisis and internal weaknesses. The main challenges for economic recovery and investments are: inefficient government bureaucracy, red tape, access to financing, tax reform, continuous negative trade deficit, low value-added exports, large public expenditures. These context factors challenge Swiss support in its efforts to improve the economic system change (AR 2012: 7).

The "Doing Business 2013 Report (World Bank 2012) puts Serbia on the 86th place, out of 183 countries, which is an upgrade of 9 positions. Serbia is among the ten economies, which have carried out the most reforms, and it has advanced in the following three areas that are graded: starting a business, resolving insolvency and trading across borders (AR 2012: 7).

Domain B: Rule of Law and Democracy (RLD)

A major breakthrough in decentralisation was achieved with the adoption of legislation that governs increased fiscal decentralisation and property devolution. The main partner organisation (SCTM) is better positioned to influence law making. However, actual implementation of reforms on the local level still appears to be slow (AR 2011: 11).

Serbia has made important steps in the decentralisation process and continued the ongoing reforms in rule of law. Nevertheless, corruption is still a widespread phenomenon that has not yet been tackled adequately by the government (AR 2011: 9). Anti-corruption activities and combating organised crime will be priorities of the Ministry of Justice (AR 2011: 11). According to the Transparency International's Corruption Perception Index⁷ for 2012, Serbia remains a state with significant corruption problems, with an index of 39 out of 100.

Domain C: Education (EDU)

Serbia is making significant progress in Roma primary education. There is an increased awareness in municipalities and local school authorities regarding their responsibility to provide support with the inclusion of marginalised groups such as the Roma (AR 2011: 12-13).

⁶ See Annex 5 with basic statistical data of Serbia

⁷ <http://www.transparency.org>; Index 0 "highly corrupt" - 100 being "very clean"

Domain D: Energy Efficiency and Renewable Energy (EERE)

The lack of a competitive market and low levels of efficiency characterise Serbia's energy sector. Basic reforms including tariff policy and privatisation are pending. The adoption of the new law on the rational use of energy has been delayed due to the pre- and post-elections in 2012. Unfortunately, the new Energy Law of 2011 is being implemented rather slowly and Serbia will need to reinforce its administrative capacity to ensure effective implementation of her legal obligation in the energy sector, in line with the requirements of the EU (AR 2012: 16). Considering a policy dialogue aspect in the energy sector, social inclusion linked to tariff policies or questions about access will be vital.

Context changes in the ODA environment

The Serbian European Integration Office (SEIO)⁸ with its information system for coordination of the development assistance to the Republic of Serbia (ISDA CON) produces updated and transparent information on international aid.

The three-year document for planning international development assistance „Needs of the Republic of Serbia for International Assistance 2011 - 2013“ was revised and adopted by the GoS in January 2011. This document, based on the sector-wide approach (priorities and measures of financing from the international development assistance were set for the eight defined sectors) was used as a basis in the process of programming development assistance in 2011. Additionally, this document is used for the preparation of donor strategies / assistance plans, and some of the donors using this document are the EU, Germany, Sweden, Norway, Switzerland and others.

The long-term reform agenda is set by the EU accession conditions. UN agencies play a much less important role. But WB / IMF have gained importance because of the financial and economic crisis⁹.

After a significant increase in 2009 and a record disbursement in 2010, the estimated disbursement of the total international assistance in 2011 was about 1.02 billion Euros with the European Union, Germany, the United States, Switzerland and Norway being the largest donors. The country's dependence on aid is decreasing, with ODA around 2.0% of GDP with a falling tendency; an exit of bilateral assistance foreseen as the country's European integration prospects have grown. Switzerland is the only bilateral donor that has increased its bilateral assistance.

Annex 6 provides an overview on estimated disbursement of international assistance by sectors and by Switzerland in 2011.

1.2 Quality of context analysis

The quality of context analysis was assessed in terms of its compliance with the corresponding SDC's guidelines for elaborating CS, and to find out if the Annual reports (ARs) include important facts and changes regarding the general context.

The overall context analysis of the CS and ARs cover relevant aspects of the country: relevant challenges, political / institutional aspects, economic / social development, environment, ODA environment, Swiss context, and regional actors.

The context analysis uses various sources for triangulating information and is regularly updated, based on relevant MERV information and is used for steering purposes in the ARs.

The country director meets weekly with the Swiss ambassador to discuss context changes from a Swiss political perspective and to coordinate activities. Other meetings between the SCO and the Embassy are organised to prepare meetings with ministries and im-

⁸ <http://www.seio.gov.rs>

⁹ see more on ODA environment in chapter 3.4

portant Steering committees. The Embassy also participates in the annual MERV process. External inputs could help to better explore critical context changes by triangulating the findings.

Before the yearly planning, the SCO invites all important partners to discuss changes and trends and possible implications for the upcoming year. SCO Serbia was the first Swiss cooperation office to introduce such meetings in the in the Western Balkans.

But the context analysis – at the CS and domain levels – does not systematically address social and economic inequalities, property rights, power relations, social organisations (e.g. civil society organisations, ethnic groups, traditional authorities), corruption and its effects on Swiss interventions, the state apparatus, the political parties, institutions and power relation with political elites – important elements of Political economy assessments.

Evaluation Area 2: Relevance & appropriateness of projects with regard to CS

Purpose: Appraise the coherence of the project portfolio with the CS and its relevance for achieving the country/domain objectives.

Conclusions

C1 In general, the bilateral project portfolios are broad (number of domains, diversity of topics within domains, large number of projects). Despite of its broadness, the portfolios are relevant with regard to the CS overall goal, but it poses challenges for follow-up, supervision and for ensuring coherence.

Economic Development (ED)

C2 The ED portfolio with its four sub-domains makes it difficult to focus on strategic outcomes and to ensure effective policy dialogue. As Serbia is one of SECO's highest priority countries, the domain comprises many instruments of its Economic Cooperation and Development programme in respect of macro-economic support, private sector development and trade promotion. These interventions are predominantly focusing at national level, while SDC's market development efforts are implemented at sub-national level. Promising synergies between private sector development and trade promotion are emerging in the disadvantaged Southern regions. It is advisable to use these synergies to further strengthen the policy dialogue.

C3 With the support of SECO's new Countries and Global Portfolio unit (WELG) - in collaboration with the country focal point - the ED portfolio will be streamlined.

Rule of Law and Democracy (RLD)

C4 The portfolio includes different rather loosely related governance areas. The core of the RLD domain consists of several relevant interventions in municipal development and decentralization. This local governance sub-domain has a clear strategy to link local level capacity development with national policy work through the advocacy work of SCTM (i.e. the association of Local Self Governments LSGs).

Education (EDU)

C5 The Swiss cooperation has a long-term partnership in education and is well positioned and recognized as key donor in education. For obvious reasons, education is a critical ingredient of any transition process.

Energy Efficiency and Renewable Energy (EERE)

C6 The current EERE portfolio gives a high visibility for Switzerland even though the domain only consists of two self-standing projects – representing 20% of the overall CS budget - but with few linkages to the overall portfolio.

Regional programmes

C7 Regional programmes, particularly in the area of economic development, substantially contribute to the country development results of the concerned domains. It is therefore important to organize strategic steering accordingly.

Transversal themes

C8 Both transversal themes - gender and good governance - are highly relevant for Serbia and the Swiss portfolio. The Swiss Cooperation gives strong attention to gender in the current portfolio, whereas good governance has not been applied as transversal theme.

Recommendations

- R1 Programme development should aim at streamlining the portfolio and strengthening those dimensions that will become more important under the new strategy. Other interventions and emerging opportunities may well merit support, but their follow-up should not detract from the CS orientation and absorb SCO capacities disproportionately. (Base C1, C3)
- R2 Enhancing focus and internal coherence of the new strategy includes reducing the number of domains. It is advisable to concentrate and innovate within the current domains to enhance the strategic focus rather than embarking on totally new themes. Thus, adding health as a new domain seems questionable, even if needs, potential and relevance are obvious. (Base C1)

Economic Development (ED)

- R3 In view of the new strategy, it is advisable to assess the domain to strengthen its coherence and structure. Consider to split the current ED domain into two domains (Base C2, C3):
- i) Private sector development, composed by the sub-domains trade cooperation and the making markets for the poor. The domain would have a strong focus on inclusive income and employment generation.
 - ii) Public sector reform. Interventions from the sub-domains in financial and business environment reforms with selected projects from the RLD domain. Such new domain interventions increase the coherence of the portfolio, and foster an even closer link between local and national level.

Rule of Law and Democracy (RLD)

- R4 Explore the potential to further enhance the focus on local governance, well recognized as Swiss speciality, and maybe to design it as a domain in the new CS. (Base C4)
- R5 Strengthen the linkages of the current local governance portfolio with interventions in Public Finance Management (PFM) (currently under the ED domain), both at national (fiscal decentralization) and local levels (see R3 ii). The latter could include the current support to municipal assemblies. (Base C4, C5)

Education (EDU)

- R6 Build on the current portfolio assets (partners, experiences, components of existing programmes) in the new CS because they are highly relevant for topics like youth employability and skills development, social (Roma) inclusion or local administration reform (e.g. role of LSG financed regional training centres for local capacity development). (Base C5)

Energy Efficiency and Renewable Energy (EERE)

- R7 Evaluate the further engagement in the energy domain with regard to an increased coherence in the portfolio (e.g. link to local governance), and the policy guidance of the Dispatch 2013 - 2016 concerning Sustainable Integrated Urban Infrastructure and develop infrastructure measures at the municipal level. Think about a more active engagement in the policy dialogue with a focus on social inclusion (tariff policy). (Base C6)

Regional programmes

- R8 Reflect the regional programmes in the upcoming CS as important part of the portfolio. Focus the SCO follow-up and policy dialogue on those possible few regional pro-

grammes that are critical for achieving the domain outcomes, and coordinate appropriately with HQ responsible staff for those regional programmes. (Base C7)

Transversal themes

R9 Clearly identify the gender inequalities to be addressed in the new CS and define concrete actions on how gender should be mainstreamed. (Base C8)

2.1 Relevance of projects

211. Structure of the project portfolio

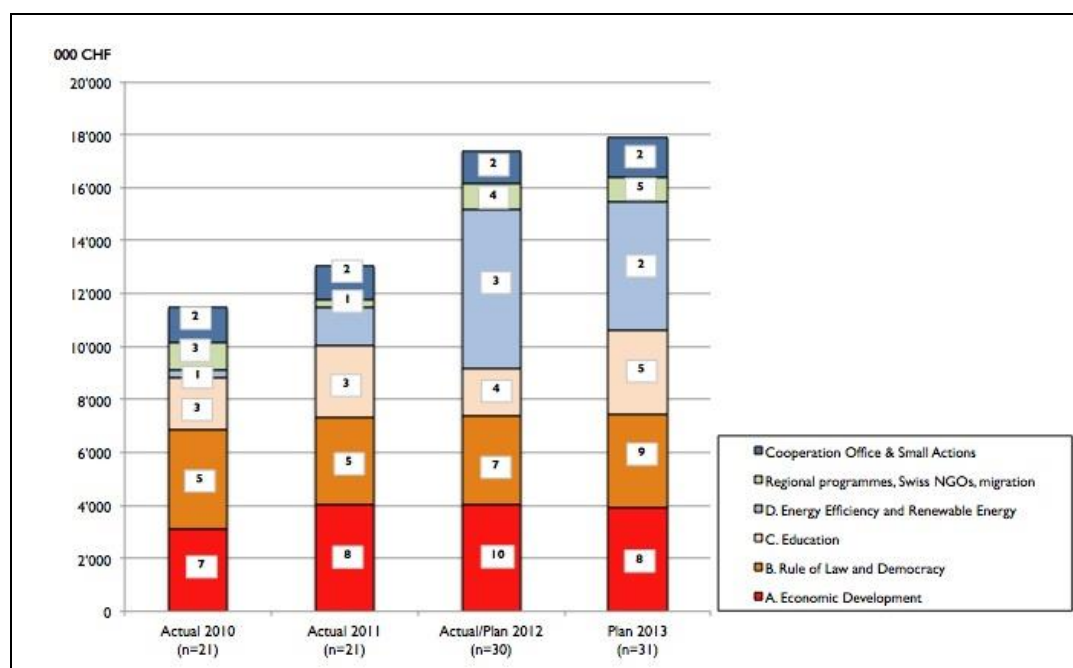
Following figures provide an overview of the portfolio evolution in terms of financial volume, number of projects and financial categories of projects for the different domains.

Following figures only partially reflect the portfolio as several regional initiatives from SECO and SDC with operational components in Serbia are not included in the analysis. These regional initiatives are important because many of them constitute a crucial contribution to domain results achievement and may yield synergies with the CS portfolio, mainly in the ED domain. But they also absorb SCO capacity and require management attention. Moreover, through the location of some of the regional offices (e.g. IFC), the SCO is more intensively implicated than neighbouring SCOs.

Following types of regional initiatives have a country component in Serbia: i) Economic Development (SECO): 12 initiatives; ii) Regional programmes (SDC): 5 initiatives; and iii) Swiss investment fund for emerging markets (SIFEM) investments: 4 initiatives.

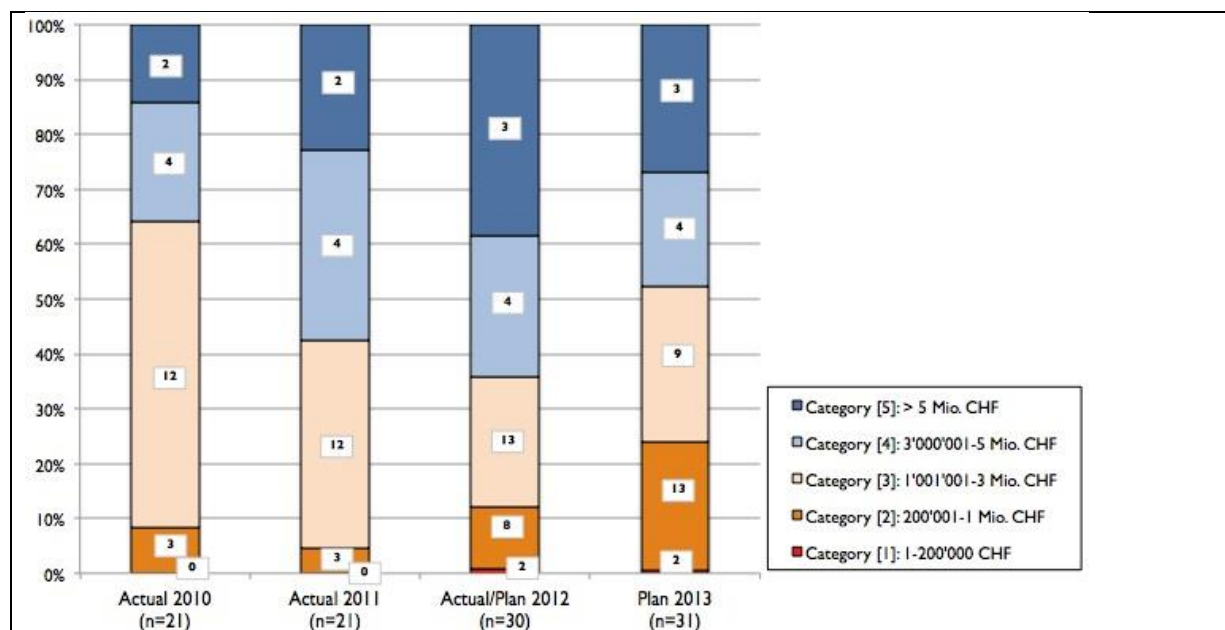
In addition to the FOM financed projects under the migration partnership, whose implementation is followed closely by SCO, there are a number of migration relevant interventions in the SDC portfolio (less for SECO). There is scope to optimize synergies – whenever it makes sense - and to strengthen the visibility of the Swiss portfolio's contribution to the migration objectives in the future CS.

Figure 1: Temporal development of the amounts of the project portfolio over the CS Serbia 2010 - 2013 period (with number of projects). See also Annex 7¹⁰ presenting the duration of the projects.



¹⁰ A detailed list with the project portfolios of the CS Serbia 2010 – 2013 is available on request at the Evaluation and Corporate Controlling Division and SCO Serbia in Belgrade.

Figure 2: Number of projects according to amounts disbursed/planned over the CS period (with number of projects)



Domain A: Economic Development (ED)

The ED portfolio is very broad with its 4 sub-domains. Due to its strategic importance in transition aid, SECO is implementing a multitude of its instruments (WEMU - Macroeconomic Support; WEIN - Infrastructure Financing; WEHU - Trade Promotion, and WEIF - Private Sector Development). Due to SECO's previous organizational structure and mode of implementation, the identification of the major part of the project portfolio is not only based on the CS domain outcomes; the different SECO instruments are - to a large extent - selected by HQ in consultation with the local country focal point (see also chapter 3.2).

The domain portfolio is rounded off by two SDC private sector development projects in the Making markets for the poor sub-domain. Meanwhile SECO's WEMU and WEIN interventions mainly intervene at national reform changes, SDC's interventions focus on Serbia's Southern part and take place in cooperation with WEHU projects.

Compared to the large EU-financed "Instrument for Pre-Accession Assistance" (IPA) projects, the Swiss interventions in the ED domain are innovative, tailor-made and focus - besides the interventions at national level - on sub-national level while establishing long-term partnerships (AR 2011: 5).

With the exception of some interventions of the Trade Cooperation sub-domain (see figure 3), the projects and programmes have to a major extent been successfully implemented with concrete results. However, with regard to policy dialogue, the results of the local level interventions could be used more systematically for the dialog dialogue on the macro level.

Domain B: Rule of Law and Democracy (RLD)

The portfolio includes different rather loosely related governance areas. When it comes to reporting results, it is difficult to discern a portfolio logic. In fact, the domain includes a strong sub-domain "Municipal development and decentralization" with a sizable project portfolio, plus other single projects in the areas of "Judicial reform", "Social inclusion" (supporting the policy unit that promotes social inclusion policy and mainstreaming), and "democratization" (parliament support programme) (see also the logic models in Annex 11).

The core of the RLD domain is local governance. In this particular area, Swiss cooperation has a clear profile, which is recognized by other donors as a Swiss area of expertise. The local governance portfolio is very relevant. Following the principle of subsidiarity and considering the large future funding for the local level (European funds), Swiss support focusing on capacity development has a great leverage and scaling-up potential. Swiss portfolio also has a good mix of instruments (co-financing EU programme, contribution to Standing Committee of Towns and Municipalities SCTM, and mandates for municipal support). The provision of institutional support to SCTM remains very relevant and effective. More should be done to make the good results visible.

Moreover, there is scope to further enhance relevance and effectiveness of the LSG portfolio. In particular, specialized capacity development could be provided to LSG in critically important areas such as public finance management and property management.

Domain C: Education (EDU)

The Swiss engagement has two clear foci: i) strengthen and modernize the education system, and ii) promote Roma inclusion by working mostly at the local level. The education portfolio is quite focused as it includes only two large programmes. Nevertheless, it covers a broad range of topics as part of its focus on system building, education reform and capacity development.

The future position of education in the new CS depends on the Swiss policy (Dispatch 2013 – 2016) and is also a question of thematic concentration. However, even if Education were discontinued as a domain under the new CS, the current portfolio includes assets (partners, experiences, components of existing programmes) that will be still highly relevant for topics like youth employability and skills development, social (Roma) inclusion or local administration reform (e.g. role of LSG financed regional training centres for local capacity development). Reflection should thus not be limited to the question of whether or whether not to continue education sector work, but rather focus on how to integrate human resources questions into the new CS domains, particularly at the local level.

Domain D: Energy Efficiency and Renewable Energy (EERE)

The current EERE portfolio gives a high visibility for Switzerland. Nevertheless, it cannot be assessed as a coherent domain as it consists of two self-standing projects, but representing 20% of total CS budget.

The two projects, the modernization of the Thermal Power Plant B (Tent B) and the Combined Heat and Power Plant (CHP) fuelled by biomass in Belgrade are consistent with the priorities of the new Government and fully address the country's need (AR 2012: 16; interviews). Due to its innovative character, the CHP is a pilot project and will have a demonstration effect for projects producing heat and electricity from biomass sources.

Policy dialogue with Serbian Authorities on energy efficiency and renewable energy is difficult due to the limited political will, but has been intensified (bilateral meetings with Electric Power Company of Serbia (EPS), ministry and financial institutions) (AR 2011: 16).

213. Complementarity between the different instruments in the same domain

The overall portfolio includes a variety of instruments implemented at the subnational and national levels and has a good mix of approaches and partners. This gives an excellent basis for the new CS 2014 - 2017. Such variation should be further ensured from the perspective of combining innovation and scaling-up, balancing risks, creating possibilities for alliance building or achieving policy leverage and hence improving CS results.

Annex 8 provides an overview on the main forms of cooperation for the four domains and the changes over the years with the information on number of projects. Due to SECO's intervention strategy, most disbursement in the ED domain is spent on mandates to inter-

national organisations (e.g. IFC, IMF). Contributions to national organisations are the main form of cooperation for the other domains. This reflects SCO's strategy to work and enhance national organisations.

In comparison with the Central Asian countries, the Swiss constituency group in the Bretton Woods institutions and in EBRD is less prominent and relevant in the dialogue with the Serbian Government. In contrast, the Swiss role in "OSCE" (presidency Switzerland 2014, Serbia 2015) is very visible and politically well capitalized.

In regard to the need for international assistance, the GoS (2011: 16) declares that the basis for harmonising donor procedures is the Paris Declaration on Aid Effectiveness. Even though there is no consensus on implementing SWaP and PBA principles, Serbia proposes two approaches to donors: i) explicit agreement on roles and responsibilities in the implementation of single projects; and delegated cooperation, when one ("lead") donor acts with authority on behalf of one or more other donors. The visibility of individual donors is acknowledged for both approaches.

214. Role of none-core intervention in the country programme

There is a series of projects and programmes that are not adequately reflected in the CS, in particular with regard to the various regional SECO and SDC initiatives. The key questions to be addressed in the new CS are:

- How to integrate the country components of these regional and global initiatives into the strategy?
- How to structure and link the interventions of the migration partnership and other possible migration interventions with the overall CS portfolio?

215. Appropriateness of main approaches applied in the domains

Domain A: Economic Development (ED)

A key priority of the GoS and the donors is the area of regulatory reform to enhance the business enabling environment. The so-called regulatory 'guillotine' is a process of identifying all the out of date, redundant, and mutually incompatible laws and regulations, and then amending or deleting these (PSD: 14).

SECO effectively supports such business environment reforms in the country by responding to crucial needs (e.g. mortgage, foreign trade, investment funds) with well-defined interventions with competent national organisations such as SCTM and the Serbian Chamber of Commerce (SCC). These reforms especially intervene at the sub-national level in medium-sized municipalities, with an emphasis on implementing policies, enforcing the regulatory framework and building related capacities.

In the public domain, activities relate to improving public financial management in order to optimize the use of increasingly scarce budgetary resources. The resulting changes have a positive effect on the country's management of public finances in terms of improved fiscal discipline, allocative efficiency and operational performance.

The IFC sub-national competitiveness project was a success and heralded as such by national and local authorities, as well as the donor community. It provides, if implemented properly, considerable savings to the private sector and enhances regional competitiveness (BEE: 39).

In Trade Cooperation, SECO supports Serbia in tackling its large current account deficit through growth in sectors with export potential and an increased competitiveness of exports, both in traditional agriculture products and with high-tech products with a significant value added from domestic labour. Support is successfully provided through policy efforts (i.e. strategic advice to domestic policy makers) and promoting the adoption of international quality standards to enhance exports.

The SDC is helping small and medium-sized enterprises (SMEs) in the south and south-west of Serbia to become more competitive, and is supporting market development by including disadvantaged groups. A special effort is being made in collaboration with the SECO to create jobs by improving framework conditions for the private sector. The emerging timber and forestry sectors contribute to job generation.

The private sector development projects in south-west Serbia promote an innovative approach of sustainable market development, where implementers act as facilitators and not as direct Business Development Services (BDS) providers. Identifying the symptoms of poor economic performance and tackling the underlying causes of poor performance instead of merely focusing on symptoms characterize the approach known as “Making Markets Work for the Poor (M4P)” (EPR PSD: 2).

Domain B: Rule of Law and Democracy (RLD)

In an attempt to bring the local governments closer to the people, the Municipal Support Programme (MSP), promoted an innovative approach to decentralized management of public services and its modernization. The goals were set with respect to the governance principles and sought to encourage regional and inter-municipal cooperation, to improve services to citizens as well as to enhance institutional capacities on the local level. The programme has clearly facilitated expert exchange between the line ministries and local self-governments, resulting in various forms of capacity building on the local level and even in a few legislative changes on the central level (EPR MSP: 2).

Fiscal decentralisation is showing first positive effects. Some municipalities report up to a 20% increase in their budgets, which they are free to allocate - independently of central authorities (AR 2012: 7).

The most evident and also most prominent innovations of MSP are clearly the five Inter -Municipal Working Groups (IMWG). Today, they are the main vehicles for cooperation among the municipalities. This approach is copied by other projects and might be an indicator for being adequate in the context of Serbia (MSP: 15-16).

The working group on Social Inclusion, which is composed of a variety of senior government officials and decision-makers, is considered to be a key instrument for advancing social inclusion. SIPRU is appreciated as a key driving force for the working group. Another important element in this regard is the Office for Civil Society Cooperation, which links the government with NGOs (SIPRU: 7-8).

Domain C: Education (EDU)

The PDP programme influenced teacher training all over Serbia by focusing the support on institution building and the establishment of the professional development system of the education personnel. By adopting a participatory development approach, regional and local representatives were involved in the development process from the very beginning. This improved the readiness to cooperate on all levels as well as the ownership in the institutions, primarily in local self-governments, but also at the national level, in the Ministry of Education. It also demonstrated the potential to consolidate the programme’s leading position in the systematic establishment of a professional development system for education personnel (EPR PDP: 2).

2.2 Consistency of projects objectives with Results Framework of the domain

221. Alignment of the project portfolio with the results framework of the CS domains

Following figures appraise the projects of the two domains ED and RLD in regard to their consistency in the respective domain portfolio. With the exception of two projects of the trade cooperation and one from the financial sector support (all three phased-out by end

of 2012), the projects were ranked as consistent with the respective domain outcomes and as relevant for the future of Serbia. In general, the regional initiatives are highly ranked in terms of results contribution and relevance for the country development.

Figure 3: ED domain portfolio assessment

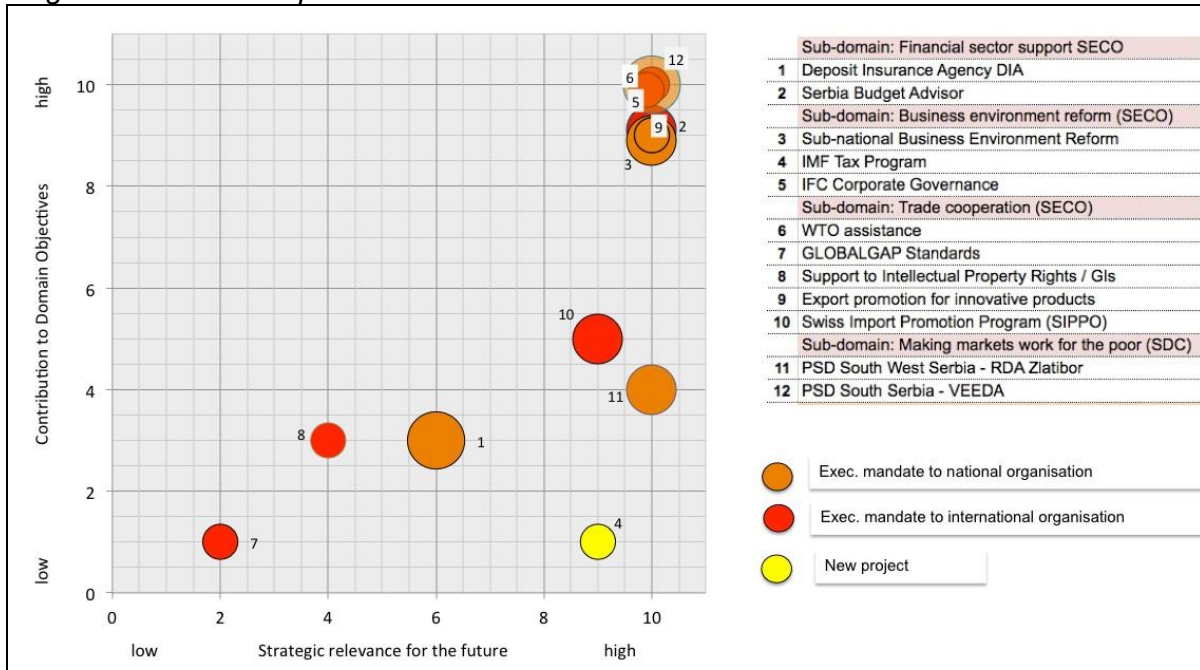
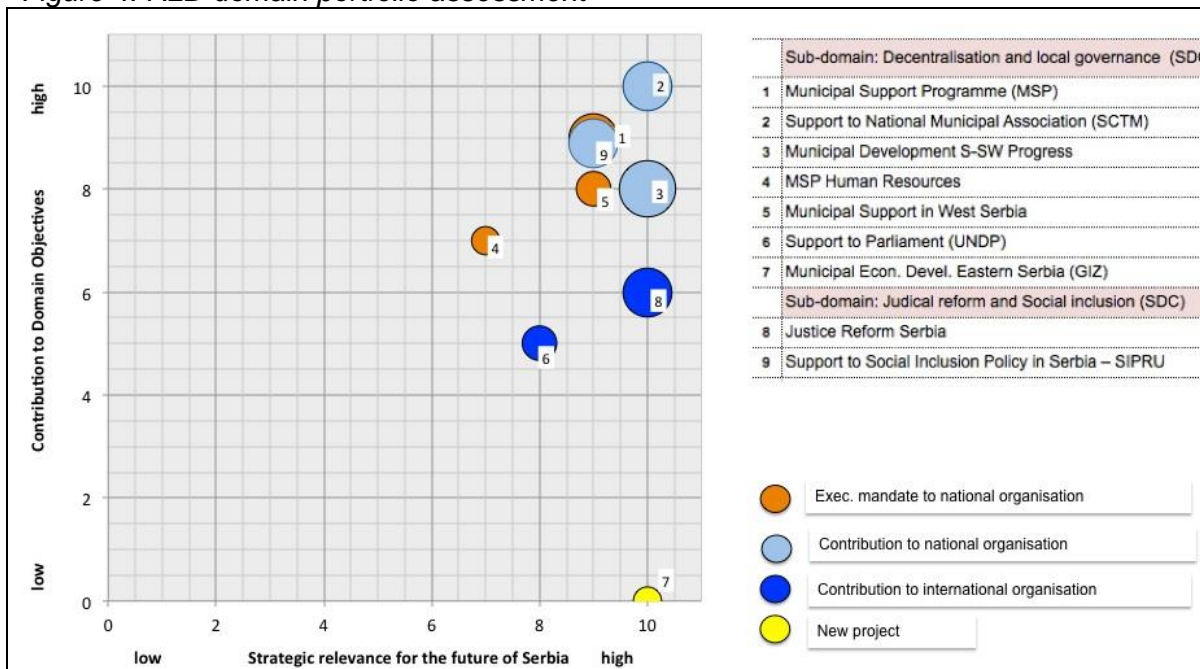


Figure 4: RLD domain portfolio assessment



2.3 Transversal themes at the level of CS and the domains

231. Relevance of the selected transversal themes and their integration in the CS and its domains

The CS defines the two transversal themes of gender and good governance. However, there is a divergence with the transversal themes of SECO's framework credit which defined climate and environment and economic governance up to 2012. For this reason SECO did not define specific guidelines on gender issues. Nevertheless, the SCO Serbia developed gender working plans which also included SECO projects (with the exception of the EERE domain).

Given that SECO and SDC had different transversal themes, convergence at country level was a challenge. This particular situation will change in the future since SECO and SDC have the same transversal themes under the new framework credit.

The peer evaluation came to the conclusion that gender mainstreaming was not given enough emphasis and was also not sufficiently integrated in the current portfolio as little information regarding this topic is found in the Annual Reports and review reports. It should however be taken into account that SCO has a separate system of gender reporting - including monitoring of action plans - outside of the CS monitoring and annual review process. Unfortunately, none of this information and data is reflected in the Annual reports leading to the impression that the gender is not systematically applied in a transversal manner.

With regard to governance, the recommended focus on maximal 2 dimensions for the new CS (see key parameters) might be more adequate.

Moreover, key projects have experienced best practices and results on gender mainstreaming (for example in education). These results should be much better communicated and could also serve as learning experiences within SDC.

Evaluation Area 3: Implementation of the CS and their portfolio

Purpose: Appraise the efficiency of the portfolio management by the SCO and its contribution to an optimal achievement of results.

Conclusions

- C1 The different organizational set-up of SDC and SECO (SECO is less decentralized and organized in four operational units) has important implications on the interactions between the HQ and the field office, but also on the division of responsibilities in the country office. (Ch. 3.1)
- C2 SECO's portfolio is largely based on projects which are mostly identified by HQ in consultation with the Swiss SCO representative. In the concrete case of Serbia - SECO's ED domain portfolio is therefore only partially congruent with the CS and some interventions of SECO look like less coherent for partner organisations. SECO's new organizational structure will address these aspects. (Ch. 3.2)
- C3 The design and implementation of the energy projects, especially those with partner contributions, require high management capacities and intensive supervision. (Ch. 3.2)
- C4 The CS has been developed without a sound monitoring system. The current CS monitoring system has been retrofitted to the CS in order to allow for some strategic monitoring. However the system is not comprehensive and mostly qualitative. It partially fulfilled its purpose to provide reliable data for steering and annual reporting. (Ch. 3.3)
- C5 With regard to the monitoring system, outputs, outcomes and impacts have been formulated in a broad way, which makes adequate reporting difficult. A more precise formulation of outcomes – also with regard to the transversal themes - is highly recommended as this, in turn, would lead to the definition of a more coherent portfolio and facilitate monitoring. (Ch. 3.3)
- C6 Results from gender mainstreaming are summarized in a parallel reporting system and are therefore not systematically reported in annual reports. Results on the other transversal theme – good governance – are rarely reported. (Ch. 3.3)
- C7 The results reporting in the Annual Reports only concerns the bilateral SDC and SECO programmes and projects. Results of regional initiatives and the migration partnership are not included in the annual reports. The perception of the full extent of the Swiss interventions and its contribution to the country development is therefore difficult. (Ch. 3.3)
- C8 Switzerland is able to provide well-recognized and complementary contributions in various thematic fields such as in supporting economic and business environment reforms, private sector development interventions at sub-national level, in strengthening local governance and in education. (Ch. 3.4)
- C9 The visibility of Swiss cooperation has been voluntarily low over the last years. That is why the cooperation opportunities with other donors might not have been exploited to the full extent. (Ch. 3.4)
- C10 The linkages between the Swiss cooperation programme with the EU accession terms and legislative requirements are less direct and not prescriptive. In comparison with the EU, Switzerland is able to react quicker and with a demand-orientated approach, also covering areas where the EU is not operating. This is adding value to the Swiss cooperation in Serbia and it accounts for Switzerland's "unique" role in promoting European accession as a non-EU country. (Ch. 3.4)

- C11 There are many synergies within and between the domains, but there is still potential to enhance the coherence in the Swiss cooperation programme. The existing and potential synergies between ED and RLD are very strong and should be further strengthened. Specifically, synergies between municipal development / decentralization and Public Finance Management (PFM) projects have not yet been fully explored and used, especially at the sub-national level. (Ch. 3.4)
- C12 The broadness of the portfolios (see Ch. 2.1) makes SCO management quite challenging, taking account its limited human resources. In particular, the diverse regional programmes operating also at a national level pose additional management challenges. (Ch. 3.5)

Recommendations

- R1 Implement the new SECO organisational structure and measures with the support of the Countries and Global Portfolio unit (WELG) to strengthen the country perspective in SECO's operations, to increase the coherence in the country portfolio, and to foster Switzerland's aid transparency, predictability and accountability through proactive information provision on on-going and planned interventions. (Base: C1, C2, C3, C4, C5)
- R2 In the light of SCO's limited human resources capacities, commission external professional consultants to help identify and supervise any new projects in the energy domain. (Base: C3)
- R3 Use monitoring and evaluation techniques that ensure more rigorous data. The CS monitoring system should be based on key indicators which are relevant, reliable and realistic. To better estimate the significance of the Swiss contribution, it is necessary to collect baseline data and define target values. Further encourage national partners to invest in project monitoring systems and provide assistance with the implementation. Evaluate outcomes to show your programme is making a difference. Conduct – possibly with other donors – impact evaluations for identifying adapted intervention options in critical areas such as social inclusion concerns. (Base: C4, C5)
- R4 Regarding the gender theme for the new CS, i) avoid any parallel reporting system on gender; ii) focus on key projects and areas and include specific indicators in the Results Framework to monitor domain outcomes and for annual reporting; and iii) make use of the available disaggregated data. (Base: C6)
- R5 Include in the Annual reports the results of the migration partnership and the regional / global initiatives to get a full picture of results achievements. (Base: C7)
- R6 Mobilize financial resources and professional support to increase public relation activities and to improve communication of results (as foreseen in the communication strategy). Use these financial resources in particular to organize information events, but also to publish publications, for the update of webpage information, and for the use of social media. (Base: C9)
- R7 Further explore synergies in the Swiss cooperation programme to promote social inclusiveness wherever possible (Roma, education, access to services, employability, gender). Also better explore synergies in the parts of the portfolio related to decentralization and local governance, PFM reform. However, synergy promotion should not be artificial, but need-based driven. (Base: C11)
- R8 In view of the increased financial commitments and intensified policy dialogue within the future CS, one critical factor will be the accurate staffing of the SCO. This challenge will require further attention, along with the development of a comprehensive (enlarged) programme. (Base: C12)

3.1 Allocation and management of financial resources

311. Comparison between planned budget and actual disbursement

The following table provides an overview between budget and actual disbursement over the CS period. The budget does not include the regional initiatives of SECO, SDC and the Swiss investment fund for emerging markets (SIFEM) which have operational interventions in Serbia. The expenditure for these regional programmes is more than 10% of the overall budget.

The actual disbursement is lower than planned in 2010 (-23%) and 2011 (-16%). By the end of 2013, SECO's expenditure will be substantially lower in comparison to planning. For the domains ED and Energy, SECO is likely to spend about 2/3 of its CS budget, meanwhile SDC will spend over 20% more than budgeted in the corresponding CS budget.

The main reasons for these deviations are as follows:

- The complexity of the energy projects with their difficult negotiation and tendering processes in a highly politicised area leading to major delays (e.g. in EERE domain).
- The increased financial amount allocated to the RLD domain to finance new opportunities in social inclusion concerns.
- Additional financial allocations with the 0.5% bill of Parliament.
- The identification and management of SECO projects, which has been HQ-driven. SECO's new structure with the new Countries and Global Portfolio unit (WELG) will improve the financial planning and thus predictability will be strengthened.

Table 1 : *Planned and actual disbursement 2010 - 2013 in CHF millions*

Domain		Planned disbursement					Actual & planned disbursement				
		2010	2011	2012	2013	Total	2010	2011	2012	2013	Total
Economic Development	SDC	1.0	1.2	1.2	1.2	4.6	1.0	0.9	1.5	2.3	5.7
	SECO	3.5	3.5	3.5	3.5	14.0	2.1	3.1	2.5	1.6	9.4
Rule of Law & Democracy	SDC	2.0	2.2	2.2	2.2	8.6	3.7	3.3	3.3	3.5	13.9
Education	SDC	2.9	2.5	2.5	2.5	10.4	2.0	2.7	1.8	3.2	9.7
Energy efficiency & renewable energy	SECO	3.0	4.0	5.0	5.0	18.0	0.3	1.4	6.0	4.8	12.5
Migration	FOM (SDC)	1.0	0.5	tbd	tbd	1.5	1.3	0.4	1.1	1.0	3.6
SCO & small actions	SDC	1.1	1.1	1.1	1.1	4.4	1.3	1.3	1.2	1.5	5.3
	SECO	0.6	0.6	0.6	0.6	2.4					
TOTAL		15.1	15.6	16.1	16.1	62.9	11.7	13.1	17.4	17.9	60.1
SDC		8.0	7.5	7.0	7.0	29.5	8.8	8.1	8.5	11.0	36.4
SECO		7.1	8.1	9.1	9.1	33.4	2.9	5.0	8.9	6.9	23.7

313. Balance between the administrative costs and the capacity to deliver quality aid

Even though the budget substantially increased over the last years, the number of SCO staff has not changed for the last 7 years. However, all administrative tasks are well-performed and the documents produced fulfil the HQ's expectations.

Table 2: Comparison between budget and actual expenses for SCO office in million CHF
(Source: CS Serbia 2008 - 2112, SAP)

Disbursement and updated budget (SAP)	2010	2011	2012	Plan 2013	Total
Actual SCO Serbia	1.1	1.1	1.0	1.4	4.6
- in % of total budget	9.4%	8.4%	5.7%	7.8%	7.7%

These administrative expenditures also cover thematic activities such as policy dialogue, training and coaching provision.

3.2 Management performance

321. Steering of the country programme

Due to the more centralised SECO structure and its intervention logic (see 3.1), the SCO Serbia management has only limited influences on strategic portfolio design and steering decisions. The SCO country director thus has only direct decision-making responsibility on half of the overall portfolio budget.

Recently, the SCO management has introduced a new roadmap instrument which helps with the strategic steering of the project portfolio development over the coming years in terms of aid modalities, budget, strategic milestones and key performance of the different interventions.

322. Contribution of Swiss expertise to the quality of the CS implementation

The Swiss expertise is recognized for different thematic areas in which Switzerland can offer value added and complimentary services. For instance, the Ministry of Education and other Serbian institutions appreciate the high-performance regional education centres set up by the Professional Development Programme (PDP), job market related skills development and the curriculum development. Another example is the expertise in the area of “strengthening business climate” which is well appreciated by the Serbian private sector, ministries and the academia.

The profound knowledge and long-standing experience in terms of local governance, decentralisation and the federalism system are other fields of expertise recognized by the Serbian authorities.

3.3 Quality of the CS monitoring system

The Inception report of the CS evaluation contains a preliminary assessment of the current CS monitoring system based on a specific tool (SDC 2012b). The findings were critically discussed with the SCO staff and to a large extent confirmed. The CS monitoring system corresponds in its main components to the SDC’s guidelines and is jointly managed by all staff responsible for the different domains. Before elaborating the Annual reports, monitoring data are discussed in domain workshops with the involved implementing organisations.

Unfortunately, the monitoring system is not fully in line with the CS intervention logic, which made it difficult to produce data for efficient strategic steering and reporting purposes. Even though the combination of quantitative indicators and qualitative fields of observation is interesting, its implementation faces difficulties due to missing reference data such as systematic baseline data and target values. The incomplete information on how data has to be collected makes results measurement and comparisons between different time periods difficult.

The future CS monitoring system should produce relevant and more detailed data in areas such as employment generation, disaggregated data for disadvantaged groups (Roma, IDPs), good governance principles and gender equity. Whenever possible, it is also rec-

commendable to incorporate SECO monitoring system and to follow their guidance with standard performance indicators (SECO 2012).

The First National Report on Social Inclusion and Poverty Reduction (GoS 2011) compiles all data on social inclusion according to EU standards, the baseline for monitoring progress in social inclusion. This is also a relevant basis for the Swiss cooperation programme and its monitoring in the area of Social inclusion. The future CS monitoring should therefore integrate these indicators, thus ensuring that key social indicators are comparable.

It is also recommended to optimize indicator definition in the area of the socio-economic context and government policies. A more precise definition of indicators should also be considered for regulations that impact the export industry and for public financial management in reference to changes in the relevant country development results (in the area of the economic development domain).

3.4 Coordination and aid effectiveness in the country set up

341. Role of Swiss development agencies within the donor community

Due to its long-standing partnership with Serbia, Switzerland is perceived as a reliable partner who brings in complementary contributions to Serbia's political and economic reform process (transition) and accession to the EU. Switzerland is well recognized as a honest broker and respected for its flexibility, its quality demand-driven aid and credibility. Furthermore, the SCO Serbia is appreciated for their quick responses and quick actions by their management (Energy: 56).

Coordination and programming of the assistance is the responsibility of the Serbian European Integration Office (SEIO) which coordinates planning and the use of European funds, donations and other forms of foreign development aid¹¹. Due to the expected start of EU negotiation in 2013, the already well-functioning coordination with SEIO and the EU delegation is becoming even more important for the SCO (AR 2012: 18).

The policy dialogue with the government and the coordination with other donors have priority on sector level. Policy dialogue and promotion of Swiss visibility could be done more systematically with the Swiss Embassy. In situation of pre- and post-elections, policy dialogue with some ministries was difficult to maintain as some ministries were not fully operational (AR 2011: 5).

With regard to the donor community, Switzerland has closer links with the like-minded donors SIDA and NORAD, and to some extent with USAID. The EU, the most important donor, dictates the thematic priorities and the reform agenda, the aid modalities and the policy dialogue. As one of the most important bilateral donors, Switzerland plays a certain role of counter-balance. Nevertheless, the EU delegation appreciates Switzerland's complement to its own efforts. This holds true especially for Switzerland's efforts towards fostering a decentralised government as well as for local-level based interventions and endeavours for a more balanced regional development in favour of the two most underdeveloped regions, the South and South West Serbia.

The Swiss portfolio is characterized by its tailor-made, innovative and flexible approach, which is of particular importance in view of the difficult economic and social situation in the country (AR 2012: 5). The SCO's strategy to enhance the capacities of relevant national institutions (SCTM, SIPRU) is a key contribution to enhancing national absorption capacities in view of successful EU accession.

¹¹ www.aideffectiveness.org/busanhlf4/en/countries/europe-and-the-cis/656.html

342. Information sharing mechanism

Due to political issues (e.g. Kosovo acceptance) Switzerland has kept low visibility over the last years, even though the Swiss interventions were highly appreciated by the partners, policy makers and service providers.

However, this low visibility has led to difficulties when trying to assess the impact of the Swiss cooperation on the Serbian reform process reduced cooperation with other donors and has not fully explored the effects on Serbia's reform process.

The development / transition cooperation is in general not as visible in Serbia as in other countries of interventions. Consequently, Switzerland could be more profiled and communicate results and successes more prominently – also in cooperation with the Swiss Embassy.

343. Synergies among and between the CS domains

To explore synergies in view of the new CS, an internal half-day workshop was organized with the SCO staff and the peers. Current and potential synergies were explored within and between the domains of intervention and migration¹².

- Great synergy effects have been created between the M4P interventions in the Southern regions, local institutions (e.g. national employment service) and other Swiss initiatives creating win-win situations (e.g. with SIPPO). Synergies with local governance should be strengthened.
- Decentralization and Local Governance (DLG), social inclusion and migration are interlinked and could be further explored to foster a coherent programme.
- The current energy domain is not interlinked with the other domains. For fostering coherence, the portfolio of the energy domain should be restructured and repositioned in the CS portfolio.
- Potential synergies between SDC and SECO project portfolios are high:
Public sector reform jointly address i) Public Finance Management PFM, ii) Tax reform, and iii) Public infrastructure.
SECO's portfolio could tackle national and sub-national level concerns in relation with SDC's local governance interventions. This is particularly interesting in the field of public financial management. Coordinated actions may generate higher impact in addition to adding value to the Swiss visibility (AR 2012: 11).
- The synergy potential is promising between the regional competence building centres (components of the education portfolio) and the municipal development efforts with regard to capacity development. Likewise, they constitute instruments for skill development and have an important role in creating an improved business enabling environment as well as enhancing competitiveness of private enterprises.
- Potential fields of synergies are identified by the AR 2012 (p. 20) in the following Business Enabling Environments: i) synergies between municipalities benefitting from BEE support in order to benefit from public management support; ii) foster synergies between credit risk insurance facility and M4P interventions. Synergies should also be further strengthened with the trade cooperation.

¹² The detailed results with photo protocol are available in the workshop minutes, available on request at the Evaluation and Corporate Controlling Division and SCO Serbia in Belgrade.

344. Cooperation among Swiss governmental agencies

The collaboration between the SCO management and the Swiss Embassy is good, but might be systematized in specific areas such as Energy, Civil society and local governance.

The coordination with the Federal Office for Migration (FOM) is exemplary, but there is a need for clarification of the roles and responsibilities for specific programmes (e.g. these relating to human trafficking). Nevertheless, these open questions do so far not hinder efficient cooperation. Nonetheless, a more systematic cooperation with the AMS collaborator based in Pristina on the Belgrade-Pristina dialogue would be welcomed.

3.5 Human resources management

351. SCO's human resources

The table in Annex 9 summarizes SCO's staff composition. The SCO Serbia has a lean structure with limited human resources considering the diversity of numerous regional and global initiatives, their regional representative offices in Belgrade, and the management of the migration portfolio on behalf of FOM. At least, for managing the migration portfolio, an additional National Programme Officers (NPO) will be recruited in 2013. The SCO team is completed by a Swiss Regional Governance Advisor who provides support to the Serbia programme and in the region. The regional advisor has limited resources (0.2 Full-time equivalent for SCO Serbia) and is under direct supervision (reporting line) to SDC Berne. Based on the practical experiences of the first year of collaboration, roles, responsibilities and management may need further clarification between the SCO management and the Western Balkan division.

The challenge is to face new thematic challenges and increased financial portfolio amounts with the current staff. On the other hand, the SCO management tries to keep the number of staff as low as possible by investing in capacity building for increased work efficiency.

Given the workload and the further development of the portfolio, human resources and additional consultancy services (e.g. in the EERE domain) must be re-assessed. This re-assessment is recommendable in view of the recommended intensification of additional policy dialogue to foster the links between sub-national and national levels.

Even though the budget of SECO has substantially increased over the CS period, no additional staff has been recruited. In addition to the regional initiatives, the responsible SCO staff has an important programme to manage.

352. Capacity development

The key challenges in capacity building in Serbia are a lack of capacities for the efficient implementation of reform changes on the one hand and frequent staff turnover after political changes on the other hand.

Capacity development concerns are very relevant throughout Serbia in regard to the ongoing decentralization process. There is a lack of human resources in the relevant work fields. But SCO argues that an improvement is visible in some of the SDC supported municipalities (AR 2010: 7). The SCTM project is playing a key role in this regard (SCTM: 19-20).

The SCO allocate high priority to the institutional and human capacity building of its partner and implementing agencies.

353. Appropriateness of resources allocated for transversal themes

With regard to gender, specific strategies per domain have been elaborated including concrete project activities. According to the gender focal point, adequate financial resources have been allocated for those activities.

Concerning the good governance transversal theme, no specific activities have been defined, planned or resourced.

Evaluation Area 4: Results of the CS – in relation to the results at country level

Purpose: Appraise and compare the contribution of the Swiss Cooperation portfolio at the output and outcome level to the achievement of the development results of the partner country.

Conclusions

- C1 From the methodological point of view, the establishment of the logic model of the domain Economic Development (Annex 10) helps to identify the country development results with the related key outcomes of the Swiss contributions. Identified promoting and hindering factors for achieving the Swiss contribution results are critical and have to be addressed when formulating the new Cooperation Strategy Serbia 2014 – 2017.
- C2 In the absence of a well-defined results framework with clear and specific outcomes, a good CS monitoring system with relevant and reliable indicators producing reliable data on the basis of rigorous data collection methods, outcome-focused evaluations and impact assessment, it is difficult to appraise the aid effects of the Swiss portfolio and its significance in respect of country development results. However, projects and programmes have been assessed to a major extent successfully implemented delivering concrete results. With regard to policy dialogue, the results from the local level interventions have not been systematically used for the dialogue at national level.
- C3 Several external key factors were identified for results achievements in the Economic Development domain (see table 4) that highly influence results achievements at both levels – for the Swiss contribution and country development results. One of the key success factors are competent, well-anchored local implementing agencies, which enhance ownership and sustainability (see also C5).
- C4 Political economy and political realities are key factors for the slow reform processes in Serbia – they give insights why some of the projects have not progressed as planned in this domain and will be the basis for the planning of new interventions in the coming strategy. (Ch. 4.1)
- C5 In order to enhance scaling up and sustainability, the SCO looked for partnerships with committed and strong national partner organisations (e.g. SIPRU, SCTM, VEEDA). The close work with these strategic and influential national organisations led to the development of an appropriate and new legislation for the municipal level. This is highly relevant for mainstreaming public reform endeavours, as there is a lack of functional administrative links between central and local level, caused by the pending decentralization process.
- C6 In the search for solutions for Serbia's development challenges, the Swiss cooperation programme has generated diverse innovative approaches and has supported scaling-up efforts. This proves that the Swiss programme is innovative and flexible. It is encouraging that innovative approaches are successfully tested in the South and Southwest. However, more pilot activities have to be tested for the benefit of the marginalized groups. (Ch. 4.2)

Recommendations

- R1 Establish within a domain a platform for sharing information and good practices, which could enhance the contribution to policy development. (Base: C2)
- R2 When strategically relevant for the CS (i.e. strong link with domain outcome) integrate the expected results of regional initiatives (SDC, SECO) and of the migration partnership into the CS Results Framework (RF). Adjust the reporting system to likewise report on their results achievements. (Base: C2)
- R3 Explicitly address in the intervention designs how scale will be achieved through policy dialogue, alliances, and networking. This is especially important for the M4P's systemic approach, which bases its dissemination strategy on facilitation and limited direct support. Pay special attention to create job opportunities for marginalized groups (Roma, IDPs). (Base: C5, C6)
- R4 Involve potential partner organisations (other donors, national institutions, civil society organizations) to scale up promising innovations right from the testing phase to create interest and ownership. Consider supporting strategic and important national organisations so that they can achieve institutional sustainability (SIPRU, SCTM). (Base: C5, C6)

4.1 Domain Results. Effectiveness, and Swiss contribution to country results

Besides the analysis of the results statements (RS) of the Annual reports, two workshops were conducted to analyse the domain results of ED and RLD.

Analysis of the Results Statements (RS) of the Annual Reports

The results statements for the four domains were jointly analysed by the peers and SCO staff immediately after the briefing meeting. On the basis of a set of questions (SDC 2012b), the RS were assessed against the required characteristics of the SDC (2012) Annual Report 2012 guidance.

The findings and recommendations to improve their quality are summarized as follows:

- The quality of the RS has significantly improved over the CS period. In the last Annual Report 2012 all RS are meaningful.
- Due to the lack of RFs and a comprehensive CS monitoring system, reporting on key outcomes of the Swiss contribution was only partially possible.
- Due to missing systematic baseline data and target values, it is impossible to objectively assess the level of overall results achievements and to appraise the significance of the Swiss contribution to country development results.
- The evolution of achieved results over the CS period is traceable.
- Important key dimensions of Switzerland's contributions are missing in the RS such as the Swiss support to European integration, or the progress of integrating social inclusion concerns in the CS portfolio.

Following recommendations to improve the RS quality were identified:

- Formulate the outcome statements more precisely in order to simplify annual reporting over the years.
- Address the key challenges affecting results achievements more systematically.

- Report on the contribution of the domain results towards the overall CS goal. Report more specifically and whenever possible on achieved outcomes using as references quantitative and qualitative baseline data as well as corresponding targets.
- Balance between qualitative and quantitative information. It should be clear whether they represent accumulated values or yearly progress data.
- Reporting on significant progress or success in transversal themes, policy dialogue or donor coordination should be improved.

Workshops on domain results for the domains ED and RLD

Meanwhile the ED workshop took place with participants from partner and implementing organisations. The RLD workshop was held as a short internal meeting.

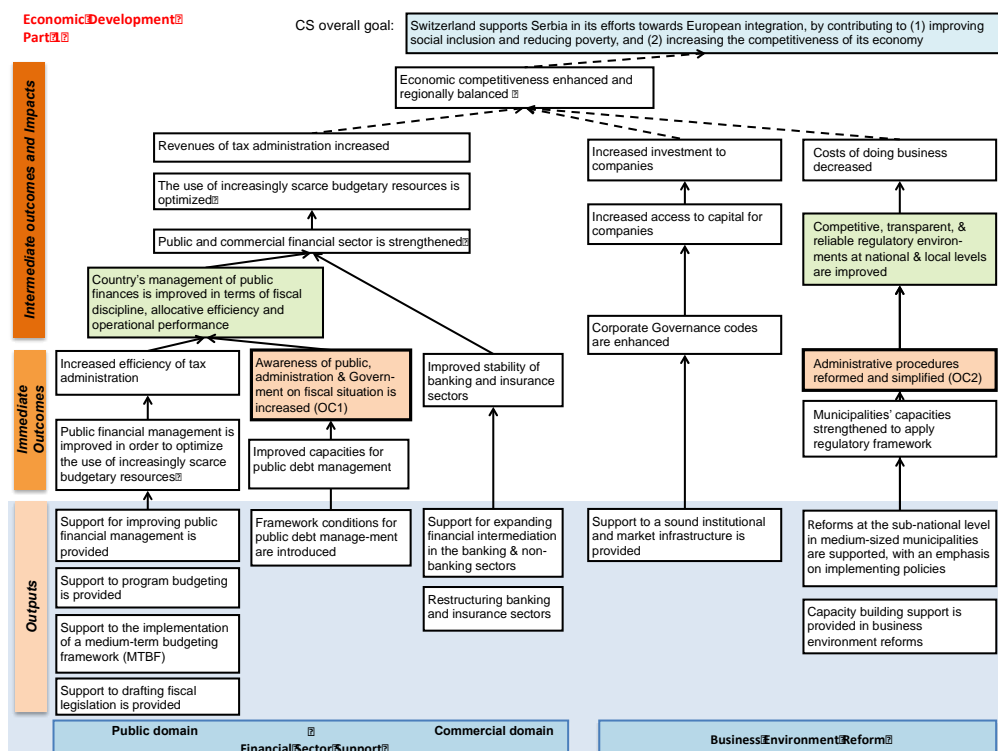
Due to the lack of a results framework as well as of a comprehensive CS monitoring system, the assessment of achieved results was based on i) a logic model established with the results described in the CS and ii) a summary of the most important domain results achieved. Both inputs were prepared in advance.

The following chapter presents only selected key findings for the ED domain. The Annex 10 presents the additional logic model of the ED domain¹³. Annex 11 presents the main findings of the RLD domain, including logic model, the simplified RF and some major achieved outcomes.

Domain A: Economic Development (ED)

As a first step, the prepared logic model was presented and critically assessed and completed by the workshop participants. The following chart presents the model of the ED Sub-domains Financial Sector Support and Business Environment reform.

Figure 5: Logic model of the Sub-domains Financial Sector Support and Business Environment reform (full-size version in Annex 10)



¹³ All workshop results with photo protocol are available in the workshop minutes, available on request at the Evaluation and Corporate Controlling Division and SCO Serbia in Belgrade.

On the basis of the logic model, the most important outcomes of the Swiss contributions and country development results were identified. These results may help to define the Results Framework (RF) of the new CS Serbia 2014 – 2017.

Table 3: Simplified RF of the domain ED 2010 - 2013

Swiss contribution outcomes <i>Reference document: Cooperation strategy 2010 – 2013 Serbia</i>	Country development results <i>Reference documents: Country Needs Assessment, different national strategies</i>
OC1. The awareness of public, administration and Government on fiscal administration is increased.	The country's management of public finances is improved in terms of fiscal discipline, allocative efficiency ¹⁴ and operational performance.
OC2. The administrative procedures are reformed and simplified.	The regulatory environments at national & local levels are competitive, transparent, & reliable.
OC3. Export potential of private enterprises is increased (especially for high-tech products, agriculture and forestry products). OC4. Trade and export for selected products is increased.	Exports by commercial entities, which introduce GIs & quality standards, are increased. Trade and export is increased. Serbia's large account deficit is reduced. Economic competitiveness and innovations of private sector enterprises are enhanced.
OC5. Jobs for the benefit of the poor (women and men) in municipalities of South and South-west Serbia are created. <i>(priority sectors: tourism, traditional products, furniture and forest products)</i>	Employment creation. Prevented brain drain (in high-tech production). Regional imbalances in socio-economic development are reduced.

To illustrate the level of results achievement in the ED domain, some of the most significant Swiss contribution outcomes are summarized, identified in the ARs, reviews and workshop.

- The introduction of corporate governance (CG) standards has contributed to improved performance of participating companies. This resulted in attracting USD 134 Mio investments into companies (AR 2011: 6).
- The IFC sub-national competitiveness project is a success. A major achievement was the streamlining of local regulations and their modernising through the setting up of a formalities register and a publicly accessible web portal with information on all the formalities in each of the selected localities. This resulted in considerable cost-savings to the private sector. The achievements are used by the SCTM as a means of spreading the local reform process to other municipalities (BEE: 39).
- Thanks to the IMF budget advisor, the fiscal responsibility legislation was drafted and later enacted by the GoS.
- Owing to an increased share of high-tech products, companies from the Swiss supported Business Incubator for innovative companies have made a profit of 3.5 Mio Euro (Swiss investment 0.6 Mio CHF) in international and domestic trade, confirming Serbia's potential in trade with innovative products (AR 2012: 6).
- Projects and programmes have been to a major extent successfully implemented with concrete results - however with regard to policy dialogue the results of the local level interventions have not been used for a dialogue on the macro level. An exception is M4P South where successes on job creation at the local level with the National Em-

¹⁴ Allocative efficiency is a type of economic efficiency in which economy/producers produce only those types of goods and services that are more desirable in the society and also in high demand.

ployment Service, through a policy dialogue have been scaled up with the National Employment Service into all municipalities and all NES branches.

- The M4P approach is providing better job and income opportunities in selected sectors in Southwest and South Serbia (AR 2012: 6). Through increased product quality, 120 exporters of raspberry and 9'000 small farmers have preserved their position on the EU market. Raspberry export from Zlatibor in total Serbian export increased from 34.7% to 41.9%.
- The M4P approach is providing better job and income opportunities in selected sectors in Southwest and South Serbia (AR 2012: 6). Through increased product quality, 120 exporters of raspberry and 9'000 small farmers have preserved their position on the EU market. Raspberry export from Zlatibor in total Serbian export increased from 34.7% to 41.9%.

In a further workshop step, factors that promote and hinder the achievement of the Swiss contribution outcomes were jointly identified. The following table summarizes some of the most important factors. At the same time, these are the drivers of change and/or key external factors which may strongly influence the results achievements.

Table 4: Promoting and hindering factors for achieving Swiss contribution outcomes of the ED domain 2010 – 2013

Promoting factors	Hindering factors
<ul style="list-style-type: none"> • EU integration as key driver of the reform process • Well-established cooperation with national and implementing partners • Autonomy of local governance (increase in the process of gradual decentralization) • Co-operation with other donors in joint projects and synergies with similar interventions of other donors • Rule of law: fight against corruption • Local level (municipal) expertise • Available skilled workforce • Swiss innovative approaches (M4P, technology platform) • Diaspora coming back to Serbia • Success stories, showcases 	<ul style="list-style-type: none"> • Economic crisis in Serbia • Politicized administration. Elections at central and local level slow down the functioning of the administration • Low public participation • Low capacities of local governments, ministries, and other public structures • Slow implementation of reforms of the land governance and propriety rights • Weak law enforcement and inefficient judicial system • Weak civil society at community level • Lack of appropriate system of standardization and certification • Weak and complicated regulations for export • Monopolized market (tycoons) • Lack of managerial skills • Big gap between research, development and commercialisation • Lack of protection of intellectual rights

4.2 Sustainability and scaling up

Following overview of generated innovations per domain provides a good picture of the Swiss efforts for developing tailored solutions and sustaining the investments.

Domain A: Economic Development (ED)

- The successful experience by IFC sub-national competitiveness in reducing administrative procedures in 10 pilot municipalities is today functioning as a demonstration case for other municipalities; the achievements are also to be used by the central SCTM as a means of spreading the local reform process to other municipalities (BEE: 39).
- The two PSD projects in South and Southwest Serbia prioritize networking on regional and national level, balancing between direct delivery and facilitation. First encouraging results in regional tourism promotion are scaled up. In the wood sector, the study to be financed by SIPPO will also be useful for scaling up of local interventions (AR 2011: 8). The M4P approach is facilitating sustainable changes in market systems with the objective to make them more inclusive and generate more employment and income (PSD: 5).
- Due to the importance of agriculture products (10% of GDP, 24% of overall exports), the SCO is decided to enhance scaling-up efforts for innovative products (AR 2012: 8). Promising opportunities exist also in the industry sector with first promising results with high-tech products. There is a potential to foster synergies between the PSD interventions and SECO's trade cooperation programme (e.g. SIPPO).

Domain B: Rule of Law and Democracy (RLD)

- SCTM is able to strongly influence the central government and the parliament. Even though SCTM has not a formalised role, it is an important interlocutor at the Central State level in the law making process (SCTM: 12 - 14). The results of the study on local infrastructure barriers were presented to SCTM and line Ministries and used as a basis for public discussion and will help to improve the municipal infrastructure legislation.
- Due to its strategic and important role, SCTM should be supported to achieve institutional sustainability. The main threat for sustainability is not finances but rather the political context (SCTM: 23-24).
- In addition to supporting the lobby work of SCTM it is important to also directly support and strengthen capacity of the line ministries responsible for designing and implementing reforms (i.e. Ministry of regional development and LSG, Ministry of Finance).
- Innovative and/or tailor-made interventions have been generated to improve municipal performance, including regulations and by-laws. But the positive results of MSP remain 'trapped' in 7 municipalities that were privileged to become programme partners. The programme could have explored different ways of leading a more intensive dialogue with the line ministries and reinforcing links with the central level. (EPR-MSP: 6).
- One of the more recent initiatives of SIPRU at local level are the so-called "peer reviews", in which municipalities exchange experiences and good practices in terms of implementation of social inclusion and poverty reduction programmes. It is noteworthy that the initiative inspired UNICEF to apply the "peer review" approach in its own projects (SIPRU: 15).
- The online-course on social inclusion that mainly targets civil servants, consultants, and members of civil society organisations, found dissemination through civil society networks active in South-East Europe (SIPRU: 17).
- The institutional situation of the SIPRU unit should be clarified and changed in mid-term perspective in order to increase the sustainability of activities (AR 2011: 11).

Domain C: Education (EDU)

- Thanks to the innovative character of the education project portfolio (e.g. PDP with its regional professional development PD centres) and to the favourable legal and institutional framework, systemic sustainability of the results is secured. However, a sensitive political issue is the turnover of management staff after each election. Special capacity development investments are made for the mid-management staff who is less exposed to these human resource changes.
- HEKS's Vojvodina project in the South is a promising example of effectively addressing social inclusion, local governance, economic development and migration in an integrated way. The Roma beneficiaries accept the project approach. This locally based experience should be assessed for up-scaling in other regions. The Joint Programme for Roma and marginalized groups (SDC, Red Cross, UNICEF) is another initiative which addresses social inclusion issues for pre-school children.

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Annex 1: List of reviews and End-of-Phase reports (EPR)

Reviews

Code	Evaluated project. Type of review	Year	Evaluators
Economic Development (ED)			
PSD (SDC)	Southwest Serbia – External evaluation of the M4P project, conducted in 6 municipalities of Southwest Serbia	2011	Roel Hakemulder & Mladen Momcilovic
BEE (SECO)	Business Enabling Environment – Meta evaluation of SECO's phased out Business Enabling Environment projects	2011	Claes Lindahl, Andreja Marusić, Mikael Söderbäck
TCP (SECO)	Trade Cooperation Programme – Phase III: External evaluation of components 1-3 and identification of TCP IV components	2012	Reto Ingold and Mladen Momcilovic
Rule of Law and Democracy (RLD)			
MSP (SDC)	Municipal Support Programme – Final evaluation done by Swiss and Serbian evaluators in 7 municipalities of Central-Western Serbia	2010	Andreas Tarnutzer & Mladen Momcilovic
SCTM (SDC)	Standing Conference of Towns and Municipalities – Mid-term-Review of the national association of municipalities	2012	Daniel Arn, Mirjam Strecker. Mladen Momcilovic
SIPRU (SDC)	Support to Social Inclusion Policy – External review aiming at assessing the outcomes/ achievements of the first phase and possible continuation	2012	Harald Meier / Marija Šijan
Education (EDU)			
ROMA (SDC)	Joint Programme for Roma and Marginalised Groups Inclusion – External review of the first phase aiming at assessing the outcomes/achievements and possible continuation	2011	Harald Meier / Snjezana Mrše
Energy Efficiency and Renewable Energy (EERE)			
ENERGY (SECO)	Development Cooperation in the Energy Sector in Eastern Europe and Central Asia – Independent Evaluation	2010	Lilian Melikyan, Denzel Hankinson, Mladen Momcilovic, Srdjan Dimitrijevic

End-of-Phase Reports

Code	Concerned project	Year
Economic Development (ED)		
EPR-PSD (SDC)	Private Sector Development in Southwest Serbia – Phase I	2012
Rule of Law and Democracy (RLD)		
EPR-MSP (SDC)	Municipal Support Programme – Phase III	2011
EPR-MD (SDC)	Municipal Development in South West Serbia – Phase III	2010
Education (EDU)		
EPR-PDP (SDC)	Professional Development Programme – Phase III	2010
Migration		
EPR Migration (SDC)	Migration in South West Serbia	2010

Annex 2: Evaluation matrix with the specific evaluation questions

Priorisation of evaluation questions

Priority 1: "MUST" question

Priority 2: "IMPORTANT" question

Priority 3: "NICE TO KNOW" question

Evaluation questions		SCO			Comments evaluation team
		1	2	3	
Evaluation Area 1: Context analysis (referring to the partner country context and to the Swiss context)					
1.1 Positioning and adaptation of CS with respect to country context and Swiss policies 1					
111.	How coherent are the CS and the defined domains and transversal themes with the development priorities set by the partner country?	1			Priority question Specific attention was paid to this question. Detailed questions were elaborated.
112.	How coherent are Switzerland's foreign-policy objectives for the country/region?		2		Discussion with SCO management & Ambassador.
113.	How coherent is the CS with the principles of the Federal Council Dispatch and SDC/SECO policies?		2		Discussion with SCO management & Ambassador.
114.	What were the most important changes in the context and what have been their effects on the CS, and what adaptations have been taken?	1			Priority question Base: Results statements of ARs, discussion with SCO domain staff & Ambassador
115.	Which alternative development scenarios are presented in the context analysis?		2		Unique scenario EU accession was chosen.
1.2 Quality of context analysis					
121.	How realistic and relevant is the context analysis? How is the broad political context assessed in the CS and ARs?		2		The evaluation team prioritized this question.
Evaluation Area 2: Relevance and appropriateness of projects/programmes with regard to CS					
2.1 Relevance of the projects / programmes					
211.	How is the project/programme portfolio structured?		2		
212.	How have the projects and programmes been identified and selected? How have the findings of the context analyses in regard to social and economic inequalities been considered? How has the entry quality during the project/programme identification phase been ensured?		2		
213.	How do the different instruments complement each other in the same domain?		2		
214.	Which role do none-core interventions play in the country programme?			3	
215.	How appropriate are the approaches applied in the domains and to what extent do they reflect state-of-the-art practices?			3	Mainly assessed on the basis of ARs and evaluation reports.
216.	How do the projects/programmes make use of the comparative advantages of SDC/SECO and which innovative approaches produce added value?	1			Priority question. Discussed with SCO and interviews.

217.	How does the CS position SDC/SECO in the country compare to other donors?	1			Priority question. Interviews with other donor representatives.
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2.2 Consistency of projects/programme objectives with Results Framework of the domain

221.	How is the project/programme portfolio aligned with the results frameworks of the domains/sub-domains of the CS?		2		
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2.3 Transversal themes at the level of CS and the domains 2

231.	How relevant are the selected transversal themes and how are they integrated in the CS and the domains?		2		Priority question. The evaluation team analysed the transversal themes of gender and good governance in more detail.
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Evaluation Area 3: Implementation of the CS or MTP, and their portfolio

3.1 Allocation and management of financial resources 3

311.	How well do the actual financial volumes of the projects/programmes and of the domains match with the amounts defined in the CS? (<i>SCO: defined by key parameters?</i>)			3	
312.	Are cost-benefit analyses or other tools used for assessing efficiency carried out?			3	
313.	How does the SCO balance reducing administrative costs (efficiency) with the need to keep an appropriate capacity to deliver quality aid?		2		

3.2 Management performance

321.	How are decisions for steering the country programme made if the results differ considerably from planning?		2		
322.	How has "Swiss expertise" contributed to the quality of the implementation of the CS?		2		

3.3 Quality of the CS monitoring system

331.	How relevant and efficient is the management of the process of the CS monitoring system?	1			Priority questions. The analysis was conducted with the help of a specific evaluation tool. The results of the preliminary analysis (in Inception report) were exchanged with the SCO management.
332.	How relevant are the domain indicators?	1			
333.	How are the transversal themes monitored and progress reported?		2		
EQ 334.	How reliable and credible are the data provided by the CS monitoring system?	1			

3.4 Positioning, coordination and aid effectiveness in country set up (Relationship management)

341.	Which role does SDC/SECO play within the donor community?	1			Priority question. Interviews with other donor representatives.
342.	Which information and through which mechanisms is the achievement of results shared with the governments of the partner countries, the Swiss community, other relevant stakeholders?	1			Priority question. Interviews with other donor representatives.

343.	Which synergies have been generated among implementing agencies	1			Priority question. A specific workshop was therefore organized.
344.	How well do the Swiss Governmental Agencies in the country cooperate?	1			Discussion with SCO management & Ambassador.
3.5 Human resources management					
351.	How appropriate are the team composition and competences of COOF staff?		2		
352.	How has capacity development for selected local partner organisations contributed to result achievement of the CS?		2		
353.	Are appropriate and sufficient resources allocated for transversal themes?		2		

Evaluation Area 4: Results of the CS – in relation to the results at country level					
4.1 Domain Results, Effectiveness, and Contribution to Country Results					
411.	What was the (implicit) results framework of the country strategy at the beginning of the phase?	1			Priority question. A specific workshop for the ED domain was organized with large participation of national partners. The results of the RLD domain were analysed in a short internal workshop.
412.	What are the most relevant development objectives (outcomes) of the partner country?	1			
413.	To what extent have the Swiss portfolio results (outcomes) of the different domains and transversal themes been achieved?	1			
414.	Which internal and external factors had a major effect on the achievement of the results?	1			
415.	How significant is the Swiss contribution to the achieved results at country level for the different domains?	1			
4.2 Sustainability and scaling up					
421.	What innovations generated by field experience have been scaled up through policy dialogue, alliances, networking and dissemination?	1			Priority question.
422.	What has been done at country level to enhance the sustainability of the investments of SDC/SECO?	1			Priority question.

Annex 3: Suggested working schedule for field mission Serbia

RF Ruedi Felber KI Liliana de Sá Kirchknopf
 MS Marija Sijan AS Andrea Studer
 JB Jürg Benz

Date	Time	SCO	Peers & Consultant					Activities	
			RF	MS	JB	KI	AS		
17.1			x					Arrival international consultant	
18.1.		SCO Admin.: AND-NE, KARMA	x	x				Last logistic arrangements with SCO. Preparation with national consultant	
SA 19.1.		- - -	x	x				Preparation with national consultant	
SU 20.1	am				x	x	x	Arrival peers	
	pm		x	x	x	x	x	Preparation meeting with peers and consultants	
MO 21.1	08:30-11:00	Staff SCO: PER, BOHNA, PEJAN*, ROSAR, VUJLI, VASPE	x	x	x	x	x	Briefing meeting: - Objectives CS Evaluation, expectations, review working programme - Exchange per domain: analysis of results statements per domain (AR 2010-2012)	
	11:00-12:00	PER, BOHNA, ROSAR, VUJLI, VASPE	x	x	x	x	x	EA 1 Context analysis: 1.1 Positioning and adaptation of CS with respect to country context and Swiss policies (Questions E111 - E114) 1.2 Relevance and quality of CS context analysis (Question E121)	
	Lunch break								
	13:30-16:30	Staff SCO Domain ED & EERE: BOHNA, ROSAR	x				x	x	1.1 Positioning and adaptation of CS with respect to country context and Swiss policies in regard to domain ED (Questions E111, E114) EA 2: Relevance and appropriateness of project portfolio (Domain ED & EERE): 2.1 Relevance of the Domain ED & EERE projects (Questions E211-E216) 2.2 Consistency of projects objectives with Results Framework of Domain ED & EERE
13:30-16:30	Staff SCO Domain RLD & EDU: PER, VUJLI, VASPE, HKA			x	x			1.1 Positioning and adaptation of CS with respect to country context and Swiss policies in regard to RLD & EDU (Questions E111, E114) EA 2: Relevance and appropriateness of project portfolio (Domain RLD & EDU): 2.1 Relevance of the Domain RLD & EDU projects (Questions E211-E216) 2.2 Consistency of Domain RLD & EDU projects objectives with Results Framework of the Domain RLD & EDU	
TU 22.1.	08:30-16:30	Donors and partners (see list below)	x				x	x	Interviews with main national partners and donor representatives
	08:30-16:30	Donors and partners		x	x				Interviews with main national partners and donor representatives

Date	Time	SCO	Peers & Consultant					Activities
			RF	MS	JB	KI	AS	
WE 23.1.	09:00 – 16:00	Staff SCO: BOHNA, ROSAR, PER, VUJLI, VASPE Selected partners: (see list below)	x	x	x	x	x	Workshop Domain Economic Development 4.1 Domain results, effectiveness, and Swiss contribution to country results 4.2 Sustainability and scaling up Questions related to Gender: E111, E231 <i>Departure at evening: de Sá Kirchknopf Liliana</i>
TH 24.1	09:00 – 12:00	SCO staff: PER, BOHNA, VUJLI, VASPE, ROSAR, HKA	x	x	x	-	x	Workshop social inclusion in view of new CS, incl. input of Zarko Sunderic: Head of the Unit at Government of Serbia, Social Inclusion and Poverty Reduction Unit (only first part; short input)
	Lunch break							
	13:30 – 16:30	SCO staff: PER, BOHNA, (HKA), ROSAR, VUJLI, VASPE, PEJAN, ANDNE	x	x	x	-	x	Workshop: synergies between the domains for enhancing results achievement
FR 25.1	08:30-12:00	SCO mgt: PER	x	x	x	-	-	Evaluation Area 3: Implementation of the CS, and their portfolio: 3.1 Allocation and management of financial resources (Questions E311-313) 3.2 Management performance (Questions E321-322) 3.3 CS monitoring system 3.4 Relationship management (Questions E341-344) 3.5 Human resources management (Questions E351-353)
	Lunch break							
	13:30-16:30	Staff SCO: BOHNA, ROSAR, PER, VUJLI, VASPE	x	x	x	-	x	Internal workshop on Rule of Law Assessment of Results chain Most important results
SA 26.1	08:30 - 17:00	---	x	x	x	-	x	Team meeting: Analysing information, elaboration Key impression notes, preparation debriefing meeting
SU 27.1			x	x	x	-	x	Free / report writing
MO 28.1	08:30-10:00	SCO mgt.: PER, BOHNA	x	x	x	-	-	Evaluation Area 3: Implementation of the CS, and their portfolio (continuation) & wrap-up
	10:00-12:00	SCO mgt.: PER, BOHNA	x	x	x	-	x	Wrap-up and Evaluation Area 4: Results of the CS – all domains E.2 Sustainability and scaling up (Questions E421, E422)
	Lunch break							
	13:00-17:00	---	x	x	x	-	x	Peer team meeting: preparation of debriefing meeting
TU 29.1	08.30-12:30	All staff SCO	x	x	x	-	x	Debriefing meeting
	12:00		x	x		-		Departure consultant and peers

List of interviewed stakeholders

Tuesday 14.02.2012

Team 1: Economic Development and Energy (Andrea Studer, Liliana de Sa Kirchknopf, Ruedi Felber)	Team 2: Rule of Law and Decentralisation, Education (Jürg Benz, Marija Sijan)
Mr. Ognjen Miric, SEIO, Coordinator for EU Funds	
Mr. Konstantin Soupilas, Programming and Coordination Manager, EU Delegation Office	
Working lunch with – Mr. Jürg Staudenmann, Deputy Resident Representative UNDP – Mr. Alexander Grunauer, GiZ. Project Director, Municipal Economic Development in the Danube Region	
Mr. Paal Ulla, Ministry of Finance, IMF Resident Budget Advisor (PFM)	Mr. Radomir Milovanovic, Director, Municipal Support Programme
Mr. Oliver Orton, IFC, Business Enabling Environment, Regional Manager (BEE)	Ms. Marijana Todorovic, Project Manager, Programme for Professional Development
Mr. Nikola Tarbuk, EPS, Project Manager	Mr. Nikola Tarbuk, Project Manager. Standing Conference of Towns, and Municipalities (SCTM)
Mr. Vladimir Obradovic, Electric Power Company of Serbia (EPS), Advisor to the General Manager	

List of national partners and implementing organisation at the workshop on Economic Development:

Tuesday 23.01.2013

- Goran Zivkov, SEEDEV
- Goran Kostic, VEEDA
- Sladjana Kocevic, Optimus
- Katarina Milanovic, Optimus
- Lazar Sestovic, The World Bank

Annex 4: Synopsis Result Framework of the CS Serbia 2010-2013

Overall goal			
Switzerland will support Serbia in its efforts towards European integration, by contributing to (1) improving social inclusion and reducing poverty, and (2) increasing the competitiveness of its economy			
Domains			
Economic Development	Rule of Law and Democracy	Education	Energy Efficiency and Renewable Energy
National priorities			
<ul style="list-style-type: none"> – (macro-economic stability) – economic competitiveness – regional development / decreasing disparities – SME promotion strategy 	<ul style="list-style-type: none"> – (fiscal) decentralization & regional development, municipal property management – democratic participation & popular rights – judicial reform – social inclusion policies (SIP) 	<ul style="list-style-type: none"> – quality of education (teaching and learning) – equal access to education (Roma Action Plan) – EU-compatible reforms 	<ul style="list-style-type: none"> – construction and modernization of energy infrastructure
SDC / SECO portfolio contributions			
SECO/SDC	SDC	SDC	SECO
Economic competitiveness enhanced and regionally balanced	Municipal management and lobbying and selected central capabilities increased	Quality and inclusiveness of education improved	Sustainable energy generation and environmentally conscious consumption enhanced
<ul style="list-style-type: none"> – public and private financial sector strengthened – business environment & regulatory framework improved – trade and export potential increased – SME-driven pro poor domestic market growth introduced 	<ul style="list-style-type: none"> – vertical integration of municipal and central state levels improved – municipal management and governance practices enhanced – judicial reform designed and action plan underway (co-financing) – social inclusion policies drafted and implementation underway (co-financing) 	<ul style="list-style-type: none"> – capacities for the design and implementation of reforms and professional development system consolidated – inclusiveness of education system improved 	<ul style="list-style-type: none"> – reliable energy generation improved – energy efficiency increased – solutions for renewable energy supply introduced
Transversal themes: gender & governance			

Annex 5: Basic statistical data of Serbia

	1990	1995	2000	2005	2010
GDP / capita in PPP terms (USD)	513	652	834	1,134	1,572
GDP growth rate	5.9	4.9	5.9	6.0	5.8
Poverty 1 USD (PPP) / day (%)	66.8 (1992)	59.4 (1996)	57.8	49.6	40 (2010)
FDI Flow (inward and outward) US\$ mio	3	92	579	845	913
FDI Stock (inward and outward) US\$ mio	477	600	2,162	3,486	6,072
Swiss exports (mio CHF): - machinery for textile industry, pharmaceuticals					83
Swiss imports (mio CHF): textiles and garments					150
ODA / capita (USD)	18.1	10.0	8.3	8.6	7.6 (2009)
Swiss aid inflows (mio. CHF)	No data	14	25.8	26.1	19.81
Unemployment rate (% of labour force)	1.9 (1991)	2.5 (1996)	3.3	4.3	No data
HDI	0.313	0.350	0.390	0.432	0.469
Maternal mortality ratio (per 100,000 live births)	870	640	500	420	340 (2008)
% of seats held by women in national parliament	10.3	9.1 (1997)	9.1	2.0	18.6
Gini coefficient	26 (1992)	31 (1996)	31	31	No data
Corruption Perception Index (TI) (0 worst, 10 best)	No data	No data	0.4	1.7	3.5 (2012: 39)
Bertelsmann Transformation Index - Status Index (1 worst, 10 best) - Management Index (1 worst, 10 best)	No data	No data	5.8 4.5 (2003)	6.01 4.73 (2006)	5.74 4.87
Estimated adult (15 – 49) HIV prevalence (%)			0.1 (2001)		< 0.1 (2009)
CO ₂ emission / capita in tonnes	0.1	0.2	0.2	0.3	0.3 (2007)

Status of MDGs:

Eradicate poverty	Possible to achieve if changes are made
Universal Primary Education	On track
Gender equality	Achieved
Child Mortality	Possible to achieve if changes are made
Maternal Health	Possible to achieve if changes are made
Combat diseases	Possible to achieve if changes are made
Environmental sustainability	Possible to achieve if changes are made
Global partnership	Possible to achieve if changes are made

Sources:

GDP/capita in PPP terms (USD):

<http://www.imf.org/external/pubs/ft/weo/2011/01/weodata/weoselgr.aspx>

GDP growth rate: <http://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG?page=4>

Poverty 1 USD (PPP) / day: <http://mdgs.un.org/unsd/mdg/SeriesDetail.aspx?srid=580&crd>

FDI Flow and Stock: <http://unctadstat.unctad.org/TableViewer/tableView.aspx>

Trade: SECO/OSEC

ODA / capita: <http://data.worldbank.org/indicator/DT.ODA.ODAT.PC.ZS?page=4>

Swiss aid inflow:

http://www.deza.admin.ch/de/Home/Dokumentation/Publikationen/Jahresberichte/Archiv_Jahresberichte

Unemployment rate (% of labour force):

<http://data.worldbank.org/indicator/SL.UEM.TOTL.ZS?page=4>

HDI: <http://hdrstats.undp.org/en/tables/default.html>

Maternal mortality ratio: <http://data.worldbank.org/indicator/SH.STA.MMRT>

% of seats held by women in nat. parliament:

<http://unstats.un.org/unsd/mdg/SeriesDetail.aspx?srid=557&crd=>

Gini coefficient: <http://data.worldbank.org/indicator/SI.POV.GINI?page=4>

Corruption Perception Index: http://www.transparency.org/policy_research/surveys_indices/cpi

Bertelsmann Transformation Index: <http://www.bertelsmann-transformation-index.de/bti/laendergutachten/>

CO₂ emissions / capita: <http://data.worldbank.org/indicator/EN.ATM.CO2E.PC>

MDGs: <http://www.undp.org.bd/mdgs.php>

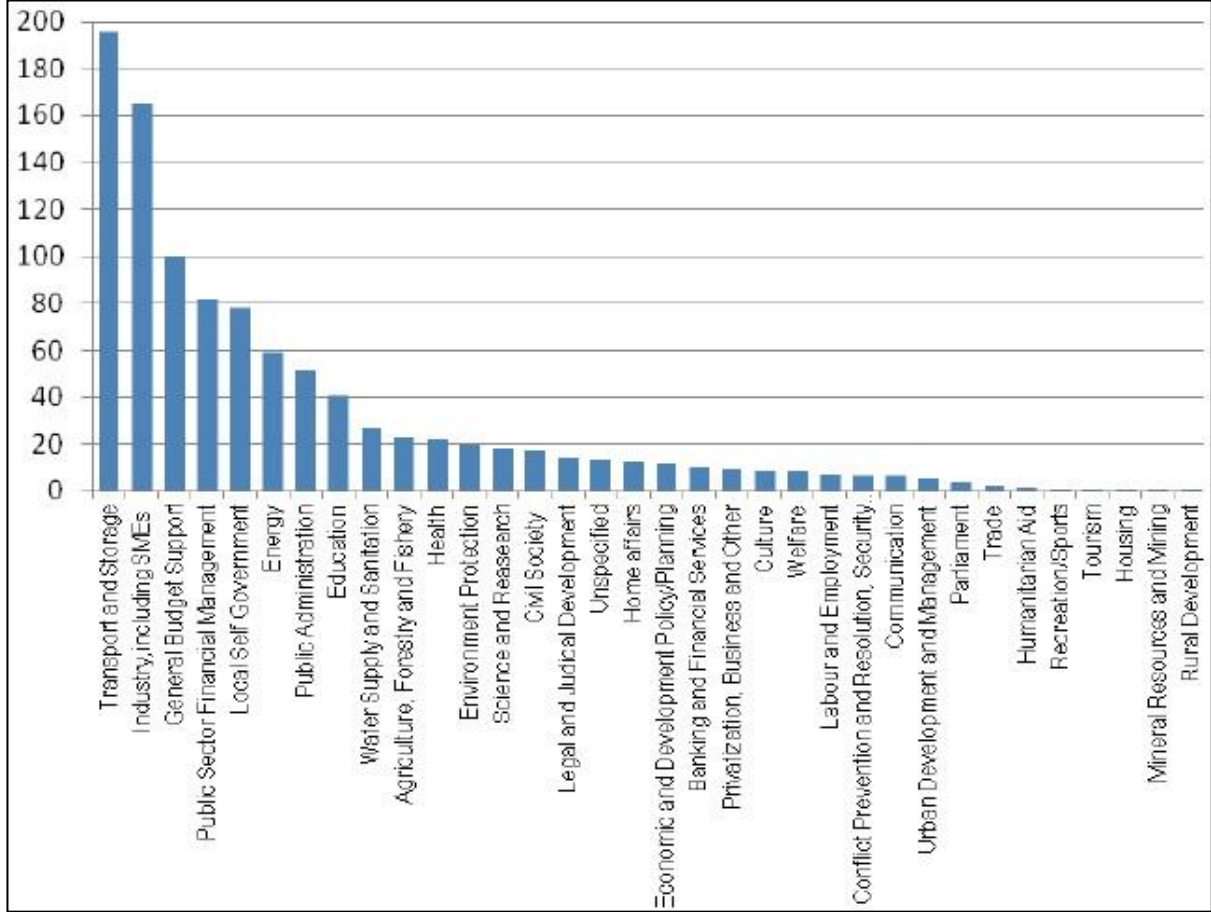
UNAIDS - Joint United Nations Programme on HIV/AIDS: <http://www.unaids.org/en/>

The world factbook: <https://www.cia.gov/library/publications/the-world-factbook/>

Annex 6: Estimated disbursement of international assistance

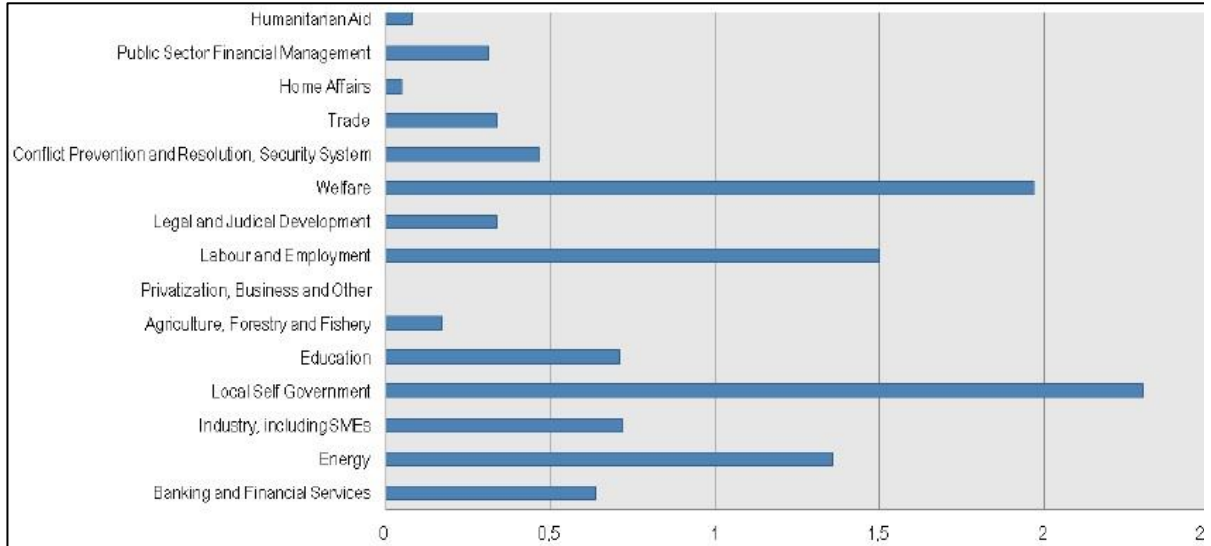
Estimated disbursement by sectors in 2011 (the sectors are represented according to the OECD/DAC classification). Source: ISDACON information system.

Overview of International Assistance by Sectors



Overview of estimated disbursement of international assistance in 2011 by Switzerland and sectors (the amounts are in millions of EUR)

Switzerland



Annex 7: Duration of projects

Domain A: Economic Development													
Project Name	Project Start	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Project End
Sub-domain: Financial sector support													
Deposit Insurance Agency DIA	2009			Phase I									n/a
Serbia Budget Advisor	2009						Phase I						
Sub-domain: Business environment reform													
Sub-national Business Environment Reform	2011					Phase I							2014
IFC Tax Program	2012						Phase I						2015
IFC Corporate Governance	2012						Phase I						2016
Sub-domain: Trade cooperation													
WTO assistance	2009												2012
GLOBALGAP Standards	2009												2012
Support to Intellectual Property Rights	2009												2012
Promotion for innovative products	2011					Phase I							2013
Sub-domain: Making markets work for the poor													
PSD South West Serbia RDA Zlatibor	2007			Phase 2				Phase 3					2015
PSD South Serbia VEEDA	2010				Phase I								2017

Domain B: Rule of Law and Democracy													
Project Name	Project Start	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Project End
Sub-domain: Decentralisation and local governance													
Municipal Support Programme MSP	2001				Phase 3								2011
Support to National Municipal Association	2010					Phase I							2013
Municipal Development S-SW Progress	2010					Phase I			Phase 2				2015
MSP Human Resources	2012						Phase I						2013
Municipal Support in West Serbia	2013									Phase I			2017
Support to Parliament (UNDP)	2012								Phase I				2015
Municipal Econ. Devel. Eastern Serbia (GIZ)	2012						Phase I		Phase 2				2015
Sub-domain: Judicial reform and Social inclusion													
Justice Reform Serbia	2008						Phase I						2015
Support to Social Inclusion Policy in Serbia – SIPRU	2009						Phase I			Phase 2			2016
Domain C: Education													
Project Name	Project Start	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Project End
Sub-domain: Education System Development													
Professional Development Program PDP	2002						Phase 3		Phase 4				2013
Support to National Action Plan (NAP) gender	2013									Phase I			2016
Life Long Learning LLL and Youth Employment	2013										Phase I		2017
Sub-domain: Inclusive education													
Joint Programme for Roma and Marginalised Groups Inclusion	2009						Phase I		Phase 2		Phase 3		2016

Domain D: Energy Efficiency and Renewable Energy													
Project Name	Project Start	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Project End
Sub-domain: Energy efficiency and renewable energy													
Tent B Thermal Power Plant	2009					Phase I							2013
Tram Project Belgrade TRAMS	2001					Phase I							2015
Sub-domain: Renewable energy													
Combined Heat and Power Plant (CHP)	2013							not yet started					2017
Regional programmes, Swiss NGO programmes, migration													
Migration Management South West Serbia PRO	2008			Phase I									2010
Roma project: Setting up social services in Vojvodina (HEKS/EHO)	2007				Phase 2	Phase 3			Phase 4				2015
Migration Management South Serbia PBILD	2009					Phase I							2012
Support to Nat. Coordination for Reintegration Returnees (Commissariat)	2010					Phase I			Phase 2				2015
Fostering Employment of Migrants in South Serbia	2013							Phase I					2014
Migration Small Actions	2012							Phase I					2020

REGIONAL INITIATIVES (SECO & SDC)

Economic Development (SECO)

- IMF Regional Tax Administration Project for South East Europe (2010-2014)
- Swiss-World Bank Partnership on Fiscal Risk Management for Middle-Income Countries
- Public Expenditure Management-Peer Assisted Learning (PEM-PAL) (2010-2012)
- Strengthening Accountability and Fiduciary Environment (SAFE Trust Fund) (2009-2013)
- Financial Sector Reform and Strengthening Initiative (FIRST) (2007-2014)
- World Bank Consumer & Financial Literacy Trust Fund (CPFL) (2012-2015)
- World Bank Southeast and Central Europe Catastrophe Risk Insurance Facility (SECE CRIF) (2009-2015)
- Corporate Governance in Europe and Central Asia (2012-2015)
- Southeast Europe Tax Transparency and Simplification project (2012-2015)
- Southeast Europe Infrastructure Advisory (SEIA) (2005-2015)
- SECO Start-up Fund (1997-2014); European Fund for South East Europe (2005-open)

Regional Programmes (SDC)

- Swiss Cultural Program SCP (2008-2012)
- Scientific co-operation between Eastern Europe and Switzerland (SCOPES) (2009-2012)
- Regional Research Promotion Programme in the Western Balkans (RRPP) (2008-13)
- Regional Cooperation Council (RCC)
- Support to Regional Police Cooperation (2008-2016)

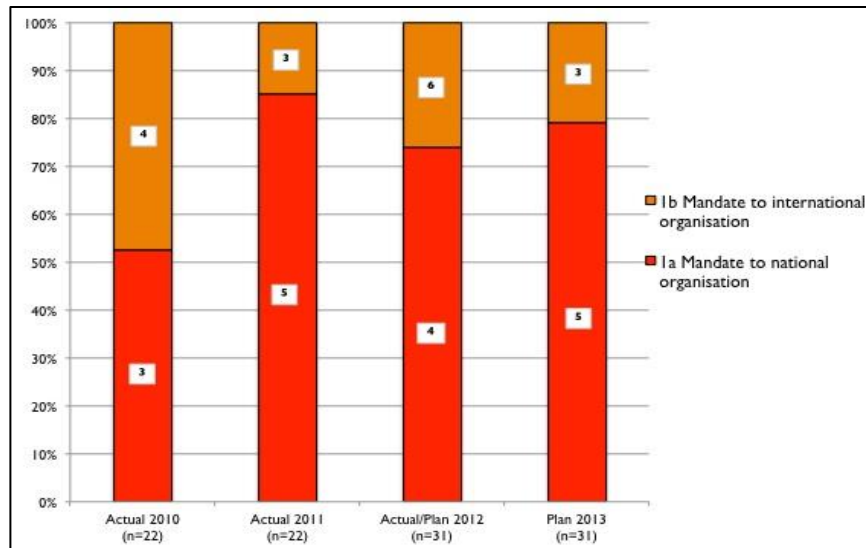
Swiss investment fund for emerging markets (SIFEM) investments

- SEAF South Balkan Fund (2005-2016)
- Balkan Financial Sector Equity Fund (2005-2015)
- Symbiotics MFLO Opportunity Eastern Europe (2005-2012)
- 7L Capital Partners Emerging Europe L.P. (2006-2016)

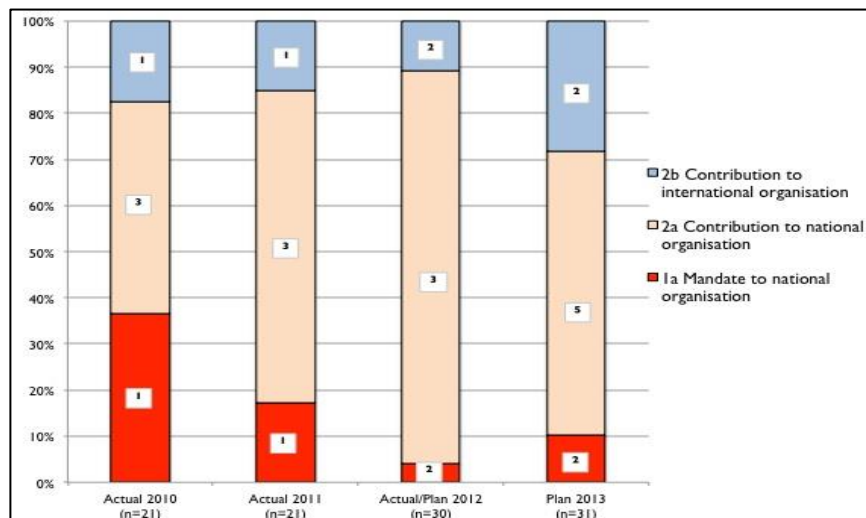
Annex 8: Distribution of the projects in main forms of cooperation

Financial disbursement / budget according (with number of projects)

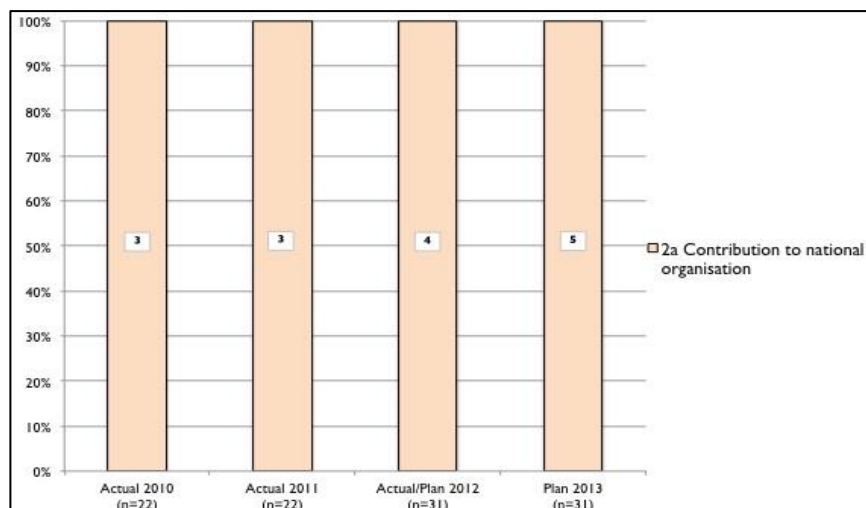
Domain Economic Development



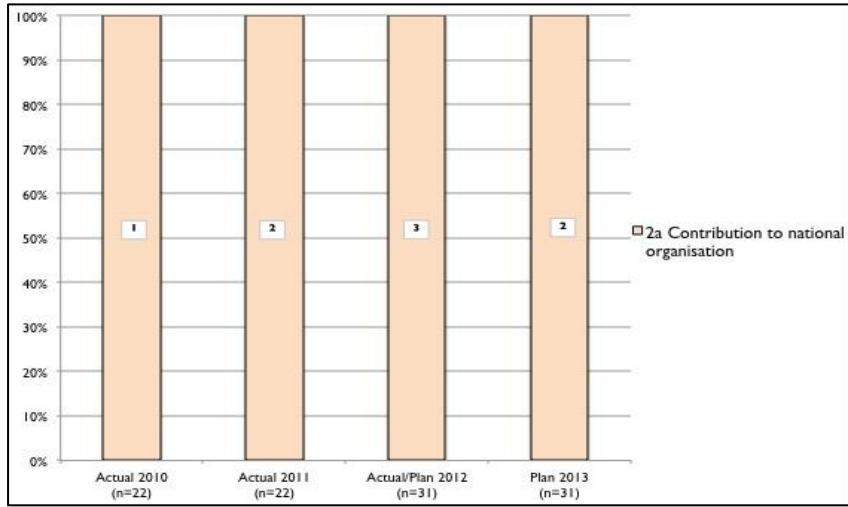
Domain Rule of Law and Democracy



Domain Education



Domain Energy Efficiency and Renewable Energy



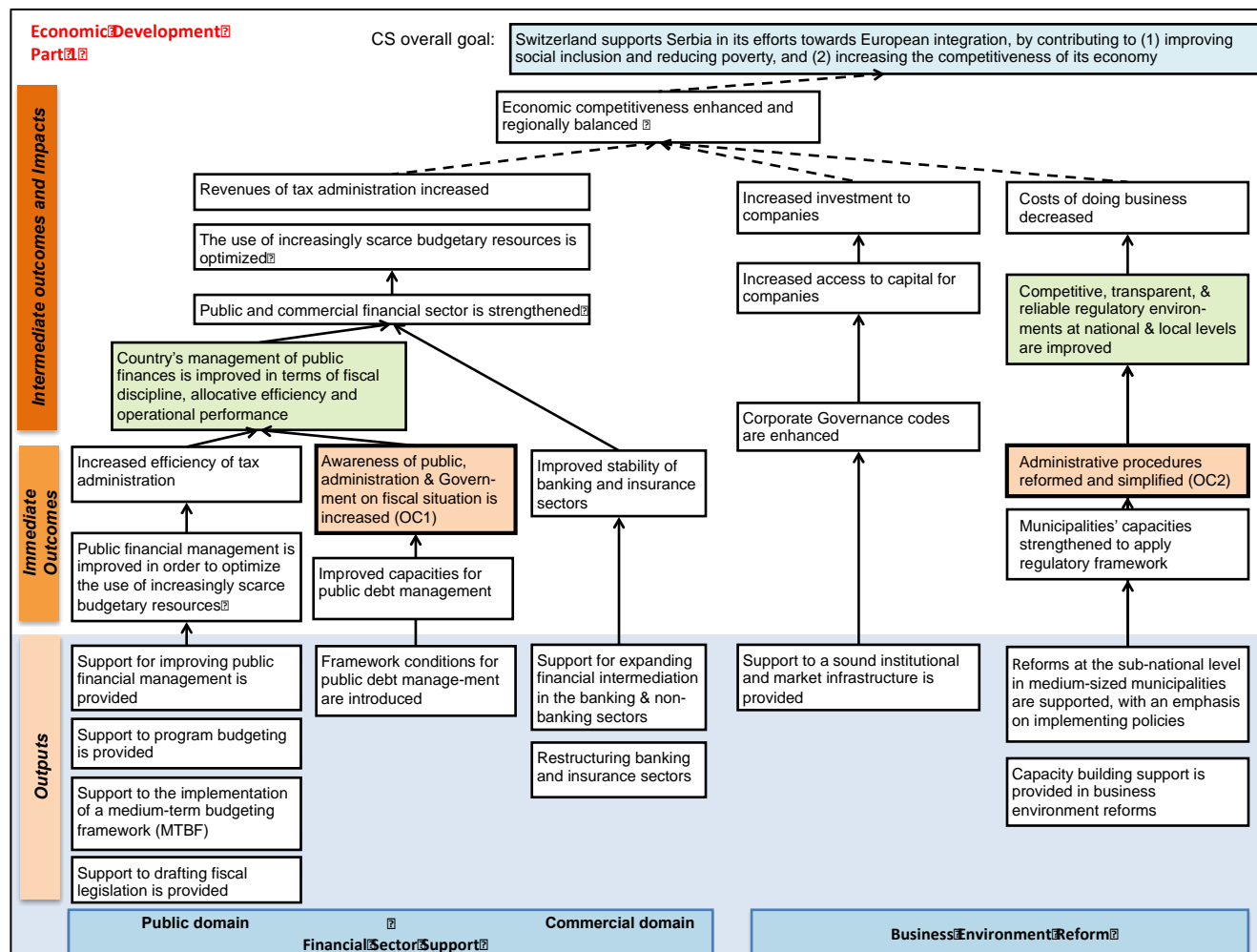
Annex 9: Staff Composition: Swiss field office (FO) and project staff in numbers (Full-time-equivalent)

Function	Actual 2010				Actual 2011				Actual 2012				As per end of 2013 planned			
	CH/expat		Local		CH/expat		Local		CH/expat		Local		CH/expat		Local	
	f	m	f	m	f	m	f	m	f	m	f	m	f	m	f	m
FO management (CD, Deputy CD, Ass. CD)	2				2				2				2			
Programme management (NPO, others)			1	2			1	2	1				1			
CFA, BwB, Finances (incl. accounting)			2				1	1			1	2			2	2
Administration (Secr., IT, PR, & others, excl. Finance)			3				3				1	1			1	1
Internal Services (support, driver, cleaning, etc.)			1	3			1	3			3				3	
Consular affaires											1	3			1	3
Sub-Totals FO	2	0	7	5	2	0	6	6	3	0	6	6	3	0	7	6
Total FO staff	14.0				14.0				15.0				16.0			
Labour turnover rate (local staff)	7%				14%				13%				13%			
Project staff on FO payroll (self-implemented)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total PROJECT staff	0.0				0.0				0.0				0.0			
Total staff	14.0				14.0				15.0				16.0			
Regional Governance Advisor	0	0	0	0	0	0	0	0	1	0	0	0	1	0	0	0
Total	14.0				14.0				15.0				16.0			

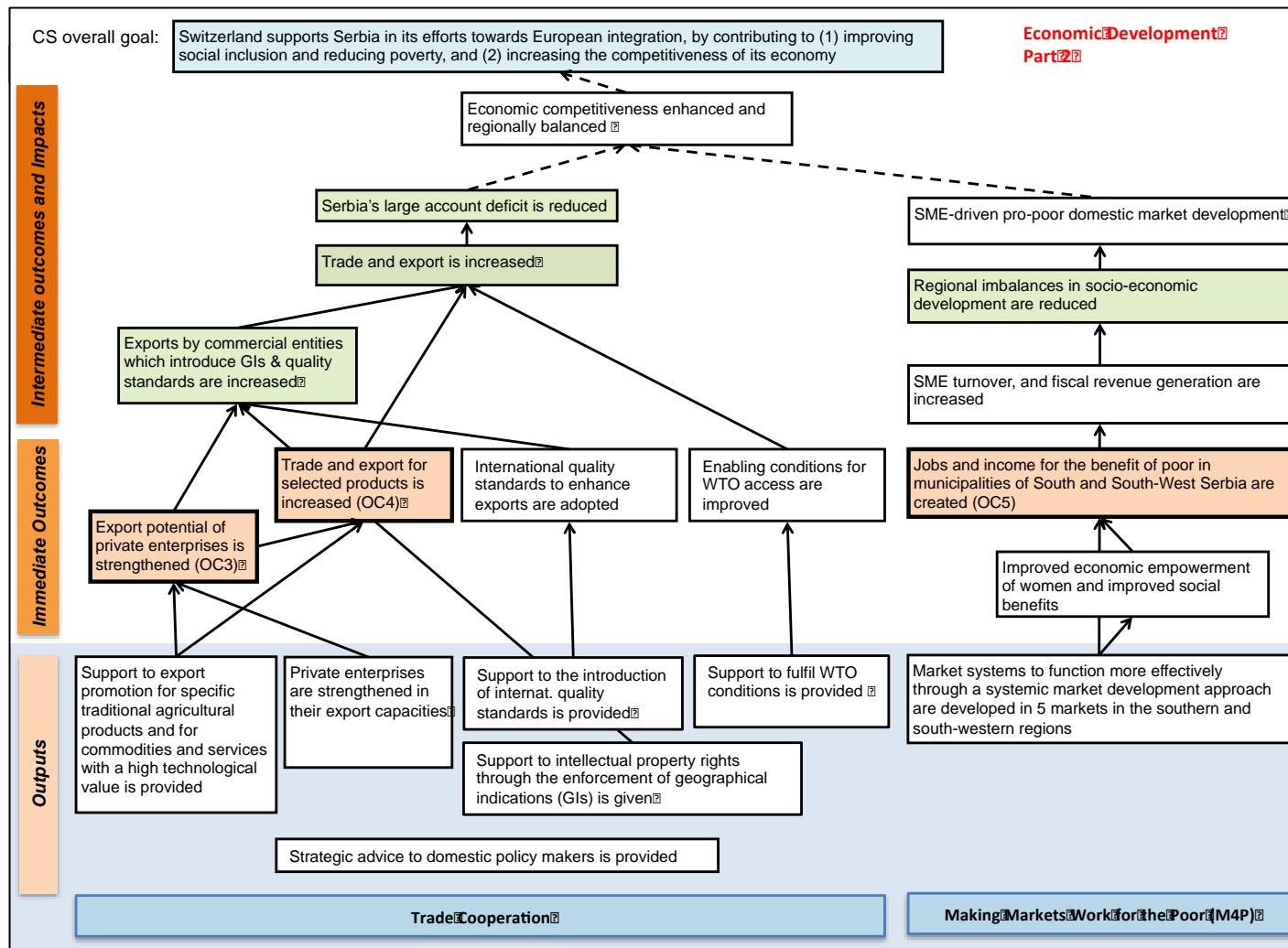
*Administrator on a maternity leave during the period 01.08.11-31.07.12. Replaced with a temporary position.

Annex 10: Additional results of the ED results workshop

Swiss contribution: Logic model of Sub-domains “Financial Sector Support” and “Business Environment Reform”

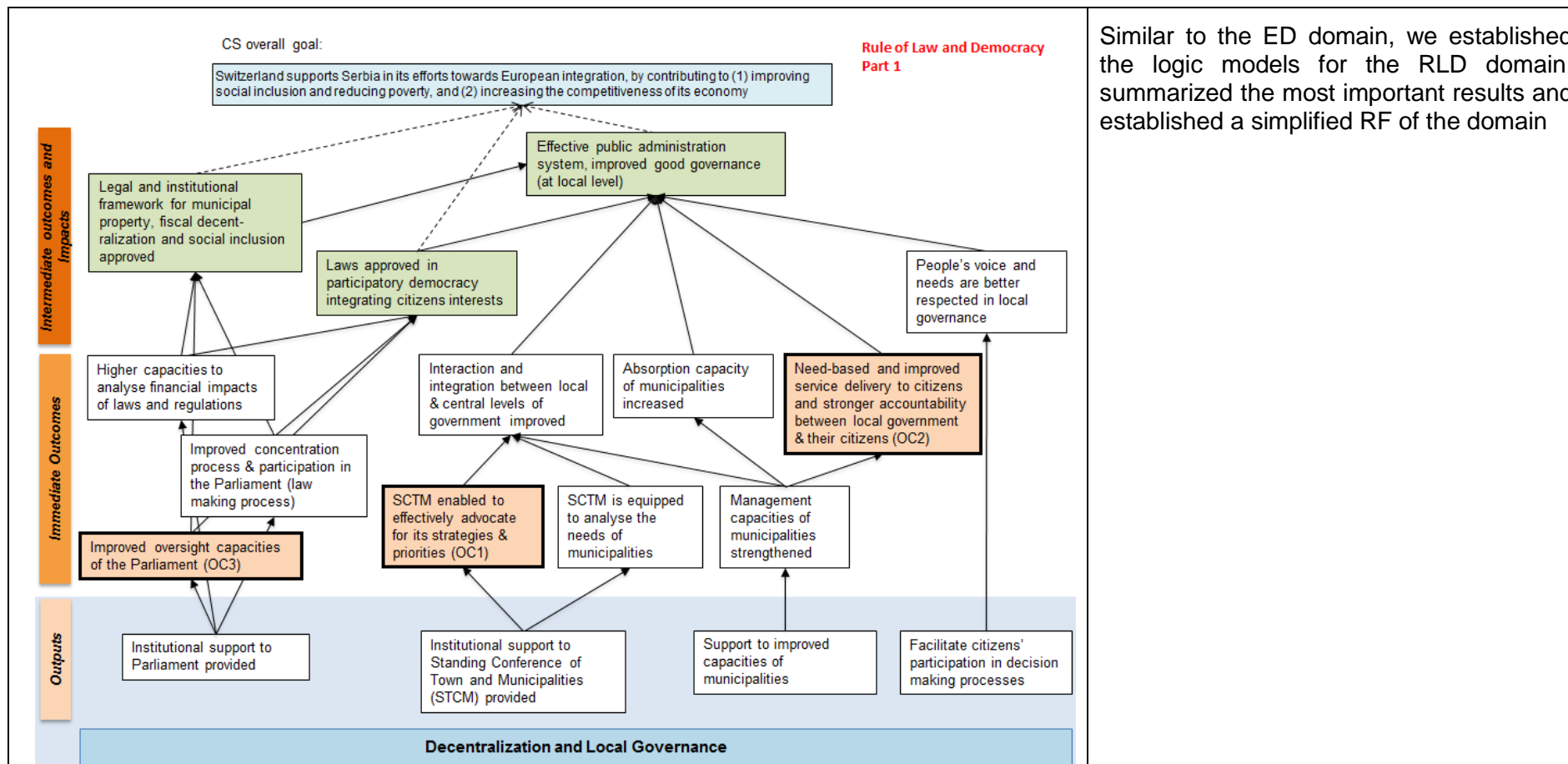


Swiss contribution: Logic model of Sub-domains “Trade Cooperation” and “Making market for the poor (M4P)”



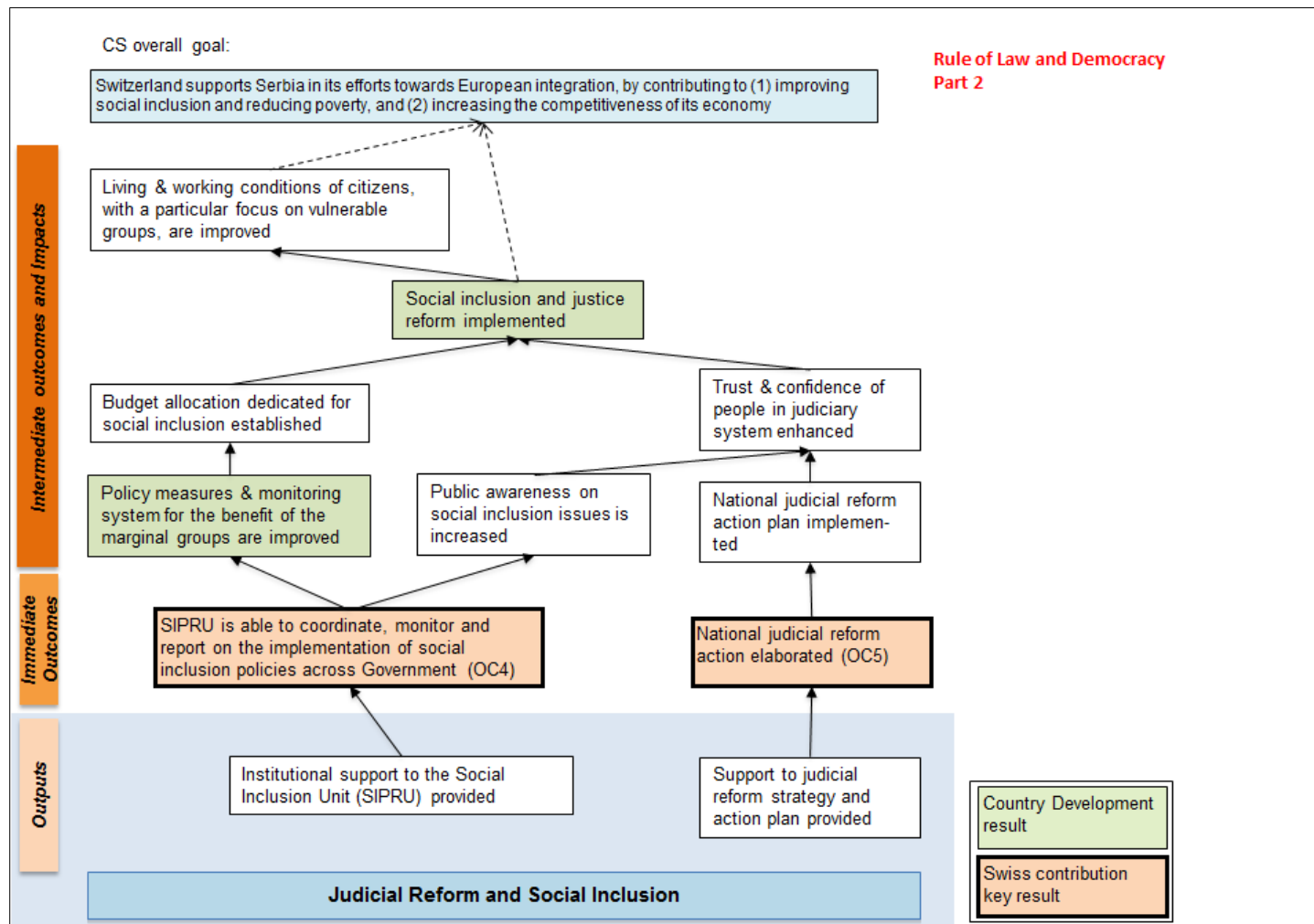
Annex 11: Main finding of the workshop Rule of Law and Democracy (RLD)

Swiss contribution: Logic model “Sub-domain Decentralization and Local Governance”



Similar to the ED domain, we established the logic models for the RLD domain, summarized the most important results and established a simplified RF of the domain

Swiss contribution: Logic model “Judicial Reform and Social Inclusion”



Identification of key outcomes of the Swiss contribution and the relevant country development results

Simplified RF of the domain RLD 2010 - 2013

Swiss contribution outcomes <i>Reference document: Cooperation strategy 2010 – 2013 Serbia</i>	Country development results <i>Reference documents: Needs of the Republic of Serbia for international assistance 2011 – 2013. National Programme for EU Integration</i>
OC1. Standing Conference of Town and Municipalities (SCTM) enabled to effectively advocate for its strategies and priorities	Effective public administration system, improved good governance (at local level)
OC2. Need-based and improved service delivery to citizens and stronger accountability between local government and their citizens in selected municipalities	
OC3. Improved oversight capacities of the Parliament	Laws approved in participatory democracy integrating citizens interests Legal and institutional framework for municipal property, fiscal decentralization and social inclusion approved
OC4. SIPRU is able to coordinate, monitor and report on the implementation of social inclusion policies across Government	Policy measures and monitoring system for the benefit of the marginal groups are improved
OC5. National judicial reform action plan elaborated	Social inclusion and justice reform implemented

Swiss contribution: Most important achieved key results over the period 2010 – 2012

In Social inclusion:

- The social inclusion team sensitized the line ministries to adopt and implement a number of pro-poor measures targeting vulnerable groups.
- Thanks to the institutional support of SIPRU, the social inclusion indicators at the national level were collected for the first time in Serbia.

In Judicial Reform:

- The new government assessed current judicial reform process as unsatisfactory, and claimed as necessary to prepare a new reform strategy and related action plan. It means that progress has been modest in the area of judicial reform through Swiss contribution.

Annex 12: Workshop findings on Social Inclusion

Thursday, 24.1.2013 / Participants: SCO staff, peers and consultants

Key message regarding social inclusion: Switzerland has an important role to play in social inclusion; it is well-positioned and interested in its development aid programme in Serbia.

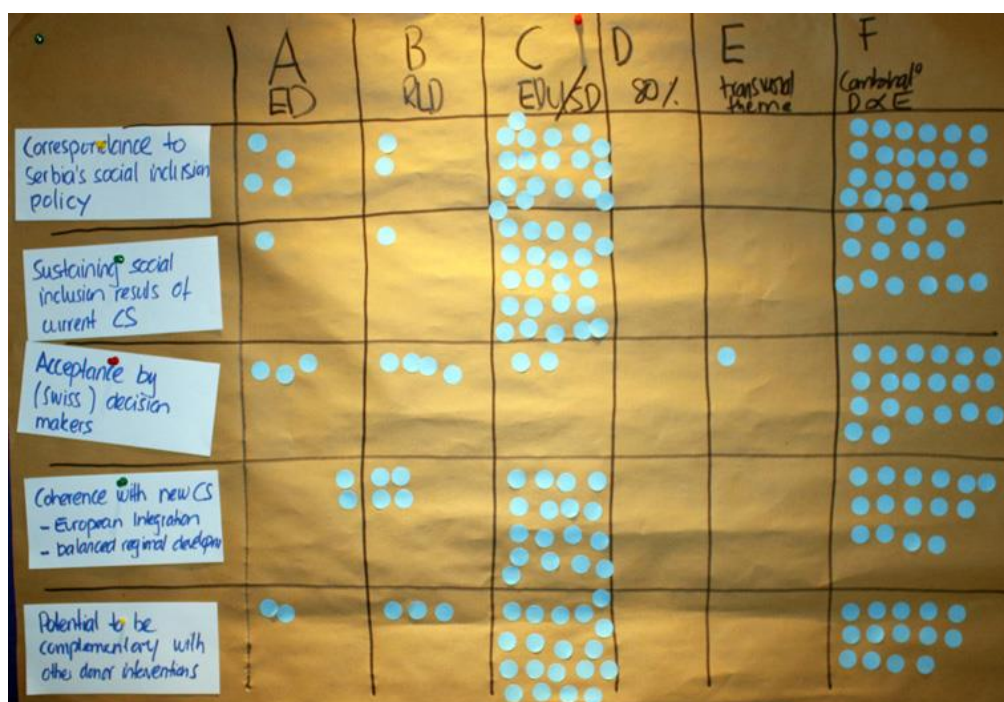
The principle of “do no harm” should be respected for all options.

	Pros	Cons
Option A. Social inclusion in Economic Development	<ul style="list-style-type: none"> • Through the M4P approach in the South & SW, social inclusion can enhance employment of youth, women, and Roma • A high-tech project in the trade sub-domain creates employment and prevents migration • Reform interventions and social inclusion within the public sector could be streamlined in projects through: <ul style="list-style-type: none"> a) Public finance management <ul style="list-style-type: none"> ○ Budget reform in social sector ○ Fiscal decentralization ○ Redistribution/transfers of public funds b) Urban infrastructure <ul style="list-style-type: none"> ○ Tariff policy ○ Focus on vulnerable ○ Access to infrastructure • Opportunity to upscale HEKS Vojvodina project in the South as it is a good example of covering social inclusion, local governance, economic development & migration in an integrated way (<i>also valid for Option B</i>) 	<ul style="list-style-type: none"> • Politicized and complicated process • Will require long term involvement and patience
Option B. Social inclusion in Rule of Law, local governance	<ul style="list-style-type: none"> • Related to the competences of LSG: social inclusion; preschool (with exception of primary and secondary education); professional development of teachers and to a lesser extent of local governments employees • In view of the need to improve local capacities for development (prevention of the brain drain; lack of competences outside of Belgrade), it is justified to work on education to enhance the competencies of LSG 	<ul style="list-style-type: none"> • Limitation factor: primary and secondary education is not decentralized • Education cannot be used as an overall driver in RLD
Option C. Status quo (in education), but with a focus on “Social development”	<ul style="list-style-type: none"> • Level of education is a key for economic status (EC/EU) • Human recourse development as a sector domain including social development, education and health • National priority defined in the Country Needs Assessment (HRD sector) • Specific actions: <ul style="list-style-type: none"> a) Equity (Roma, marginalized groups, gender) b) Institutional skill development <ul style="list-style-type: none"> ○ System of human resource/capital building 	<ul style="list-style-type: none"> • No clear statement in the key parameters for favouring education as domain

	<ul style="list-style-type: none"> ○ Portfolio is coherent/ gathered around inclusion/employability ○ Interlinked domain portfolio 	
Option D. Outside of 80% pooling of funds with defined the domains of CS		<ul style="list-style-type: none"> • Does not reflect the overarching goal of the CS
Option E. Social inclusion as transversal theme / overarching policy		<ul style="list-style-type: none"> • Social inclusion would be invisible / ineffective (it would not work in reality)
Option F. Options of combinations D & E	<ul style="list-style-type: none"> • Would be good if done well • Provides ground for great synergies in the CS portfolio • Potential to link policy with local implementation (e.g. linking SIPRU with local partners) • Help reducing dispersion (stronger focus, synergies) • Even with education remaining a domain, it would make sense 	<ul style="list-style-type: none"> • Potentially low visibility (Good targeting would be required)

Once the pros and cons had been discussed in groups, each participant ranked (with the blue points) the different options on the basis of following criteria:

- Correspondence to Serbian social inclusion policy
- Sustaining social inclusion results of current CS
- Acceptance by Swiss decision makers
- Coherence with new CS (EI + balanced regional development)
- Potential to be complementary with other donors



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