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European Partnership with Municipalities Programme

PROJECT: «EU PROGRES FINAL EVALUATION»

DRAFT EVALUATION REPORT

Chrysoula Petritsi

Dragiša Mijačić

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ACRONYMS AND ABBREVIATIONS

BIC	Business Incubation Centre
CAS	Citizens' Advisory Services
CFCU	Central Finance & Contracts Unit
CIF	Citizens Involvement Fund
CSO	Civil Society Organisation
DAC	Development Assistance Committee
DG	Directive General
EC	European Commission
EU	European Union
EUD or DEU	The Delegation of the European Union to the Republic of Serbia
EUR	Euros
EU PROGRES	European Partnership with Municipalities
FIDIC	Fédération Internationale Des Ingénieurs-Conseils / The International Federation of Consulting Engineers
GDP	Gross Domestic Product
GG	Good Governance
GiZ	Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH
GoS	Government of Serbia
HR	Human Resources
ID card	Identification Card
ILO	International Labour Organisation
IOM	International Organisation for Migration
IPA	Instrument for Pre-accession Assistance
IZ	Industrial Zone
LED	Local Economic Development
LSG	Local Self-Government
Log-Frame	Logical Framework
MIR	Municipal Improvement and Revival Programme
MISP	Municipal Infrastructure Support Programme
MoRDLSG	Ministry of Regional Development and Local Self-Government
MoU	Memorandum of Understanding
MSP NE	Municipal Support Programme North East
NARD	National Agency for Regional Development
NGO	Non-Governmental Organisation
OECD	Organisation of Economic Development and Cooperation
OSCE	Organisation for Security and Cooperation in Europe
PBILD	Peace-Building and Inclusive Local Development

PC	Public Company
PRO	Program razvoja opština (Municipal Development in South West Serbia)
PSC	Programme Steering Committee
PUC	Public Utilities Company
Q1, Q2, ..	Question 1, Question 2, ...
RDA	Regional Development Agency
RSEDP	Regional Socio-Economic Development Project
SDC	Swiss Agency for Development and Cooperation
SEDA	Sandžak Economic Development Agency
SEIO	European Integration Office of the Republic of Serbia
SLAP	National database of local infrastructure projects in Serbia
SLDP	Sustainable Local Development Project - USAID funded intervention
SME	Small and Medium-sized Enterprises
SWOT	Strengths, Weaknesses, Opportunities, Threats
ToR	Terms of Reference
UN	United Nations
UNDP	United Nations Development Programme
UNOPS	United Nations Office for Project Services
USAID	US Agency for International Development
VEEDA	Vranje Entrepreneurship and Economic Development Agency
WWTP	Waste Waters Treatment Plant

EXECUTIVE SUMMARY

1.1.1 Programme background and milestones

EUPROGRES is a successor to two area-based Programmes implemented in the South and South West Serbia, namely the Municipal Improvement and Revival (MIR) programme and the Municipal Support in South West Serbia (PRO) programme. Compared to these two interventions, EUPROGRES has been extended to another 4 municipalities of the Toplica District (Prokuplje, Blace, Žitorađa and Kuršumlija).

The Programme commenced on July 1st, 2010 and was initially intended to finish on June 30, 2013, but a nine-month no-cost extension was given – following the recommendation of the mid-term evaluation - and the programme will now officially close on March 31st, 2014.

A final evaluation commenced on January 27, 2014 with 2 kick-off meetings: one between the evaluators and EUPROGRES and one between the evaluators and EUD/SEIO. The evaluation aims at assessing overall programme performance according to the 5 DAC criteria (relevance, effectiveness, efficiency, impact & sustainability). It also examines whether good governance principles have been effectively integrated, whether gender equality, social inclusion, human rights and environmental issues were addressed at a satisfactory level, whether mid-term evaluation recommendations were followed-up, whether there was satisfactory visibility and whether the programme achieved a satisfactory added-value relative to the amount of resources spent.

The evaluation included a field phase – from February 10 to February 28, 2014 – during which a large number of interviews were held, and a questionnaire-based survey during the first week of March.

1.1.2 Evaluation Results / Conclusions

EUPROGRES design is highly relevant to the area needs and well structured with mutually reinforcing and complementary components and actions. It addresses the full spectrum of area needs (social, economic, and institutional) and includes both short-term and long-term interventions. The internal consistency of the programme – i.e. between programme objectives, activities and projects - is also highly satisfactory. Project composition and distribution present a fairly good geographic pattern – even though there are Municipalities that benefit disproportionately as compared to others, such as Leskovac and Surdulica – and a fairly good thematic distribution. The only thematic areas under-represented in the project mix include direct economic development actions (not long-term preparatory actions) and job creation initiatives.

The programme exhibits a very high degree of effectiveness, especially regarding immediate outcomes. Programme effectiveness regarding the achievement of results is tampered by other, often uncontrollable factors (such as local politics) and is often somewhat lower. However, considering the general conditions in the area, one should admit that – even at the level of results – programme effectiveness can be considered quite satisfactory.

Programme efficiency is its strongest aspect. UNOPS has proved to be very efficient, possesses a strong development-orientation, has good knowledge of the area conditions and brings to the programme valuable institutional memory. The organizational structure and the operating procedures followed are appropriate, human resources are highly skilled, and communication and monitoring/reporting procedures used are very effective. The programme is expected to be completed on time and with the minimum of cancellations.

The two most important impacts achieved by the programme are:

- increased capacity created in beneficiaries - mainly in Municipal administrations – with respect to preparing and implementing projects, designing specifications for outsourcing contracts, and applying good governance principles in some areas of operations; and
- significant quality of life improvements in the intervention area.

Economic development interventions have not produced as yet any significant impacts as they are affected by external factors, and there are also other impacts (as in the case of the Meteris landfill) which have not been realized yet but the programme has considerably contributed to them. Finally, there are unintended/unforeseen impacts such as spin-off projects, other applications of methods learned through the programme, networking and information exchange between beneficiaries, etc. In order to capture all programme impacts, an impact assessment study is needed within 2-3 years from the completion of the programme.

Sustainability of programme results varies greatly. Perhaps the most sustainable of all programme results is the increased Local Tax Revenues brought by the LTA projects. All other results – even infrastructure constructed by the programme – are subject to various conditions for ensuring long-term sustainability (e.g. availability of operating and maintenance budgets, follow-up interventions, etc). Some capacity building projects – such as Citizen Assistance Services, and participatory budgeting – present quite low sustainability due to ranking very low on local political agendas.

With respect to horizontal evaluation themes, there was quite satisfactory dissemination of the good governance principles, very good incorporation of the gender equality, social inclusion, and human rights dimensions, an excellent record on environmental protection, good programme visibility and a quite satisfactory “value-for-money” programme dimension. More specifically:

The strategy to address GG principles using specific projects as vehicles proved to be very successful. However, there is a high-risk factor associated with the sustainability of such results (due to potential staff turnover), and the programme should move on to more systemic change interventions in the future in order to effectively face this factor. Programme visibility at the intervention area ranged from good (for the general public) to excellent (for potential beneficiaries), but at the central level it was deemed unsatisfactory.

The greatest added value features of EUPROGRES include: the “place-based” approach to development, the highly effective implementation structure, the excellent rapport with the local stakeholders, and the in-depth knowledge of local issues. All these are great assets for the next programme. However, value for money could be improved through reductions in the overall implementation cost which is deemed to be relatively high compared to other programmes. Last but not least, the programme has addressed all recommendations in the mid-term evaluation which referred to the current implementation period, namely the no-cost extension and the exit strategy, the application of grant modality, the integration of GG principles in all components, the promotion of best practices, and the improvements in reporting.

1.1.3 Recommendations

The evaluation recommends the following actions for the next programme:

- Increase focus on economic development, by increasing resources under Components 1 and 2 and by including more direct economic development actions designed on the basis of the “Baseline Competitiveness Study” and the “Skills Gap Analysis”.
- Implement a project preparation facility in order to improve both the relevance and the quality of projects financed by the programme but also increase the potential of the area to attract other financing.
- Concentrate on a smaller set of indicators for monitoring purposes in order to have better control over programme results.
- Reinforce impacts and sustainability in a number of thematic areas – Roma projects, female health, clusters, etc - through continued support or through complementary projects (e.g. accessibility improvements as a follow-up for employment actions for the disabled).
- Concentrate more on systemic changes especially in the following areas: feasibility studies, citizen participation in decision-making for projects, promotion of “volunteerism”, “non-

discrimination” and collaboration between local government & civil society and changes in Municipal administrative procedures.

- Target the elderly because of the increased incidence of ageing population structures in the intervention area.
- Use opinion surveys such as Citizen Satisfaction Surveys with caution.
- Examine the possibility to reduce the overall implementation cost especially in view of some functions transferring to DIS.
- Concentrate more on promoting visibility at the national level.
- Conduct an impact assessment study within 2-3 years from programme completion.

2. INTRODUCTION

2.1 Programme Background

The European Partnership with Municipalities (EU PROGRES) is a joint action of the European Union (EU), the Government of Switzerland and the Government of Serbia, to enhance stability and socio-economic development in the South and South West Serbia. EU PROGRES endeavours to support economic growth and work to improve the overall socio-economic conditions in the Programme Area. The United Nations Office for Project Services (UNOPS) was granted a budget of EUR 18.9 million to implement the Programme.

EU PROGRES is a successor to two area-based interventions implemented in the South and South West Serbia, namely the Municipal Improvement and Revival (MIR) and the Municipal Support in South West Serbia (PRO). Compared to these two interventions, EU PROGRES has been extended to another 4 municipalities of the Toplica District (Prokuplje, Blace, Žitorađa and Kuršumlija).

EU PROGRES predecessors achieved results in two noteworthy areas – the development of organisational capacity at municipal and regional level, and the preparation for and implementation of improvements to infrastructure. The decision to continue and extend intervention in the area was taken because the intervention area was (and continues to be) considerably less developed than most municipalities in the country. More specifically:

- Both in South and South West Serbia there is notable absence of economic growth - a major factor to long-term stability. Suffering from decades-long neglect and under-investments both areas face a number of challenges: poverty has risen dramatically, unemployment is high; infrastructure is inadequate, education is unsatisfactory, and social service provision is poor. The public sector is characterised by poor governance, weak financial management and planning, and poor level of municipal services.
- Both the South and South West of Serbia are home to large ethnic minorities. The South of Serbia is a post-conflict area. The municipalities of Bujanovac, Preševo and Medveđa have considerable number of ethnic Albanians. In the South West Serbia, the tension has been of intra-ethnic nature between competing Bośniak political groups. The ethnic dimension also exacerbates problems of migration: people from Serbian areas migrate to the bigger cities in the country; the Bośniak from the South West Serbia move to Sarajevo, Western Europe or further; the Albanians from the South Serbia migrate either to Kosovo or to Western Europe.

EU PROGRES was designed in order to continue the momentum created by PRO and MIR2.

2.2 Programme current stage of implementation – Main milestones

The Programme commenced on July 1st, 2010 and was initially intended to finish on June 30, 2013, but a nine-month no-cost extension was given – following the recommendation of the mid-term evaluation - and the Programme will now officially close on March 31st, 2014. The main milestones of the Programme include:

- **Inception Period (July 1 – September 30, 2010):** The first three months of implementation were dedicated to making the Programme operational (project offices in Novi Pazar, Prokuplje, and Vranje established; senior management team recruited; partnerships established; all participating municipalities were visited and presented with the Programme components; initial municipal needs identified; Communications Strategy drafted; major

visibility event launched; log-frame matrix revised; detailed work-plans, operations and procurement plans prepared; mechanisms for Programme Steering Committee - PSC established).

- **November – December 2010 (first Citizens' Satisfaction Survey):** 25 samples were selected with interviewees ranging from 250 to 400; results were presented in January 2011.
- **November 2010 (first call for proposals):** At the start of the call, four presentation workshops were organized in Novi Pazar, Zlatar, Prokuplje and Vranje; 169 applications were received; 40 grants (with a total investment value of 439,059 EUR) were approved for funding.
- **February 2011 (first seminar on Good Governance):** decision makers and other municipal stakeholders introduced to the concept and principles of Good Governance.
- **May 2012:** national & local elections held; coalition changes in several local governments stalled progress in a number of activities.
- **May – June 2012:** mid-term evaluation conducted; results presented at PSC meeting in July 2012; log-frame adjusted, no-cost extension requested, & grant methodology continued as per evaluation recommendations.
- **November - December 2013 (follow-up Citizen's Satisfaction Survey):**
- **January 27 2014:** final evaluation kick-off meeting.

According to the October 2013 – January 2014 Programme quarterly report, 94% of Programme budget had been expended, 85% of projects had been completed and there were no critical projects. Co-funding leverage reached 2.9 million EUR. The Programme is expected to finish on time with significant results to show for.

The Programme will continue with a second phase, Programmed within IPA 2013. Within the second phase the Programme area will spread out to include even more municipalities. Based on the suggestions by the Swiss partners, the second phase of the Programme will be called European Progress.

2.3 The organization of the final evaluation

The final evaluation was organized in 3 distinct phases/cycles, as follows:

2.3.1 First evaluation cycle: desk research

The first cycle extended from the inception report to the start of the field phase. During this time, available documentation was collected, studied, and questions were formulated for the main stakeholders involved in the programme.

2.3.2 Second evaluation cycle: field phase

The field phase – lasting 3 weeks – commenced on February 10, 2014 and included detailed interviews¹ with the main programme stakeholders in Belgrade, other donors, and a sample of programme stakeholders at the local level. The following stakeholders were included:

Main stakeholders

- Delegation of the European Union to the Republic of Serbia
- Swiss Agency for Development and Cooperation
- Serbian European Integration Office
- Ministry of Regional Development and Local Self-Government
- Ministry of Labour, Employment and Social Policy
- Ministry of Economy,

¹ A list of all meetings is included in Annex ????

- Standing Conference of Towns and Municipalities,
- Coordination Body for Preševo, Bujanovac and Medveđa
- EU PROGRES staff (at Belgrade, Prokuplje, and Vranje).
- Ministry of Finance / CFCU Unit
- Office for Sustainable Development of Underdeveloped Areas
- Standing Conference of Towns and Municipalities,
- Coordination Body for Preševo, Bujanovac and Medveđa
-

Other donors

- Exchange 4
- The Czech Development Agency
- USAID
- UN Resident Coordinator and UNDP Resident Representative
- OSCE

Local Stakeholders

- Kuršumljija: Municipality, Local Economic Development Office, Health Centre
- Prokuplje: Municipality, Public Utility Company "Gradski vodovod", "Roma Association Prokuplje, Toplica Centre for Democracy and Human Rights
- Surdulica: Municipality, Local Economic Development Office, Tourist Organization
- Leskovac: Municipality, Agency for Local Economic Development, City Assistance Center, Health Center, PC Urban Planning and Construction, "Educational Centre - Leskovac", Civil Society Organization "Rosa", "South Serbia Fruit Cluster"
- Vranje: Municipality, Local Economic Development office, PC "Zavod za urbanizam", PUC "Vodovod Vranje", Business Incubator, Association of persons with disabilities, "Improvement of fruit production in Pčinja"
- Preševo: Municipality, Elementary school "Ibrahim Kelmendi", Health Centre Preševo, Civil Society Organization "Green World"
- Trgovište: Municipality, Local Economic Development Office, Public Utility Company "Komunalac"
- Raška: Municipality, Local Economic Development Office, Public Utilities, Association for support of people with disabilities, Eco-club "Green Road Sign"
- Novi Pazar: Municipality, Local Economic Development Office, School for design of textile and leader, The Sandzak Committee for Human Rights, Association for mentally challenged individuals, Merhamet, Radio "Sto plus", Danas newspaper, Regional Development Agency SEDA, Pester Agro Cluster
- Sjenica: Municipality, Local Economic Development Office, Regional Centre for Agriculture, PUC Vrela, NGO Flores, NGO "Sandžački ćilim"
- Priboj: Municipality, Local Economic Development Office, NGO Women Initiative, Radio Koran
- Prijepolje: Municipality, Local Economic Development Office, the Economy High School, the Kindergarten, NGO Nova Vizija, NGO Women's Forum, NGO LimArt
- Nova Varoš: Municipality, Local Economic Development Office, Banjica Landfill representative

Also, a questionnaire-based survey was conducted during the period from March 3 to March 8, 2014. The questionnaire (presented in Annex 2) was sent to all (280) programme beneficiaries, regardless of whether they had been included in the interviews or not. Despite the limited time period for the survey, 120 responses (43% response rate) were received and analyzed. The results are presented in Annex 4.

2.3.3 Third evaluation cycle: data analysis & conclusions

The data analysis phase lasted approximately 2 weeks. During the first week all notes from the interviews were documented, systematized and conclusions were drawn with respect to the evaluation criteria. These conclusions were compared to conclusions drawn from the desk-research phase of the evaluation. During the second week, the results of the field survey were analyzed and were used to complement or validate the conclusions drawn from the interviews. This draft evaluation report was produced in the second week.

3. EVALUATION ACCORDING TO DAC CRITERIA

3.1 Relevance

Methodological note: The evaluation of relevance concentrates on 2 main dimensions:

- **External Relevance**, i.e. relevance to the area needs, which examines both the programme design and the project mix (i.e. the types of interventions finally implemented), and
- **Internal relevance**, i.e. internal consistency of Programme components and activities.

Also, under “relevance” we examine the consistency of the Programme with National Strategic Documents.

Due to the orientation of the evaluation to providing “practical recommendations” for the new programme, conclusions and recommendations are “forward-looking” and hence correspond to the current needs rather than the baseline conditions at the beginning of the programme.

External Relevance

The overall objective of the Programme is to contribute to **enhanced stability and socio-economic development in the intervention area**. It attempts to do so by a) building capacity in local government and by b) providing direct support to development projects – mainly planning and infrastructure projects. Programme design addresses the full spectrum of area needs (social, economic, and institutional) and includes both short-term and long-term interventions. With respect to the project mix, the only thematic areas under-represented – as compared to the area needs - are direct economic development actions (not long-term preparatory actions) and job creation initiatives. More specifically:

The Programme area is one of the poorest and most ethnically diverse areas of Serbia and has been significantly affected by recent conflicts in the wider region. Many of the currently major problems of Serbia are manifested in the area with increased severity. The following table summarizes some of the current main socio-economic features by sub-area.²

South-West Serbia	South Serbia
<ul style="list-style-type: none"> • Very low population density with significant size of remote areas and afforested areas (especially in Raška) • Varying population patterns: population growth in Novi Pazar (in-migration from Montenegro and Bosnia and Herzegovina and Kosovo & Metohija combined with high birth rates) and sharp decline in Nova Varoš. • Rural-urban migration patterns. • Incomplete primary education is a key issue. Higher education is not easily available in the region. • Highest rate of youth unemployment in 	<ul style="list-style-type: none"> • Lowest population density index in the country. Very large afforested areas. • Most diverse ethnic composition in Serbia, especially for border Municipalities. • Very high depopulation trends (mainly outmigration abroad). • Population more poorly educated than in any other region in the country (significant number of people with no education whatsoever). • Very high unemployment rates with persistent long-term unemployment. • Entrepreneurship is at the lowest level in the

² The information comes from the Regional Development Plans for the Regions “Šumadija and West” and “South and East” prepared by the Ministry of Regional Development and Local Self Government in 2013. We do not have comparable data for the baseline conditions at the beginning of the Programme.

<p>country, especially in Raška (56%) and very high percentage of unemployment among people with no qualifications, again with highest incidence in Raška (44%).</p> <ul style="list-style-type: none"> • Long-term unemployment is the most serious challenge both in Raška and Zlatibor districts. • Second highest infant mortality rate (after South and East) reflecting the quality of healthcare. • GDP/capita well below national average (approx. 70%) • Low level of investment activity. 	<p>country.</p> <ul style="list-style-type: none"> • Low productivity in agriculture and dwindling use of agricultural land. • Highest infant mortality rate in the country. • Lowest GDP/capita in the country.
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In addition, the Programme area covers municipalities whose degree of development is below the national average, most of them listed as the most devastated municipalities in Serbia. The following table shows the classification of EU PROGRES municipalities in 2010 and 2013. Two conclusions can be drawn from this table:

- Conditions have worsened between 2010 and 2013 for the better-off Municipalities, since Nova Varoš, Priboj, and Raška dropped from group III to group IV, and
- Conditions marginally improved for several group IV Municipalities, since Blace, Bujanovac, Vlasotince, Žitorađa, and Preševo are no longer listed as “devastated” but Surdulica has been added to the devastated communities list.

National Classification of Municipalities in Serbia per degree of development	2010	2013
I group: Development degree above National average		
II group: Development degree between 80-100% of National average	Vranje	Vranje
III group: Development degree between 60-80% of National average	Ivanjica, Leskovac, Nova Varoš, Novi Pazar, Priboj, Prokuplje, Raška	Ivanjica, Leskovac, Novi Pazar, Prokuplje
IV group: Development degree below 60% of National average	Blace, Bojnik, Bosilegrad, Bujanovac, Vladičin Han, Vlasotince, Žitorađa, Kuršumljija, Lebane, Medveđa, Preševo, Prijepolje, Sjenica, Surdulica, Trgovište, Tutin, Crna Trava	Blace, Bojnik, Bosilegrad, Bujanovac, Vladičin Han, Vlasotince, Žitorađa, Kuršumljija, Lebane, Medveđa, Nova Varoš, Preševo, Priboj, Prijepolje, Raška, Sjenica, Surdulica, Trgovište, Tutin, Crna Trava
Devastated municipalities: Development degree below 50% of National average	Blace, Bojnik, Bosilegrad, Bujanovac, Vladičin Han, Vlasotince, Žitorađa, Kuršumljija, Lebane, Medveđa, Preševo, Prijepolje, Sjenica, Trgovište, Tutin, Crna Trava	Bojnik, Bosilegrad, Vladičin Han, Kuršumljija, Lebane, Medveđa, Prijepolje, Sjenica, Surdulica, Trgovište, Tutin, Crna Trava

Source: National Agency for Regional Development, www.narr.gov.rs

Finally during all interviews local officials rated unemployment and insufficient job-creation as the most important problems in the programme area. Yet, most of the projects proposed by municipalities, either through the Call for Proposals process or otherwise, fall under the social development objective (health-care, sports, water systems, etc.) and not under the economic development objective. This inconsistency had been identified quite early in the implementation period of the Programme. The second annual report states:

“although municipalities state that unemployment is their number one problem, most remain focussed on communal infrastructure proposals or misconceive the essence of LED projects. In addition, low awareness of the advantages of strategic financial planning, which would lead to proper linking of available funding to the development strategies and plans, hinders introduction of Programme budgeting which is used as a mechanism for more

effective targeting of resources to solving concrete problems and easy understanding of connection between the requested funds, strategies, Programmes and results”.

It is apparent that local governments are keener to include infrastructure projects than “soft” economic development actions, as they are more familiar with this process. This inconsistency is further augmented by the requirement for project maturity (i.e. existence of technical documentation) under some Programme components/activities, since Municipalities do not – as a general rule – invest in the design of projects unless they first secure funds for the implementation. Nevertheless, the evaluation has noted a change in municipal attitudes, towards planning and technical documentation, programme budgeting and capital investment planning, as e.g. compared to outcomes from PRO reports which reported negative attitudes³.

EU PROGRES has taken several steps in order to increase Programme relevance:

- conducted an extensive consultation process with Municipal officials at the beginning of the Programme;
- included a “capital investment planning” sub-component and a “development planning” sub-component and actively promoted the “one-stop-shops” and “cluster” instruments in Component 2;
- conducted an analysis and produced the publication “Obstacles to Infrastructure Development”,⁴ which essentially identifies bottlenecks in infrastructure development that in turn (negatively) influence local economic growth, and
- addressed the issue of IZ planning under Component 3. Vranje Industrial Zone and Leskovac Green Zone are two very important green-field locations with considerable potential for the development of economic activity.

Despite the quite effective approach by EUPROGRESS to tackle identified obstacles to economic development (e.g. by increasing the capacity of municipalities to issue construction permits (one-stop-shop), investments in development of business infrastructure (industrial zones, clusters, business incubators), development of necessary spatial plans (DRP for spas), etc), these initiatives fall short of the desired outcome⁵: i.e. the creation of new jobs in the area. One of the main reasons for this is that the programme – from its inception - was largely focused on Local Government and hence there was a notable lack of participation from the private sector – both during programme design and during programme implementation. As a consequence, the programme was steered away from “aggressive” economic development actions – such as the promotion of entrepreneurship and self-employment – even though there were some initiatives in that direction (e.g. female employability, Roma entrepreneurship, etc).

We should note that the actions undertaken during this programme period did lay the foundations for creating a more “investment friendly” environment in the programme area⁶. However, the pursuit of new investment is a constant one and requires assertive action; both outward-looking action (in order

³ This is a very promising outcome for the EU PROGRESS successor.

⁴ Obstacles to Infrastructure Development, Prokuplje 2013, available at:

http://www.euprogres.org/dokumenti/en/3_46_Obstacles_to_Infrastructure_Development_-_EU_PROGRES.pdf

⁵ There were very few direct investments in business initiatives such as the purchase of fruit seedlings, or purchasing machinery for the pellet factory in Medveđa, etc..

⁶ Initial outcomes are positive: capital investment plans and programme budgeting enabled beneficiary municipalities to identify economic development projects, construction permitting is less cumbersome as the Leskovac experience demonstrates (59.66% reduction in turnaround time), etc

to attract foreign investment) and inward-looking action (to support the entrepreneurship potential already existing in the area). For this reason, the programme should incorporate more direct economic development initiatives in the next programme period, such as support to area SMEs and free-lance professionals from the area in order to promote an endogenous economic development, based on SMEs⁷.

Recommendations:

For the next programming period, several changes are needed in order to give more of an economic development focus to the Programme:

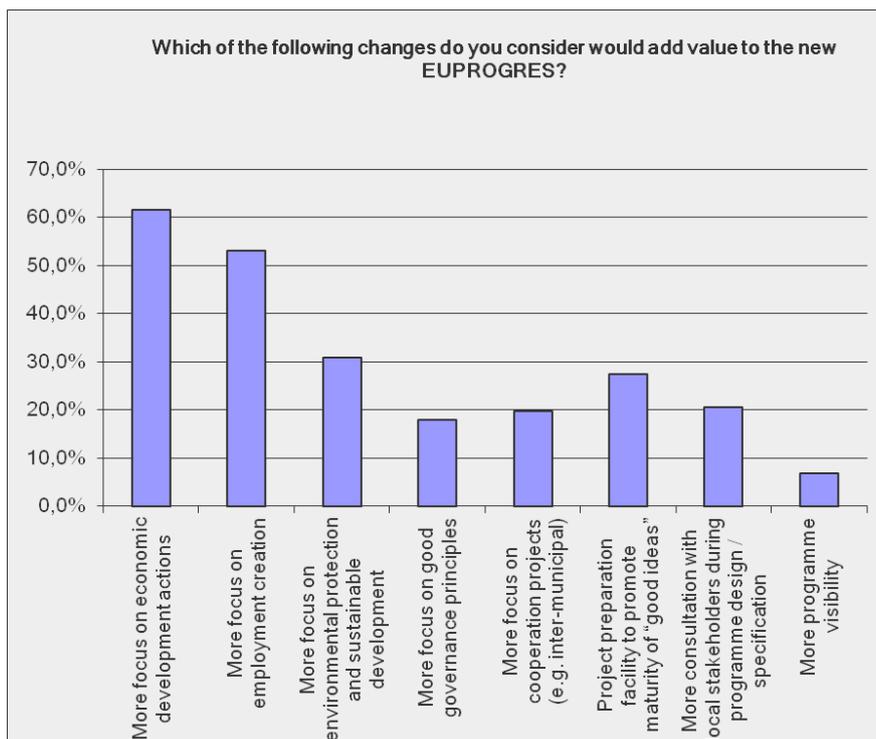
- Put more emphasis in “capital investment planning” and “development planning” activities, in an effort to steer Municipalities and LED offices to more meaningful Local Development Strategies⁸. The change noted in Municipal attitudes in favour of planning will definitely help in this direction.
- Set-up a project preparation facility within the Programme: The purpose of the facility will be to strategically select projects contributing to local economic development objectives and help LED offices and Municipalities prepare them for implementation.
- Build on the “one-stop-shop” instrument – giving it more of an economic development focus - by introducing the necessary vertical linkages (i.e. with central government application and approval processes) and the necessary horizontal linkages (e.g. with vocational education facilities in order to cater to the needs of the investors, or with local employment offices, or BIC facilities, etc). Should this transformation of the “one-stop-shops” be difficult – under the current legal framework – EUPROGRESS should consider whether other structures may be more appropriate for fulfilling this role (e.g. the Citizen Assistance Centres or the Local Economic Development Offices). Perhaps a study targeting the feasibility of setting-up such “all-inclusive” centres should be conducted first.
- Include employment initiatives.

The need for increased emphasis on economic development actions is also supported by the survey findings as the following diagram indicates⁹. A project preparation facility and environment also received significant positive responses (30% of respondents).

⁷ SMEs are more prone to employ young, unskilled people than large corporations, something which is in great need in the programme area.

⁸ The 5 completed capital investment plans included 117 projects, 18 of which, representing 13% of total project value, are strictly economic and other projects contribute indirectly. Even though this is very encouraging, more efforts for incorporating more active economic development actions into Local Government capital investment plans is needed.

⁹ This diagram shows the percentage of respondents that have expressed a certain view. The corresponding diagram in the annex shows the percentage of responses. The two diagrams do not coincide as the number of responses is higher than the number of respondents (they were allowed to select more than one choices).



Source: the Final Evaluation Survey results (see Q8 of the Annex 4)

Internal Relevance

The Programme correctly combines two main features:

- a capacity building feature, and
- a development promotion feature,

as they are mutually supportive¹⁰. The Log-Frame Matrix of the Programme is carefully developed and the Programme components and subcomponents carefully crafted to produce synergies and complementarities. The targets are - in general – realistic and measurable.

With respect to Programme budget allocation however, there is a disproportionate amount of resources (58% of the resources directed to project activities) directed to Component 3 and especially to infrastructure projects most of which contribute heavily to environmental and social development and very little to economic development, while components 1 and 2 receive respectively 18% and 17% of resources. Even if we factor in the much higher unit cost of the types of interventions planned under Component 3 as compared to the types of interventions planned under the first two Components, the distribution of resources still shows a bias towards environmental and social development objectives.

Recommendations:

For the next programming period, the Programme should allocate more resources to Component 1 and Component 2-style activities and focus more on direct economic development and job creation interventions. The Baseline Competitiveness Study and the Skills Gap Analysis - for 25 EU PROGRES and nine additional municipalities – recently completed are steps in the right direction and are expected to provide useful information for planning future actions.

¹⁰ The capacity building feature is necessary in order to ensure implementability of Programme interventions and increase the local ability to secure funding from other sources for complementary projects thereby increasing the total potential impact.

3.2 Effectiveness

Effectiveness is a measure that assesses to what extent the Programme intervention succeeded to achieve specific objective(s) and expected results, checking the status of outcome and output indicators.

Specific Objective and Outcome Indicators

There is a body of evidence that confirms that, to a significant extent, EU PROGRES was successful at meeting its specific objectives and contributed to the enhancement of governance, municipal and inter-municipal management capacity and social, economic and physical infrastructure in a holistic, area-focused fashion. The Programme has implemented 262 individual projects, achieving numerous results across the targeted area and sectors of interventions: quality of governance at the local level, kindergartens, sports facilities and many other public institutions that have been supported by the Programme. There are also examples of municipalities establishing horizontal cooperation in dissemination of good practices in the field of good governance. For instance, Municipality of Žitorađa applied a model for management of green market that was developed in Municipality of Bojnik, through technical assistance provided by EU PROGRES. Inter-municipal cooperation has also been advanced in the field of waste disposal (Banjica and Meteris landfills), environment protection (regulation of Raška river watershed) economic development (Pešter agro-development Centre, Leskovac Green Zone and clusters: Pčinja Fruit, Radan Tourism Agro Pešter). EU PROGRES generated numerous improvements of social, economic and psychical infrastructure in all 25 municipalities, and their success in this regard has been widely recognised by local and national authorities, as well as by donors and other development agencies present in Serbia.

The Programme specific objective is measured through 13 indicators, which are far too many for a single objective. This practice is not advisable as it uses far too many resources for monitoring and reporting on the indicators. In addition, it often causes Programme managers to lose sight of Programme central goals (i.e. they tend to see “the trees but not the forest”). For the next Programme we recommend limiting the number of indicators to 5-6 strategically selected ones.

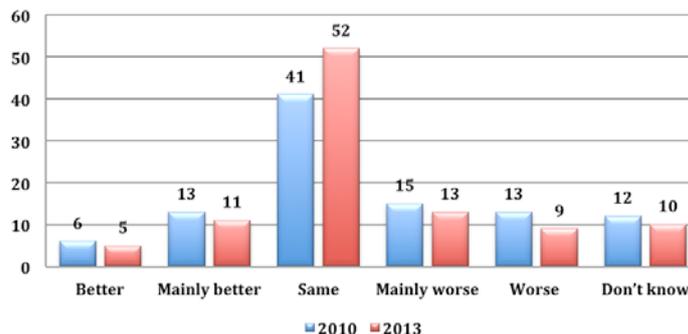
Nevertheless, in order to establish Programme effectiveness there is a need to go through all of them and present an independent review of their attainment.¹¹

The first indicator measures satisfaction of citizens with municipal services in the Programme area through surveys that were carried out at the beginning of the intervention (2010) and at the end of the intervention (2013). The survey did not show progress in the perception of citizens towards the quality of performance of municipal administrations in the Programme area. Nevertheless, survey findings should be used with caution.¹²

¹¹ Following recommendation from the mid-term review, EU PROGRES created a system of reporting on indicators and their statuses, which has been presented within annexes of Annual and Quarterly Reports.

¹² The survey was not methodologically sound since the majority of its questions were not primarily focused on the quality of public services (as required by the indicator) yet on general socio-economic situation. As a consequence, the survey report is more focused in explaining perception of citizens on issues related to economic development and potential development sectors than on quality of performance of public sector in delivering services. The survey also showed limited awareness of citizens in important municipal affairs.

Does the municipality administration function now better, the same or worse when compared to the period of three years ago?



Source: 2013 Citizens' Satisfaction Survey, p.23

The second indicator states that gross LSGs allocations for the CSOs in the Programme area should increase by at least 10% by the end of the intervention. Besides, at least five partnership projects between LSGs and CSOs would be established and continue independently of the Programme. This indicator is vague since it is not clear whether the desirable increase in local budgets towards CSOs is related to co-financing of CIF projects, or it focuses on general support of LSGs to local CSOs regardless of CIF. In case of the latter, it was not possible for the evaluators to confirm¹³ whether there was an increase in funding CSOs of at least 10% since there are no mechanisms for monitoring budget allocations of beneficiary municipalities towards CSOs. (At least eight partnerships from CIF 1 continued in CIF 2 with EU PROGRES' support and the Programme reported that 29 CIF 1 initiatives continued to provide benefits, in some cases with support from the local governments, but the exact budgets are unknown).

EU PROGRES certainly increased the number of partnerships between municipalities and CSOs, a fact that is also recorded in the Annual and the Quarterly Reports. However, in most cases cooperation between CSOs and local governments is superficial and client-oriented. Local Government (LG) sees cooperation with CSOs as a donor requirement, therefore there is a lack of sustainability in establishing good relationship between CSOs and LG. In other words, this cooperation is not genuine. Nevertheless, there are also good examples of cooperation between CSOs and LG. For instance, Municipality of Priboj has de-politicized the Council for Gender Equality and allowed local NGOs to lead all activities of this Council. This type of cooperation has been very successful since the Council achieved very good results in a short period of time. These types of results show that attitudes are slowly changing¹⁴ but there is definitely more effort needed.

The next indicator focuses on adopting mechanisms for sustainable and continuous participatory budgeting processes in five municipalities. Participatory budgeting was piloted in 2010, experimenting with four local self-governments (Leskovac, Vranje, Novi Pazar and Blace). In 2011, three out of these four municipalities did not continue to exercise participatory budgeting, while Novi Pazar organised another round of participatory budgeting practice. In 2012 EU PROGRES engaged a subcontractor to assess local budgets and existing practices in all 25 municipalities, and organise participatory budgeting in 12 municipalities. Out of these 12 municipalities, three of them decided to institutionalise the process and 11 of them signed MoU for establishment of participatory budgeting teams. The final

¹³ EU PROGRES analysed municipal budgets, for years from 2010 to 2014, and determined that cumulative allocation for civil society in 2014 in comparison with 2010 increased by 48%.

¹⁴ As attested by one survey conducted by EU PROGRES in March 2014, which showed that 45% of respondents observed that cooperation between CSOs and LSG has improved in last five years.

evaluation could not confirm whether these municipalities continued with the practice on participatory budgeting during 2013, as none of the interviewed interlocutors were familiar with this issue.¹⁵

The fourth indicator targeted that Citizens' Advisory Services (CAS) continue in at least two municipalities after the Programme finishes. By the end of the Programme, only CAS in Novi Pazar was institutionalised and incorporated into the local administration structures. There are some (rather loose) intentions to institutionalise CAS in Prokuplje and Preševo, yet this will certainly not happen before the end of the Programme. This raises a concern regarding the sustainability of CAS. On the other side, there is a significant demand for free legal aid services, especially among the most disadvantaged population groups (Roma and people in poverty).

The fifth indicator focused on local mechanisms for gender equality being in place in at least twelve municipalities, and that at least five municipalities allocate funding for gender equality activities. This indicator was fully achieved since local gender equality mechanisms were established in 12 municipalities,¹⁶ and seven municipalities have allocated budget lines for gender issues.

The sixth indicator measured whether the response period to requests for building permits and conditions was reduced by 20% in at least four municipalities. There are no quantifiable data which can accurately measure the achievement of said indicator. At the output level, the Programme established four One Stop Shops¹⁷ which should contribute to efficient issuing of building permits. There is also an assumption that Programme contribution to developing municipal planning documents and technical designs will also contribute to the achievement of this indicator, which is probably true, yet at this moment there is no data to confirm it. The evaluation team was not able to accurately assess the scale of time reduction in obtaining the building permits even though there is evidence of a significant reduction.

The seventh indicator targeted a minimum of 10% increase of tax collection in at least ten municipalities. The Programme actually exceeded the target value since it managed to include 11 municipalities in taxpayers' registration activities and to increase local property tax revenues by 24.6% during the first year of implementation. According to information received from EU PROGRES initial findings for 6 municipalities show that local tax further increased in 2013 by 59,78% as compared to 2011..

The eighth indicator focuses on the increase of local services for businesses in at least 2 municipalities and in networking at least 20 enterprises in clusters. This indicator was fully achieved. Business services have been increased through the creation of clusters, support to business incubator centre in Vranje, through the establishment of four One Stop Shops, the preparation of five capital Investment plans, through support to the regional centre for development of agriculture and villages and many others. In total, 73 legal entities (out of which 60 SMEs) networked in three clusters established by the support of the Programme.

¹⁵ This does not imply that participatory budgeting was not organized during 2013. EU PROGRES reports that the following five municipalities continued to conduct participatory budgeting: Vranje, Leskovac, Surdulica, Bojnik and Nova Varoš.

¹⁶ Local gender equality mechanisms were rather re-established since they existed even before EU PROGRES intervention. Nevertheless, EU PROGRES has significantly contributed in this field since those mechanisms were not in use and the Programme gave a new momentum to gender equality in those municipalities, and wider.

¹⁷ In Vranje, Leskovac, Novi Pazar and Ivanjica.

The ninth indicator focused on the development of spatial and general regulation plans, as well as detailed regulation plans in all 25 municipalities. EU PROGRES supported the elaboration of 32 spatial, general and detailed regulation plans, which were adopted or are in the final stages of adoption. The 2013 Annual Report estimated that municipalities accessed funding worth 1.6 million EUR as a direct result of the support in preparation of technical and spatial planning documentation, which is a remarkable achievement.¹⁸ In addition, the capacity of Urban Directorates in Vranje, Leskovac and Novi Pazar was increased with IT equipment. Nevertheless, the final evaluation could not confirm to what extent equipping the Urban Directorates contributed to further development of spatial and regulatory plans.¹⁹

The tenth indicator measured how many infrastructure projects from south and southwest Serbia were listed in the SLAP database, at the third level of project maturity. The indicator targeted a value of 40 projects. There are two issues with this indicator. First, the indicator needed to be reformulated after the revision of the SLAP methodology in November 2012. Second, the indicator is vague since it is not clear whether the target value (40 projects) needs to be a direct result of EU PROGRES, or this figure includes projects supported by other development actors and local self-governments themselves. The Quarterly Report indicates that there are in the SLAP database 100 projects from 23 beneficiaries municipalities, out of which 14 were developed through EU PROGRES.²⁰ From this report it is not possible to determine at which level those projects were placed. Out of those 14 projects, EU PROGRES financed the construction of four, while other 10 are budgeted to slightly more than 23 million EUR.

The next indicator attempts to measure the enhancement of municipal capacity to absorb funds for implementation of infrastructure projects and targets a value of 40 million EUR. EU PROGRES significantly contributed with the development of technical designs for five regional and 20 local infrastructure projects, with a total value of 42 million EUR. This is a very good result since it creates good conditions for municipalities to fundraise from government or other donors, or to borrow from the IFIs and commercial banks. Nevertheless, the evaluation could not provide clear evidence to what extent municipalities have increased their capacity to manage implementation of those large infrastructure projects without external support.

The twelfth indicator targeted that at least 20,000 citizens would get access to clean water. In this case the target value was set too high since the Programme intervention provided access to clean water only for 2,067 people in Surdulica,²¹ about 4,000 people in Prokuplje and an unidentified number of people in Sjenica. To these figures we should add an also unidentified number of Roma from two settlements, Ćoška in Vranje and Blaževo in Novi Pazar.

The last outcome indicator focused on improving education conditions for at least 4,000 pupils/students by the end of 2013. This indicator was fully achieved since education conditions were improved for 7,500 pupils/students through 10 local infrastructure projects.

Expected Results and Output Indicators

¹⁸ Source: Annual Report, July 2012 - June 2013, p.4.

¹⁹ For instance, due to many circumstances equipment that is delivered to the Urban Directorate in Novi Pazar is still not in use.

²⁰ SLAP is not open source database, therefore it was not possible to validate this claim during the final evaluation.

²¹ 397 Roma in from Jelašnica settlement and 1,670 people from Dugojnica and Suvojnica villages.

Programme intervention has 8 results, which are organised within four components: Good Governance; Municipal Management and Development Planning; Physical, Economic and Social Infrastructure; and Public Awareness and Branding of Areas. Summary findings on these results are presented below while detailed findings on the attainment of output indicators is presented in Annex 5.

COMPONENT 1: GOOD GOVERNANCE
RESULT 1: Participative, responsible and transparent management with respect of human rights.
<p>Overall finding:</p> <p>EU PROGRES has paid significant attention to contributing to changes in municipal management in order to become participative, responsible and transparent and there are many outputs generated in this regard. Nevertheless, several reasons constrained the attainment of better results. High-level municipal authorities were not particularly interested in providing more support to this type of activities (they do not see it as a priority). For instance, most municipalities have applied participatory budgeting only when EU PROGRES organised the whole process²²; or cooperation between CSOs and municipalities was active only through CIF (with a few exceptional cases). Similar is the case with the Citizens' Advisory Services experience which functioned only when there was financial support by EU PROGRES and discontinued afterwards. Nonetheless, there are exceptional outputs in the field of good governance, where attained outputs are much higher than the target values, and in the field of gender equality, where EU PROGRES gave a completely new dimension.</p> <p>Linking good governance with infrastructure proved to be a much easier and effective approach – at this early stage of GG introduction - than supporting “soft” issues related to good governance. Nevertheless, those are two different issues. The recommendation is to continue to connect good governance and infrastructure development. Municipalities need to see investments in infrastructure not as an opportunity to build something but as an opportunity to change something. On the other hand, “soft” measures provided by the project are also very important, yet the Program should find smart ways to give credibility and impetus to this process by tempting municipal authorities to participate in these activities.</p>

COMPONENT 2: MUNICIPAL MANAGEMENT AND DEVELOPMENT PLANNING
RESULT 2: Municipal organizational effectiveness and efficiency improved and capacities to deliver services to citizens and business increased
<p>Overall finding:</p> <p>EU PROGRES was very effective with respect to this result and achieved all associated output indicators. Municipalities became certified in quality management standards and mechanisms for provision of services to citizens and businesses were either established or advanced. The Programme supported municipalities in Programme budget preparation (done for the very first time) hence advancing their capacities to apply this practice in the future. This is a very important result since municipalities have a legal obligation to apply Programme budgeting as of 2015.</p>
RESULT 3: Support to municipalities in preparation of local urban planning documents
<p>Overall Finding:</p> <p>The Programme achieved all its targets with respect to this result. The most significant contribution was on the preparation of planning documentation, especially general and detailed regulation plans</p>

²² Five municipalities repeated the process, based on information provided by EUPROGRES. The evaluation was not able to either confirm or reject this information.

which are a precondition for all future development initiatives. Results achieved through support to Roma settlements were also significant.

COMPONENT 3: PHYSICAL, ECONOMIC AND SOCIAL INFRASTRUCTURE

RESULT 4: Projects and project documentation prepared for key economic, environmental and social projects

Overall Finding:

EU PROGRES was successful in preparation of priority project documentation in economic, environment and social infrastructure in beneficiary municipalities. Lack of technical documentation is one of the main obstacles for municipal and inter-municipal development. The final evaluation confirms a high level of satisfaction among municipal authorities regarding EU PROGRES support during the preparation of technical documentation.

RESULT 5: Project financing facilitated through enabling contacts with ministries, donors and other projects

Overall Finding:

EU PROGRES was a successful fundraiser for municipalities in the Programme area. The Programme has a good reputation of producing good quality work in disadvantaged areas of south and southwest Serbia, and many ministries, national agencies and donors expressed their willingness to join EU PROGRES by implementing projects of regional (inter-municipal) or local (municipal) importance.

RESULT 6: Selected projects financed and implemented through PROGRES sub-projects

Overall Finding:

EU PROGRES was very effective in financing and implementing infrastructure projects, either inter-municipal or municipal. All indicators were achieved, while most of them exceeded target values. The final evaluation has confirmed a strong technical capacity of EU PROGRES to implement infrastructure projects of regional and local importance.

COMPONENT 5: PUBLIC AWARENESS AND BRANDING OF AREAS

RESULT 7: Awareness of the need for, the logic of, and the effects of changes communicated to a broad public

Overall Finding:

EU PROGRES is among the best-promoted ever development interventions in Serbia. The project was often visible in media, national but mostly local. The Programme also communicated well through its website and newsletter. Media projects were also well perceived among the target groups. The Programme reached target values on all indicators.

RESULT 8: A plan to develop the areas' images and self-images as unique regions of Europe are established and implementation begun

Overall Finding:

Branding of areas was an innovative approach that was highly welcomed by the beneficiaries. Branding projects targeted different themes, from festivals (Leskovac, Cherry Festival, Blace Plum Days) through tourism (Golija, Vlasina, Zlatar/Zlatibor), way of living (Novi Pazar) to business opportunities (Vranje and Pešter). In some cases these projects focused on small-scale infrastructure development (Vlasina and Nova Varoš-Prijepolje) or strategic planning (tourism strategic marketing plan for Zlatar/Zlatibor), while in other the focus was given to creation of visual identity (Blace, Novi Pazar, Leskovac). Although successful branding needs time, some of these projects might contribute to better images of targeted areas and products.

Overall, one could argue that EU PROGRES has been extremely effective at achieving immediate objectives (i.e. outputs) even exceeding them in more than one occasions. It is not so certain that the Programme has been equally effective at the results level, since the evidence collected in some cases shows that many interventions were not sustained after the end of financial support by EU PROGRES, as initially expected, while in many other cases the evidence is inconclusive.

Still, there is evidence of changing behaviours within Municipal Administrations. Among other things, the success of EU PROGRES relies on the fact that the Programme included a large number of people from different municipal departments, which is usually not the case with other interventions. Municipalities were taught teamwork and there is evidence that this approach has produced a behaviour change. Teamwork also increased the level of ownership, especially at the mid-management level. Nevertheless, municipal administrations are highly dependent on political structures which are volatile and this affects the sustainability of this result.

3.3 Efficiency

Efficiency is a measurement of performance in achieving the goals by using the available resources. Hence the evaluation focuses on the comparative advantages of UNOPS as an implementing partner, on the human resources deployed, the organisational and financial capacities, time management and the ability to cooperate with other actors.

Based on the Contribution Agreement, United Nations Office for Project Services (UNOPS) was assigned to implement EU PROGRES. The reasons behind this decision were the political neutrality of a UN agency to work in a sensitive multi-ethnic environment, as well as its technical capacity to deliver desirable results in efficient and effective manner. The alternative would be to contract with a technical assistance company (like in the case of EU-funded interventions RSEDP, RSEDP2, MSP NE, or USAID SLDP etc), or other implementing agency (i.e. one-UN or GIZ) or regional development agencies (i.e. SDC's engagement of VEEDA or RDA Zlatibor in implementation of private sector development projects).

In general, the comparative advantage of UNOPS over all other possible alternatives was the fact that UNOPS incorporated the team that was very successful in implementing the PRO program in a similar Programme area. Hence, continuity with PRO was very good in terms of sustainability of achieved development results and maintaining institutional memory.

Compared to technical assistance agencies (consultancy companies) UNOPS is cost-efficient and development-driven. UNOPS management fee is 7% of the Programme budget, which is an optimal and affordable cost. Contrary to consultancy companies - which are profit driven - UNOPS has a strong development orientation that focuses on long-term changes in the Programme area. The latest was recognised and highly welcomed by the beneficiaries²³: municipalities, CSOs and other partners in the Programme area.

Prior to EU PROGRES, a group of UN agencies led by UNDP (known as One-UN system) launched a development intervention called UN PBILD, which targeted a similar Programme area (municipalities of South Serbia). Although there is no intention to compare these two interventions, it is fair to say that EU PROGRES was much more complex regarding the scale of operations and much more effective in terms of delivery. Similar findings could be claimed in comparison between EU PROGRES and GIZ

²³ As exhibited by the several distinctions awarded to UNOPS.

KwD which covers municipalities of Eastern Serbia and whose scale of operations are comparatively smaller. Therefore, UNOPS has proved to have a comparative advantage over other implementing agencies in implementing development interventions of this level of complexity.

Although some of the regional development agencies are engaged in direct implementation of development interventions – such as VEEDA and RDA Zlatibor engaged in the implementation of SDC-funded private sector development projects in South and West Serbia, or more recently in implementation of USAID-funded private sector development project in Southwest and Southern Serbia.²⁴ - it is fair to say that the capacities of regional development agencies are not at an equal level to successfully compete with UNOPS especially at the time when EU PROGRES was Programmed or launched.

Also, the evaluation confirmed beyond doubt that the deployed human resources possess strong abilities in Programme implementation. The core team are professionals that used to work for PRO, which brought added value to EU PROGRES in terms of in depth knowledge of the Programme area and institutional memory. Other members joined the team after restrictive recruitment procedures that guaranteed selection of the best available professionals. UNOPS has paid a significant attention in advancing the capacities of its human resources, especially at the management level through in-house training and especially in advanced international project management and procurement.²⁵ Moreover, team members were able to participate to other international trainings in the field of good governance and local development, as well as to international conferences, which also contributed to their capacity to successfully implement Programme operations.

Organizational and Management Efficiency

UNOPS has developed clear organizational and management structures with the Programme manager heading the whole operation and assisted by a deputy Programme manager and component managers. Staff members were assigned per component. In addition there were Programme coordinators with geographic responsibility (assigned to communicate directly with several - usually 3-4 - municipalities regarding all aspects of Programme implementation). Communication with national stakeholders engaged in the Programme were secured through the Project Manager (at a strategic level) and a Technical Specialist (at an operational level), which was also proven to be very efficient and effective system.

In terms of office network, the Programme was implemented through a network of three offices, located in Prokuplje, Novi Pazar and Vranje.²⁶ Even though none of these three offices was considered as the main office by design, the office in Prokuplje – which hosted most of the staff including the component managers – ended up playing a central role. The decision to place most of the staff in Prokuplje proved to be correct, both in terms of efficiency (Prokuplje is almost in the centre of the Programme area) and in terms of development impact (contrary to other districts of the Programme area, prior to EU PROGRES Toplica was not treated by any area-based intervention).

²⁴ USAID has contracted National Agency for Regional Development to implement the private sector development project in Southwest and Southern Serbia. There are five regional development agencies engaged in this project: RDA Zlatibor, SEDA, RDA Kraljevo, Centre for Development of Jablanica and Pčinja Districts. More information on this intervention (in Serbian) is available on NARD's website: <http://narr.gov.rs/index.php/PSD/>

²⁵ Seven staff members completed UNOPS project management course in Copenhagen, almost all staff completed PRINCE 2 training, one staff member completed IPSOS training course and one more finished an advanced course on procurement.

²⁶ Vranje was also considered as a sub-office of Prokuplje office.

Programme presence in far away municipalities in the west (Prijepolje, Priboj and Nova Varoš) and in Jablanica District were covered by coordinators deployed in Priboj and Leskovac.

Hence, the final evaluation has confirmed the findings of the mid-term evaluation on the efficient design of organisational and management structures, and the good high quality of communication with beneficiaries across the Programme area, as well as with stakeholders at the national level. All interviewed interlocutors emphasized the excellent cooperation and communication with EU PROGRES.

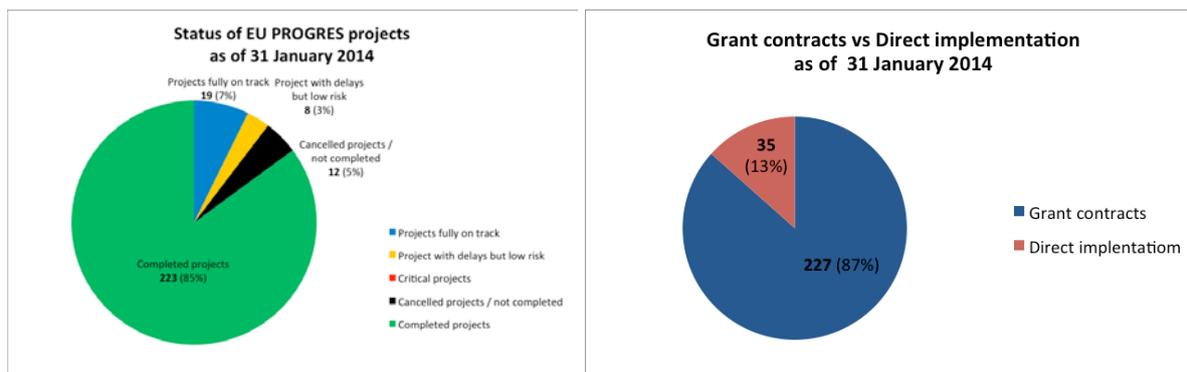
High operational capacity of the Programme team has been confirmed by their ability to absorb and successfully implement additional financial contributions provided either by EU or by SDC. The most recent example is SDC support to gender equality that was successfully utilised in a very short period of time at the end of the project intervention.

Financial management was strict and very successful throughout the Programme. Finance and procurement operations were organised according to the Financial and Administrative Agreement signed between European Commission and the United Nations, which foresees that “UN organisations may manage EC contributions according with their own regulations and rules based on the understanding that these confirm to internationally accepted standards as regards accounting, audit, control and procurement procedures”.²⁷ Financial management also included the use of a grant methodology, which is a system of procedures designed for the procurement for grant allocations to municipalities. The methodology included the creation of a special bank account by beneficiary municipalities with a double signature rule.²⁸ Although there were some concerns and resistance at the beginning of implementation regarding the grant methodology, the final evaluation has confirmed satisfaction of all municipalities that were interviewed during the field mission. Grant methodology also required from beneficiaries to apply Serbian procurement rules and FIDIC contract requirements, which showed to be very useful in terms of capacity building of municipal departments for public procurement. Although beneficiary municipalities have experience in public procurement, procedures applied by the EU PROGRES grant methodology were considerably stricter and required extraordinary commitment in designing terms of reference and bills of quantities. This was good practice and most municipalities indicated it as part of lessons learned. This was especially true for a number of municipalities which ended-up paying higher co-financing amounts due to mistakes in technical documentation.

In total, EU PROGRES contracted 262 projects, out of which 227 were implemented through grant contracts and 35 through direct implementation. By 31 January 2014 223 projects (or 85%) were completed, 19 projects (7%) were fully on track to be implemented by the end of the Programme and eight projects were implemented with small delays but low risks (3%). There were only 12 projects (5%) which were either cancelled or not completed, which is quite acceptable compared to the volume and complexity of the intervention.

²⁷ Financial and Administrative Framework Agreement between the European Community, represented by the Commission of the European Communities and the United Nations, page 2.

²⁸ Double signature rule means that all payment orders have to be signed both, by municipality and by EU PROGRES.



Source: Quarterly report October 2013 - March 2014, Annex V

According to the original Programme document, national contribution was determined to minimum 1.5 million EUR. Nevertheless, the Programme intervention has inspired municipalities, national authorities and other development actors to contribute with financial allocations that are beyond the required 10%. In a number of cases the co-financing was increased due to incomplete technical documentation for infrastructure projects and in other cases due to the thresholds applied. At Programme end, the total amount of co-financing had almost doubled and counted 2,937,555 EUR.²⁹ The Programme also generated in-kind contributions of 24,963,174 EUR and "facilitated investments"³⁰ of 793,474 EUR.³¹

Time Efficiency

EU PROGRES was launched on 1 July 2010 and it will close on 31 March 2014. The intervention received a no cost extension for nine months. Regardless of this extension, there is enough evidence to claim high time efficiency of implementation. The Programme was implemented in a challenged area, coloured with complex multi-ethnic relations and extreme poverty. Besides, the intervention was often hampered by election processes, changes in municipal ruling coalitions, as well as by natural disasters such as floods or snowstorms. EU PROGRES was also invited to contribute to remediation of earthquake consequences in Kraljevo, which is outside of the Programme area.

The Programme team showed high flexibility in adjusting implementation processes to new realities through constant revision of their work plans. The logical framework was also adjusted according to changes in reality in the Programme area, which is another good practice in project management. The Programme team was also efficient in reporting. The monitoring system was designed through monthly, quarterly and annual reports, all produced in due time and according to required standards. Following recommendations by the mid-term evaluation, the quality of reports significantly increased since mid-2012 being more result-oriented than in the previous period. The team also followed the mid-term recommendations to monitor impacts in the Programme area, which is a best practice in implementation of development interventions.

The Programme team has shown excellent ability to cooperate and coordinate with other development actors in the area. Many such actors view EU PROGRES as a major development actor and key agent of change in the Programme area, and they seek synergy and joint ventures. Among others, EU PROGRES successfully cooperated with the Czech Development Agency, USAID SLDP, EU MISP,

²⁹ Source: Quarterly report October 2013 - March 2014, Annex V

³⁰ Facilitated investments - refer to financial and non-financial contributions (goods or services) from beneficiary or third parties, directly or indirectly facilitated with EU PROGRES projects/activities and recognized as extended benefit of the project's impact.

³¹ Source: Quarterly report October 2013 - March 2014, Annex V

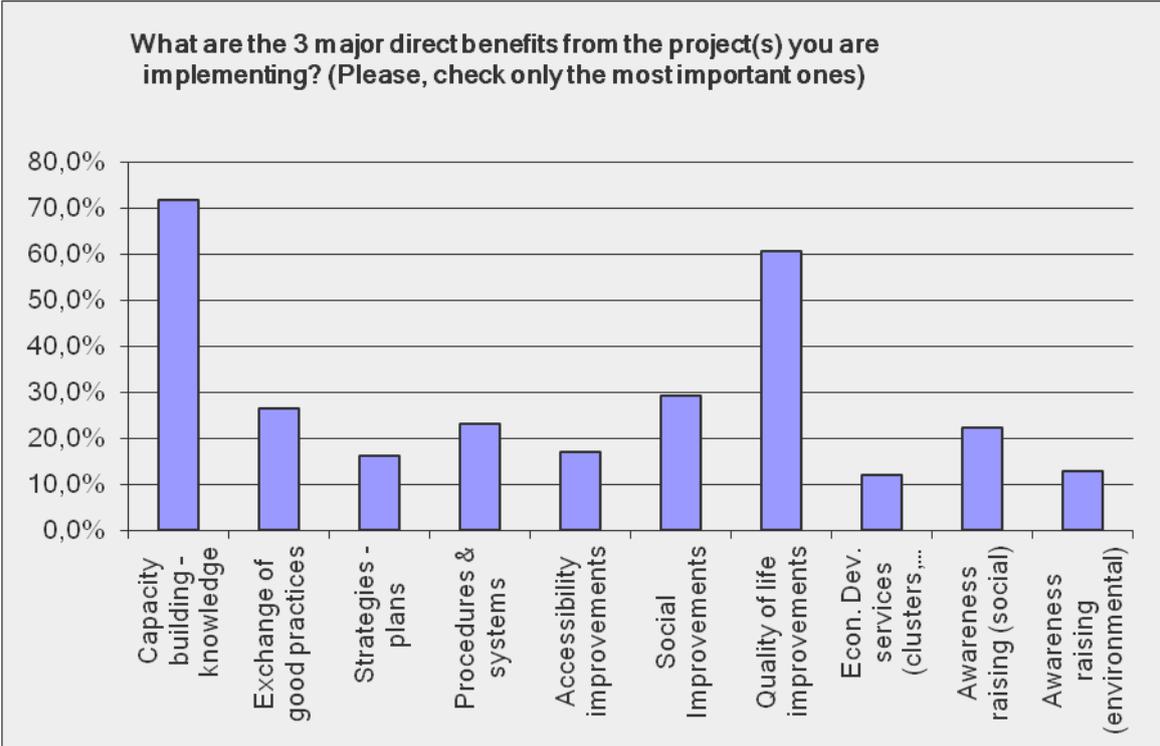
Caritas Luxemburg, Help a.V., OSCE, UN PBILD, other UN agencies such as UN Women, ILO, IOM, as well as with institutions of the central government such as the Coordination Body for Preševo, Bujanovac and Medveđa and the Office for Sustainable Development of Underdeveloped Areas.

Finally, although the mid-term review recommended better cooperation between EU PROGRES and regional development agencies active in the Programme area, this type of cooperation remained loose to the end of the intervention. To some extent EU PROGRES cooperated with SEDA and the Centre for Development of Jablanica Pčinja Districts, while cooperation with other RDAs was very limited.

3.4 Impact

Since impacts are long-term indirect effects and hence non-observable, the present evaluation section only reports on “likely impacts”, i.e. areas where there is positive evidence that the planned impacts will likely be achieved. The evidence offered below is derived from the desk research, the interviews conducted by the evaluators and the survey.³²

According to the latter, respondents seem to place more importance on two major accomplishments of the Programme: the capacity building improvements and the quality of life improvements. The first result is particularly interesting since these impacts are especially hard to document. The second result is self-evident and more information is provided below.



Source: the Final Evaluation Survey results (see Q3 of the Annex 4)

Component 1: Good Governance

An area where there is positive evidence that targeted impacts may be achieved and rather shortly is the educational support for Roma children. There are signals that both children performance at school

³² The diagram below shows the percentage of respondents and not the percentage of responses as the corresponding diagram in Annex 4 does.

is increasing and drop-out rates are decreasing. Since long-term effects are conditional upon continued support, these impacts will only be stabilized if these actions secure future funding. Other training initiatives – such as the ones targeting women and some handicapped people – also seem to be achieving intended impacts.

Another area where there are obvious positive changes is the “solid waste collection – clean environment” area. Interventions such as provision of waste receptacles and recycling bins have already produced their intended results (cleaner city, reduction of waste to the dump, etc).

On the contrary, other interventions such some of the interventions targeting Roma populations do not exhibit so far equally satisfactory impacts: the ID cards which intended to increase employability seem to have increased mobility but there is no evidence that they increased employability; also Roma populations have not taken advantage of the free legal aid services provided as much as initially anticipated because – as acknowledged by Roma organizations - they were not aware of the issues³³. Hence, these interventions did not manage to reach their full potential regarding this main target group³⁴.

Actions targeting female health (such as cancer screenings) will require a very long period and consistent service provision in order to start producing results (i.e. decrease the mortality rates) as they heavily depend on the numbers of women screened. In some of the intervention areas cultural factors have to be overcome in order for these actions to start producing results. The first indications are that the numbers of women screened so far do not provide a solid basis for optimism.

Actions targeting the employability of disabled people do not have the potential to produce significant impacts (especially when people with motor skill impairment are concerned) as other interventions are usually required as well in order to cover more target group individuals (e.g. accessibility improvements in public spaces, building accessibility improvements, etc). As such, the overall impacts for the target groups remain low.

Projects that deal with cultural changes and changes of perception provide no evidence that they are succeeding their goals with very few exceptions (women participation in local government, inter-ethnic sports teams, etc)

With respect to GG as a cross-cutting theme, it is apparent that there are positive impacts in all areas where they have been applied, and especially when horizontal systems/procedures have been involved, such as the ISO system implemented in Prokuplje (procedures for emergency response, waste collection-disposal, documents management, complaint system, reporting system). The “book of comments” initiated by the City Hall gave incentive to people to provide feedback thereby increasing citizen involvement. As a result a sudden increase in citizen reports was noted. Also, the documents management system resulted in an easier to manage archive and increased municipal responsiveness. Finally, the implementation of a complaint system reduced response times to citizen complaints/reports.

Component 2: Municipal Management and Development Planning

³³ Only 21% of all CAS' beneficiaries were Roma.

³⁴ The Roma organizations interviewed stressed the importance of continuing the intervention but coupled with outreach and awareness-raising actions.

In the case of Citizen Assistance Centres the immediate results (i.e. faster service delivery) show a high degree of success of the intervention. However, the long-term intended impacts – i.e. increase in economic activity – cannot be deduced from these results as many other factors come into play.

Impacts are even more long-term in the case of regulation plans for areas of economic activity (industrial zones, spas, etc) as there is currently no investor actually established in the intervention areas with the exception of Geox.³⁵ Hence the evaluation was not able to confirm significant impacts from this activity in the foreseeable future even though the situation seems promising³⁶. The situation is slightly different with regulation plans for border crossings. These interventions do exhibit a high potential of quickly increasing cross-border trade and tourism flows.

Entrepreneurship support interventions do present good results in terms of creating employment but the sustainability of such results is highly questionable without continued support (not necessarily in the form of financial assistance) for an extended period of time, or until these businesses become successful.

Two out of the three clusters formed (the fruit cluster and the agro cluster) as part of the Programme exhibit high potential of producing results, but so far cluster participants do not seem to grasp the full range of advantages clusters provide. As such, the expected results (i.e. cost-savings, export promotion, etc) will remain limited until the clusters fully grow and realize their full potential. Since many other Serbian clusters in the past started as very promising but subsequently failed, it is important that EUPROGRESS continues to support cluster growth. The third cluster – the tourist cluster - heavily depends its success on additional external financial assistance (e.g. for road construction) and hence its intended impacts are still highly questionable as the Municipalities do not seem to have the required resources for the implementation of the infrastructure projects.

Perhaps the most successful intervention in the entire Programme is the Local Tax Administration support. Property tax revenues have increased in all Municipalities that implemented the intervention and there is significant room for further improvement. Municipalities can use the additional revenue in order to fund projects and services to their citizens.

Component 3: Physical, Economic and Social infrastructure

The impacts of health and educational facilities constructed, renovated or equipped are self-evident. User visitation and satisfaction ratings can easily give proof of the quality of life improvements achieved. One of the most important projects with immediate impacts on the health of mothers and infants is the re-opening of the maternity ward in Preševo.

Water supply network projects have an entire host of impacts ranging from the improvement in consumer health (as in the case of asbestos removal) which can only be documented by repeated long-term studies, reduction in water losses and in operational costs such as water treatment and network repair costs (which can be easily documented by the public utility companies), and increases in water-bill revenues (only in the case of previous illegal connections to the system).

³⁵ The first investor into the Vranje Industrial Zone (Italian shoe manufacturer Geox) has started building a factory in Vranje, (see: <http://www.ekapija.com/website/en/page/863513/Construction-of-Geox-factory>)-. Geox currently employs 120 people at another location (10% of the planned 1200 jobs).Ditre Italia is also expected to create another 600 jobs and reportedly there are other investments in the pipeline.

³⁶ An impact assessment study conducted in 2-3 years from the completion of the programme should address this issue.

Wastewater-related projects – such as dumping of untreated sewage into local rivers and streams – exhibit both immediate and long-term impacts. The former usually include public health improvements (e.g. elimination of hepatitis breakouts) which in most cases become evident in a short period of time (1-2 years) and long-term impacts on the flora and fauna of the immediate area which are not so easily observable. In some cases – where the wastewater improvement is related to a drinking water supply – the health benefits can be even higher.

Flood control projects (usually stream or river regulation) apart from the obvious impact³⁷ (reduced incidence of flooding) sometimes also present positive side-effects, such as the “creation” of spare land which can be used for other purposes.

Results/impacts are not so evident in the case of economic infrastructure development. The improvement of the Wood Processing Factory in Medveđa is perhaps the only such intervention with already visible impacts³⁸. The other two projects – the Green Zone in Leskovac³⁹ and the Improvement of fruit production in Pčinja district – have highly uncertain impacts as they require additional actions in order to bear fruit: the first one needs aggressive investment attraction activities, while the second one requires activities which will ensure buyers for the increased production of fruit⁴⁰. Without these further actions, neither project can produce the intended impacts.

The impacts of all technical design and documentation activities are very long-term and require the construction of the facilities designed in order to be materialised, yet there is strong evidence that the activity exhibits good potential as attested by the following examples: in Vranje, on the basis of EU PROGRES designs, the City secured donations and invested its own funds to reconstruct the regional theatre and one primary school (completed with Caritas support); Tutin accessed 25,000 Euros which they invested together with own funds on the reconstruction of the sewage network; inter-municipal projects - like the Banjica and Meteris landfills - are placed in the PPF5 national priority projects.

Recommendations:

For all activities/projects which require consistent follow-up and continued intervention in order to secure the intended impacts, we recommend that the new Programme includes follow-up projects. Such interventions include: the Roma educational interventions, actions targeting female health (with a possible revision of the promotion strategy of the measures), clusters (especially the fruit and agro cluster), and economic infrastructure projects (Green Zone and Fruit Production).

Activities with proven high rate of success and pronounced positive impacts – such as the Tax Administration support – should be continued and expanded to all Municipalities.

³⁷ EU PROGRES flood protection project in Novi Pazar and Raska proved effective as it saved Novi Pazar this year from floods

³⁸ The factory employs 42 workers and most of the produced pellet will be exported to Slovenia and the countries of the European Union. As this is a growing market, long-term economic prospects are considered good.

³⁹ In February 2014, four investors submitted requests to get land in the Zone, and expressed readiness to invest 51 million Euros and employ 850 people, in response to a public invitation by the City. Even though this is a promising indication, it is premature to draw any conclusions from this about potential impact.

⁴⁰ Even though initial EUPROGRESS calculations show that there is a market for the fruit, often the question of securing buyers is one of price and quality and not of quantity. Hence, the programme should also ensure that Pčinja fruit producers provide their products at the required – by the processors - quality and at competitive prices. If these two conditions are not fulfilled, the local producers will continue to buy from abroad or from other Serbian areas. The fruit cluster could act as a catalyst in this direction – perhaps through implementing contract farming – but, during interviews, the fruit cluster expressed no desire to collaborate with local farmers unless they form a cooperative.

3.5 Sustainability

The notion of sustainability examines for how long the results and impacts from a certain intervention persist and the conditions which are necessary in order to ensure them. The types of projects usually believed to be self-sustainable – i.e. whose results/impacts extend indefinitely and no further commitments are required to ensure this sustainability – are infrastructure projects and planning projects. Nothing is farther from the truth. Infrastructure projects generate many obligations, the most common being: maintenance, repairs, and operation costs. Therefore both willingness and ability to continue to fund these projects is important in order to ensure that they will remain at a proper level of repair and function as they were designed to. One could argue that “willingness” has been ensured as the grant methodology used by EUPROGRESS definitely increases the degree of ownership by the project owners and hence their willingness to support them in the future. But since infrastructure projects mostly fall under the jurisdiction of a public entity (Municipality, Public Utility, etc) one needs to ensure that the responsible entity also has the necessary resources to cover all these long-term costs. In order to ensure availability of funds, EUPROGRESS included “sustainability” as one of the criteria for the selection of projects. But “sustainability” was simply claimed by the applying Municipality and there was no feasibility (or cost-benefit) study accompanying the claim.

In the case of South Serbia and South-west Serbia, a large number of Municipalities fall under the “devastated” category. Hence their budget is in general limited and may be subject to severe reductions in cases of future economic crises such as the recent one. Therefore, “sustainability” should be proven by the applying Municipalities.

Some types of infrastructure projects can easily be made sustainable through user fees. Such projects include all public utilities, and all facilities where it is economically and socially feasible to charge user fees which cover the long-term costs. In some cases however it is neither feasible nor desirable to charge fees at such a level as it is required in order to make the project self-sustainable. Sports facilities are one such example: although it is feasible to charge fees capable of covering all long-term costs, it is often not desirable to do so as they are viewed as a means of “social policy” in order to pursue other goals such as curb juvenile delinquency, increase the level of public health, etc.

This situation can also apply to public utilities, as e.g. is the case of water systems. It is customary to cover all operation and maintenance costs through user fees based on individual consumption measured by water meters. This requires that all water connections are made legally – i.e. that a meter is installed – and that the user fees have been set to an appropriate level to cover all necessary costs. In many cases however, connections are made illegally, and even though the respective utility knows this⁴¹, they are reluctant to enforce the correct procedure either out of sympathy for the users (e.g. Roma populations) or because they consider that this practice will bring other desired public benefits (e.g. safeguard public health).

This lack of sustainability creates a vicious cycle, since with every new infrastructure which is not self-supported public budgets are further burdened with additional obligations. In order to face this risk, all infrastructure projects need to complete feasibility studies with cost-benefit analysis and a long-term financing plan.

Still, in some cases, infrastructure projects reduced municipal costs hence ensuring long-term sustainability: the replacement of water pumps and pipelines cut down on water losses, decreased

⁴¹ As was attested during interviews.

maintenance costs and electricity bills; installation of new heating systems enhanced energy efficiency and enabled municipalities to make savings; etc.

Another dimension of sustainability has to do with the continuation of the GG practices adopted during the implementation of infrastructure projects. During the evaluation we were able to establish that some of these practices (e.g. the Sports Facility Regulations in Surdilica, or the Green Market Regulations in Kursumlja) were being faithfully followed, but there is no way to confirm whether this practice will continue in the future. Also there are other cases where regulations were not followed such as the case with the Banjica Landfill, where municipalities did not pay the necessary contributions to the newly established enterprise for managing the Landfill (which was among of the reasons for the director resignation in early February).

Another dimension of sustainability of projects in the public domain has to do with political volatility. Changes in local government coalitions can affect sustainability of interventions in two distinct ways:

- New governments – for political purposes - often change personnel in key positions therefore disrupting the continuity of interventions, and the transmission of knowledge acquired through previous projects. High personnel turnover is the single most important factor of reduced sustainability of capacity-building interventions such as trainings, transfer of GG principles, and other capacity building actions. Capacity building is one of the most important outcomes of EU PROGRES – as the attached results of the questionnaire survey indicate⁴² – and needs to be safeguarded. In order to successfully face this risk, capacity building projects need to concentrate more on systemic changes in government.
- In some cases the new government coalition – which has often been elected on the basis of an “anti-corruption” campaign – may stop interventions in progress, cancel implementation of subsequent phases, or needed follow-up, thereby reducing or even cancelling the sustainability of such projects. Potential approaches to face this risk could include a higher visibility and active promotion of the projects within local populations and a wider citizen participation process in the decision-making and design stages of them.

Finally, many of the “soft”-types of projects are not sustainable by definition and require continued assistance in order to produced results. Such projects include:

- The Roma education initiatives: the overall objective of these projects is to decrease drop-out rates and successfully integrate Roma children in the educational system. The success of this measure is highly dependent on continued support at least until a new generation of well educated parents in produced who will a) value the importance of educations, and b) be able to assist their children in order to perform well in school.
- Female cancer screening initiatives: the overall objective of these projects is to reduce female mortality from certain forms of cancer (such as breast and cervical cancer). As the rate of success of these projects highly depends on usage rates of the screenings offered by local women which many times requires a change in attitudes, it is important that these initiatives are continued for long periods of time in order to produce this culture change.
- Entrepreneurship initiatives: the objective of these initiatives is to create permanent jobs. This can only be ensured if the created (through the intervention) enterprises survive during the critical years (incubation period) in order to become successful in the long-run. The Business Incubator approach is based on this philosophy. These businesses often require a wide

⁴² It was pointed out as the most important direct benefit (Q3), and respondents indicated that they primarily intended to use the knowledge gained (Q4), mainly In order to attract donor funding (Q5).

spectrum of supportive services during this incubation period such as legal advice, accounting advice, business advice, procurement support, etc. This incubation period is usually 5-6 years. Hence it is premature to judge the sustainability of the 17 businesses created as the incubation period is still in its beginning stages and we have no previous outcomes to base our judgment on.

- Clusters: the objective of the clusters is to create economies of scale and competitive advantages in a certain sector either through cost-cutting approaches, or product innovation/differentiation approaches, or demand creation approaches. As many of the businesses participating in a cluster often have competing interests (i.e. businessmen often see the others as their competitors), it often takes a long time before clusters realize their full potential, and in some cases they may in the long-run dwindle and fall-apart. Apart from a supportive structure – which is needed in order to provide common services to the cluster participants – clusters need to be provided with continued “team-building” support.

Recommendations:

In order to face the most important risks associated with the sustainability of Programme interventions, the new Programme should include the following:

- Extensive capacity-building of Municipalities and other organizations of the greater public domain in conducting feasibility studies (inclusive of cost-benefit analysis and long-term financing plans) as part of their capital investment process.
- Actions to introduce more citizen participation and transparency during the decision-making and design stages of the projects.
- More focus on systemic changes in all capacity building actions.
- Continuation of support for a range of actions including the Roma education initiatives, female cancer screenings, entrepreneurship support, and clusters.

4. OTHER EVALUATION QUESTIONS

4.1 Good Governance

Promoting the concept of Good Governance is possibly the most difficult undertaking of the Programme. It is a very abstract concept, not easily understood by many people, while there is very little work done in Serbia in this area in the past. As a result, Municipalities were largely unprepared for this task at the beginning of the Programme.

The approach followed – workshops, meetings with Municipal officials, GG campaign, “Open Door” activity, analysis of municipal websites, etc. - is considered very appropriate and quite inventive, each step building on the previous one. Using projects to demonstrate how good governance can be applied in practice provides “hands-on” experience and “learning by doing”. Also, selecting projects which are appropriate for applying GG principles through extensive interviews with the beneficiaries not only allows for a thorough evaluation of the potential shortcomings that can be addressed but also establishes a good rapport between the EU PROGRES team and the beneficiaries which is essential for this type of capacity building.

Since the ultimate goal is to effectuate “cultural change” in municipal government, it is essential that the knowledge gained through GG projects is proliferated throughout the Municipal administration. However, since this process is largely “anthropocentric”, i.e. it mainly builds capacity by enhancing the understanding and the skills of specific persons (i.e. the ones involved in the GG project), though a high turnover in Municipal human resources, these gains can be easily lost, endangering the sustainability and spread of the knowledge acquired. One way to deal with this potential shortcoming is to put more emphasis on policy-level interventions, i.e. introduce more systematic changes (e.g. standard procedures, structured training and coaching, etc) throughout the Municipal administration. Based on survey findings, it appears that considerable progress has been made in the GG area, since a large number of respondents identified the concepts of “efficiency”, “accountability” and “transparency” as good governance principles. Also, evidence from the interviews conducted with project beneficiaries during the 2-week field phase indicate that all persons involved in GG activities have developed both the necessary knowledge and sensitivity to the GG issues. However, it is not evident that this knowledge and/or sensitivity transcends all levels of the Municipal administration and all Departments. Important changes achieved in Municipal administration functioning include:

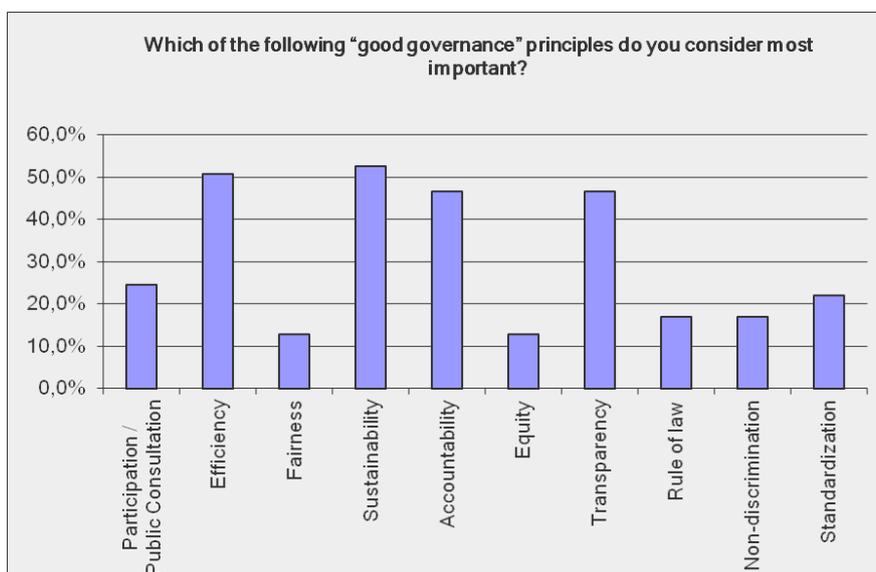
- Better coordination on budgeting (and occasionally increased citizen participation)
- Use of citizen satisfaction surveys
- Changes in websites to cater to the needs of citizens or provide more information
- Better response systems to citizen requests/comments/complaints
- Improved communication between Municipal departments and between Municipalities
- Introduction of internal procedures which increase efficiency

Even though a good number of projects have supported actions in the area of ethnic, gender, disability and other non-discrimination, there seems to be considerable ground to be covered with respect to this concept as well as with respect to the concept of “participation” - as it is indicated by the survey results below⁴³. Another weak area that needs to be addressed concerns the collaboration between Municipal governments and civil society as has been indicated by several interviewees, EU

⁴³ The diagram includes the percentage of respondents and not the percentage of responses as the corresponding diagram in Annex 4 does.

PROGRES staff including. It appears that local government at large does not see the value of collaborating with CSOs as yet.

The approach to tie GG to infrastructure projects has proven to be very successful. As already mentioned before, most Municipalities interviewed confirmed that they continue to follow the regulations established during implementation of the projects. There are also examples of spin offs, like in the case of Žitorađa Municipality who asked Bojnik to transfer knowledge to them on regulation regarding the green market.



Source: the final evaluation questionnaire results (see Q2 of the Annex 4)

Recommendations:

The next Programme should concentrate more on introducing systemic changes in municipal government, should put more emphasis in promoting the principles of “participation”, “volunteerism” and “non-discrimination” and should actively promote collaboration between local government and civil society.

4.2 Added Value / Cost-benefit

Perhaps the greatest added-value of the Programme is that it is a “place-based” approach to development as opposed to the sector-wide approach promoted by DG external aid under the IPA II Programmes. This is especially important as it is the basis of all Cohesion Policy intervention and hence all such experience will be valuable once Serbia as accessed to the EU. Further to it, the Programme also incorporates other aspects that are currently actively promoted through EU 2014-2020 cohesion policy, such as the integrated territorial investment instruments, which require coordinated interventions through several complementary projects many times involving many different beneficiaries. The promotion of inter-municipal projects under EU PROGRES is a step towards this direction.

Other features of the Programme structure that attribute increased value to it, is the highly effective implementation structure it has developed, especially with the deployment of experts in all areas of responsibility. As has already been pointed out, this structure has contributed to:

- high effectiveness and efficiency rates in the implementation of Programme activities;

- very good knowledge of the local issues⁴⁴; and
- very good rapport and excellent working relations with the local stakeholders⁴⁵.

These first two components of the added-value of the Programme are hard to quantify, yet very essential.

Other components of significant added-value include:

- Efficiency improvements in the operations of local governments and other institutions in the greater public domain: these improvements will positively affect either the revenues (e.g. property tax system revenues, revenues from facilities, etc.) or the costs (e.g. costs for water treatment and repairs of distribution networks, H.R. cost savings, etc.), or the quantity and quality of services provided to the citizens (e.g. quicker response times for complaints, higher capacity for tests at health-centres, etc.). Out of all these improvements, only a very small fraction can be quantified⁴⁶.
- Completion of necessary “ground-work” projects which will allow for the successful implementation of future projects in the area of economic development: these projects (mainly completion of regulation plans) positively affect the capacity of local governments to attract investors. The main benefit from such interventions is that they shorten the time and expenses required for an investor to establish a productive facility in a certain area, start the flow of revenues to the Municipality and incomes to the local community a lot faster. However, these benefits cannot be quantified at the current stage of Programme implementation⁴⁷.

Recommendations:

A heavier focus on economic development and job creation will create more significant impacts in the Programme area and hence increase the added-value of the Programme. Also, shifting the attention of the GG component to address more systemic changes will increase the sustainability of such results again contributing to an increased added-value. It should also include more interventions with fast return on the investment rates (i.e. more immediate benefits).

4.3 Visibility

It appears that South and South-west Serbia is quite a challenging area in terms of visibility as well. With several donors present in the area, competing for public attention, and very often taking credit for interventions financed by other Programmes, it is one of the hardest jobs to be accomplished. Yet there is evidence that EU PROGRES has managed – with persistent and systematic efforts – to achieve a high level of visibility at the local level. Most local stakeholders interviewed during the field phase agree that there is a good level of awareness among area residents and even a better level of awareness among potential beneficiaries regarding the policy objectives, the means of intervention and the specific actions financed by EU PROGRES in their area.

⁴⁴ Which is important for overall planning in the area at all levels, including the central Serbian institutions and other donors, and for coordination of assistance.

⁴⁵ EU PROGRES shows an extremely high acceptance rate by local government officials, administrative staff, CSOs, etc.

⁴⁶ Increases in local tax revenues range from 25% to more than 80% in some cases. Initial cost-benefit calculations for this type of interventions show a return on the investment of less than a year. This is an extremely high benefit-to-cost ratio, considering that the increased revenues will continue indefinitely and the cost of maintenance of the databases is minimal.

⁴⁷ In order to quantify these benefits a comparative impact assessment study must be conducted in a few years from now. Comparison with other areas – lacking regulation plans – with respect to the volume of investment attracted, Municipal revenues accrued and raise in local incomes from such investments will demonstrate the added value of these actions.

EU PROGRES staff has been religiously applying EU visibility guidelines using all prescribed means (billboards, media announcements, merchandizing, printed materials, etc). In some instances they have even been quite inventive as in the case of the annual calendars which were produced through a school competition process, a method which created additional visibility through word-of-mouth at the participant schools and the families of the participating children. (Actually, word-of-mouth information dissemination seems to work extremely well in the intervention area, the case of the “virtual BIC” project for Roma experience demonstrates: information was so well disseminated through word-of-mouth that the final number of applicants was many times higher than initially anticipated.) Yet, a rather small number of calendars was eventually printed and distributed, thus limiting final dissemination. Another inventive method was to print the Programme logo on safety vests, an item which is especially useful for drivers and is most likely to be used thereby increasing visibility, and the billboards at the entry of each supported town. Also. The dissemination of “best practices” is a good vehicle which increases visibility at the local level.

Exposure through local media was very good – even though local journalists had to be consistently trained and reminded not to misrepresent the donors of the Programme – but national media exposure was rather weak. Ambassadorial visits provided a vehicle to increase national media exposure and should continue to be exploited in the future. Visibility at the national level was actually found to be the weakest link, with many of the national stakeholders – even staff members of stakeholders participating at the steering committee - having only limited knowledge and awareness of Programme activities and accomplishments, and should be an area of increased attention in the future.

Overall, Programme visibility is considered to be good as is also evidence by the low importance most survey respondents attribute to it as a potential future Programme improvement (Q8). Media exposure and the annual calendars are deemed to be the most valuable contributors, while the newsletter is probably the least successful method as many recipients do not even read it. An issue which requires constant attention is the misrepresentation of Programme donors in media, often attributable to lack of knowledge and skills on the part of the journalists and some times on the competition among donors for visibility.

Recommendations:

The Programme should continue to attribute special attention to visibility and information dissemination methods. Direct contact between Programme coordinators and potential beneficiaries is an effective - and preferred method by the local stakeholders - and seems to produce very good results. Also, word-of-mouth information dissemination seems to work quite well and should be exploited in the future to the fullest. Finally ambassadorial visits should be continued as they provide a vehicle for national media exposure. Last but not least, the Programme should concentrate in the next programming period at achieving more visibility at the national level and mainly at the central stakeholder level.

4.4 Horizontal themes

Component 1 is the primary intervention area which addresses the issues of gender equality, social inclusion, and human rights. Fifty-five per cent of all approved projects of the Component deal with these issues and particularly:

- 8% deal with issues related to people with disabilities;
- 19% deal with issues related to Roma;
- 13% deal with women issues; and
- 9% deal with other social inclusion issues (e.g. the elderly, multiculturalism, human rights and violence, etc).

In addition, there are other projects in components 2 and 3 which either directly or indirectly address issues of social inclusion primarily of the Roma populations (e.g. regulation plans for Roma settlements, water supply projects, regulation of rivers close to Roma settlements and prevention of health hazards from untreated sewage, “virtual BIC” for Roma people, etc). All in all, the Roma is perhaps the social group that has received the most attention of Programme interventions and with quite good results in most cases.

The environment on the other hand is mostly addressed in Component 3 – even though projects contributing to environmental protection and environmental awareness are included in Component 1 as well. A large portion of Programme resources are directed towards planning and construction of environmental infrastructure and systems – often of a regional importance as is the case of the Meteris landfill. Such projects include WWTPs, prevention of illegal dumps of effluents, landfills, waste collection equipment, regional waste management plans, energy efficiency, mud-removal from river-beds, etc. Even in other projects – initially not intended to address environmental concerns – there is quite often an environmental dimension, as is the case of the Kuršumlja river regulation project which addressed flooding but also illegal dumping of waste which was causing health issues.

In conclusion, the Programme has addressed all horizontal issues in a very satisfactory way.

Recommendations:

The future Programme should continue to address both the environmental issues and the Roma issues with the same intensity. Women issues, and especially as it concerns health (e.g. cancer prevention) may need a different approach in order to increase the reach of the interventions. Last but not least, the Programme should pay more attention to the issues of elderly people, especially since many of the intervention areas have ageing population structures.

5. CONCLUSIONS

EUPROGRES design is considered highly relevant to the area needs and well structured with mutually reinforcing and complementary components and actions. It addresses the full spectrum of area needs (social, economic, and institutional) and includes both short-term and long-term interventions.

The internal consistency of the programme – i.e. between programme objectives, activities and projects - is also very satisfactory. Project composition and distribution present a fairly good geographic pattern – even though there are Municipalities that benefit disproportionately as compared to others, such as Leskovac and Surdulica – and a fairly good thematic distribution. Thematic areas under-represented in the project mix include direct economic development actions (not long-term preparatory actions) and especially job creation initiatives.

The programme exhibits very high degree of effectiveness, especially regarding immediate outcomes, i.e. outputs. Programme effectiveness regarding the achievement of sought after results is tampered by other, often uncontrollable factors (such as local politics) and is often somewhat lower. Still, considering the general conditions in the area, one should admit that – even at the level of results – programme effectiveness can be considered satisfactory. One factor that may increase programme effectiveness is the concentration in a small set of strategically selected indicators around which the entire strategy will be built.

Efficiency is the strongest suit of the programme. UNOPS has proved to be very effective, possesses a strong development-orientation, has good knowledge of the area conditions and brings to the programme valuable institutional memory. The organizational structure and the operating procedures followed are very appropriate (as they provide both good control and flexibility), human resources are highly skilled, and communication and monitoring/reporting procedures used are very effective in maintaining the programme on-track. As a result, the programme presents a very high rate of successful implementation of projects/activities.

The two most important impacts achieved by the programme are:

- increased capacity created in beneficiaries - mainly in Municipal administrations – with respect to preparing and implementing projects, designing specifications for outsourcing contracts, and applying good governance principles in some areas of operations⁴⁸; and
- significant quality of life improvements in the intervention area.

Economic development interventions have not produced as yet significant impacts as they a) are longer-term results, b) largely depend on follow-up actions (as in the case of tourist development areas or industrial zones), or c) exhibit a high uncertainty factor (as in the case of entrepreneurship projects for which we cannot measure either “new businesses created” or “jobs created” before the initial high-risk period is over).

Finally, there are impacts to be realized in the future (as in the case of the Meteris landfill) which have not been realized yet but the programme has considerably contributed to them.

Last but not least, there are unintended/unforeseen impacts such as:

- freeing-up spare land, after river regulation projects, which can be used for the construction of social housing;
- spin-off projects (such as provision of services that were not possible before, or applying for funding from another source);
- introduction of learned procedures or methods to other functional areas (e.g. customer satisfaction surveys as a PUC service improvement tool) indirectly increasing service effectiveness and/ or responsiveness;
- networking and information exchange between beneficiaries (e.g. GG workshop participants) which speeds-up the capacity building process;
- etc

⁴⁸ The areas mostly depend on which projects they participated in.

In order to identify and quantify all these impacts an impact assessment study is necessary within 2-3 years from the completion of the programme.

Sustainability of programme results varies greatly. Perhaps the most sustainable of all programme results are the increased Local Tax Revenues brought by the LTA projects, and the increased mobility for Roma people due to ID cards. All other results – even infrastructure constructed by the programme – are subject to various conditions for ensuring long-term sustainability (e.g. availability of operating and maintenance budgets, follow-up interventions, etc)

With respect to horizontal evaluation themes, there was quite satisfactory dissemination of the good governance principles, very good incorporation of the gender equality, social inclusion, and human rights dimensions, an excellent record on environmental protection, good programme visibility and a quite satisfactory “value-for-money” programme dimension.

More specifically, the strategy to address GG principles using specific projects as vehicles proved to be very successful. It created a lot of interest especially among public personnel and it seems to already be producing primary and secondary results (networking among Municipalities, new applications of the processes learned, etc). However, there is a high-risk factor associated with the sustainability of such results, which is the possibility of knowledge losses due to staff turnover especially in cases of political changes after the forthcoming or future Municipal elections.

Programme visibility and communications at the local level and at the national level exhibited quite unbalanced results. While programme visibility at the intervention area ranges from good (for the general public) to excellent (for potential beneficiaries), at the central level it is deemed unsatisfactory.

The greatest added value attained by EUPROGRES is definitely that it is a “place-based” approach to development as opposed to the sector-wide approach promoted by DG external aid under the IPA II programmes. This is especially important as preparation for future participation of the country in Cohesion Policy instruments where the place-based orientation is very strong. Other features of the programme that attribute increased value to it, is the highly effective implementation structure it has developed, especially with the deployment of experts in all geographic areas of responsibility, and especially the excellent rapport they have established with the local stakeholders, and the in-depth good knowledge they developed of the local issues. This immensely improves the targeting of resources and the attainment of really relevant results, and will be very valuable to the next programme.

Last but not least, the programme has addressed all recommendation of the mid-term evaluation which referred to the current implementation period, namely the no-cost extension and the exit strategy, the application of grant modality, the integration of GG principles in all components, the promotion of best practices, and the improvements in reporting. The other 3 recommendations refer to future actions and they are:

- application of a two-track approach to distinguish between projects that are coming from cities and ones from municipalities in the next programme;
- sequencing of interventions in order to enable all municipalities to prepare well for projects; and
- an impact assessment study of the PRO/MIR-PROGRES at the final stage of Programme implementation (within the six months).

The present evaluation finds the first two recommendations still relevant (see section below) but disagrees that an impact assessment conducted within six months from the completion of EUPROGRES can capture the impacts of the programme.

6. RECOMMENDATIONS

Increase focus on economic development

The next programme should put more emphasis into economic development support and job creation and particularly should:

- increase resources under components 1 and 2 and include more direct economic development actions on the basis of the findings of the “Baseline Competitiveness Study” and the “Skills Gap Analysis”;
- focus in “capital investment planning” and “development planning” activities, in an effort to steer Municipalities and LED offices to more meaningful Local Development Strategies;
- enhance the “one-stop-shop” centres established by introducing the necessary vertical linkages (i.e. with central government application and approval processes) and the necessary horizontal linkages (e.g. with vocational education facilities in order to cater to the needs of the investors or with local employment offices) in order to provide a wider spectrum of development support functions; and
- include initiatives/actions specifically targeting employment.

Implement a project preparation facility

In order to increase the quality of the projects presented through the calls for proposals but also increase the relevance of such projects, set-up a project preparation facility within the programme. The facility would strategically select projects contributing to local economic development or other objectives and help the beneficiaries prepare them for implementation (i.e. mature the projects). This would have two distinct benefits: a) achieve a higher quality of project proposals for the programme, and b) enhance the ability of local beneficiaries to apply for IPA II funding.

Concentrate on a small set of indicators.

In order to increase programme effectiveness, programme log-frame should select a small number of strategically selected indicators around which the whole programme strategic approach will be built. This will enable better and easier monitoring throughout the programme. The set of indicators should not exceed 2-3 result indicators and 4-5 output indicators.

Reinforce impacts and sustainability of results in selected areas through continued support (successor or follow-up projects)

We recommend that the new programme includes follow-up projects in the following intervention areas in order to reinforce outcomes:

- continue Roma educational interventions and legal aid;
- continue actions targeting female health (with a possible revision of the promotion strategy especially in ethnically sensitive areas);
- implement further capacity building actions for clusters (especially the fruit and agro cluster), and
- implement direct assistance projects (in attracting investors, devising marketing strategies, etc) for economic development projects (such as the Green Zone and Fruit Production);
- implement complementary actions to previous actions (e.g. targeted physical accessibility improvements to help increase the impacts of projects for the disabled);
- expand activities with proven high rate of success– such as the Tax Administration support –to all Municipalities.

Concentrate more on systemic changes

In order to increase sustainability of programme interventions, the new programme should include more interventions targeting systemic changes. The following areas are considered of high priority:

- capacity building in feasibility studies (inclusive of cost-benefit analysis and long-term financing plans) as part of the Municipal capital investment process and preparation of projects;
- introduction of citizen participation and transparency during the decision-making and design stages of the projects;
- introduction of actions promoting “volunteerism”, “non-discrimination” and collaboration between local government and civil society; and
- systemic changes in Municipal administrative procedures, incorporating good governance principles.

Target other vulnerable groups with more intensity.

The future programme should pay more attention to the issues of elderly people, especially since many of the intervention areas have ageing population structures. Elderly care facilities and care-at-home programmes are only some of the interventions that can be included. The programme could also implement “health ageing” initiatives, social involvement of the elderly programmes, etc.

ANNEX 1 – BIBLIOGRAPHY

The Project Documentation:

- The Programme Documents;
 - The Project Fiche IPA 2010;
 - Description of Action Addendum June 2010;
 - Description of Action Addendum October 2010;
 - Description of Action Addendum October 2011;
 - Description of Action Addendum December 2012
- The Logical Framework:
 - Addendum II December 2012;
- Work Plan;
 - Work plan developed during the Inception Period;
 - Revised work plan 2012-2013, revised June 2013;
 - Revised work plan Jan 2013 – March 2014;
- Financial Agreement;
- Inception Report;
- Bridging Report May – October 2010;
- Mid-Term Evaluation;
- Annual Reports:
 - Jul 2010 – Jun 2011;
 - Jul 2011 – Jun 2012;
 - Jul 2012 – Jun 2013;
- Quarterly Reports:
 - Quarterly Report Oct-Dec 2010;
 - Quarterly Report Jan – Mar 2011;
 - Quarterly Report July – Sept 2011;
 - Quarterly Report Oct – Dec 2011;
 - Quarterly Report Jan – Mar 2012;
 - Quarterly Report July – Sept 2012;
 - Quarterly Report Oct – Dec 2012;
 - Quarterly Report Jan – Mar 2013;
 - Quarterly Report July – Sept 2013;
- Monthly Reports:
 - Monthly Reports 2010;
 - Monthly Reports 2011;
 - Monthly Reports 2012;
 - Monthly Reports 2013;
- Communication Documents:
 - Communications Strategy;
 - Communications Manual;
 - Internal Communications Plan;
- Financial Statements:
 - DEU Interim financial statement - 31 12 2013;
 - SDC Interim financial statement - 31 12 2013;
- Monitoring tools:
 - Contract's table EUPROGRES 31 Dec 2013;
 - EU PROGRES Implementation Matrix 31 December 2013;
 - EU PROGRES Impact Matrix 30 Sep 2013;
- Good Governance Documents:

- GG The Backstoppers' Basics;
- GG Local Governance Toolkit;
- GG Steering an Infrastructure Project;
- GG linked to inter-municipal projects;
- GG Vertical Dimension
- the Backstoppers' Report After a Mission – an Example
- Documents in Minority Languages:
 - Ohtoto kvartalno izveštaj;
 - Осми тримесечен доклад
 - Raporti i tetë tremujor
 - ЕУ ПРОГРЕС годишен доклад
 - EU PROGRES beršesoro izveštaj
 - Raporti vjetor i EU PROGRES
 - Enjato kvartalno izveštaj
 - Raporti i nëntë tremujor
 - Девети тримесечен доклад
- Newsletters:
 - Issues 1 - 11
- Steering Committee Meetings Minutes:
 - Novi Pazar, 22 October, 2010
 - Prokuplje, 9 February 2011
 - Bujanovac, 19 April, 2011
 - Bosilegrad, 27 July, 2011
 - Sjenica, 26 October, 2011
 - Leskovac, 23 February 2012
 - Trgovište, 18 April, 2012
 - Raška, 18 July 2012
 - Medveđa, 1 November, 2012
 - Ivanjica, 21 February 2013
 - Vranje, 29 April 2013
 - Bujanovac, 17 July 2013
 - Nova Varoš, 20 November 2013
- Other (miscellaneous) documents:
 - Obstacles to infrastructure Development
 - Golija Lakes: Myths and Legends
 - Vranje: The right place for your investment

ANNEX 2 – LIST OF MEETINGS

Meeting at	Date/time	Participants
Kick-off meeting with EU PROGRES Belgrade	Monday January 27, 2014	Graeme Tyndall, Venelin Rangelov, Marko Vujacic, Chrisa Petritsi, Dragiša Mijačić
Kick-off meeting with EU Delegation and SEIO		Ana Stanković, Branko Budimir, Chrisa Petritsi, Dragiša Mijačić
Standing Conference of Municipalities	Monday February 10, 2014	Aleksandar Marinković, Ivana Maksić, Chrisa Petritsi, Dragiša Mijačić
Ministry of Labour		Janićije Jeremić, Chrisa Petritsi, Dragiša Mijačić
Swiss Cooperation Office	Tuesday February 11, 2014	Petar Vasilev, Chrisa Petritsi, Dragiša Mijačić
Kursumlija Municipal Building		Sunčica Nestorović, Dejan Živković, Uranija Petrović, Dejan Vasiljević, Chrisa Petritsi, Dragiša Mijačić
Kursumlija Municipal Building	Wednesday February 12, 2014	Radoljub Vidić, Chrisa Petritsi, Dragiša Mijačić
Roma Association Prokuplje		Dejan Živković, Nebojša Jović, Chrisa Petritsi, Dragiša Mijačić
EU PROGRES office Prokuplje		Dragan Mladenovic, Jasmina Ilic, Dejan Drobnjak, Petar Janjatovic, Chrisa Petritsi, Dragiša Mijačić
Prokuplje Municipal Building	Thursday February 13, 2014	Vesna Živković, Milan Arandjelović, Moma Milojković, Milica Erić, Svetlana Paunović, Dragana Stanković, Srđan Stamenković, Chrisa Petritsi, Dragiša Mijačić
Toplica Center for Democracy		Dragan Dobrasinovic, Chrisa Petritsi, Dragiša Mijačić
Surdulica Municipal Building		Ankica Milenković, Dragan Micić, Snežana Vrbanac, Biljana Nikolić, Chrisa Petritsi, Dragiša Mijačić
USAID	Friday February 14, 2014	Howard Ockman, Chrisa Petritsi, Dragiša Mijačić
OSCE		Eric Manton, Chrisa Petritsi, Dragiša Mijačić
Czech Rep. Embassy		Lubos Joza, Dejan Zdrale, Chrisa Petritsi, Dragiša Mijačić
EU PROGRES office Belgrade		Venelin Rangelov, Chrisa Petritsi, Dragiša Mijačić
Leskovac Municipal Building	Tuesday February 18, 2014	Dr Goran Cvetanović, Bojan Tojaga, Slaviša Božić, Tricković Dalibor, Jović Jovan, Chrisa Petritsi
'Educational Centre - Leskovac'		Milorad Mladenović, Violeta Stanković, Asim Saitović-Zoran, Chrisa Petritsi
"South Serbia Fruit Cluster" Leskovac		Milan Živković, Mijodrag Nedeljković, Chrisa Petritsi
Vranje Municipal Building		Srđan Trajković, Ivana Stošić, Chrisa Petritsi
EU PROGRES office Vranje		Ivan Mladenovic, Boris Zlatanov, Ivana Todorovic, Evgjenije Islami, Chrisa Petritsi
Raška Municipal Building		Vulić Pašajlić, Ljubiša Milovanović, Slavica Tomić, Dobrila Filipović, Tijana Pajević Stefanović, Dragiša Mijačić
Raška Municipal		Zlatan Vukosavljević, Ana Maričić. Dragiša Mijačić

Building		Jovan Čorbić, Ignjat Rakitić, Dragiša Mijačić
Novi Pazar Municipal Building		Faruk Suljević, Munir Poturak, Meho Camović, Pemba Džanković, Malića Plojović, Amela Eminović, Femzija Murić, Dragiša Mijačić
EU PROGRES Office Novi Pazar		Enis Ujkanović, Nermin Hasanović, Edin Bašić, Dragiša Mijačić
Hotel Tadž Novi Pazar		Semiha Kačar, Ismet Suljević, Ishak Slezović, Tahir Delić
		Ertan Bogučanin, Samir Kačapor, Dragiša Mijačić
		Ivan Esquiva, Dragiša Mijačić
Vranje Municipal Building	Wednesday February 19, 2014	Zoran Antić, Aleksandar Nikolić, Danijela Bandović, Stojan Bogdanović, Boban Stanković, Chrisa Petritsi
EU PROGRES office Vranje		Milan Vučković, Redžep Adili, Zoran Mladenović, Nebojša Popović, Chrisa Petritsi
Preševo Municipal Building		Ragmi Mustafa, Ilir Sadriu, Fatmir Azizi, Dr. Mitat Sahiti, Besa Sahiti, Chrisa Petritsi
"Green World" Preševo		Selami Bektashi, Chrisa Petritsi
Sjenica Municipal Building		Hazbo Mujović, Sead Bukvić, Nikolina Suljević, Rizah Mahmutović, Ilda Ugljanin, Ismet Mehmedbašić, Mensur Muhagić, Ahmed Koštrebić, Maida Jusufović, Dragiša Mijačić
Sjenica		Indira Kuburović, Dragiša Mijačić
		Sead Vrcić, Dragiša Mijačić
Priboj Municipal Building		Saša Vasilić, Krsto Janjušević, Dragiša Mijačić
Priboj		Zora Čelović, Goran Reković, Dragiša Mijačić
		Slobodan Derikonjić, Dragiša Mijačić
Trgovište Municipal Building	Thursday February 20, 2014	Nenad Krstić, Milorad Nikolić, Dragan Jovanović, Chrisa Petritsi
MoRDLSG		Jelena Spasic, Chrisa Petritsi
Prijepolje Municipal Building		Dragiša Rakonjić, Hule Kajović, Nebojša Jeftović, . Dragiša Mijačić
Prijepolje Cultural Centre		Ferida Bećirović, Selma Serdarević. Dragiša Mijačić
Nova Varoš Municipal Building		Mirsad Duran, Mileva Malešić, Mladen Tomašević, Dragiša Mijačić
		Živko Kolašinac, Vesna Cuparić, Dragiša Mijačić
SEIO	Friday February 21, 2014	Branko Budimir, Chrisa Petritsi, Dragisa Mijacic
EU Delegation		Ana Stanković, Chrisa Petritsi, Dragisa Mijacic
		Aleksandar Đorđević, Chrisa Petritsi, Dragisa Mijacic
UNDP		Irena Vojackova Sollorano, Borka Jeremić, Chrisa Petritsi, Dragisa Mijacic
Government Building		Jelena, Milica Rodić, Rahim Selimi, Chrisa Petritsi, Dragisa Mijacic
EU PROGRES Belgrade		Venelin Rangelov, Chrisa Petritsi, Dragisa Mijacic
		Graeme Tyndal, Chrisa Petritsi, Dragisa Mijacic
Government Building	Friday February 28, 2014	Edib Kaljević, Dragiša Mijačić
Ministry of Finance		Nataša Šimšić, Dragiša Mijačić

ANNEX 3 – SURVEY QUESTIONNAIRE

Q1. How do you identify the organization you are representing? (Choose one from the choices below)

Municipal Administration	Other Public Entity	Public Utility	Business Union / Organization	RDA	NGO / CSO	Other (please specify) <input type="text"/>

Q2. Which of the following “good governance” principles do you consider most important?

Participation / Public Consultation	
Efficiency	
Fairness	
Sustainability	
Accountability	
Equity	
Transparency	
Rule of law	
Non-discrimination	
Standardization	
Other (please specify) <input type="text"/>	

Q3. What are the 3 major direct benefits from the project(s) you are implementing? (Please, check only the most important ones).

Capacity building – knowledge	
Exchange of good practices	
Strategies - plans	
Procedures & systems	
Accessibility improvements	
Social Improvements	
Quality of life improvements	
Econ. Dev. services (clusters, marketing plans, etc)	
Awareness raising (social)	
Awareness raising (environmental)	
Other (please specify) <input type="text"/>	

Q4. How will you use the experience/outcomes gained from your project(s) in the future? (Please, check all that apply)

We will use the contacts	
We will use the knowledge gained	
We will use the products/outputs	
We will build /add on to the outcomes	
We will change our operating routines	
We will make investments	
Other (please specify) <input type="text"/>	

Q5. What are the 3 most important expected indirect or long-term benefits to your organization (and project partners; if any) from the implementation of your project(s)?

Confidence & trust with EUPROGRES	
Better image in the region	
Better capacity to attract donor funding	
Common understanding with other beneficiaries / areas / social groups	
Extended networks of cooperation	
Extended project implementation capacity	
Better operating procedures & systems	
Access to new technology	
Increased operating effectiveness	
Cost savings	
Better inter-municipal cooperation and information sharing	
Other (please specify) <input type="text"/>	

Q6. Please, specify the user groups of the outcomes from the implementation of your project(s). (Check only the most likely user groups)

Public sector	
Private sector	
Policy-makers	
General Population	
NGOs	
Special interest groups (e.g. Businessmen, workers, farmers, etc)	
Special Social Groups (e.g. Students, youth, women, elderly, people with special needs, Roma, etc)	
Other (please specify) <input type="text"/>	

Q7. Are there projects you would like to have implemented but you could not? What was the main obstacle?

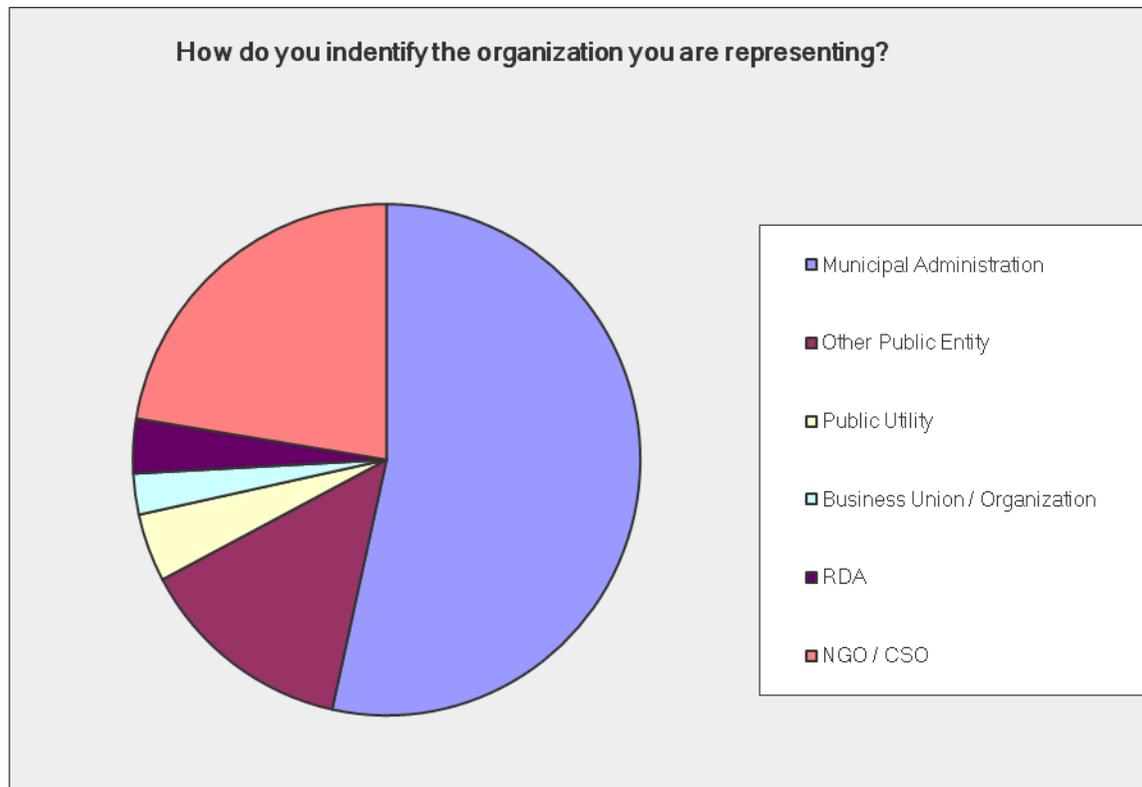
Lack of project maturity	
Lack of co-financing	
There was an upper limit for project cost	
It was not eligible	
The project was rejected without clear reason	
Other (please specify) <input type="text"/>	

ANNEX 4 – SURVEY RESULTS

Q1. How do you identify the organization you are representing?

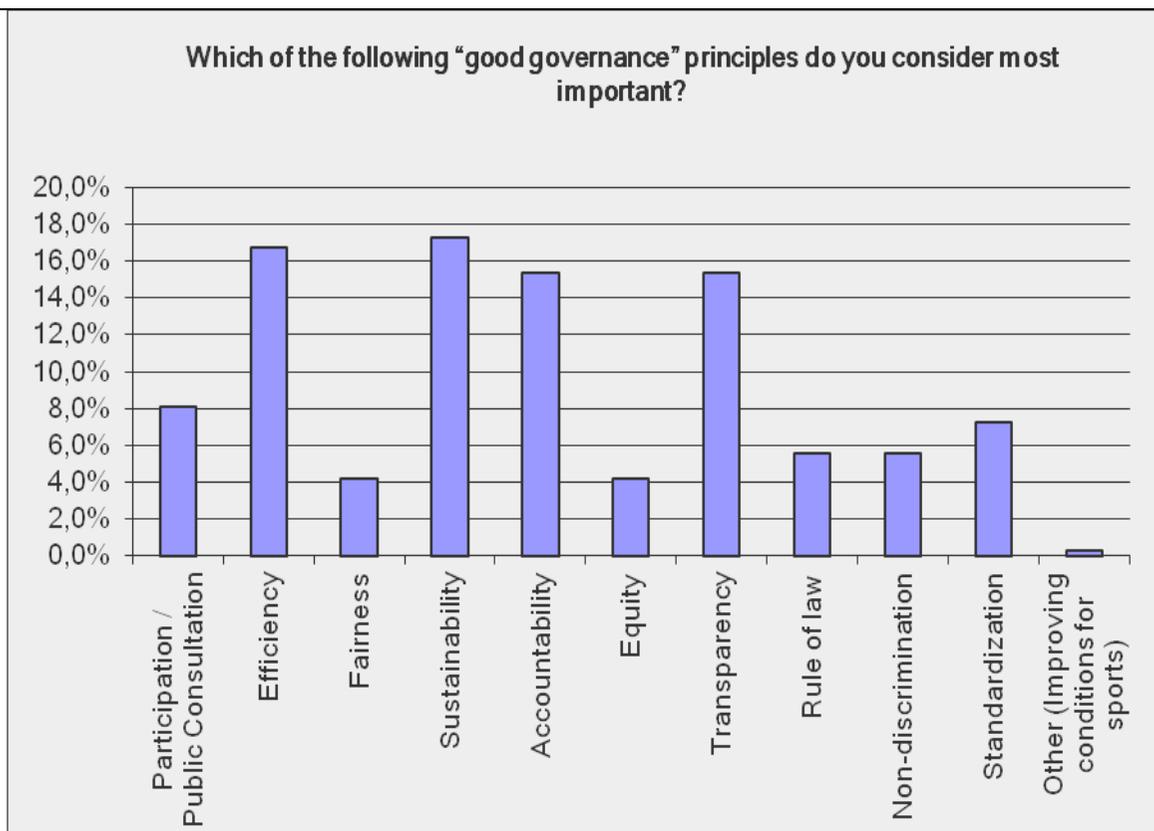
Municipal Administration	Other Public Entity	Public Utility	Business Union / Organization	RDA	NGO / CSO	Other (inter-munic/regional)	Other (media)
52.1%	13.4%	4.2%	2.5%	3.4%	21.8%	1.7	0.8%

answered question 119
skipped question 1



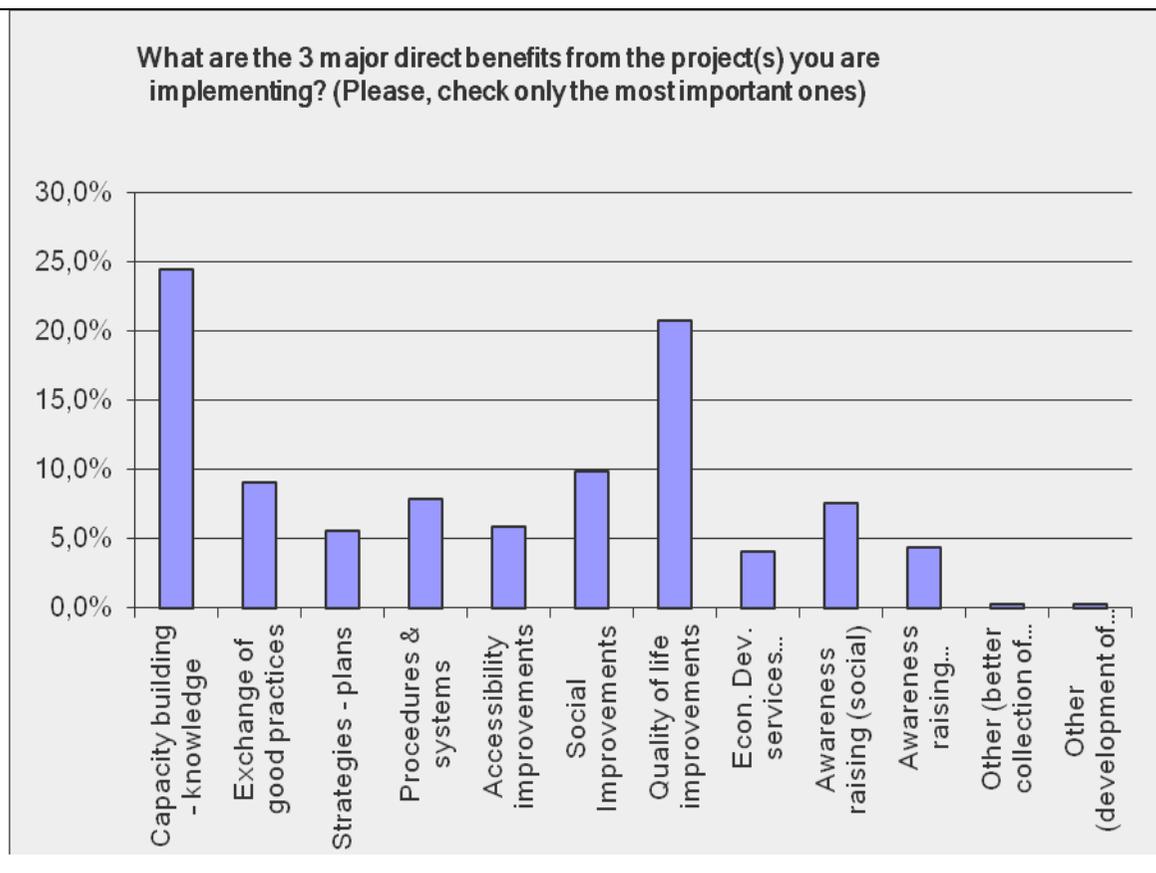
Q2. Which of the following “good governance” principles do you consider most important?

Participation / Public Consultation	24,6%
Efficiency	50,8%
Fairness	12,7%
Sustainability	52,5%
Accountability	46,6%
Equity	12,7%
Transparency	46,6%
Rule of law	16,9%
Non-discrimination	16,9%
Standardization	22,0%
Other (Improving conditions for sports)	0,3%
answered question	118
skipped question	2



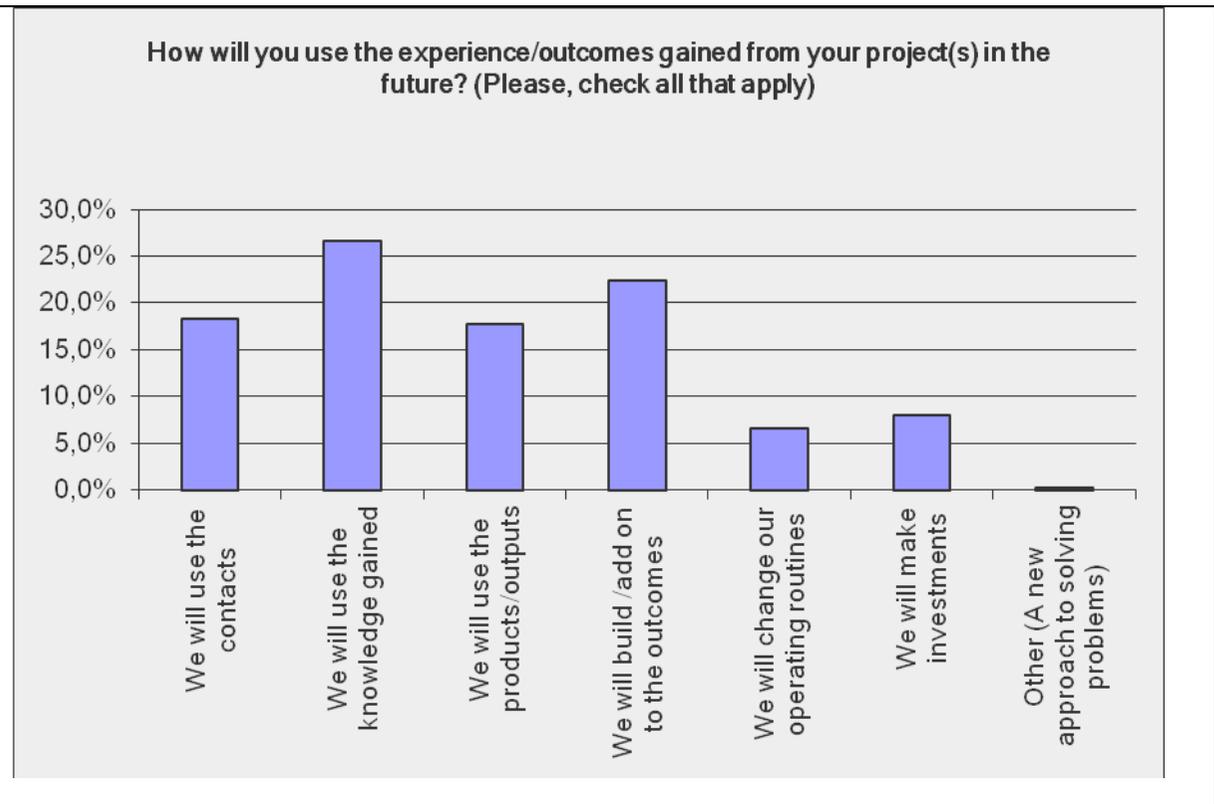
Q3. What are the 3 major direct benefits from the project(s) you are implementing?

Capacity building – knowledge	24,5%
Exchange of good practices	9,0%
Strategies - plans	5,5%
Procedures & systems	7,9%
Accessibility improvements	5,8%
Social Improvements	9,9%
Quality of life improvements	20,7%
Econ. Dev. services (clusters, marketing plans, etc)	4,1%
Awareness raising (social)	7,6%
Awareness raising (environmental)	4,4%
Other (better collection of local revenues)	0,3%
Other (development of physical infrastructure)	0,3%
answered question	117
skipped question	3



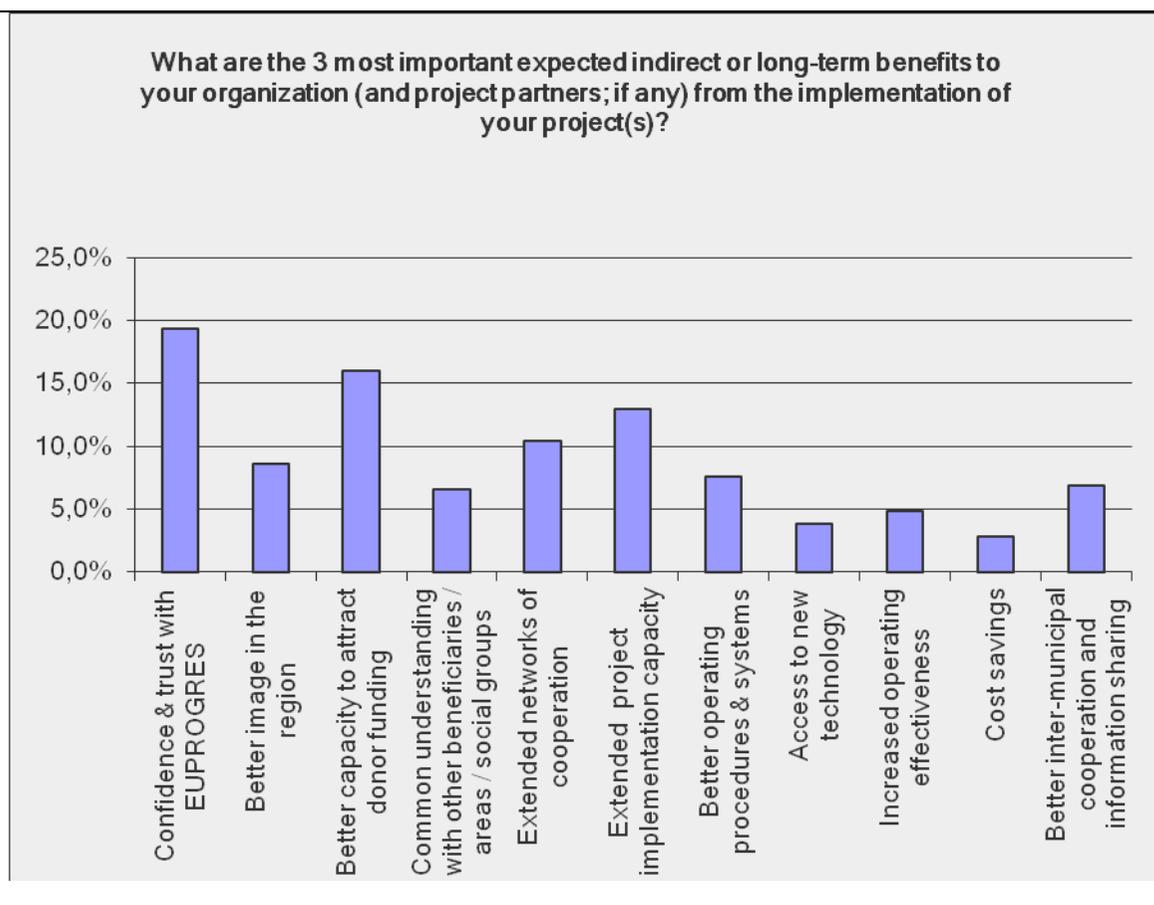
Q4. How will you use the experience/outcomes gained from your project(s) in the future?

We will use the contacts	18,3%
We will use the knowledge gained	26,6%
We will use the products/outputs	17,7%
We will build /add on to the outcomes	22,4%
We will change our operating routines	6,6%
We will make investments	8,0%
Other (A new approach to solving problems)	0,3%
answered question	118
skipped question	2



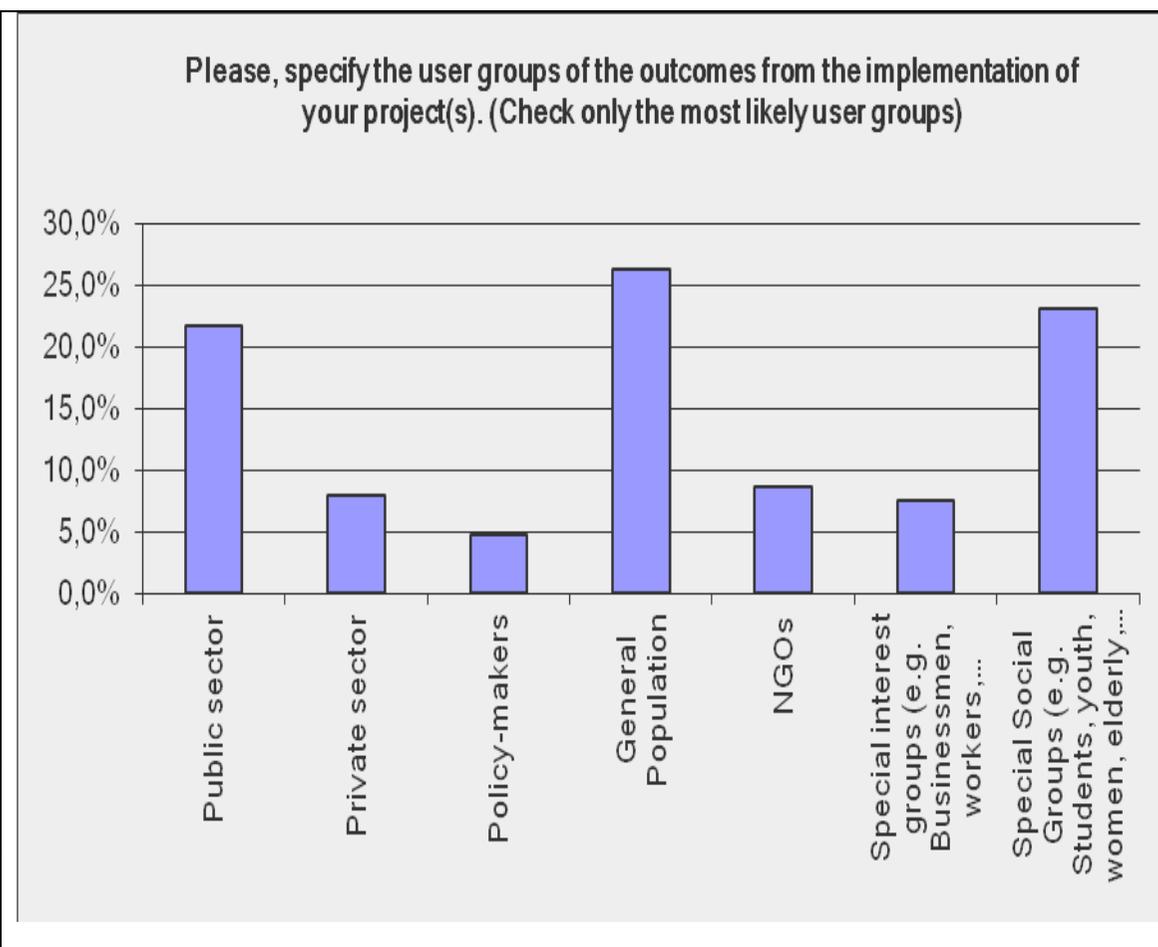
Q5. What are the 3 most important expected indirect or long-term benefits to your organization (and project partners; if any) from the implementation of your project(s)?

Confidence & trust with EUPROGRES	19,3%
Better image in the region	8,7%
Better capacity to attract donor funding	16,0%
Common understanding with other beneficiaries / areas / social groups	6,6%
Extended networks of cooperation	10,4%
Extended project implementation capacity	13,0%
Better operating procedures & systems	7,6%
Access to new technology	3,8%
Increased operating effectiveness	4,8%
Cost savings	2,8%
Better inter-municipal cooperation and information sharing	6,9%
Other (please specify)	0,0%
answered question	119
skipped question	1



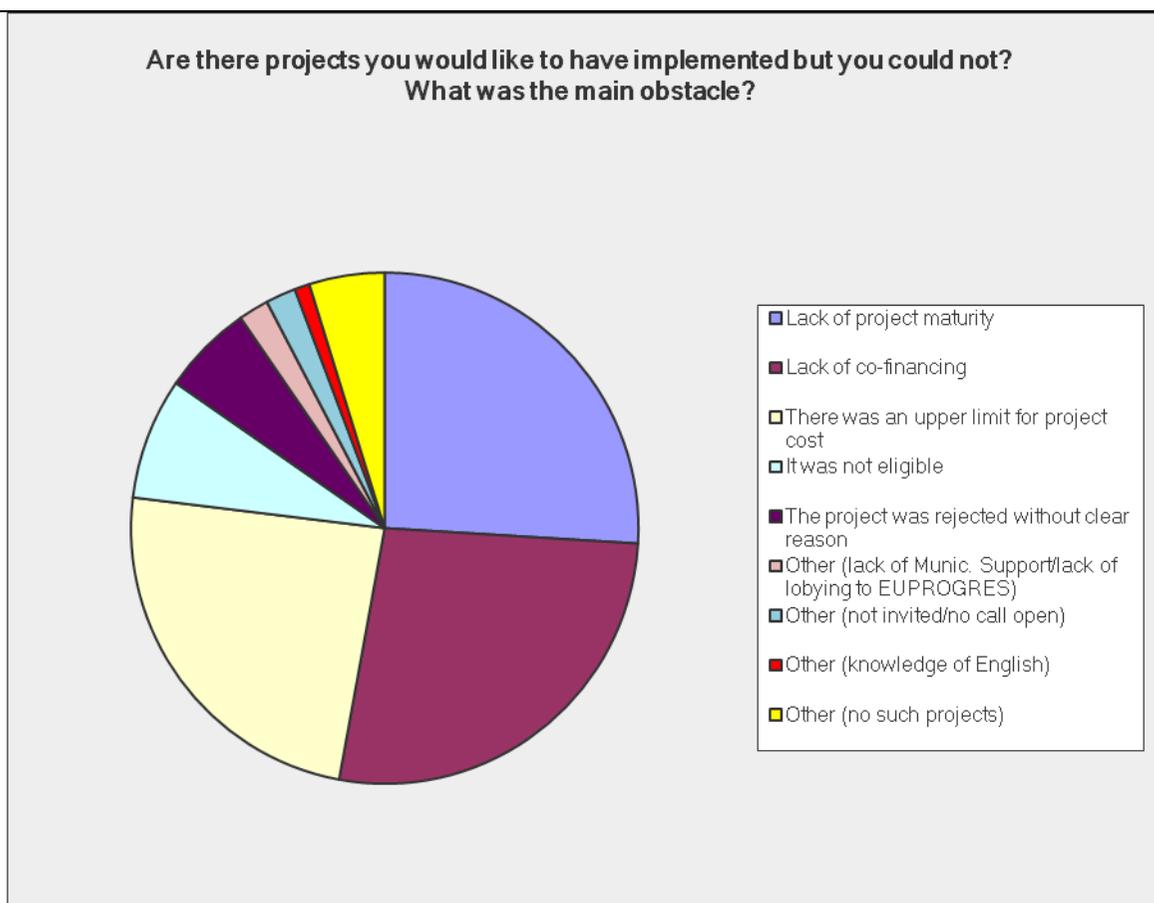
Q6. Please, specify the user groups of the outcomes from the implementation of your project(s),

Public sector	21,7%
Private sector	7,9%
Policy-makers	4,7%
General Population	26,4%
NGOs	8,7%
Special interest groups (e.g. Businessmen, workers, farmers,etc)	7,6%
Special Social Groups (e.g. Students, youth, women, elderly, people with special needs, Roma, etc)	23,1%
Other (please specify)	0%
answered question	119
skipped question	1



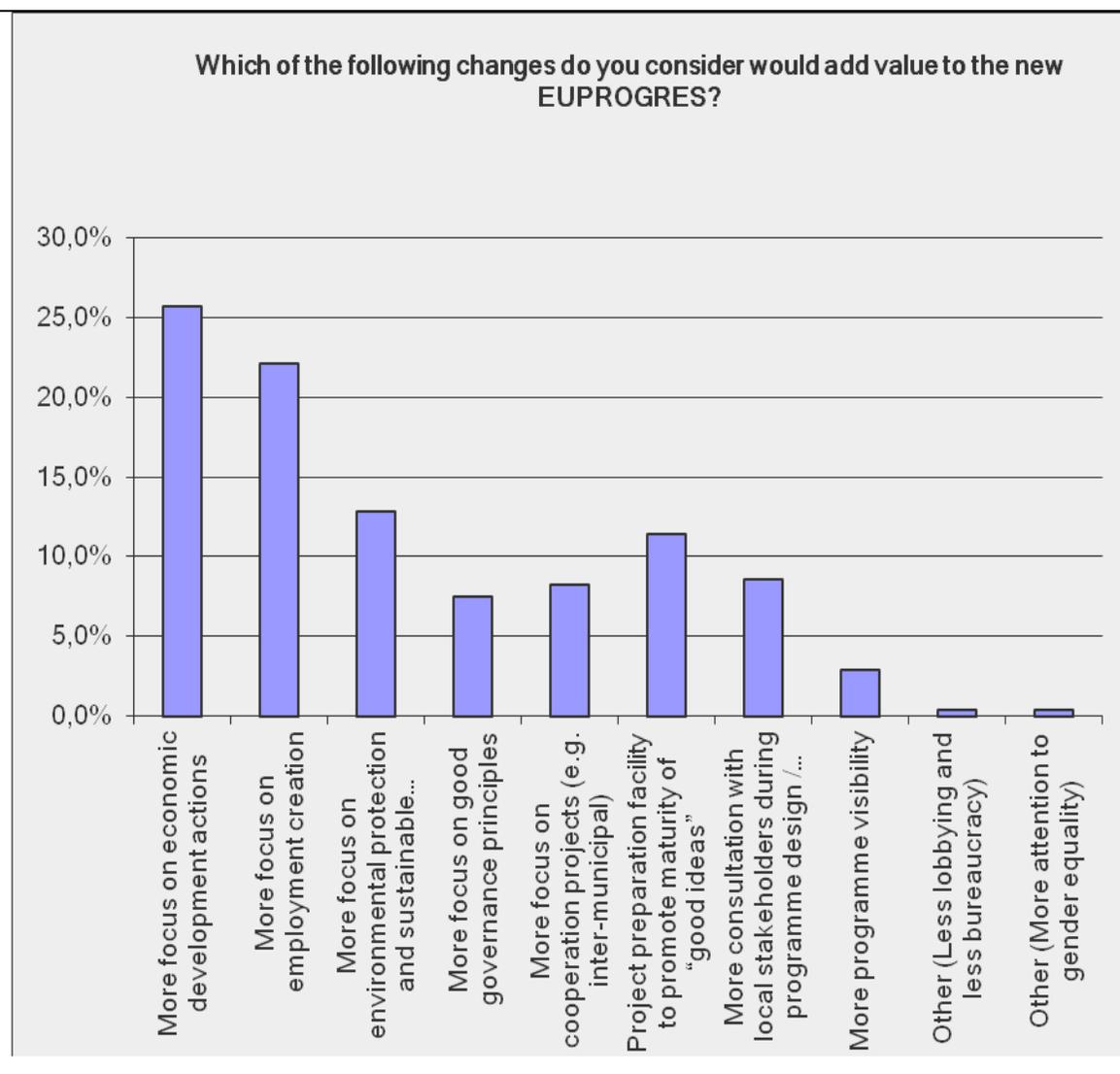
Q7. Are there projects you would like to have implemented but you could not? What was the main obstacle?

Lack of project maturity	26,0%
Lack of co-financing	26,9%
There was an upper limit for project cost	24,0%
It was not eligible	7,7%
The project was rejected without clear reason	5,8%
Other (not invited/no call open)	1,9%
Other (knowledge of English)	1,9%
Other (no such projects)	1,0%
answered question	104
skipped question	16



Q8. Which of the following changes do you consider would add value to the new EUPROGRES?

More focus on economic development actions	25,7%
More focus on employment creation	22,1%
More focus on environmental protection and sustainable development	12,9%
More focus on good governance principles	7,5%
More focus on cooperation projects (e.g. inter-municipal)	8,2%
Project preparation facility to promote maturity of "good ideas"	11,4%
More consultation with local stakeholders during programme design / specification	8,6%
More programme visibility	2,9%
Other (Less lobbying and less bureaucracy)	0,4%
Other (More attention to gender equality)	0,4%
answered question	117
skipped question	3



ANNEX 5 – DETAILED EFFECTIVENESS FINDINGS

COMPONENT 1: GOOD GOVERNANCE		
RESULT 1: Participative, responsible and transparent management with respect of human rights.		
Overall finding:		
<p>EU PROGRES has paid significant attention to contributing to changes in municipal management in order to become participative, responsible and transparent and there are many outputs generated in this regard. Nevertheless, several reasons constrained the attainment of better results. High-level municipal authorities were not particularly interested in providing more support to this type of activities (they do not see it as a priority). For instance, municipalities have applied participatory budgeting only when EU PROGRES organised the whole process; or cooperation between CSOs and municipalities was active only through CIF (with a few exceptional cases). Similar is with Citizens' Advisory Services experience which functioned only when there was financial support by EU PROGRES. Nonetheless, there are exceptional results in the field of good governance, where attained outputs are much higher than the target values, and in the field of gender equality, where EU PROGRES gave a completely new dimension.</p>		
Indicator	Target Value	Attained Value
1.1:	2 calls for proposals within CIF; 80 projects supported.	The Programme organised 2 calls for proposals for civil society organisations. During the first call 40 projects were supported, while the number of supported CSOs in the second call decreased to 26 projects . (Key reasons for receiving fewer applications: requirements to submit proposals in English language, level of financial contribution and demand to submit the proposal in cooperation with local self-government. Regarding the latter, CSOs that maintain good cooperation with municipalities were favoured.)
1.2:	2 Citizens' Satisfaction Surveys (in year 1 and year 3).	2 Citizens' Satisfaction Surveys were carried out, in 2010 and in 2013. There is no evidence that findings from those surveys were used by municipalities to improve efficiency and accountability during the Programme implementation.
1.3:	Improved access for vulnerable and marginalized groups to municipal services in ≤ 4 municipalities .	Free legal assistance to vulnerable and marginalised groups through Citizens' Advisory Services were organized in 4 municipalities : Novi Pazar, Prokuplje, Žitorađa and Preševo. The assistance was provided to 2,374 users of different ethnic origin: 53% Albanians, 21% Roma, 20% Serbs and 4% Bosniaks. (Sustainability of the outcome is low: only Novi Pazar has institutionalized CAS).
1.4:	Transparent and efficient preparation and monitoring of budget, with public participation, realization in 3 municipalities during the first year of Programme implementation.	During the first year (2010), the Programme succeeded to pilot participatory budgeting in 4 municipalities . (Sustainability of the outcome is low: only 1 continued with that practice during the second year). In 2012 the Programme engaged a technical assistance to carry out assessment of budgets in all 25 municipalities and to carry out participatory budgeting in 12 municipalities. The Programme also send instructions to municipalities to continue with this practice in 2013 yet there are no evidence that any of them organised the process. It is also important to mention that Citizens' Satisfaction Survey showed that 85% of citizens in the Programme area are not informed on priorities in their

		respective municipal budgets, which is a figure that should alarm both municipal representatives and EU PROGRES to work more on transparency and visibility of municipal budgets.
1.5:	1 anti-corruption seminar for local government, CSOs and media representatives held; ≥ 10 municipalities adopt local government Integrity plans; ≥ 20 municipalities publish Municipal Information bulletins.	1 two-day anti-corruption seminar was organised in partnership with OSCE within the first quarter of the project implementation. The seminar targeted representatives of three municipalities, Leskovac, Blace and Novi Pazar, and their local media. There was intention to continue cooperation with OSCE but agreement was not reached. Instead, the Programme engaged an anti-corruption expert to support development of Integrity Plans and Municipal Information Bulletins. Out of 19 municipalities supported, 8 Municipalities ⁴⁹ managed to submit Integrity Plans by the set deadline (31 March) and 1 more Crna Trava partially developed the Plan. There is no information how many municipalities succeeded in developing municipal information bulletins.
1.6:	Local Gender Equality Mechanisms established and operational in 12 municipalities .	Local gender equality mechanisms were re-established in 12 municipalities and 7 municipalities allocated budget lines for gender issues.
1.7:	≥ 10 Action Plans for non-discrimination; European Charter on Gender Equality adopted in ≥ 6 municipalities .	9 municipalities adopted local action plans in gender equality; The European Charter on Gender Equality was localised and adopted in 9 municipalities .
1.8:	≥ 5 local Gender Equality Mechanisms established for preparing gender equality projects.	24 Gender Equality Mechanisms were supported through two calls for proposals (7 in the first call and 17 in the second call).
1.9:	expert support to the Dept. for Human and Minority Rights (Project Coordinator) for ≥ 9 months ; support to NMCs operating in the AoR by funding ≥ 2 projects .	The Programme provided technical assistance to the Department for Human and Minority Rights for the preparation of the Draft Strategy for the Fight against Discrimination (2013-2018) as well as for creating mechanisms for monitoring the work of National Minority Councils. EU PROGRES also provided support to Roma, Albanian and Bulgarian National Minority Councils.
1.10:	≥ 15 new municipal regulations, rule books or decisions contributing to enhanced GG; ≥ 1	There were 35 municipal regulations, rulebooks and decisions that contributed to enhancement of good governance principles, which is much higher than the target value (15). Good governance principles were developed or applied in 4 inter-municipal projects . EU PROGRES has

⁴⁹ Vranje, Prokuplje, Surdulica, Vladičin Han, Vlasotince, Bosilegrad, Ivanjica, and Medveđa

	<p>inter-municipal project according to GG principles; ≥ 1 booklet on obstacles for local governments published; GG activities in ≥ 1 municipality, resulting in ≥ 1 new regulation/ decision/ new procedure.</p>	<p>published 1 booklet on obstacles in infrastructure development⁵⁰. Pure good governance was applied in Ivanjica municipality, this contributed to changes of the Municipal Statute and the Rules of Procedures of the Assembly.</p>
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COMPONENT 2: MUNICIPAL MANAGEMENT AND DEVELOPMENT PLANNING		
RESULT 2: Municipal organizational effectiveness and efficiency improved and capacities to deliver services to citizens and business increased		
<p>Overall finding: EU PROGRES was very effective in regard to this result and it achieved all output indicators. Municipalities got certified in management standards and mechanisms for provision of services to citizens and businesses were either established or advanced. The Programme supported municipalities to prepare Programme budgets for the first time and by that advance their capacities to apply this practice in the future. This is very important since municipalities have legal obligation to apply Programme budgeting as of 2015.</p>		
Indicator	Target Value	Attained Value
2.1:	3 new Citizen Assistance Centres; 8 municipalities supported to renew CACs.	New Citizens' Assistance Centres were formed in 3 municipalities , namely in Trgovište, Bosilegrad and Crna Trava. In another 8 municipalities EU PROGRES supported the upgrade of the existing centres. In addition, the Programme supported the expansion of 1 more Citizens' Assistance Centre (in Novi Pazar).
2.2:	≥ 5 FDI attraction plans developed by end of Programme.	EU PROGRES provided technical assistance in developing 5 FDI attraction plans in Vranje, Leskovac, Prijepolje, Ivanjica and Novi Pazar.
2.3:	≥ 2 BIC receive financial and technical support.	2 Business Incubator Centres (in Prokuplje and Vranje) received support through grants for projects. BIC Vranje received additional support for providing assistance to Roma employment.
2.4:	3 clusters formed and functional; 3 promotional campaigns re: innovativeness and competitiveness conducted.	The Programme provided technical assistance in establishing 3 clusters : Radan tourism Cluster, Pešter Agro Cluster and South Serbia Fruit Cluster. EU PROGRES also provided operational grants for these three clusters and technical assistance in establishing management and communication. Municipalities were also invited to join these clusters and financially contribute to the operations of the clusters. There is no information that 3 promotional campaigns were organised in the field of innovativeness and competitiveness, yet Pešter Agro Cluster organised an event "Meet the Buyer" which might be considered as such.
2.5:	2 One-Stop-Shops	The Programme has supported the establishment of 4 One

⁵⁰ EU PROGRES is also preparing a book on collected experiences in the field of good governance.

	formed and functional.	Stop Shops , in Leskovac, Vranje, Ivanjica and Novi Pazar.
2.6:	≥ 10 municipalities have updated taxpayers databases.	EU PROGRES supported 11 municipalities ⁵¹ in updating their local databases of taxpayers.
2.7:	Programme budgeting implemented in ≥ 5 municipalities .	EU PROGRES provided technical assistance to 5 municipalities ⁵² to prepare Programme budgets. This process was organised in parallel with the preparation of capital investment plans (see Indicator 3.2).
2.8:	5 municipalities are QMS certified.	EU PROGRES provided technical assistance for Quality Management Systems and Environment Management Systems to 5 municipalities ⁵³ . All received certification.

RESULT 3: Support to municipalities in preparation of local urban planning documents

Overall Finding:

The Programme achieved all targets in regard to this result. The most significant contribution was on preparation of planning documentation; especially general and details regulation plans that are precondition for all development initiatives in the future. Results achieved through support to Roma settlements were also significant.

Indicator	Target Value	Attained Value
3.1:	≥ 4 general and ≥ 8 detailed regulation plans developed and adopted.	The Programme provided technical assistance for the preparation of 32 spatial, general and detailed regulation plans , which were either adopted or are in the final stages of adoption.
3.2:	Capital Investment Planning (CIP) adopted in ≥ 5 municipalities .	Capital investment planning was organised together with Programme budgeting in 5 municipalities : Medveđa Nova Varoš, Raška, Vladičin Han and Vlasotince.
3.3:	≥ 2 social housing pilot projects implemented.	Instead EU PROGRES worked on construction of water supply systems in 2 Roma settlements , ("Ćoška" in Vranje and in Blaževo in Novi Pazar).

COMPONENT 3: PHYSICAL, ECONOMIC AND SOCIAL INFRASTRUCTURE

RESULT 4: Projects and project documentation prepared for key economic, environmental and social projects

Overall Finding:

EU PROGRES was successful in preparation of priority project documentation in economic, environment and social infrastructure in beneficiary municipalities. Lack of technical documentation presents one of the key obstacles for municipal and inter-municipal development. The final evaluation confirms high level of satisfaction among municipal authorities on EU PROGRES support in preparation of technical documentation.

Indicator	Target Value	Attained Value
4.1:	≥ 3 inter municipal and 6 local infrastructure projects developed up to ready-to-build stage.	The Programme was very effective in preparation of technical documentation. EU PROGRES provided technical assistance for 5 inter-municipal ⁵⁴ and 20 local infrastructure projects .

⁵¹ Žitorađa, Blace, Bojnik, Lebane, Prokuplje, Surdulica, Vranje, Preševo, Bujanovac, Priboj and Sjenica

⁵² Medveđa Nova Varoš, Raška, Vladičin Han and Vlasotince.

⁵³ Surdulica, Prikuplje, Ivanjica, Novi Pazar and Bujanovac

⁵⁴ Banjica Landfill, Meteris Landfill, the Waste Water System for the National Park and Tourism Centre Kopaonik, the Bypass Road to the Industrial Zone in Vranje,

RESULT 5: Project financing facilitated through enabling contacts with ministries, donors and other projects

Overall Finding:

EU PROGRES was a successful fundraiser from municipalities of the Programme area. The Programme has a good reputation of producing good quality work in the disadvantaged areas of south and southwest Serbia, and many ministries, national agencies and donors expressed their willingness to join EU PROGRES in implementation of projects of regional (inter-municipal) or local (municipal) importance.

Indicator	Target Value	Attained Value
5.1:	Financial support for ≥ 3 inter municipal and ≥ 6 local infrastructure projects identified during Programme implementation.	The number of projects initiated by EU PROGRES and later supported by other actors, (the Serbian government, its ministries and other entities, or by other donors) is way higher than the target value. Among the inter-municipal projects, Pešter Agro Business Centre received support from the Czech Development Agency and USAID SLDP, as well as by the Office for Sustainable Development of Underdeveloped Areas. ⁵⁵ Leskovac Green Zone was also supported by various national actors, as well as by some donors. Cooperation with the Coordination Centre was established in regard to building the Faculty premises in Bujanovac. There is commitment that the Ministry of Energy, Development and Environment Plans will propose the Banjica Landfill for funding under IPA 2014. Public company SerbiaWaters expressed willingness to finance the flood protection project in the Raška River watershed. The Office for Sustainable Development of Underdeveloped Areas wishes to support the initiative of the Radan Cluster and more specifically the road across the mountain, which will connect Kuršumljija and Medveđa. There are also many more examples where local projects attracted external funds: the Raška wastewater treatment was included in IPA 2013 pipeline, the Ministry of Agriculture, Forestry and Water Management funded the construction of a primary collector in Tutin, Caritas Luxemburg funded the renovation of the primary school "Dositej Obradović" in Vranje, a Theatre in Vranje also attracted various donors for its reconstruction, etc.

RESULT 6: Selected projects financed and implemented through PROGRES sub-projects

Overall Finding:

EU PROGRES was very effective in financing and implementation of infrastructure projects, either inter-municipal or municipal. All indicators were achieved, most of them beyond the target values. The final evaluation has confirmed strong technical capacity of EU PROGRES to implement infrastructure projects of regional and local importance.

Indicator	Target Value	Attained Value
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⁵⁵ This project cannot be considered as EU PROGRES initiative, yet EU PROGRES has played an important role in all segments of its implementation.

6.1:	3 Inter-municipal project proposals identified and timely implemented; ≥ 2 projects in Jablanički and Pčinjski Districts funded from new funding source.	The Programme identified 9 important inter-municipal projects which were supported throughout the intervention ⁵⁶ out of which 3 inter-municipal projects were completed. ⁵⁷ The Programme successfully completed 2 projects in Jablanički and Pčinjski District (the Pčinja Regional Fruit Production Centre and construction of the wastewater treatment plant in Trgovište). These two projects were funded by additional funds received as compensation for the FYR Macedonia - Serbia CBC Programme.
6.2:	≥ 25 small-scale municipal infrastructure projects developed and implemented.	The Programme managed to support 43 small-scale municipal infrastructure projects , which is a great success.

COMPONENT 5: PUBLIC AWARENESS AND BRANDING OF AREAS		
RESULT 7: Awareness of the need for, the logic of, and the effects of changes communicated to a broad public		
Overall Finding: EU PROGRES is among the best-promoted development interventions in Serbia, ever. The Programme intervention was very successful in communication with stakeholders at national, regional and local level. The project was often visible in media, both national and local. The Programme also communicated well through its website and newsletter. Media projects were also well perceived among the target groups, and they were successful in involving stakeholders at national level. The Programme reached target values on all indicators.		
Indicator	Target Value	Attained Value
7.1:	1 Communication Strategy developed; (per year) ≥ 3 high profile visits/events ; ≥ 10 press releases, 10 interviews and 2 press conferences resulting in ≥ 200 media reports annually; ≥ 6 blogs by key stakeholders re: GG, municipal reform & sustainable dev'tment; 1 Website created by end of 2010; ≥ 10,000 website visitors in 2011 and 2012 and 5,000 in 2013; 10	This is a composite indicator that contains a large number of sub-indicators. The Programme was successful in meeting all targets, and beyond. The communication strategy was developed at the beginning of the intervention, and was successfully implemented. Until January 2014 the Programme organised 27 high-profile visits , out of which 9 were ambassadorial visits (target value: 9 visits). There were 86 project press releases, 10 interviews, 1895 media reports, 10 blogs and 10 success stories published on the website (no target value). The number of website visitors also exceeded target values: 422 in 2010, 22,448 in 2011, 36,643 in 2012, 52,674 in 2013 and 5,218 in 2014 (target value not set). The Programme published 12 newsletter issues , which was distributed to 1,100 email addresses . Three media projects were completed and over 100 media reports on good governance, public administration reform and sustainable development were published.

⁵⁶ (1) Leskovac Green Zone; (2) Regulation of the Raška River watershed; (3) the Vlasina River protection; (4) Pešter Agro Business Development Centre; (5) Effluent metres for four municipalities in the South Morava basin; (6) Regional Centre for Day Care; (7) Vocational Training for People with Disabilities in Novi Pazar; (8) Water supply to Roma settlement in Jelašnica village; and (9) Pešter Agro Business Centre

⁵⁷ Leskovac Green Zone, Regional Centre for Day Care, Effluent metres for four municipalities in the South Morava basin and Pešter Agro Business Centre.

	<p>newsletter issues circulated to ≥ 1,000 recipients; ≥ 3 media projects and 5 community initiatives promoting GG; ≥ 5 media reporting on GG, public administration reform & sustainable dev'tment in ≥ 20 different articles.</p>	
7.2:	<p>3 campaigns addressing social challenges developed and implemented; ≥ 1 national and 2 local stakeholders involved in each campaign.</p>	<p>The Programme implemented 3 campaigns, as required by the project document. The campaigns targeted the promotion of good governance, European values and environmental issues. Those campaigns involved 6 national institutions⁵⁸ and 2 EU projects.⁵⁹</p>

RESULT 8: A plan to develop the areas' images and self-images as unique regions of Europe are established and implementation begun

Overall Finding:

Branding of areas was an innovative approach that was highly welcomed by the beneficiaries. Branding projects targeted different themes, from festivals (Leskovac, Cherry Festival, Blace Plum Days) through tourism (Golija, Vlasina, Zlatar/Zlatibor), way of living (Novi Pazar) to business opportunities (Vranje and Pešter). In some cases these projects focused on small-scale infrastructure development (Vlasina and Nova Varoš-Prijepolje) or strategic planning (tourism strategic marketing plan for Zlatar/Zlatibor), while in other the focus was given to creation of visual identity (Blace, Novi Pazar, Leskovac). Although successful branding needs time, some of these projects might contribute to better images of targeted areas and products.

Indicator	Target Value	Attained Value
8.1:	<p>Image building plans for ≥ 3 areas; ≥ 4 projects deriving from the plans implemented, of which ≥ 1 contributing to increased economic activity; ≥ 5 positive media reports for each supported project.</p>	<p>The Programme supported the development of 5 branding plans and 9 branding projects were derived from the plans. 2 of these projects focused on promotion of economic potentials (Branding of Pešter products and Vranje as investment-friendly city). Over 140 media reports covered branding activities.</p>

⁵⁸ SEIO; Ministry of Agriculture, Forestry and Water Management; Ministry of Regional Development and Local Self-Government; Ministry of Energy, Development and Environmental Protection; the Cabinet of the Deputy Prime Minister for European Integrations; and SCTM.

⁵⁹ MISP and EU Info Centre

ANNEX 6 – COMMENTS RECEIVED ON THE DRAFT EVALUATION REPORT

6.1 Comments by EU PROGRES

6.1.1 Introduction

1. This paper has been produced in response to the Draft EU PROGRES Evaluation Report. Its purpose is to provide additional information, evidence and/or clarifications of some EU PROGRES' aspects that could in turn help the Evaluation Team to finalise the document. Having in mind the specific purpose, EU PROGRES provided those comments that could, in the view of the Programme, improve the quality and accuracy of the findings.
2. This does not mean that the Programme does not agree with the majority of findings or recommendations. On the contrary, the document generally responded to requirements set in the Terms of Reference for this task, the Programme's efforts and good performance in many areas have been recognised, while quite a few recommendations are relevant, well substantiated and thus will be valuable for the Programme successor as well as for other development interventions in the area and broader.

6.1.2 Specific comments

Relevance section

1. In analysis of the Programme's external relevance, the report considers almost exclusively suitability of actions with regard to the economic development objective. Having in mind that the unemployment and economic underdevelopment are the key problems in the area, this is to some extent understandable. However, the section does not provide insight into other aspects of relevance, such as suitability towards social needs, coherence with the national policies, whether local ownership was promoted and similar. This was tackled to some extent within conclusion about relevance in the Executive Summary.
2. For consideration: it would perhaps be beneficial to strengthen the description of external relevance by adding information that would reaffirm findings presented in the conclusions. Otherwise, one could easily draw conclusion that relevance is questionable, when only reading this part of the report.
3. The Evaluation Team stated that the projects proposed for funding only by accident correspond to the stated [remark: economic development] objectives. EU PROGRES' overall objective was to contribute to stability and socio economic development. The calls for proposals defined the eligibility criteria and those included funding of the projects related to social, communal, environmental and economic infrastructure. Therefore, there was no accidental correspondence to the criteria. In addition, all projects that were selected for funding in public calls for proposals had to be in line with the national/regional/local development strategies, and hence were certainly a priority for the local self governments.

The report confirms that the Programme identified inconsistency between the need to tackle unemployment and projects that actually fall under social development, notes steps that EU PROGRES took to increase relevance. In addition to steps identified in the Report, the Programme:

- Systematically approached the problem, conducted analysis and produced the publication "Obstacles to Infrastructure Development",⁶⁰ which essentially identifies bottlenecks in infrastructure development that in turn (negatively) influence local economic growth.

⁶⁰ Obstacles to Infrastructure Development, Prokuplje 2013, available at: http://www.euprogres.org/dokumenti/en/3_46_Obstacles_to_Infrastructure_Development_-_EU_PROGRES.pdf

- Has been advocating actively, with local self-governments, relevant ministries and development stakeholders for development of schemes to tackle some of identified obstacles, not only at the beginning, but throughout the implementation.

The report suggested that the steps taken by the Programme fall short of desired outcomes. The Programme has sound reasons to assert that actions produced (initial) positive effects:

- The aforementioned publication and continued advocacy efforts contributed to integration of activities in the Programme successor that will tackle identified obstacles, and directly or indirectly, more strongly support economic development. Activities will include further strengthening of “One Stop Shops”, support to clusters, work on capital investments and programme budgeting, development of projects’ pipeline, to name a few. It is relevant to note that recommendations from the publication correspond to the ones provided in the draft Final Evaluation: for example, recommendation eight from the publication suggests introduction of multi-year capital investment plans and mid-term budget projections for major projects, while recommendation nine calls for implementation of infrastructure projects contributing to investments and job creation.
- The Programme has noted change in municipal attitudes, for example towards planning and technical documentation, programme budgeting and capital investment planning. During consultation about the Programme successor that EU PROGRES organised on behalf of the European Integration Office of the Government of the Republic of Serbia (SEIO) in March and April 2012, local self-governments clearly welcomed this kind of support.⁶¹ Examination of reports from PRO, EU PROGRES’ predecessor programme, would confirm that attitudes towards this kind of support were negative. This is a positive outcome.
- Increased emphasis on “capital investment planning” already produced benefits: of 117 projects included in five developed capital investment plans, 18 projects (15% of the total number), estimated at 13,812,841 Euros (13% of the total projects’ value), are strictly economic.⁶² Many others will indirectly contribute to economic activity. Furthermore, EU PROGRES reviewed whether municipalities allocated funding in budgets for 2014 as well whether they included multi-annual budgetary projections for implementation of projects, including those of economic nature. Findings are very positive: local governments allocated 5.9 million Euros in 2014 to support 43 of 117 identified capital investment project; 730,000 Euros will be invested to support the first year implementation of ten economic projects.⁶³ So, not only did the local-self governments identify economic projects, they started to allocate funding for their implementation. Thus, outcomes are very positive, while this activity creates a solid base for increased number of implemented economic projects in the coming years.
- The Programme produced planning and technical documentation for the Industrial Zones, and constructed internal infrastructure in Leskovac Green Zone. The Baseline Competitiveness Study⁶⁴, which was not available at the time when the Evaluation Report was being developed, recognises Vranje Industrial and Leskovac Green Zone as the two most notable green field locations in the South Serbia. The first already attracted investors, while four investors submitted requests for allocation of the land in the Green Zone. In addition, two priority projects of the Government of Serbia for development of the industrial zones in the

⁶¹ Minutes of seven sessions with local governments and civil society organised on programming of IPA 2013 are available with EU PROGRES/SEIO.

⁶³ List of economic projects identified in Capital Investment Plans as well as details on budgetary allocations are available in Annex I.

⁶⁴ Competitiveness Baseline Study of 34 Municipalities in the South and South West Serbia, February 2014, available with EU PROGRES

South Serbia are the ones in Vladičin Han and Preševo – EU PROGRES developed detailed regulation plans for these two.

For consideration: The Programme put systematic and consistent efforts to tackle identified obstacles to economic development: EU PROGRES during its life cycle contributed to key investments happening in the area, such as Italian Geox; realised benefits are significant; the Programme contributed to development of new schemes that will support the economic activity, at least through the Programme successor, while it also helped the local governments to gradually change negative attitude towards “soft” economic interventions. The Evaluation Team could consider these arguments when this part of the Relevance section is finalised.

1. One of the recommendations suggests building of the “One-Stop-Shop” instruments – giving it more of an economic development focus - by introducing the necessary vertical linkages and the necessary horizontal linkages. However, according to current Serbia’s development framework, “One Stop Shop” primarily serves to enhance land management and reduce the time needed for issuing of the construction permits, while there are other economic development instruments, such as the Local Economic Development Offices that are responsible for other aspects of economic development. Enhancing the scope of “One Stop Shop” in a suggested manner, could be contrary to the planned Government efforts.

For consideration: EU PROGRES welcomes recommendation for further strengthening of “One Stop Shop”. However, any further support should remain within Serbia’s strategic and legal framework.

Effectiveness Section

1. Cooperation between the CSOs and municipalities was active through the Citizens’ Involvement Fund (CIF) but also through Citizens’ Advisory Services (CAS). At least eight partnerships from CIF 1 continued in CIF 2 with EU PROGRES’ support but the Programme reported that 29 CIF 1 initiatives continue to provide benefits, in some cases with support from the local governments, and this is positive.⁶⁵
2. The Programme followed up and is able to confirm that all municipalities conducted participatory budgeting, while five applied EU PROGRES’ (comprehensive) methodology. Having in mind that participatory budgeting is a rather novel practice for local self-governments this may be considered as a solid achievement. The Programme is doing a simple assessment to determine the quality of the processes.
3. EU PROGRES is also monitoring changes in local tax revenues. For 2013, detailed assessment will be done by the end of March 2014. Initial findings show that local tax in six municipalities further increased in 2013 compared to 2011 - 59,78% increase in invoiced amount and 83,00% in the collected amount of taxes.⁶⁶ The Final EU PROGRES’ Report will contain detailed overview.

Impact section

1. The report concludes that the Roma population have not taken advantage of the free legal aid services. EU PROGRES can confirm that, on the basis of detailed documentation provided by

⁶⁵ EU PROGRES, Annual Report, July 2012 – June 2013, available at http://www.euprogres.org/dokumenti/en/11_104_Annual_Report_2012-13_ENG.pdf

⁶⁶ Details available in Annex II

partner organisations, 21% of all CAS' beneficiaries were Roma. In Prokuplje and Žitorađa, majority of beneficiaries were Roma.

2. It is assessed that “the impacts are even more uncertain....in the case of regulation plans for areas of economic activity...as there is currently no investor...” This assessment includes reference to Vranje Industrial Zone, for which EU PROGRES developed three detailed regulation plans. In the reference, the Evaluation Team confirms that the Italian shoe manufacturer Geox employed 120 people, completed the main design for the new factory (using the planning documentation developed within EU PROGRES), and submitted request for the construction permit. The Evaluation Team says there is high probability for realisation of investment, but conclude this is “far from certain yet” and leave, in the main text, a negative assessment of the planning documentation impact. However, Geox signed a contract with the Government about investment worth 15.8 million Euros, received a range of financial incentives, and in the presence of the Serbian Prime Minister started construction of the new factory on 5 March 2014. The latest and previous developments are not a full guarantee of impact; they, nevertheless, at least provide sufficient evidence for a positive assessment. Italian furniture producer, Ditre Italia also signed the contract with the Government of Serbia about investment of 13.4 million Euros and intensively works on development of the project – again, available evidence is only positive.
3. In regards other regulation plans for the industrial zones (IZ), the Programme has positive indicators of impact. For example, the Programme developed planning documentation for IZs in Vladičin Han and Preševo – these two localities are the top priority projects. It is useful to note that other planning documents start to demonstrate investment potential. For example, detailed regulation plan for the Roma settlement Mala Guba in Prokuplje, received an award at the 22nd International Urban Planning Exhibition and, more importantly, all 47 Roma families submitted requests for legalisation of their properties.
4. Taking into account that most of the plans supported by EU PROGRES have been adopted recently, and considering initial realised benefits, prospects for long term impacts are highly positive.

For consideration: perhaps the findings provided in the draft report could be reassessed, on the basis of the argumentation provided above.

1. The report suggests that the expected results will remain limited until the clusters realize their full potential. Clusters usually achieve growth through four stages: cluster establishment, stabilisation and growth, strengthening operational capacities, and commercialization and sustainability. EU PROGRES supported the first phase only. However, considering that clusters involve 67 members (of which 55 are enterprises), that membership is continually expanding (Radan cluster started with 12 and now gathers 29 members), as well as that each of the three clusters achieved small but concrete results (increase turnover and cost savings)⁶⁷, prospects are encouraging.

For consideration: while it is difficult to assess impact at this stage, the report could consider noting the promising start of the established clusters as well as positive trends.

1. The Evaluation Team describes that results/impacts are not so evident in the case of economic infrastructure development. There were positive developments that perhaps need to be highlighted:

⁶⁷ Details are available in the EU PROGRES Quarterly Report, October – January 2014

- Wood processing factory “Termovent” in Medveđa: opened by the Serbian Prime Minister Ivica Dačić on 13 March 2014. The factory employed 42 workers in an open call and most of the produced pellet will be exported to Slovenia and the countries of the European Union.
- Regarding findings of the Report that impacts of improvement of fruit production in Pčinja District “are highly uncertain since the project requires activities which will ensure buyers for the increased production of fruit”, EU PROGRES explored the ratio between the supply and demand side and the following are the key indicators:
 - Supply side: The total fruit production in the Pčinja District was 16,957 tons in 2012.⁶⁸
 - Demand side: Only in the Pčinja District, there are 12 fruit processing companies, with annual capacities of 15,600 tons. In Leskovac and Niš regions, there are 25 processing companies with capacities of 35,327 tons, which also buy fruits from the whole of the South Serbia.⁶⁹ According to the data from the South Serbia Fruit Cluster, the annual growth rate of their members, who are processing companies, is 5%.
 - One of the top ten European juice producers, Nectar Company, owns a processing facility in Vladičin Han (among other) with annual capacity of 20,000 tons. This company mainly imports fruit from the Former Yugoslav Republic of Macedonia because the fruit from Pčinja is often not of the desired quality.

The above clearly shows that buyers exist and that there is a need to enhance production and competitiveness of the products. EU PROGRES’ project tackles the problem, through provision of seedlings, development of farmers’ skills and knowledge, and establishment of experimental orchard. It also provides support to processors through fruit cluster. Therefore, while there is no guarantee, measures taken were carefully designed and mutually compatible, which make impact prospects positive.

- The report assesses that the impact of the Green Zone in Leskovac is highly uncertain. EU PROGRES would agree that this project did not reach its desired impact and it regularly reported about challenges. However, the developments from February 2014, when four investors submitted requests to get land in the Zone, and expressed readiness to invest 51 million Euros in total and employ 850 people, in response to public invitation by the City is encouraging.⁷⁰ It is worthwhile noting that the Competitiveness Study also recognises the potential of the Zone for green field investments. Hence, although progress depends on numerous factors, there are positive developments and these could be recognised in the Report.

For consideration: in the light of the above, statement that impact is highly unlikely should perhaps be reconsidered.

1. The impacts of technical designs are questioned, with conclusion they are long-term and require the construction to be materialised. It is, however, instrumental to note that impacts have started to show even during the implementation. In Vranje, on the basis of EU PROGRES’ designs, the City secured donations and invested its own funds to reconstruct the regional theatre (ongoing) and one primary school (completed with Caritas’ support). Tutin has accessed 25,000 Euros and

⁶⁸ Serbian Statistic Bureau, data for 2012

⁶⁹ Data take from the Fruit Value Chain Analysis for South Serbia, prepared by Epicentar International, April 2012, available at http://www.fb.org.rs/en/upload/content/docs/VALUE_CHAIN_ANALYSIS_in_SOUTHERN_SERBIA.pdf

⁷⁰ Details are available in the EU PROGRES Quarterly Report, October – January 2014

invested its own funds and started the reconstruction of the sewage network. Inter-municipal projects like landfills Banjica and Meteris are placed in the PPF5 national priority projects – the future IPA programming will consult this database for funding. Therefore, prospects for positive impact are certain. The Ministry of Energy and Protection of the Environment confirmed it will visit Banjica by the end May to assess of project readiness for funding/construction. Furthermore, no construction can happen without the technical designs. Since the municipalities, until the introduction of the legislation, engaged in ad hoc and sometimes illegal construction, they didn't even have awareness of the need for and importance of technical designs. The fact that they welcome such interventions now also points to positive outcomes and the Programme's influence on municipal cognition.

2. The construction and establishment of the Regional Centre for Agricultural Development that should support agricultural producers in Pešter and establishment of vocational training in Novi Pazar School for Design of Textile and leather are two additional projects that should produce positive economic impacts.

For consideration: initial benefits are genuinely positive and the report could possibly include reference to the positive examples, and provide more positive assessment.

Sustainability Section

1. The report questions sustainability of infrastructure projects. EU PROGRES seriously approached this issue and the following should both indicate efforts and their effects:

- Sustainability was firstly facilitated through predominant application of grant methodology that gives ownership to beneficiaries over projects. Further, interventions and projects at all times remained within the national, regional and local development policies and priorities. Sustainability, including financial, has been one of the criteria for the selection of infrastructure projects for funding.
- In most cases, infrastructure projects reduced municipal costs. For example, the replacement of water pumps and pipelines cut down losses, decreased maintenance costs and electricity bills; installation of new heating systems enhanced energy efficiency and enabled municipalities to make savings. Specifically, the analysis conducted by the Programme showed that only in one year EU PROGRES' infrastructure projects enabled municipalities to make savings of 142,000 Euros.⁷¹

In order to ensure financial sustainability of projects providing access to water it was necessary to enable legal connections and payment of consumption fees. When beneficiaries are from vulnerable groups, those payments of fees may be even challenging. The Programme, however, mitigated these risks:

- In Sjenica, where the replacement of the pumping system in the water station Suho Polje, provided regular supplies to 2,500 households from higher parts of the municipality. The project also brought savings to the Public Utility Company (PUC) "Vrela" of up to 6,000 Euros per month. These savings increased to 8,000 Euros after the replacement of the old asbestos pipes, another EU PROGRES' funded project. Combined, these two projects contributed to 30% increase in the water flow, which meets the town's needs. The Municipality of Sjenica

⁷¹ EU PROGRES Annual Report, July 2012 – June 2013, as well as EU PROGRES Quarterly Report, October 2013 – Januar 2014, available at http://www.euprogres.org/dokumenti/en/11_104_Annual_Report_2012-13_ENG.pdf and http://www.euprogres.org/dokumenti/en/14_103_ENG_EUPROGRES_QR_Oct13-Jan14_180214.pdf

adopted a Decision to use 80% of the saved funds for further improvement of the water supply network and 20% for subsidies. Thanks to this, the Municipality covers the costs of water for more than 100 socially vulnerable households.

- Surdulica Sports Hall is the first object of this kind in the municipality –it is used by sports clubs and associations and municipality covers about 60% of operational costs, while 40% is provided through rent. Essentially, the issue here is not financial sustainability, because municipality is responsible by the Law to establish and support sports and youth institutions and has budget to address these needs.
- In case of several inter-municipal projects, such as the Banjica Landfill or the Regional Centre for Development of Agriculture, at this stage, municipalities allocate funding for operations costs. EU PROGRES, however, facilitated development of business plans that essentially provide road map to financial profitability.
- Bringing other projects into picture could further contribute to the overall conclusions. Support to Tax Administration, Citizens' Assistance Centres, One Stop Shops increased municipal efficiency and reduced or will reduce the burden on local budgets. Some project already brought savings to citizens. For example, in Raška, CAC services were expanded into four local community offices. As a result, 8,000 citizens obtained service locally instead of having to travel between eight and 30 kilometres. For them, this intervention approximately saved 18,240 Euros of travel costs.
- In terms of entrepreneurship initiatives, the Programme continuously monitors business supported through projects with Vranje Business Incubator Centre (BIC). To date, all businesses established through the first two projects, 17 in total, have survived and currently employ seven workers. Both pay rent to the BIC and, one of them, in line with the agreement, allows internship for students from the Higher Technical School (multiplication of effects). EU PROGRES introduced mitigation mechanisms - if beneficiaries do not manage to sustain businesses for at least two years the equipment would be returned to Vranje BIC, which took the obligation to donate it through a public call. Finally, in the most recent activity supporting women entrepreneurship, EU PROGRES included provision of free of charge expert services
- Argumentation provided on clusters in the previous section of this paper are valid also in this case. Positive trends in terms of membership and initial successes of clusters provide starting assurances for sustainability. EU PROGRES agrees that further support would be beneficial.

For consideration: the Programme welcomes the recommendations provided. The Evaluation Team, however, could consider the above argumentation and perhaps include some of the efforts put as well as their effects into the report.

Added Value / Cost-benefit Section

1. The report says that the Programme exhibits a very high implementation cost. EU PROGRES would challenge this statement with the following:

- The Evaluation Team states that comparative figures for Serbia were not available but anyhow makes straightforward conclusion on the costs. Without appropriate comparisons, this conclusion may be misleading. Comparison made to the Cohesion Policy programmes may not be adequate.
- UNOPS is a not-for-profit organization, its management fee is 7%, compared to technical assistance (TA) consultancies' projects with a profit margin of 20%-40%. As identified in the section 3.3 of the draft Evaluation Report, UNOPS has a strong development orientation that focuses on long term changes in the area, while consultancies are profit driven.

- The management fee of 7% is a standard contractual arrangement between the EU and the UN. Significant part of funding which UNOPS globally generates on this basis, returns to the field operations, including to the Serbia Project Centre. This funding is partially used for development of new projects that tackle challenges in the country and the region as well as to provide opportunities to (local) people for learning. Therefore, the management fee is not only a cost, but also contributes to broader development benefits and this should be taken into consideration.
- Subtotal of the human resources (HR), travel, equipment and supplies and local office costs is 23.78 %. It is not clear how the figure of 27% that was provided in the report was calculated.
- A review of the budget break-up indicates a clear price advantage over other project modality options. For example:
 - EU PROGRES has only one international staff member, the Programme Manager, and his salary is approximately 600 Euros per day. In TA projects, the Team Leader (TL) usually has a standard salary of over 1,000 Euros per day, while senior experts are paid over 800 Euros per day.
 - EU PROGRES staff salaries are on average just under 100 Euros per day compared to the TA junior expert salaries of 350 Euros per day.
- Proper comparison between EU PROGRES and other similar interventions would likely identify differences in presentation of financial data. UNOPS presents financial data in a transparent and easily tracked format, which may not be the case with the TA project budgets developed by profit oriented consultancies. Thus, UNOPS sets another good practice for its beneficiaries, in a country where corruption is one of the major problems.
- EU PROGRES' staff continuously provides advisory and monitoring services to local self governments, civil society organisations, regional development agencies and other beneficiaries, with the objective to enhance their capacities. There are grounds to present a part of these costs as technical assistance and this would lower, the HR costs, and yet it would reflect the reality.
- The Programme hired skilled local staff mainly originating from the Programme area. Engaged experts have opportunities to develop their knowledge and skills and gain valuable experience in an advanced international organisation – this is investment for the future of the area, benefit that is not provided by many similar interventions that often rely on expensive foreign consultants or by consultancies.
- EU PROGRES, through grants and directly implemented projects, has been using, in a great majority of cases local companies, consultancies and suppliers. Specifically, EU PROGRES awarded through competitive process only four contracts to the international companies, in the total value of 242,000 Euros. This is also contribution to the local economy and another benefit for the area.
- UNOPS put efforts to optimise the costs of presence in the field (e.g. most of staff were located in Prokuplje, in the centre of the Programme area – this contributed to reduced travel cost). Other solution could have been slightly costly more efficient – but then the Programme would not have been able to achieve capacity building that was recognised by the report, to accomplish the benefits of presence of the international programme in multi ethnic and sensitive areas, and it wouldn't have been able to provide support to donors and the Government (high profile visits, briefings, area research etc.).
- The Programme assets procured are all transitional. No donor-funded assets are kept by UNOPS and they are donated to municipalities/beneficiaries, as agreed with the donors. This is another benefit that may not be provided by the profit organisation.

- The claim that “the programme exhibits a very high implementation cost” questions the approval of the Programme documents, budget, and the entire Description of Action. The Programme was approved by all relevant stakeholders and its budget was accepted as corresponding to the DOA by the European Integration Office of the Republic of Serbia (SEIO), donors and UNOPS.
2. The report suggests that “the next programme should try to decrease implementation costs perhaps by transferring more responsibilities to programme coordinators, decreasing Belgrade and Prokuplje staff, and using technology more heavily in order to cut costs (e.g. limit travel).”
- Strong presence in the field has been identified as one of EU PROGRES’ strengths. The Programme has been putting efforts to provide optimum ratio of field staff, while considering implementation aspects, travel and other costs, need for presence in the field etc. The number of office locations, with all supporting facilities, was designed to reduce travel costs, ease reporting lines and the Programme implementation. Access to Internet, telephone, logistics support, server and back up of files, sharing of information, meetings and coordination of activities was made possible by locating staff in known offices. Travel was identified as essential to cover the big Programme area, and in a way this is also direct support to local economy, as accommodation, food and fuel was purchased in the Programme area.

Visibility

1. The Report states (section 3.2) that the Programme is among the best promoted ever development interventions. It also provides valuable recommendations for the future. However, EU PROGRES finds it relevant to provide additional information that will better explain the breadth and quality of the approach:
- The Communications Strategy was used as an example of the best practice by the donors. Targets exceeded.
 - Numerous briefings produced for the donors and partners were highly praised and often taken as example of the best practice.
 - During the lifetime of the Programme, more than 30 high profile events and ambassadorial visits were organized, with additional two promotional street events. Also, more than 80 outdoor wall plaques and 35 large standing signboards were produced and installed at the projects’ sites acknowledging donors’ support to the projects. Support to each local self-government was promoted through “EU PROGRES in municipalities” profiles available on the website in Serbian and English with summaries of the project results and the value of support – this is also an important historical record – one can easily check what donors funded in each municipality. The Programme Facebook page and group were used to reach out to younger audience.
 - Work with media resulted in 3,005 positive reports, with 735 media reports generated so far in the fourth year. This is a major success – although comparison with other similar interventions is mainly not possible because they do not monitor/register coverage.
 - EU PROGRES’ Newsletter was effective, creative, short, it provided relevant information for municipalities and partners on the national level. The recorded feedback was very positive (examples can be shared), while there are proofs that other organisations copied EU PROGRES’ model.
 - EU PROGRES would also underline the quality of its website – which wasn’t there only for the sake of having a website, but was regularly updated with high quality So, quality has been the focus throughout communications and visibility efforts.

2. The report says that national media exposure was rather weak. On the contrary, the Programme generated over 600 reports in the national media so far. Analysis of other Programmes similar programmes, or review of PRO and MIR reports, would show this is excellent result. The planned number of reports in all media outlets was 200 per year, and only in 2013 the Programme had been mentioned more than 250 times in the national media– and the targets were approved by the main stakeholders. Predominantly, reports were published in Blic, Večernje novosti, Danas, Politika and Privredni pregled, while 30 reports were broadcast on TV stations with the national frequency (out of that number 25 were on the National Broadcast Service RTS). From the beginning of 2014, more than 35 reports in the national media were registered with 17 examples in March 2014.
3. It may be true that some participants of the Programme Steering Committee (PSC) have rather weak knowledge of the Programme. EU PROGRES however alerted the evaluators that there were changes in the composition of the PSC, after the elections in May 2012 (the PSC was recomposed in the autumn same year). The same happened after the reconstruction of the Government in September 2013, when almost half of the core members had been replaced again.

For consideration: EU PROGRES welcomes positive assessment and recommendation to plan more efforts at the national level, as well as specific advice that is provided. The Programme has exceeded all agreed targets, set standards in many areas, has evidence that it is far more effective than similar projects. In the light of this, suggestions that some aspects of visibility work were unsatisfactory or weak could be reassessed.

6.2 Comments by SDC

Effectiveness

1. Participatory Budgeting: What we should be looking at is whether the practice has been institutionalized, or if not, whether something has changed in the behaviour of local governments when they prepare the budget. So rather than looking at whether the exercise was successfully carried out, we should be looking at changes if any.
2. Partnerships with CSOs: While it is evident that EU PROGRES reinforced and multiplied partnerships between the municipalities and CSOs, information on whether local governments adapted procedures or experienced a sort of change of mindset, which would in future indicate a more meaningful cooperation with the civil sector.
3. Citizens' Advisory Services: SDC has pointed out to sustainability concerns in the past. Comparative analysis by the Ministry of Justice and Public Administration indicates that free legal aid remains one of the most expensive public services. Having in mind widespread poverty and detrimental effects of out migrations also due to inaccessibility to services EU PROGRES and the donors were ready to provide bridging funding until the Government of Serbia enacts and implements Free Legal Aid Law (which is still a draft).
4. One Stop Shops: Was the evaluation able to assess average reduction in time needed to obtain building permit?
5. Regulation Plans: We need info on development investment to be able to assess return of investment ratio
6. Infrastructure Projects: A hint on how to make municipalities capable of outsourcing/ managing technical designs and implementation of projects would be much appreciated as project pipelines seem to be a common problem in South and South West due to lack of resources and willingness to deal with a complex issue as such.

Good Governance

1. Reading through evaluation it seems as good governance/ regulatory development through infrastructure had much stronger effects rather than 'soft' activities implemented independently? If so, would there be a recommendation to try to link even systemic changes in the municipalities with developing hard infrastructure?
2. Assessment of evaluators seems fair in view of constraints faced by the Program. What we are missing is the reflection on combining good governance with infrastructure. Although it is a holistic approach, it should be based on systemic elements, such as regulations adopted and implemented by the municipalities. Can evaluation confirm that municipalities stick to regulations that were adopted to accompany infrastructure (e.g. market Bojnik, green zone etc).

Public Awareness

The evaluation team should have also assessed changes in organizational behaviour (performance) of municipalities or eventually mindset of the citizens owing to program activities, which can also be seen as results.

Impact

SDC is especially interested to follow up on regulatory development impact of large infrastructure projects such as Green Zone, Meteris, Banjica Landfil etc.

Sustainability

1. It would be interesting to know whether municipalities stick to their promises assumed when local regulations that complement infrastructure were adopted.
2. Institutional anchoring of GG within municipal departments makes much more sense, otherwise knowledge may be lost with end of PROGRES.