

# Evaluation of Norwegian Development Cooperation with the Western Balkans

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## Preface

This report presents the findings of an evaluation of a large portion of Norwegian development cooperation that has not previously been systematically evaluated. During the period 1991-2008 the Norwegian aid to the Western Balkans amounted to about ten billion Norwegian kroner. The decision by our Department to carry out this evaluation was based partly on the Norwegian Government's criterion for evaluation of importance and size, partly on the criterion of uniqueness, in the sense that the object of the evaluation has been development aid to European countries.

Overall, the conclusions are quite encouraging. The aid has met the needs on the ground and the programmes have generally been effective. While it may be difficult to judge the longer term effect of many of the undertakings, others are assessed to have had quite positive impacts.

This does not mean that there have been no weaknesses. The report raises a number of issues, some explicitly, others more implicitly in its many observations and findings. Some of these issues are well-known from other evaluations, others more thought-provoking.

One of the criticisms in the report is that Norway has had no overall strategy for its development efforts in the Western Balkans, but mainly based its involvement on the annual policy formulations in the Government's budget. Still, it is not easy to imagine the resulting high relevance and general effectiveness of the activities without some clear strategic thinking behind the engagement. On the other hand, it is worth noting that while the often highly praised – and rightly so – Norwegian flexibility has been one of the characteristics of our aid to the Balkans, the other side of the coin is the considerable variation in the sustainability of programmes. That sounds very familiar.

The evaluators note that in spite of Norway's flexibility – which is often accompanied with a willingness to listen to people on the ground – they have found a surprising lack of structured engagement with local knowledge centres. Little local skills and capacity are being used to assess and monitor the activities, not least in view of the Norwegian embassies being – in the wording of the report – poorly staffed. If concern over corruption holds back the embassies from working with and using local actors, as the report indicates, we have a challenge. To engage with local actors and to contribute to strengthening local institutions will have to be an essential part of any strategy to secure sustainability.

Related to this issue is that almost two thirds of the aid to the three countries studied – Bosnia Herzegovina, Serbia and Kosovo – are channelled through Norwegian actors. This model has certainly provided high visibility for Norway, but it has also made it more difficult for local actors to become visible and competitive in accessing Norwegian funds, and has not been facilitating local ownership.

A most noteworthy finding – which the evaluators find surprising – is a nearly unison opinion that Norway has had significant impact on democratic development in Serbia. This is interesting for two reasons. Firstly, to promote and support democratic development is a main objective within Norwegian development cooperation with so many countries, and there may be lessons from Serbia for our work in other regions. Secondly, the impact of such cooperation is inherently difficult to measure, and it has been difficult to draw robust conclusions in other evaluations. Often a historical perspective is needed to say anything certain about the impact of dialogue and aid for democratic development. What this case shows, however, is that a number of specific factors, from a special historical relationship to a flexible and solution-oriented approach, have contributed to such positive conclusions.

These and other issues are highlighted in this comprehensive report, which we believe forms a good base for further discussion and decisions on support to the Western Balkans.



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## Acronyms and Abbreviations

AGO	Auditor-General's Office (Norway)
BiH	Bosnia and Herzegovina
BIP	Business Innovation Programs (Norway)
BIRN	Balkan Investigative Reporters Network
CCMR	Centre for Civilian-Military Relations (Serbia)
CRP	Civil Rights Project (NRC)
CSO	Civil Society Organisation
DAC	Development Assistance Committee
DACU	Development Assistance Coordination Unit (Serbia)
DCC	Donor Coordination Centre (Kosovo)
DDR	Disarmament, Demobilisation and Reintegration
DPA	Dayton Peace Agreement
ECHO	European Community Humanitarian Aid Office
ERW	Explosive Remnants of War
EU	European Union
FBiH	Federation of Bosnia and Herzegovina
GDP	Gross Domestic Product
HJPC	High Judicial and Prosecutorial Council (BiH)
IDP	Internally Displaced Person
IFI	International Financial Institution
IMG	International Management Group
INCOR	Information and Counselling programme (NRC)
IOM	International Organization for Migration
IPA	Instrument for Pre-accession Assistance (EU)
JPU	Jæren Produktutvikling (Norway)
MFA	Ministry of Foreign Affairs
MoI	Ministry of the Interior (Serbia)
NCA	Norwegian Church Aid
NDC	Nansen Dialogue Centre
NFG	Norwegian Forestry Group
NGO	Non-Governmental Organisation
NOK	Norwegian Kroner (USD 1 = NOK 6, EUR 1 = NOK 8 approx)
NPA	Norwegian People's Aid
NRC	Norwegian Refugee Council
NRX	Norwegian Red Cross
NTE	Nord Trøndelag Energi (Norwegian power company)
ODA	Official Development Assistance
OHR	Office of the High Representative (BiH)

OSCE	Organisation for Security and Cooperation in Europe
POD	Police Directorate (Norway)
PSD	Private Sector Development
RDC	Research and Documentation Centre (BiH)
RS	Republika Srpska – Republic of Srpska, BiH Entity
SAA	Stabilisation and Association Agreement (EU)
SCN	Save the Children-Norway
SCR	UN Security Council Resolution
SIVA	Industrial Development Cooperation of Norway
SFOR	Stabilisation Force
SSR	Security Sector Reform
TOR	Terms of Reference
UNMIK	United Nations Mission in Kosovo
UNPROFOR	UN Protection Force
USD	United States Dollar
UWC	United World College
WBS	Western Balkans Section (in MFA)
WCDI	Women Can Do It

# Executive Summary





# 1. Executive Summary

Norway has provided about NOK 10 billion (EUR 1.25 billion, USD 1.7 billion) to the Western Balkans during the period 1991-2008. Over NOK 7.3 billion of this has been for Bosnia and Herzegovina (BiH), Serbia and Kosovo, which is the focus for this evaluation.

The assistance can be grouped into (i) emergency aid; (ii) reconstruction and development; and (iii) democratisation and Euro-Atlantic approximation. Funding was annual, so over 3,000 agreements have been signed, though number of *projects* is lower. For evaluation purposes the team has selected projects to reflect the assistance over time, modality, territory, and by channel, in order to draw implications regarding the overall aid portfolio.

## 1.1 Portfolio Performance by DAC Criteria

**Portfolio Relevance:** The portfolio has overall been **relevant** according to Norwegian assistance objectives and the needs on the ground. The relevance is particularly clear regarding the humanitarian assistance while some of the assistance for democratisation and Euro-Atlantic approximation is less clear-cut.

**Portfolio Effectiveness:** The portfolios in BiH, Serbia and Kosovo have overall been **effective** as compared against planned Outputs and Outcomes. In the cases where results have been below expectations this has usually been due to low or weakening political commitment, or poor focus and linkages to other development forces that could have provided more support. For a highly diverse and complex portfolio that has been implemented under variable and sometimes adverse conditions, the general performance is thus quite satisfactory.

**Portfolio Impact:** This criterion has mostly been used for reconstruction and development tasks since for many democratisation efforts it is too early to see if real impact will result. The impacts assessed varied from “unclear” or limited to quite positive:

- One group of success stories are those where Norwegian-funded efforts are part of larger transformational forces, often driven by EU approximation (SSR reforms in Serbia, legal sector and rights of vulnerable groups in BiH).
- Another group is where the owner of the project has taken strong ownership (forestry programmes in Kosovo and Serbia, mental health in Kosovo).
- Overall Impact is greater in Serbia since it has a relatively strong state that sets priorities and has capacity to implement them. The fragmented polity in BiH and weak state in Kosovo plus poor public finances both places makes Impact more

difficult to achieve. A further issue is unrealistic objectives, as some projects have ambitions in complex areas like reconciliation but without much clarity on what constitutes reasonable results, and probably insufficient resources to achieve them.

**Portfolio Sustainability:** Project sustainability varies considerably across the portfolio. It seems generally assured if the project owner has a strong commitment to continued results, or is part of a larger societal programme (sector strategy, national priority):

- The willingness and ability (financial) of the public sector to maintain longer-term funding is fundamental to long-term sustainability for a very high share of the projects;
- Because of the skills available in the region, *technical* sustainability – ability of the owner/ organisation to continue activities without further technical advice – is often good. The challenge is to retain trained persons in increasingly competitive labour markets;
- A fragmented portfolio makes sustainability of individual projects more difficult to achieve and definitely more difficult to monitor.

Projects set up to contribute to reconciliation pose a particular challenge. They are to produce a public good and thus cannot on their own achieve financial sustainability. But such projects are considered a “public bad” by powerful groups, so they may continuously be working in a contentious environment. Sustainability is thus as much a Norwegian responsibility as a partner one, so there should have been a long-term vision with realistic objectives, predictability of support, and a possible exit strategy.

**Overall Conclusion: Relevance** of the portfolio has been high, largely due to very good political work, **Effectiveness** largely positive through the use of “the Norwegian model” and considerable local capacity in place, while **Impact and Sustainability** are more variable and could probably have been better through more structured programming.

## 1.2 Portfolio Performance by Phase/Modality

**Humanitarian Assistance** has been **highly relevant** and generally seen as quite **effective**, whether delivered by Norwegian or multilateral partners.

**Reconstruction and Development** efforts to rebuild and further develop conflict-affected societies have overall been **relevant**. The **effectiveness** has been shaped by local framework conditions where in particular contentious local politics (i.e., some minority return housing in BiH) undermined performance. Overall projects have delivered quite well, and often under adverse conditions. Impact and Sustainability are even more affected by the longer-term framework conditions under which they are expected to continue delivering their results, so this is more variable.

**Democratisation and Euro-Atlantic Approximation** efforts showed high **relevance** while **effectiveness** varies by framework conditions. EU approximation is a clear objective being pursued in Serbia and desired in Kosovo, but the commitment

to EU reforms varies in BiH, which affects those projects set up to be compatible with this process. More so than in the other groups of projects, the **contextual factors** more than project-internal ones determine both effectiveness and undoubtedly also future **impact and sustainability**.

### 1.3 Portfolio Performance by Territory

**Bosnia and Herzegovina:** Norway has provided over NOK 3 billion over the 18 years. The support has been flexible and relevant to the changing situation on the ground. Where Norwegian support is well embedded in longer-term processes (legal, social sector reforms) performance even with limited resources has been notable. Where this is missing, Norwegian stand-alone projects tend to become marginalised and not able to attain the societal impact hoped for (private sector development, public utilities, democratisation). The continued focus on flexibility has at times come at the expense of longer-term outcomes and impact where Norway may have exited too soon (some housing, public utilities) or has not developed operational clarity for expected longer-term effects (reconciliation, democratisation). BiH's fragmented polity and dysfunctional public administration has been a major determinant for lack of results.

A key problem when assessing the portfolio is the paucity of external evaluations and other critical performance tracking. There is not a structured monitoring and evaluation program, which is surprising given its considerable size, complexity and spread across so many fields, but also because Norway has been willing to take considerable risks and thus has funded innovative projects that normally one would track more carefully.

**Serbia:** Norway has provided over NOK 1.5 billion since 2000, i.a. for public administration, private sector development and social sector services. But the most impact and sustainable results have been achieved in the field of security sector reform (SSR) in the police and defence forces, but also an early "socio-psychological" boost to Serbian motivation due to visible solidarity through the aid programme. This was possible due to long-standing relations between Norway and Serbia which has built trust and mutual respect, but primarily due to Serbia's political will to democratise and reintegrate into Europe along with a public administration capable of implementing agreements.

As the Norwegian funding can be expected to decline in the years to come, a clear exit strategy will be critical to maximise future impact and sustainability.

**Kosovo:** Norway has provided over NOK 1.5 billion since 1999, first for humanitarian assistance, subsequently focusing on legal/security sector support, and to democracy, human rights and reconciliation – a lot of "soft" state building support. Most projects have been relevant and for the most part effective, which is notable in a fragile state environment. Where performance is lagging is where objectives were societal/sector level (sector models, policies) or trying to address contentious issues (reconciliation). Political embeddedness varies but on more recent initiatives appears more solid (education). Hiring local staff to manage Embassy projects has

improved the relevance-quality of these activities, but there are few evaluations or other independent performance tracking of the overall portfolio.

Kosovo is in many respects a classic “development cooperation” situation. Despite this, Norway has not taken advantage of its considerable experience in developing medium- to long-term commitments with clear performance indicators and active tracking of results, nor has it so far engaged much in more active aid-coordination support.

**Embassy projects:** These small-scale grants have been valuable as they provide flexible responses to immediate needs, and have provided Norway with high visibility. Overall results cannot be gauged, however, since the grants are spread across a wide variety of actors and problems and thus do not allow for any form of aggregation.

## 1.4 Channels for Norwegian Assistance

**Norwegian Actors:** Norway channelled 62.5% of the NOK 7.3 billion through Norwegian actors – an unprecedented percentage. A key reason is the use of the “**Norwegian model**”: employing Norwegian NGOs and later on also public and private sector actors to deliver projects. The advantage of this approach has been quick decisions based on easy and informal access to managers, good control and an ability by the MFA to put pressure on actors to deliver as promised – in short, low transaction costs and high accountability. The model has provided high visibility for Norway, with a Norwegian “door-to-door” delivery chain – from decision maker to beneficiary – which for the MFA and Norwegian politicians was important for Norway’s visibility in the larger European political space.

**Multilateral system:** The UN system played important roles, especially during the emergency phase on the delivery side but in particular in coordinating the numerous actors. Questions have been raised about cost and speed of UN performance, however, leading Norway to support and use the newly established International Management Group, which in a number of fields is considered to deliver faster, better and cheaper.

**Local Partners:** The “Norwegian model” makes it difficult for **local** actors – public, private and civic – to become visible and competitive in accessing Norwegian funds. They have managed less than 8% of the funding, though the trend is upwards. This is hardly compatible with the overarching objective of “peace, reconciliation and democratisation” since this requires local ownership, participation and genuine voice which means stronger local engagement in programme development and funds management.

## 1.5 Norwegian Management Performance

**Norwegian Political Commitment:** There has been strong, sustained and broad-based political support in Norway for the Western Balkans portfolio. The focus has been on the **political** dimension: the Western Balkans as a strategic part of Europe and the subsequent imperative to stabilise, integrate and ensure long-term socio-economic growth and development. Norway has therefore invested considerable

political resources, particularly during the first decade, but continues to pay considerable attention to the region.

**Portfolio Strategy and Structure:** From 1991 till 2008 the government produced only one formal policy document for parliamentary debate (1999). Annual priorities were given in the Parliament-approved budget and then spelled out in MFA's Allocation Notes. While objectives have been fairly consistent over time, funding remained annual, allocated across proposals received, leading in some years to 400 agreements being signed. Norway's portfolio ended up highly fragmented, in periods with disbursement delays causing costs and uncertainties among partners, leading to a focus on short-term deliverables rather than long-term strategic results. As of 2008, medium-term agreements are now being signed.

**Norwegian Aid Management:** The political steer on funding has led to fast decision making but annual funding has caused unreasonable work pressures on MFA staff, who have been an unusually stable and capable workforce, ensuring institutional memory and continuity. Embassies have less authority and fewer staff than some other donor embassies in the region, or Norwegian embassies in other regions. The centralised administration in Oslo of a fragmented portfolio raises questions about local anchoring and thus longer-term effects.

**Oversight and Control:** The Auditor-General's office (AGO) documented unsatisfactory project management as of 1997, which the MFA systematically only began addressing as of 2006. But the office has not kept close watch on a large *ad hoc* allocation going to a region with known corruption and management problems. Parliament has also been notably flexible in its oversight of the considerable resources: lack of clarity on strategy and quality assurance not to speak of documentation of longer-term results has been accepted.

**Public Finance Probity:** The close and continuous relations between MFA and Norwegian actors where project proposals for continuous activities are approved year after year raise questions about transparency and criteria for contract awards. One example is three NGOs that have received funding totalling NOK 2.1 billion without a public procurement process or a structured quality assurance system in place.

**Gender:** Norway has not pursued gender in a systematic and consistent manner across time or areas. Planning and reporting templates till recently did not include gender as a dimension, though this is now being put in place. In all programmes there have been activities that have addressed gender and equity issues, but while individual projects have achieved successes, there has been no systematic learning or scaling up of achievements.

**Anti-corruption:** Norway has improved its anti-corruption policies, and Norwegian actors on the ground have improved procedures and instruments for detecting and preventing corruption. But a key issue for partners is understanding Norway's "zero tolerance" in the context of Norway being a risk-taker and active in difficult fields like democratisation and reconciliation: how will Norway protect third-party interests

and long-term investments if suspicions of fraud arise. Is Norway prepared to invest the considerable staff time that is required to pursue a serious fraud case and what is its burden-sharing approach for difficult situations? The fear is that costs may disproportionately be pushed onto local partners.

**Aid Coordination:** Norway has worked closely with the institutions that coordinate the international support: UN, OSCE/Stability Pact, NATO, EU, the Office of the High Representative, World Bank. Norway has funded aid coordination in Serbia and UNDP's support to BiH's aid coordination but not engaged much in Kosovo, which is where aid coordination is perhaps needed the most.

**Local Knowledge Management:** One paradox of Norway's programme is the lack of structured engagement with local knowledge centres for critical monitoring and learning from the portfolio. This is all the more noteworthy since Norway has been so poorly staffed and had such a large and complex portfolio, and especially perplexing in a middle-income region with considerable local skills and knowledge.

**Final Observation:** This assessment of Norway's support to the Western Balkans remains partial, because of the three "pillars" of Norwegian efforts – political/diplomatic, security, and development – this evaluation has only looked in-depth at the last one. This means that the team's judgments regarding *development results* is not able to pay due regard in particular to the significant political and diplomatic efforts that Norway engaged in, and evidently with considerable success. Part of this success is translated into development results: the high score on **relevance** and successes in what otherwise are often quite contentious fields of security and legal/judiciary reform. But it means that there are important parts of Norway's activities in the Western Balkans that remain to be assessed properly for overall conclusions.

## 1.6 Lessons Learned and Looking Ahead

- **Resource Planning: Political and Development Concerns:** Flexibility in resource planning has been important during early phases and in times of extreme volatility. But it is notable that the portfolio fairly quickly "settled" on a number of projects. Using short-term and political planning approaches for medium- to long-term activities is not optimal. While there is a need for continuous political oversight of resource use in fragile settings, there should also be a strong and clear effort to adhere to internationally agreed-to "good practice" approaches to improved aid effectiveness:
  - **Engagement in fragile states and situations** should build on the Paris 2007-principles that emphasise building a viable and democratic state, local participation, ownership and leadership and in particular better linkages to other complementary activities and actors (harmonisation and alignment).
  - **Differentiate resources for political versus development objectives:** Once funding is for medium-term results, apply standard ODA principles and procedures, and ensure staff who has the experience to do this;
  - **Delegate to the field** as much decision-making but in particular implementation and management responsibilities as possible, relying on local skills and knowledge as much as is realistic;

- **Produce written policy/programming statements** with pluri-annual funding frames to make Norway transparent as a donor and accountable as a partner.
- **Programming:** The MFA has released its strategy for the region for the next five years, so country programmes now can operationalize the strategy. These should be differentiated as the political-economic trajectories for the three partners look quite different. While Norway has so far largely funded projects, future funding should have a more strategic approach: (i) identify key sectors for Norwegian support, (ii) carry out sector-based appraisals jointly with other logical partners, building local anchoring and broadening political, financial and technical support, (iii) design a comprehensive quality assurance programme, (iv) include an exit strategy.
- **Management Model:** Admin/management costs in Fragile/Conflict-affected Situations are higher than normal, and the importance of (re-)building the state likewise. A more suitable staffing and portfolio focus would include devolution of decision-making to the embassies, more local programme staff, clearer focus on performance-driven institutional development, but also a critical review of which management and oversight functions the MFA wants to retain itself and which tasks can be handled by other actors, Norwegian or regional.
- **Monitoring and Quality Assurance:** A QA strategy anchoring the institutional memory of “lessons learned” in local knowledge management institutions may improve local ownership and sustainability, but first and foremost be a contribution to public domain information about key activities, such as support for peace, reconciliation and democratisation.

## 2. Background and Objectives of the Evaluation

Norad's Evaluation Department invited tenders for the "Evaluation of Norwegian Development Cooperation to the Western Balkans", covering the period 1991-2008. In the invitation to tender, total funding was estimated at NOK 10 billion. The overarching goal for the funding was to contribute to **peace, reconciliation and democracy** in the region.

### 2.1 Objectives of the Evaluation

The Terms of Reference (TOR) state the Objectives of the evaluation as:

- Assess and document **achievements** of Norwegian assistance to the Western Balkans during 1991-2008 in relation to Relevance, Effectiveness, Efficiency and Sustainability;
- Identify **lessons learnt** contributing to improving the planning, organization and implementation of future Norwegian interventions in countries where needs are changing from humanitarian relief to longer term development collaboration.

The achievements are to be evaluated against the stated objective of Norwegian support during the period as reflected in reports and propositions to Parliament, budget documents, internal allocation notes and other official policy statements (see Annex I for a summary of Norwegian policy and administrative decision documents – most of the quotes in Norwegian). When assessing the results, the evaluator was to take into consideration the information and circumstances under which the various allocation decisions were taken.

### 2.2 Questions to Answer and Dimensions to Cover

1. The TOR ask that the focus be on the main recipients for Norwegian assistance, which **geographically** is Bosnia and Herzegovina (BiH), Serbia and Kosovo.
2. It is to focus on the **major channels** – financial and implementation partners – for the support, and assess achievements at outcome and, where possible, impact level.
3. The channels (partners) are to be identified in terms of three **phases** of support: (a) humanitarian aid; (b) reconstruction/development; and (c) reforms and adjustment to the Euro-Atlantic integration process.
4. The **quality and results** of Norwegian assistance should be assessed using standard DAC evaluation criteria. The areas/sectors in which the allocated resources have been spent should be identified, as should reasons for successes and failures.
5. The evaluation is to review the **decision making/administrative (internal organizational)** processes in MFA and describe the **administration** of the

funds in terms of **reporting, accounting and auditing procedures**. See Annex A for full TOR.

### 2.3 Challenges and Methodological Choices

Norway provided the funding through annual allocations, so even for longer-term projects annual agreements had to be signed. The NOK 10 billion were thus disbursed through nearly **4,000 individual agreements**, which is the basis for this evaluation.

The task has therefore been unusually complex:

- The timeframe of 18 years is very long, and since the situation on the ground was constantly changing there are many key parameters that changed over time;
- The dynamics in the three territories – BiH, Serbia and Kosovo – have been different, so each case must be assessed on its own terms;
- Though the 4,000 agreements were spread across a smaller number of *projects*, it still meant that project results assessments could only be done on a sample;
- With this large number of projects, there were also over 200 implementing partners (“channels”), which further complicated the analysis;
- Given the differences across countries and the different phases, beneficiary groups changed, causing discontinuities both in channels and beneficiary groups.

Due to this, the team had to make choices in terms of how to structure the evaluation to address the issues. The key approach has been to carry out structured sampling to ensure that the various dimensions are all covered. The main dimension has been **geographical**, so separate studies were done on the programs in Serbia, BiH and Kosovo (Annexes D-F). The second was to look at what the TOR calls the **phases** of support. This indicates sequential “time slices” in funding, but while *political decisions* on assistance have occurred at specific times, the *funding* was for activities that have *not* necessarily adhered to these time periods. Instead the team has organized the projects into logical **program areas**, and then focused on some program areas in some cases more than in others: emergency assistance, private sector development, reconstruction and support to democratisation/reconciliation was looked at in BiH, security sector reform and overall political linkages in Serbia, while aid coordination was particularly reviewed in the case of Kosovo) (see Annex H “Methodology”). Regarding reviewing the choice of **channels**, this was largely based on significance: those handling the most money have been looked at more.

While this is a **meta evaluation** – assessing results at a high level of aggregation – the team has had to review a number of individual projects. The reason is that Norway never developed an operational strategy for its assistance. A 1999 Parliamentary paper defined the policy imperatives but this was never translated into clear priorities or objectives at geographic or sector levels. This means that the team did not have any intermediate level objectives to measure results against: all activities were in principle approved against their appropriateness for achieving the overarching policy objective of the moment.

The methodological challenge has thus been to (i) select which projects to review, (ii) identify the key results based on available documentation and supplementary interviews, (iii) assess how these project results can be aggregated to the program level, (iv) from this, draw conclusions about results in that “phase” in that territory, (v) from this, see which findings are relevant across the entire portfolio, and then (vi) identify the key lessons.

## 2.4 Report Structure

This report contains six substantive chapters and 11 annexes:

- Chapter 3 looks at framework conditions, the actual structure of Norway’s support to the Western Balkans, and its administration/organisation;
- Chapter 4 reviews Norway’s aid to Bosnia and Herzegovina;
- Chapter 5 looks at Norway’s aid to Serbia;
- Chapter 6 examines Norway’s aid to Kosovo;
- Chapter 7 looks at the different channels for Norwegian support;
- Chapter 8 gives an overall assessment of the aid and provides lessons learned.

In this first volume of the report there are three annexes:

- Annex A: The Terms of Reference for the evaluation;
- Annex B: List of Informants;
- Annex C: Documents Consulted.

The second volume of the report contains:

- Annex D: The assistance to BiH, providing more detailed review of emergency, private sector, reconstruction, and democracy/reconciliation assistance;
- Annex E: The assistance to Serbia, with particular attention to the specific political dimensions, and the support to security sector reform;
- Annex F: The assistance to Kosovo, with particular attention to aid coordination;
- Annex G: Norway’s Anti-Corruption Approach and Experience in BiH;
- Annex H: Methodology
- Annex I: Chronology of Norwegian Funding Decisions and Events;
- Annex J: Financial Tables.

The main report relies extensively on the annexes. While the annexes contain the references to documents consulted, the main report does not in general repeat these.

## 2.5 Acknowledgements and Disclaimer

The review team had to rely heavily on the time and support from a wide range of persons. The team would in particular like to thank the staff at the Western Balkans section of the Ministry of Foreign Affairs and Norway’s ambassadors in the region. While we may disagree on aspects of the programs and their implementation, there is no doubting the unusual commitment and hard work that the Western Balkans team of the MFA has discharged under difficult circumstances for many, many years.

The team was met, without exception, by a positive and forthcoming attitude by Norwegian aid officials; Norwegian public, private company and NGO staff; local

authorities, donor representatives, project staff, civil society organisation representatives, and beneficiary groups throughout the region. They all shared generously of their time and knowledge, for which we are grateful.

This Report is the responsibility of the consultants and does not necessarily reflect the views of Norad's Evaluation Department, Norway's Ministry of Foreign Affairs or their staff, or any other organization or informant referred to. Any remaining errors of fact or interpretation are the responsibility of Scanteam.

### 3. Norwegian Assistance to the Western Balkans

This evaluation is to analyse Norwegian assistance in light of the facts and assumptions prevailing in Norway at the time when the activities were approved<sup>1</sup>. The aid was driven by events in Yugoslavia and the response of the international community to these.

The Western Balkans was the first time Norway engaged in what is now termed “complex emergencies”, where political, security and development support has to be coordinated, and where the **political imperatives** drive the agenda. However, it is only the **financial resources** which this evaluation is address, and furthermore only those that were managed as Official Development Assistance (ODA) by the Ministry of Foreign Affairs (MFA).

#### 3.1 The Western Balkans after 1991

The 1990s was a time of massive transition in Europe, and where the fall of the Berlin Wall in 1989 signalled a major shift in the relations between the two “blocks” that had made up Europe till then. Yugoslavia had remained remarkably stable during the period leading up to this point, though tensions between the constituent republics were increasing, largely along ethnic-national lines.

By 1990 Yugoslavia was in visible need of economic and political reform. Different republics had different opinions on the pace and contents of reforms. Slovenia and Croatia wanted a swift and decisive orientation towards a market economy and national autonomy while Serbia was in favour of more gradual change and in maintaining Yugoslavia as a state though with greater regional autonomy. At an extraordinary Communist Party conference in January 1990 these disagreements resulted in a walk-out of the Slovene delegation. Slovenia and Croatia unilaterally declared independence in June 1991, leading to armed conflict but with the two republics eventually establishing themselves as independent states.

These processes led to demands in parts of Bosnia and Herzegovina (BiH) for national autonomy as well, though with serious splits along ethnic lines. A declaration of BiH sovereignty in October 1991 was followed by a referendum for independence, which the Serb population largely boycotted. Open warfare broke out around Sarajevo in April 1992, which only ended with the Dayton Peace Agreement (DPA) signed by the parties in December 1995.

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1 The Parliamentary paper *St.meld.12/2000-01 “Om Norge og Europa ved inngangen til et nytt århundre”*, (Norway and Europe at the beginning of a new century – our translation) devotes five pages to the situation in the Western Balkans, identifies the challenges for the international community in the region; emphasises the need for a regional approach to peace; and reiterates a strong Norwegian commitment to the Stability Pact.

The fragmentation of Yugoslavia continued with the demands for autonomy or full independence in Kosovo. This led to low-level armed insurgency as of 1996, but escalated to full conflict, with NATO intervening through a bombing campaign of Serbia during March-June 1999, ending with Kosovo being put under UN administration.

### **3.1.1 The Intervention of the International Community**

The international community was early on the scene and in particular during the period 1991-95 tried to facilitate solutions between the various parties through a number of conferences and proposals. A key instrument in these efforts was the use of high-level multilateral representatives. The EU nominated Lord Carrington and later David Owen as special representative while the UN Secretary-General appointed Cyrus Vance as his personal envoy, instituting a precedent of close cooperation between the UN and the EU. This continued when Mr. Vance was succeeded by Thorvald Stoltenberg, a former Norwegian foreign minister, where Norway thus became visibly active in the international efforts in the Western Balkans.

The Dayton Peace Agreement led to an increased role for NATO, which took over the operational responsibility for maintaining peace from the UN by leading the large multinational peace-keeping forces first in BiH and later also in Kosovo.

The Kosovo conflict further complicated the difficult transition from planned to market economies and from war to peace that many of the new states and territories were undergoing. The fear of regional instability led to the establishment of the **Stability Pact for South-East Europe** in July 1999. The Pact aimed to anchor the countries in the region more firmly in Euro-Atlantic structures of co-operation. The idea was to facilitate economic development and democratisation by involving the countries in mutually binding co-operation between each other and outside partners, with a focus on democratisation and human rights, economic reconstruction and development, as well as security. Norway participated as an observer from the planning stage, and from 2000 it became a full member and the lead on justice-and-defence issues.

The Stability Pact was not an instrument for resource mobilisation; rather it was intended as a forum to identify efforts that could lead to stability and development. EU and the World Bank were tasked with ensuring that international assistance was channelled accordingly. Norwegian policy was clearly to prioritise issues identified through the pact. Norway therefore committed NOK 120 million early on for projects under the Pact, and it sought to integrate its own Balkans efforts closer into the larger European-affairs policy.

The Stability Pact has remained a cornerstone in Norwegian policy for the region until February 2008, when it was replaced by the Regional Co-operation Council – a more regionally-anchored mechanism.

## 3.2 Norwegian Funding Objectives

Due to the immense suffering and damage, but also to the political necessity of stabilizing and integrating this part of Europe, Norway's parliament committed massive funds and human resources – civilian, diplomatic and security – to the region. The first allocations were made as soon as hostilities broke out in 1991, as humanitarian assistance to BiH and Croatia. Over time the nature and objectives of Norwegian funding were restructured.

During the 1991-95/96 period, funding focused on humanitarian needs: emergency aid, temporary shelter for internally displaced persons (IDPs), demining and some first rebuilding of homes. With the Dayton Peace Agreement, focus shifted to medium-term assistance: rebuilding infrastructure, improving public administration and private sector development. The Kosovo crisis moved attention back to emergency assistance, and then towards contributing to peace, stabilization and democratisation<sup>2</sup>.

### 3.2.1 Parliamentary Policy Papers

At the end of 1999, the Norwegian government tabled a policy document in Parliament that notes the main conflicts in the region, presents the Stability Pact, states the importance of recipient responsibility in Norwegian development assistance but the difficulties of implementing this in a region with poor governance, weak civil society, ethnic tension and considerable criminality and corruption<sup>3</sup>. It discusses the channels for Norwegian funds – the UN, international financial institutions (IFIs), Norwegian NGOs, Norwegian public sector institutions and private firms – and then lays out the priorities for support: humanitarian assistance including demining; infrastructure rehabilitation with a focus on water and power; support to democratization covering independent media, political parties, public sector strengthening, free unions and NGOs with particular emphasis on human rights organizations; private sector development; and support to educational programs on human rights and democracy.

This is the only formal policy document on assistance to the Western Balkans that has been tabled by cabinet for parliamentary consideration. The debate and both previous and subsequent ones on the annual budget reflect a considerable agreement across the political spectrum. This has meant that changes of government over these 18 years have not led to any major shifts in Western Balkans support due to any party-political differences.

### 3.2.2 The Budget Documents

Norway's annual Budget Document presents policies and objectives by budget line, with a report on what was achieved over that budget line during the previous fiscal year. The budget covers a three-year cycle: the budget for the coming year; the expenditure estimate for the current year; and actual disbursements in the previous year. There is no forward-looking budget and hence no longer-term strategy provided.

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<sup>2</sup> As can be seen in Annex I, formulations have changed somewhat, incorporating concepts like reconciliation, Euro-Atlantic approximation etc, depending on geographic area and time period – but the fundamental objectives have remained largely the same.

<sup>3</sup> The Parliamentary paper *St.meld.13/1999-2000 "Hovedtrekk i fremtidig norsk bistand til landene i Sørøst-Europa"* (Main features of future Norwegian support to the countries of Southeast Europe – our translation).

Once the budget has been approved by Parliament, MFA staff prepare a proposal for how funds should be allocated across geographic areas, objectives, and sometimes actors/ channels for the funding. This is done in annual **Allocation Notes** (“*fordelingsnotater*”) that are politically approved. The MFA operational unit – since 2000 this has been the Western Balkans section (WBS) – is then responsible for ensuring that funds are allocated and spent according to this. Annex I provides the details by year<sup>4</sup>, where section I.2 shows the budget lines. The key aim for Norway’s early aid, according to an MFA review document from 1997, was “*to assist the refugees as close to their place of origin as possible. The Norwegian program has therefore had BiH as its focus of attention*” (Annex I, our translation).

With the signing of the Dayton Peace Agreement, Norway and other donors at the Brussels Conference in December 1995 prepared for and expected a massive, speedy but short-term assistance to BiH, focusing on reconstruction. The idea was that Bosnia needed a quick injection of resources to get infrastructure and housing restored, and the economy would pick itself up as restructuring of the state and the EU approximation process got on track.

This optimistic assumption was fairly quickly abandoned as the Kosovo crisis made it clear that the donor countries would have to commit to at least a medium-term time horizon for their assistance. This did not lead to any changes in Norway’s programming approach. With the exception of the Parliament papers noted above (footnotes 1, 3) and country strategy notes covering parts of the assistance to BiH and Albania (produced by Norway’s Development Cooperation Agency (Norad) in 2001, see 3.4.1), the only resource planning instruments were the annual ones: the Budget Document and the Allocation Note.

### 3.3 Norway’s Financial Assistance

During the 18 years covered by this evaluation, Norway allocated about NOK 10 billion (USD 1.7 billion, EUR 1.25 billion) to the region<sup>5</sup>. The evaluation team has been asked primarily to look at the assistance that has gone to BiH, Serbia and Kosovo. Funding for other parts of the region and for larger regional programmes such as to the Organisation for Security and Cooperation in Europe (OSCE) or UN or EU-led security operations that were not specifically limited to one or more of these three territories have not been included in the analysis here.

Funding that can be attributed directly to one of the three territories or to the region but where these three undoubtedly received the bulk of the funding totals NOK 7.34 billion, distributed by NOK 2.94 billion to BiH, NOK 1.5 billion to Serbia and NOK 1.47 billion to Kosovo. The unallocated regional funding thus totals NOK 1.42 billion, as shown in graph 3.1 below (annual funding by territory is provided in Annex table J.1).

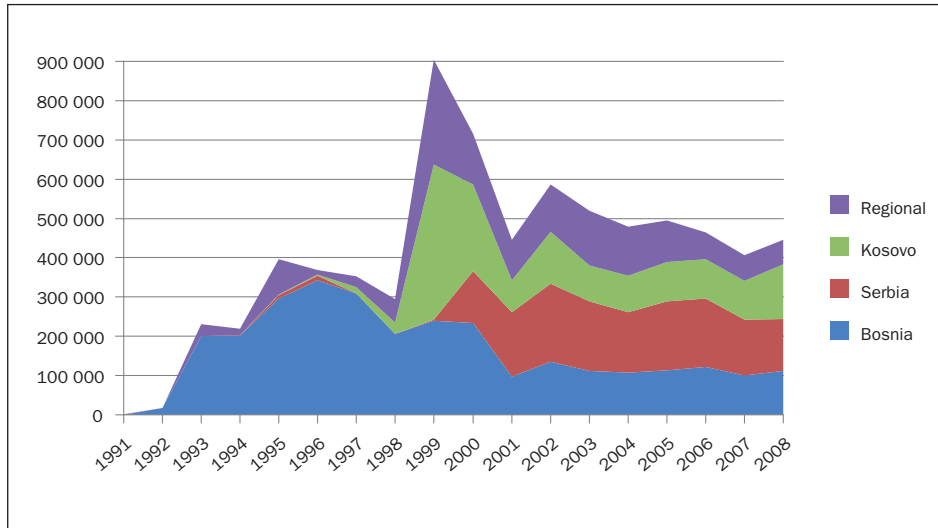
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4 Annex I.2 provides a chronological listing of budget objectives, allocations and expenditures taken from the budget document, and the related comments from the Auditor-General’s annual report. Annex I.3 lists the sequencing of key events, Allocation Note details and administrative/organizational handling of the funding. Much of Annex I is direct quotation from the original documents and thus largely in Norwegian.

5 Norad maintains a database that records all allocations and disbursements that are registered as Official Development Assistance (ODA) funds. This database is the basis for the annual reporting on Norwegian ODA to the OECD/DAC, and is the basis for all the aid data in this evaluation. See Annex H, “Methodology”, for a more careful description of the data, categories, and analyses carried out.

The graph shows the focus on BiH during the period 1991-2000, though with the sudden increase in humanitarian assistance to Kosovo 1999-2000. As of 2001, the support to the three has been based on more stable and predictable support, with the overall picture being that support to Serbia has generally been higher than for the other two as of 2002 though decreasing while the support to BiH and Kosovo has remained fairly stable.

**Graph 3.1: Norwegian funding to BiH, Serbia and Kosovo, 1991-2008 (in NOK '000)**



The large-scale funding to regional activities during the period 2001-2006 is composed of a variety of activities. Much of this is general UN appeals, which could be for food aid, medical support, or for larger regional initiatives like cross-border return processes or support for other cross-border activities where the geographic allocation of the shares of the activity is not possible to determine.

Some activities that were channelled through Norwegian actors were also regional in nature, such as the funding for the Nansen Dialogue Centres (NDC). This was a programme that received regional funding with ten centres throughout the region, but identifying how much went to the centres in BiH, Kosovo and Serbia is not feasible. This points to an error in the data, which is that some of these funds clearly were *not* spent in the three territories: there were Nansen Dialogue Centres in Croatia, Macedonia and Montenegro as well, yet included in the general regional allocation shown above<sup>6</sup>.

### 3.3.1 Funding by Programme Area

The common political understanding was that the support to the Western Balkans should be flexible, with possibilities for quickly re-directing and re-dimensioning the support<sup>7</sup>. One consequence of this was that the MFA only entered into **annual**

<sup>6</sup> While there clearly are some sources of error like the one noted above, the team is confident that the figures here represent a "best effort" picture of what can be extracted from the database. The 4,000 agreements in the complete database have all been checked at least twice for geographic and programme area categorizations.

<sup>7</sup> As can be seen in graph 3.1, funding could change rapidly, such as from NOK 295 million in 1998 to NOK 904 million the year after – a trebling in one year. This was partly due to the Kosovo crisis, and partly because Norway assumed the chairmanship of OSCE that year and thus made available substantial funds that the chair, Norway's Minister of Foreign Affairs, could quickly allocate if important

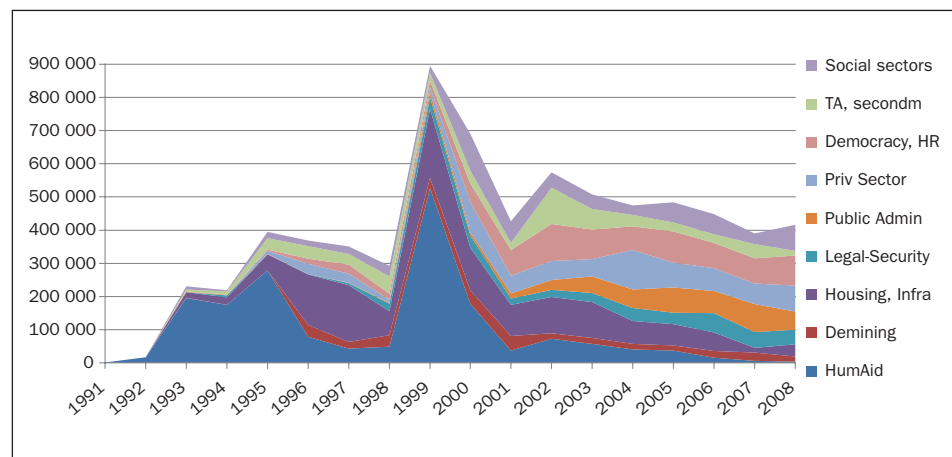
funding agreements with its implementing partners. In this way it could in principle be possible for the Ministry to totally restructure a country assistance package from one year to the next. But this meant that the MFA signed over 3,000 agreements for the NOK 7.34 billion for Bosnia, Serbia and Kosovo.

Since Norway never developed an overall operational strategy, or country strategies, or strategies for particular phases of its support (emergency, reconstruction and development, democratisation and Euro-Atlantic approximation), or for any sectors, there is no intermediate level of analysis between the individual agreement and the overarching objective of peace, stability and democratisation.

At the same time it is clear that Norway has focused its funding on certain areas . In order to get some more analytical clarity on what was funded, the team therefore identified a dozen areas that can be considered **Programme Areas**. Each of the 3,000 agreements was then classified into one of these areas. Graph 3.2 thus shows the funding across the key programme areas for this period.

The graph shows some of the expected results: a preponderance of humanitarian assistance during 1994-95 (BiH) and again 1999-2000 (Kosovo). Then comes the housing reconstruction and infrastructure investments that typically follow the humanitarian phases, and then the growing importance of the more long-term assistance: funding for legal and security sector reforms and capacity development; a substantial increase in the support to activities that can be classified as building peace, democracy and human rights and also to private sector development, both as of 2001; and considerable funding for technical assistance and secondment – that is, provision of Norwegian expertise, usually to or through a multilateral institution like OSCE, UN agencies or joint undertakings like participation in EU monitoring missions or electoral observers.

**Graph 3.2: Norwegian funding by Programme Area, 1991-2008**  
(in NOK '000)



issues emerged and a fast response was seen to be helpful, particularly given the highly volatile situation during that period.

What is misleading with a graph like this is that it shows funding allocations across the region, whereas the situations in the three territories at a given point in time were quite different and thus the programme profiles also tended to vary. None the less there are some trends worth noting, in particular the increased number of sectors that now make up the total portfolio, the drop in funding for infrastructure and engineering type interventions in favour of “softer” categories generally associated with state- and nation-building, though the support for public sector development is probably considerably less than it would be in most of Norway’s traditional bilateral cooperation programmes (the programme area profiles in each of the three territories are provided in the subsequent chapters of this report – the figures underlying the graph are given in Annex table J.2).

### 3.4 Organisation and Administration of Norway’s Support

The management of the Western Balkans support has essentially gone through four different organisational “regimes” within the MFA:

- The support was originally administered by the Section for Humanitarian Affairs, which handles Norway’s emergency relief funding globally;
- After a few years the funding was handed over to the Department for Security Policy, where Section Two (“2. Politiske Kontor”) managed the funding while Section Three (“3. Politiske Kontor”) was responsible for the policies.
- Towards the end of 1998, when it became clear that Norway would assume the chairmanship of the OSCE, a special office was established in the Department for Security Policy that was to handle all funding in the OSCE area. This hence covered not only the Western Balkans, but also support to the EU candidate countries, funding for Northern Russia, and the Caucasus.
- Then, as a consequence of the Parliament paper 13/1999-2000, it was decided to establish a special Western Balkans Section (WBS) as part of a restructured Department for European Affairs and Trade Policy. This was put in place in October 2000, and has remained responsible for Norway’s support to the region since then.

#### 3.4.1 Norad

During the 1990s, Norad had overall responsibility for managing and overseeing bilateral ODA funds. The agency was set up with regional departments, but did not have anybody to handle European countries since this was neither part of Norad’s remit nor had Norway allocated ODA funds to European states. Once the OECD’s Development Assistance Committee (DAC) agreed that certain forms of funding for the war-affected Western Balkans states could be classified as ODA, the issue of Norad’s role came up.

Because of the highly political nature of Norway’s engagement in the region, however, and the fact that the main actors on the donor side were political and/or security bodies like the EU, OSCE and NATO, the MFA decided that it would manage the funds itself.

With the Parliament paper 13/1999, however, in addition to the establishment of the Western Balkans Section in the MFA, Norad was asked to manage the medium-term activities in BiH and Albania. In the case of BiH this was expected to constitute

about 40% of the funding. Norad was asked to produce a strategy note for this, and a ten-page note was produced in June 2001, noting the multiple transitions Bosnia had to undergo: from war to peace; from a planned to a market-based economy; from a situation of massive aid to dependence on own resources. It notes how the Stability Pact is to assist the transition towards the **Stabilisation and Association Agreement** (SAA) with the EU. It points to how the major reforms so far undertaken have been pushed by the international community – largely the Office of the High Representative – rather than by local authorities, and that this local reluctance to take on the reform agenda extended even to implementing existing laws. The problem of **minority return** – the ability of people to move back to their place of origin and reclaim their housing and other assets – was underlined. Norad then created a regional department that included South-eastern Europe, and seconded a staff member to the Sarajevo embassy to manage the portfolio.

It took almost a year before the MFA approved the BiH strategy note. A key reason was the different understandings and approaches the MFA and Norad had to the aid. For Norad, this was traditional development cooperation and thus was to adhere to public policy guidelines such as for procurement, planning, reporting, auditing. For MFA, the key challenge was to manage large-scale funding flexibly under quite difficult circumstances. The Norad approach was seen to be slow and bureaucratic, where the staff from the Western Balkans Section felt the political pressures from MFA management to get agreements signed and funds disbursed. Norad staff, on the other hand, were somewhat taken aback at what was seen as rather cavalier treatment of quite substantial contracts, lack of quality assurance on the ground where typical problems of insufficient planning and coordination were identified<sup>8</sup>. This clash of perceived imperatives and corporate cultures was never fully addressed in the sense that the two bodies continued processing “their” projects according to own procedures and perceptions of what was important.

### **3.4.2 Restructuring the MFA and Norad**

In 2003, the Ministry commissioned a study on the organisation of Norway’s development cooperation, and the process ended up with (i) management of development cooperation was largely to be delegated to the Norwegian embassies, (ii) the MFA took on the policy formulating and oversight functions for all aid, (iii) Norad was transformed into a knowledge management and technical advisory body to the embassies and the MFA.

This restructuring took place in early 2004, with the consequence that (a) the MFA had to establish geographic units to handle Norway’s development cooperation, (b) these units had to be staffed, and many Norad staff therefore moved over to the MFA, (c) embassies handling development funds also got their staff increased both with more Norwegian but also more locally recruited technical staff, (d) Norad was downsized considerably and re-structured, with the regional department disappearing and technical/sector departments set up instead.

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<sup>8</sup> In one infrastructure sector, two other bilateral donors were also heavily involved in equipment procurement, ending up with the various components not being compatible due to poor specifications, unclear procurement procedures, no oversight engineers in place etc. For Norad staff this was classic programme failure that should have been avoidable by following the procedures that Norway after all had in place.

The one region where the full reorganisation was not carried out was in the Western Balkans. While the Western Balkans Section (WBS) got three staff from Norad, the embassies were neither given more responsibilities nor more staff. The argument was that the MFA had in fact prioritized the Western Balkans by establishing the WBS and increased the staff handling that region in the process. Further staff positions for this region was seen as not possible. Moving more staff to the field was also not seen as an option, both because this was much more expensive, but also because it reduced flexibility. The MFA thus continued to manage the funding on an annual basis from Oslo.

### **3.4.3 The Ministry of Foreign Affairs (MFA) and Western Balkans Section Decision Making**

During the first period of emergency operations, the then-Secretary of State not only was heavily engaged but in fact was very directive in setting up Norway's response. He took a number of initiatives, including establishing "the Norwegian model" of close collaboration between the larger and more professional Norwegian NGOs, and the MFA (see 7.2.1). The NGOs, to an extent not seen till then, became contractors to the MFA, and where the MFA at one point tried to establish a consortium, "NorAid", where the NGOs would take on functional roles and divisions of labour, the idea being that this would ensure greater efficiency. This happened to some extent to begin with as the Norwegian Refugee Council (NRC) handled BiH logistics, the Norwegian Red Cross (NRX) became responsible for medical supplies, etc, but it quickly broke down: the various NGOs were more comfortable having "vertically integrated" projects where they handled the complete delivery chain – and essentially went back to being competitors for contracts. However, the policy of relying heavily on Norwegian implementing partners continued, leading to an unusually high share of Norwegian funding going through Norwegian actors (see chapter 7).

The funds were allocated to projects proposed by potential project implementers. This meant that in principle Norway was only able to finance what happened to appear in the "In" tray. This was of course not compatible with the MFA's desire to manage and direct the funding, so the close and informal channels between the main implementers and the MFA allowed the MFA to signal quite clearly what kinds of activities it believed were important, and the interested implementers to respond in the form of project proposals.

During the first years, the process for approving projects was very informal and fast. During the emergency period, time was of course of the essence, and in this field the MFA approach excelled: tasks like establishing temporary shelter for IDPs, ensuring that the medical supplies were tailored to the needs on the ground and delivered as promised etc yielded very good results, giving the Norwegian actors high marks for performance.

The MFA as a pro-active procurement agent also worked very well since it had good contacts with the international partners, such as the OSCE, the EU, UN agencies etc. Norway quickly got a reputation for being highly responsive and efficient, and with considerable sums that could be made available as needs arose. It was during

this period that the MFA increased its general focus on humanitarian aid considerably, defining this as a key area for future Norwegian policy interventions.

The approach of a very pro-active Secretary of State was visible at least during the first ten years of Norwegian support to the region. This was in part logical, given the highly political and uncertain nature of what was happening on the ground. It was also important to the political leadership of the MFA because it provided an important platform for its engagement with its European partners, an issue that became more important when Norway rejected EU membership in its referendum in 1994. The Western Balkans engagement gave Norway visibility (UN Secretary General representative, OSCE chairmanship), relevance (considerable funding quickly available), but at the same time was a field where there was genuinely broad political consensus among all parties in Parliament that Norway needed to be active. The quite informal yet open style of communication and management within the MFA and between MFA and its external partners – including Parliament – ensured that there was considerable transparency in what was happening<sup>9</sup>.

#### **3.4.4 Funds Management and the Auditor-General**

The Allocation Note for 2003 states that the staff processed 500 applications in 2002 and approved 362 of them, and the following year the same number of applications led to 412 being approved (Annex I section 3 last column). Because the Allocation Note was only approved during the first quarter of the fiscal/ calendar year, the agreements could only be signed after that, and only after they had been signed could funds be disbursed to the implementing partner. The pressures on MFA staff were thus enormous, as the rule was that the funds approved that year had to be disbursed within the same fiscal year though activities could take place within the 12 months following the allocation and final reports could come six months later.

The result was a highly fragmented portfolio: at least five recipient countries, some with functional governments and others not, with activities across a wide spectrum of sectors and by that time over 100 different implementing partners. The Auditor-General's office (AGO) in its annual report to Parliament began criticising the MFA in general for its management of the annual funds Parliament allocates ("*tilskuddsforvaltning*"). In its report on the 1995/96 budget, it points to the lack of guidelines, control, documentation, that project proposals were poorly formulated, lack operational objectives and monitoring criteria, and that Norwegian and non-Norwegian actors are treated differently (more lax criteria for Norwegian actors). These comments were not directed at the Western Balkans funding *per se*, but also included these funds (see Annex I.2 last column).

In line with standard procedures for its report, in the following year the Auditor General's Office returns to what the MFA has done to address the findings: "*The MFA worked on improving the management and administration of the support, they*

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<sup>9</sup> Conversations with politicians revealed that they feel that the Western Balkans funding has been managed very well and in line with political intentions by Parliament. There have been some strong debates through the years, but not with major disagreements. There has been a constant stream of visits to the region as well, which has further strengthened politicians' feeling of knowing what is happening, including the results of the projects [given some of their comments, the team is not convinced that the latter is necessarily true, however].

*developed standard criteria, procedures, information materials, strategies etc. (This has) contributed to the management and administration functioning relatively satisfactory. (As for) the quality assurance and control the routines are not satisfactory*”(our translation). It goes on to note weaknesses in the project management:

- Objectives statement, proposal management, monitoring and control was lacking;
- The MFA had not established satisfactory routines that assured that proposals are handled uniformly and in accordance with objectives and regulations;
- There was a lack of uniform criteria for selection and awarding of funding;
- Some areas did not have Allocation Notes that documented assessments made at the level of individual proposals;
- MFA had not developed satisfactory documentation of internal routines and procedures;
- Standard criteria, guidance papers and information material seemed to have been developed more for the user of funds than for MFA themselves
- Established routines were lacking when it came to specifying which controls to implement, deadlines for reports and the follow up of these demands.

This weakness in project management is not surprising. MFA staff are generally not trained in this, unlike Norad staff who have to take at least a basic course and often have project management experience from the field. The Western Balkans Section did not send its own staff for training until 2007<sup>10</sup>, and staff spoken with note the limited time available for processing but in particular trying to follow up all the activities that were funded.

The observations by the Auditor General’s Office continued to be critical over the years, and in 2006 the MFA set up a separate project to ensure better management of these funds. This Ministry-wide effort is paying off in the sense that the Auditor-General claims that it is becoming satisfied with the comprehensiveness, quality and consistency of the funds management. The Western Balkans Section has been in the forefront of this work and has taken a number of initiatives to improve the procedures, documentation, oversight and reporting, quality demands on the project proposals and financial management, and was in fact ahead of the rest of the MFA when in 2008 it introduced revised guidelines and handbooks.

When asked about whether the Auditor General’s Office was satisfied that the MFA had responded fast enough – the reform project began ten years after the first highly critical comments were made – the answer was that this was for Parliament to decide. When confronted with this, Parliamentarians noted that the MFA had come under quite heavy criticism in a number of debates on the issue, but that the staffing situation had put limitations on how fast the MFA could address this.

MFA management have noted the lack of staff, and the fact that under the current arrangements it is not possible to increase total number of staff, and that re-

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<sup>10</sup> Scanteam was for ten years responsible for LFA/Results Based Management training for Norad and MFA staff, and it is notable that very few MFA staff took the course. Project management is not a “high prestige” field in a Ministry where staff are more oriented towards careers based on political analysis and policy development.

allocating staff from other sections was not realistic, given the expanding political agenda the MFA is being asked to address. However, one manager noted that it is possible to get *ad hoc* funding for programme staff positions from the ODA funds themselves, which had been suggested in particular for the embassies, but when this had been proposed to MFA management, this had been rejected.

As part of the reforms underway, as of 2008 the Western Balkans Section is now entering into multi-annual rather than just annual agreements. This is being highly appreciated by all partners. This also allows the section to demand better planning and more long-term expected results to be specified in applications and tracked in results reports. It is noteworthy, however, that the reason the Western Balkans Section is doing this now is not that the Parliamentary budget lines have changed but that the section finally realized that even with the budget lines used such pluri-annual agreements were permissible, provided agreements include the proviso that future funding is dependent on Parliament voting the necessary funds. This, however, has been a standard Norad procedure for at least 30 years.

### 3.5 Findings and Conclusions

- **Norway as Funding Partner:** Norway quickly mobilised funds and Norwegian NGOs to implement emergency operations under difficult circumstances as of 1991. Funding was quickly scaled up, and fast decision-making and flexibility in terms of actions soon became a hallmark of “the Norwegian model”. MFA leadership was pro-actively engaged at least during the first ten years, coordinated well with international actors, was a visible and constructive partner, willing to take risks, and innovative.
- **Programming Objectives:** From 1991 till 2008 Norway produced only **one** policy document for debate in Parliament. Annual priorities were provided in the Budget Document and then spelled out in MFA’s internal Allocation Notes. Unlike in other regions where Norway provides ODA funding, the MFA has disbursed NOK 10 billion without a spelled-out **strategy** for the assistance to the region, nor developed one for any particular **phase** or **state/territory**. Apart from a short-lived strategy prepared by Norad for medium-term assistance in BiH and Albania, Norway has also not had any **sector** strategy or one for **Embassy grants**. The 3,000 agreements behind the NOK 7.5 billion to the three territories reviewed thus were to an unusual extent based on discretionary authority vested in MFA staff.
- **Relations to Implementers:** The MFA quickly established close but informal ties to the most used implementing partners. The system was highly flexible, and particularly in the early emergency period funds were made available based on quite loose requests for funds – focus was on getting activities moving and in particular emergency aid delivered quickly. In this Norway generally delivered very well and in some cases did what was considered an outstanding job under difficult circumstances (ch. 4 on BiH).
- **Annual Cycles:** MFA based its programming on annual agreements, managed from Oslo, relying primarily on Norwegian implementing partners:
  - There was strong pressure from political management at least through the Kosovo crisis that the program had to have considerable flexibility in order to

- quickly accommodate changes on the ground and new political priorities. The annual funding and close relations to Norwegian implementers ensured this.
- MFA Allocation Notes were only approved in January and often later. Annual agreements and disbursements could only be made after that, so funds were typically available only at the end of the first and in a couple of years towards the end of the second semester. This created major uncertainties, implementers often having to advance funds themselves for which they were not compensated, complicating financial management, delaying implementation on the ground and overall increasing transaction costs for activities already taking place in a high-uncertainty, high-risk environment.
  - Annual allocations meant implementing partners had no incentive to develop medium term plans, could not be held accountable for anything but annual deliverables, therefore had problems making medium-term commitments with local partners or focus on longer-term capacity development.
  - **MFA Staff:** The MFA staff responsible for the Western Balkans programme have been an unusually stable workforce, ensuring good institutional memory and continuity despite a highly fragmented portfolio. But work pressures on staff have in long periods clearly been unreasonable. While they have continued to process and manage large and complex portfolios, quality assurance and administrative dimensions have been deficient as identified by the Auditor-General. While this has improved with the MFA's 2006 Management Project, staffing levels (in Oslo plus the embassies) appear to be way below comparable development cooperation programs elsewhere.
  - **Project Management:** Project administration is usually not a high priority concern in a Ministry of Foreign Affairs. The Western Balkans programme is thus an organisational anomaly as it is a staff-demanding undertaking, requires skills sets that an MFA normally does not have or wants to invest much in, has required in periods considerable attention by senior management – political and administrative – when in other settings such issues would be handled by external bodies set up to manage funds and project programming. This has led to the MFA receiving at times harsh criticism for not managing well an area that is normally not a “core business”, and leading to situations such as the continuation of poor project management practices (annual cycles) due to lack of knowledge of basic budget procedures (that the budget lines in question did not prevent multi-annual agreements even though funding guarantees were only annual).

## 4. Norwegian Assistance to Bosnia and Herzegovina

In Bosnia and Herzegovina (BiH), 1990 parliamentary elections led to three ethnically-based parties forming a loose coalition. A declaration of sovereignty in October 1991 was followed by a referendum on independence early 1992 – largely boycotted by the Serb population – and with open warfare breaking out in April 1992.

The three-year war led to an estimated 113,000 killed and over 40,000 still missing. GDP fell by 75% while more than a third of the country's 1.2 million houses were completely or partially destroyed. "Ethnic cleansing" forced about 2.2 million to flee their homes, of whom over 1 million were internally displaced persons (IDPs). While about 580,000 returned to their pre-war places of residence, in June 2009 UNHCR still had 113,600 registered as IDPs. Over 450,000 who left BiH did not return after the conflict.

At the end of the conflict, Bosnia and Herzegovina was therefore a newly sovereign state with a destroyed economy, deep communal polarisation, massive population dislocation including a severe brain-drain, and needing to develop a modern and cohesive society.

The Dayton General Framework Peace Agreement signed in December 1995 created a complex institutional and administrative structure, with two constituent Entities: the Federation of BiH (FBiH) and Republika Srpska (RS) plus the independently administered district of Brcko and a limited State structure at the national level. The Constitution of BiH, provides limited powers to State level institutions as most powers belong to the Entities.

The Federation of BiH is further divided into ten cantons that are territorial and administrative units with legislative and executive powers and considerable autonomy in matters like education, regulation of land use, police, etc. The situation in the Republica Srpska is simpler due to a centralized administrative system that has full legislative and executive powers in all sectors and areas.

There are therefore up to 14 separate authorities, generally poorly coordinated, with at times different legislative regimes and administrative systems, that must be consulted for pan-territorial agreements. At the same time, the estimated 200 ministries represent an extremely costly and inefficient public sector that is a major drain on the national economy.

EU membership is one of BiH's main political objective. It joined the Stabilization and Association Process with the EU in 2007, but overall progress is considered poor and it is unclear when the country is likely to become an official candidate member.

GDP per capita in 2008 was estimated at USD 4,510, so BiH is a middle-income country. But the registered unemployment rate remains above 40%, and in 2007, 20.1% of the BiH population was considered poor. BiH faced the dual challenge of rebuilding a devastated economy and restructuring what had been a centrally planned economy heavily reliant on a vastly overstuffed defence industry. Agriculture consists largely of small and inefficient privately owned farms, so BiH has historically been a net food importer.

The complex administrative and institutional structures create serious obstacles to private investment and the implementation of development projects. The devolution of responsibilities coupled with weak or missing coordination of the various authorities leads to an absence of strong and reliable local government partners. This in turn means that BiH in many fields does not constitute a truly single economic space, which hurts investments.

#### 4.1 Structure of Norway's Financial Support

With the signing of the Dayton Peace Agreement in December 1995, Norway and other donors at the Brussels Conference in December 1995 prepared for a massive, speedy but short-term assistance to BiH, focusing on reconstruction. The idea was that what Bosnia needed was a "quick fix": an injection of resources to get infrastructure and housing restored, and the economy would pick itself up as restructuring of the state and the EU approximation process got on track.

The establishment of the **Office of the High Representative** (OHR) at the beginning of 1996 moved much of the on-the-ground coordination from the UN – in particular the UNHCR – to the OHR. The **Organization for Security and Cooperation in Europe** (OSCE) established a massive presence and became an important on-the-ground actor that Norway supported and channelled funds through, and in 1999 the **Stability Pact** was launched. The idea was to have a mechanism that could act as a bridge between the region and the international community. It was therefore a temporary communication and coordination body, including for financial support, with the OSCE providing the political-management leadership.

But Norway's main response mechanism was to use Norwegian actors who either were already on the ground or at least were used to working under difficult circumstances. The larger and more professional NGOs were therefore mobilised to deliver the immediate aid.

By 1999, when it was clear that Norwegian support would continue for medium-term development, Norway's aid agency Norad was mobilized to handle the longer-term development projects, especially private sector development and infrastructure. A general strategy was developed with the intention of Norad then handling about 40% of the aid package. This arrangement ended when Norad and the MFA

were restructured early 2004. During this period Norad placed a staffer in the Sarajevo embassy, which otherwise only had an ambassador and a first secretary to handle the assistance.

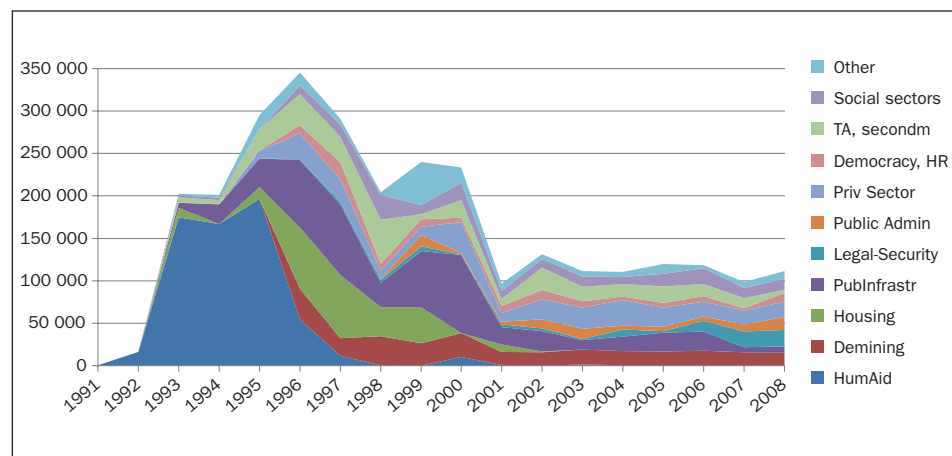
The assistance to BiH has totalled over NOK 3 billion (see Annex D), divided into three phases of support:

- **Humanitarian aid** and support to internally displaced was provided 1991-1996;
- **Reconstruction and development** as of 1996, reconstruction largely ending in 2000 while certain development activities have continued till today;
- **Democratisation and Euro-Atlantic approximation** as of 2000 till today.

This funding has in turn been grouped into a dozen **program areas**. Annex Table D.1 gives allocations by year by program area, and is the basis for Graph 4.1. The graph shows funding began with small amounts early on, rose to an average of a little over NOK 310 million over the three-year period 1995-1997, fell to an average of about NOK 225 million the following three years, and then has remained around NOK 100 million during the last eight years of the period.

The humanitarian aid totally dominated the funding picture during the first five years but was quickly phased out as of 1996. What is labelled as public infrastructure began in 1992/93 as the rebuilding of destroyed homes and communities: small-scale community health and school facilities as part of providing incentives for IDPs to return and rebuild their lives. Over time, this category has become more classic rebuilding of large public infrastructure, which in the case of Norwegian funding has focused on power and water systems.

**Graph 4.1: Norwegian funding to BiH, by Program Area and Year (in NOK '000)**



Demining has become a corner-stone in the Norwegian program, averaging about NOK 15 million the last eight years. Norway has spent nearly NOK 300 million on funding Norwegians in various fields, much of it being to OSCE-led operations through the NORDEM system, particularly in the fields of democratisation and election observers.

Support to public sector development has been limited, though assistance to legal-security reform has been substantial. A lot of the secondments (see Annex D Box D.11) has been for this. Another field where Norway has spent more resources than normal is for private sector and livelihoods development. A category that has been politically important for Norway is support to democratic development, dialogue and human rights. The main activity has been support to the so-called Nansen Dialogue Centres (NDCs). In the social sectors, funding has gone for support to war-traumatized, anti-trafficking and children’s rights.

**4.2 Channels for Support**

Norway used a large number of actors as agreement partners for its assistance to BiH. Over 68% went through Norwegian partners, while 22% was channelled through international bodies and only 10% through Bosnian actors. Among the Norwegian actors, the NGOs were by far the most important, as can be seen also in graph 4.2. They handled over 50% of the entire funding for BiH, and during the humanitarian phase 1993-97 over 70% went through them. The importance of Norwegian NGOs has tapered off now, where the NPA’s demining program alone accounts for over half the NGO expenditures since 2003.

Another issue regarding Norway’s assistance is the degree of dispersion or concentration which is reflected in the *number of agreements* signed each year, the *number of different partners* that were awarded contracts, and the average size of the contracts (two-year averages have been used to avoid year-to-year “noise” (table 4.1 below).

**Graph 4.2: Expenditures by year by Channel/Type of Agreement Partner (NOK ‘000)**

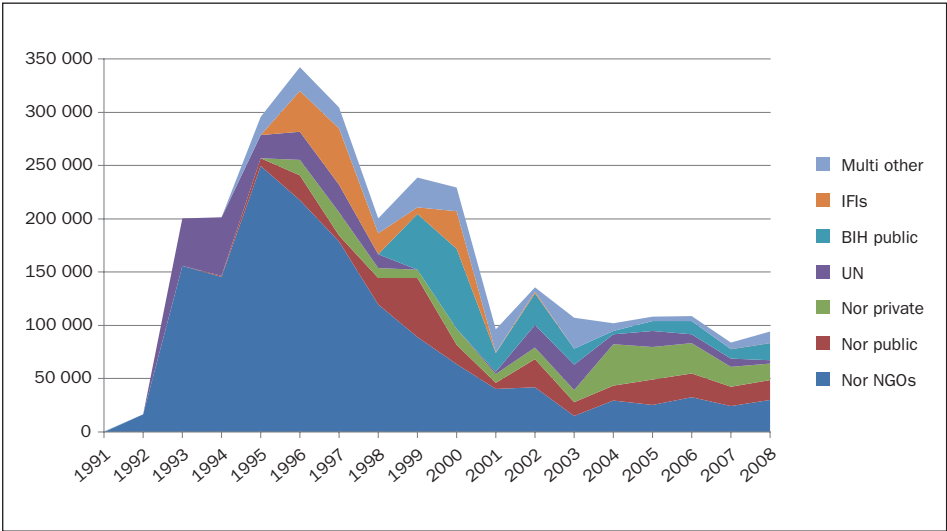


Table 4.1 shows that the number of contracts exploded in the early years till it stabilized around 70-80 agreements a year, before an attempt at reducing the number of contracts led to a substantial fall to an average of just over 50 the last two years. The number of partners – not counting local partners getting Embassy projects – has hovered around 30-40 a year, however. The average size of contracts for

emergency and reconstruction was quite high, but during this decade fell to about NOK 1.5 million, before increasing again during the last two years as number of contracts dropped. The average size thus remains small.

**Table 4.1: Number of Contracts, Implementing Partners, Ave Size of Contracts (NOK '000)**

	91-92	93-94	95-96	97-98	99-00	01-02	03-04	05-06	07-08
No. agencies	2	8	21	31	38	34	39	43	41
No. contracts	8	67	108	122	84	85	71	74	51
Ave contract	760	3,424	3,291	2,932	2,835	1,364	1,580	1,594	2,098

### 4.3 Norway's Humanitarian Assistance

The Norwegian humanitarian assistance consisted largely of three kinds of interventions:

- (i) Emergency relief during the hostilities, largely food, health care supplies and services, and transport/logistics to get the supplies to the beneficiary populations;
- (ii) Support to the internally displaced persons (IDPs), mostly temporary shelter, protection and necessary survival items including food, water supply, etc;
- (iii) Humanitarian demining.

The actual interventions (projects/programs) looked at by the team were:

- The emergency relief operations by Norwegian People's Aid (NPA), Norwegian Red Cross (NRX) and Norwegian Refugee Council (NRC);
- The support to NPA demining 1996-2008.

#### 4.3.1 Relevance

**Emergency relief operations** were clearly the most relevant interventions the international community could fund at that time: half of BiH's population was being displaced; basic security and social services were destroyed or weakened and thus not available to large parts of the population; markets were disrupted, distorted or disappeared altogether so people were not able to find work or buy food and other basic commodities. In this situation, there was no doubt that a massive emergency operation was required.

Norway put together a fairly integrated response by providing transport, food and other survival items, basic health supplies, and the logistics administration to ensure that the supplies reached the beneficiary groups Norway had been asked to cover.

The MFA contracted the largest Norwegian NGOs that also had the longest experience of working in emergency and conflict situations. This ensured the MFA that the operations would be based on the best knowledge that Norwegian actors had at

that time, both in terms of assessing the needs on the ground, and how best to respond to them.

The survival items provided were standard aid packages similar to those provided by other aid donors. As far as health sector support was concerned, the health care needs were derived from on-site visits, including surgical equipment and supplies to the large regional hospitals in Zenica and Tuzla, each one serving an estimated population of 550,000, and where Norwegian Red Cross (NRX) was providing almost half the medical supply needs. In Tuzla, the support was done in conjunction with the military hospital run by the Norwegian contingent to UNPROFOR/ SFOR, so in addition to physical supplies there was also collaboration between the Norwegian medical staff and the Tuzla doctors. This also ensured that Norwegian supplies, according to local doctors, were tailored to their needs. This is in line with a 1995 review that noted that Norway worked closely with local doctors and thus ensured an efficient, effective and relevant response to the health care needs: *“without NRX’s contributions it is doubtful if the two large hospitals in Tuzla and Zenica could have maintained their surgery activities at an acceptable level”* (our translation) (Norconsult 1995, p. 2).

The **IDP shelter and support program** was a relevant supplement to the humanitarian aid program, since the one million IDPs were also a main beneficiary group for the humanitarian assistance. The actual number of shelters that were set up is unclear, but several of the compounds constructed – for example close to Tuzla – are still in use today, attesting to the quality of the work done and the validity of the thinking in terms of providing temporary housing of a quality that would allow for longer-term occupancy.

The Norwegian People’s Aid’s **demining program** addressed the serious mine problem the country faced, and while demining has been on-going for nearly 15 years, BiH is still one of the most mine-affected countries in the world: 3.3% of the territory is estimated to be mine contaminated, with an estimated 220,000 mines affecting the lives of about 920,000 persons. National authorities have increased their own allocations to mine clearance, reaching 40% of all funding in 2007, reflecting the importance attached to mine clearance.

#### **4.3.2 Effectiveness**

The emergency operations were seen as quite effective in the sense that they got the aid to the intended beneficiary groups (the team was not asked to look at *efficiency*, where losses of 15-30% of shipments to combatants’ “taxation” of supply convoys evidently was common). The component that has been mentioned most, however, was the logistics and its administration. While the Norwegian People’s Aid started out by organizing the trucking of the pre-fabricated housing for IDPs, the Norwegian Refugee Council was given overall responsibility for the trucking operations, and ended up providing excellent transport to some of the most difficult areas (see Annex D Box D.2).

A similar pattern could be seen regarding demining: the early work faced a number of challenges that led to quite critical reviews of performance (see Annex D Box D.1), but over time these were addressed and the larger objectives were achieved.

The **efficiency** of some early NGO interventions may be questioned. This was partly due to challenges of working in a conflict environment where security at times was unclear, information could be contradictory, the real intentions of a number of the actors could be questioned, and the normal rent-seeking activities occasioned by chaos, lack of legitimate authority and vast amounts of quick-disbursing emergency aid made it difficult for foreign actors who neither spoke the language nor were familiar with the local stakeholders to steer a clear course. It was also a function of some of the organizations themselves operated under such complex operations for the first time. Another serious source of delays was the late arrival of funding, as the MFA processed each and every request back in Oslo. Funds often ended up being deposited into NGO accounts towards the end of the first quarter rather than being available at the beginning of the year. A lack of realism also meant NGOs promised more than they could deliver, and they were especially taken by surprise regarding the severity of the winter conditions in parts of the country and the delays this caused.

**Table 4.2: Humanitarian Assistance, Assessment of Results**

Activity	Relevance	Effectiveness
<b>Humanitarian aid: NPA, NRC, NRX</b>	Massive, nation-wide crisis ⇒ food aid, health, IDP support, logistics: <b>Highly relevant:</b>	<ul style="list-style-type: none"> <li>• Food aid, survival items to hard-to-reach areas ⇒ <b>Effective</b></li> <li>• Medical supplies well tailored to local needs ⇒ <b>Highly effective</b></li> <li>• IDP shelter, support ⇒ <b>Effective</b></li> <li>• Logistics for aid ⇒ <b>Highly effective</b></li> </ul>
<b>Humanitarian demining: NPA</b>	Among most mine-affected countries, preventing safe return, economic activities ⇒ <b>Relevant</b>	<ul style="list-style-type: none"> <li>• Over time areas demined; local staff hired and trained; new techniques developed, applied; partnering with BHMAL in place; most-affected communities supported ⇒ <b>Effective</b></li> </ul>

#### 4.4 Reconstruction and Development Assistance

The support to reconstruction and development consisted for the most part of three kinds of interventions:

- (i) Reconstruction of housing;
- (ii) Rehabilitation of public infrastructure, basically power and water supplies;
- (iii) Support to private sector development.

The actual interventions that the team has looked at were:

- Housing reconstruction by Norwegian People's Aid and Norwegian Refugee Council;
- Demobilisation of ex-soldiers by International Organisation for Migration (IOM);
- Support to agricultural cooperatives by Jæren Produktutvikling (JPU);
- Entrepreneurship training by Business Innovation Programs (BIP);

- Industrial incubators in Tuzla and Banja Luka with SINTEF and SIVA;
- Rehabilitation of power systems in Sarajevo (EBRD) and Srebrenica (UNDP and International Management Group, IMG);
- Rehabilitation of water supplies with Norplan.

#### **4.4.1 Relevance**

The relevance of the housing projects in terms of the immediate need for rebuilding lost assets is obvious. In terms of the relevance to the larger objective of contributing to peace, democracy and reconciliation, the issue is more complicated. The first phase rebuilding was for those who remained in areas controlled by their own ethnic group, whereas the subsequent “minority return” program faced much greater problems. One was political willingness by local authorities to let minorities return, but also information and counselling to those who could return about their rights. Then came the realization that successful return required assistance to reconstitute the local community through social and other community infrastructure, but also ensuring possibilities for a livelihood, which meant projects had to be more encompassing in order to achieve the set objectives. A more painful problem was that many minority members, especially among the young, did not want to return to their place of origin because they did not believe that they would be able to build the kind of life they wanted in what they felt would be largely a hostile environment. The dominance of the older in many minority return programs, the problem of unoccupied houses reflected the fact that some of the return programs did not go deep enough in uncovering what the intended beneficiary population really wanted, but was driven by a political consensus on the donor side of not acceding to the unpalatable reality of ethnic cleansing. Some return building has clearly also been seen as a defiance and challenge to the majority population in the area. This is of course not an acceptable reason for not promoting minority rights, but points to how carefully reconciliation needs to be thought through and implemented if the end result is to be increased mutual acceptance and the beginning of a genuine reconciliation rather than an imposed spatial distribution of people.

The rehabilitation of physical infrastructure was in many ways easier but in reality contained some of the same challenges. The reconnection of Bosniak families to the power grid in Srebrenica was of genuine importance to them, and the fact that the Serb utility and Bosniak community leaders could talk together and find a mutually acceptable solution after the atrocity committed and the communal distrust is of course positive. But this was simply a pragmatic and to a large extent opportunistic market transaction: the Serb utility go an external agent to subsidize the connection of a new set of paying customers, and in an era where commercial pressures were increasing who would not be willing to accept such an offer? What we know nothing about is any longer-term attitudinal or behavioural changes on either side from this project, so this relevance dimension remains unknown. Similar was seen in the water sector, where municipal-specific utilities were happy to get assistance for upgrading assets and systems, but where cross-ethnic distrust meant the Mostar water project faced major difficulties as the Bosniak and Croat sides did not want to work smoothly together, and where the inter-communal joint operation in four communities along the Vrbas appears over time to be deteriorating again.

The private sector development (PSD) support is the most problematic in terms of relevance. The irony is that this is the one sector where a genuine attempt was made at mapping sector needs, describing the other actors and their activities, identifying remaining gaps and then looking at comparative advantages of Norwegian actors in order to develop a strategy for Norwegian assistance (Norad 2002). The problem is not that the original mapping was wrong (though particularly for the agricultural sub-sector it probably was incomplete and superficial in terms of understanding the real dynamics and challenges). The problem has been the difficulties and lack of progress in making the interventions more strategic over time through linking with larger public policies and processes, so the support has little impact beyond the small-scale projects themselves. The agricultural program is particularly vulnerable in this regard because the needs for genuine progress in a sector that serves such a large share of the very poor could be so beneficial yet remains mired in small isolated enclaves called cooperatives that show little dynamism and role model building.

The IOM demobilisation was relevant though not critical as it was the last disarmament, demobilisation and reintegration (DDR) phase in BiH. It clearly had the political support of the authorities. One might question whether the funds required for successful demobilization was the best use of what at that time was becoming a rapidly decreasing pool of grants funds. Experience is, though, that if disarmament, demobilisation and reintegration is not fully and completely done, society risks young men with weapons begin looking for alternative (destabilizing, criminal) means of securing their livelihoods, which is an extremely costly alternative for society.

#### **4.4.2 Effectiveness**

The effectiveness of the housing programs is probably fairly high in terms of measured outputs, and also improved over time in terms of occupancy rates (Outcomes) for the minority return programs. A pilot project in Sarajevo, assisting the transition towards more owner-managed housing, also seems to have been successful, though it was never replicated and expanded with Norwegian funding so the real effectiveness is unclear.

What is also clear, however, is that rebuilding housing in an immediate post-conflict setting leads to pressures to respond as if it were an emergency. This problem was compounded by Norway only providing one-year funding horizons, making it dysfunctional for the Norwegian NGOs to prepare long-term plans with clear medium-term results focus. At the same time, housing is the single most important asset of a household. The expected lifetime is one or two generations so housing ought to have been treated as a long-term investment. MFA delays in making funding available means that the pressure to deliver efficiently undermined the ability to involve local stakeholders to the extent that such construction projects would normally entail. The introduction of an Information and Counselling program (INCOR) by the Norwegian Refugee Council was an improvement, but it is noteworthy that there was little generalized learning for improved results taking place: the Norwegian People's Aid did not learn from the Norwegian Refugee Council since there was a sense of competition between the two organizations, but even within the Norwe-

gian Refugee Council the improved financial management and reporting that the housing program funded by EU European Community Humanitarian Aid Office demanded did not lead to similar improvements for the MFA funded projects.

Another criticism is the lack of wider economic effects of this labour- and materials-intensive program. While construction programs can have very high local economy multiplier effects, studies note the import- and foreign technical assistance intensity of the reconstruction. The first factor weakens incentives for rebuilding the national construction materials industry, while the second both holds back the demand for local skills but also is one of the reasons for limited local consultations: language and cultural barriers made close dialogue difficult and costly, especially in terms of time use.

Because of the high value to the families who could get new housing, this was of course a target for corruption. There are stories concerning construction contracts based on favouritism though supposedly controls were put in place that over time reduced this vulnerability. A larger problem noted in studies and confirmed in interviews is that allocation of housing became hostage to local politics and corruption: some were able to get more than one house through false documentation, family ties to decision makers, etc. To what extent this affected Norwegian funded housing is not known, but there is no reason to believe that it was materially different than for other reconstruction programs (Annex G).

The infrastructure programs clearly achieved their physical assets objectives, but more importantly also seem to have been fairly successful in introducing better organizational models and financial management including better tariff policies and payment rates and thus financial viability. The more complex organizational changes that were pursued when it came to inter-ethnic collaboration (water sector) appear less successful.

The private sector development interventions have struggled when it comes to effectiveness in that a number of the first-order outputs – new cooperatives established, number of students participating in the Student Enterprise fairs, number of firms established in the Tuzla BIT centre – have been achieved, but the intention of them contributing to further spread effects are so far limited. This is particularly a challenge for the first two programs since they have been in place for about ten years now and thus have had considerable time to take hold locally. While the Business Innovation Programs program now seems to be getting an institutional anchor in the Republic of Srpska through a January 2010 agreement, the cooperative project is still struggling to link up with agricultural authorities. There are also questions about what the overall strategy has been in developing the coops, as one deals with milk, another with grapes and honey, others again produce potatoes, so there clearly is not a *product*-strategy that is driving it. The fact that the export of potatoes to Norway has not really shown much of a trend over the last five years raises a question about what the long-term outputs are that the program believes constitute signals of success. The Tuzla incubator can point to some of the firms establishing themselves and surviving beyond the incubator period, but these are still few and thus uncertain cases.

The demobilisation project did not reach its quantitative target due to lack of funds, but the final evaluation noted that “IOM’s performance is impressive in terms of sustainable employment ...emphasis on sustainable employment instead of on the short-term subsidizing of jobs has proven to be valid” (Heinemann-Grüder et. al. 2003, p. 29). This was in part attributable to the fact that this was the last phase of the DDR process and thus built on the insights generated by the previous phases. This ensured that approach and forms of support provided were well targeted and hence addressed the problems in an appropriate manner.

#### **4.4.3 Impact**

The longer-term impact of the housing programs is unclear. One well-documented study notes the limited data when it comes to real effects on beneficiaries (Kirken-gen 2006). A detailed study by Sida (Čukur et al, 2005) and a research-based analysis of donor housing (Skotte 2004) raise a lot more critical questions and concerns than the immediate results studies of the Norwegian housing programs, which give some reason for concern. One thing is the lack of reflection around the role that housing places socio-culturally, and which was compounded by the fact that the Norwegian NGOs were not really knowledgeable in the housing field: they hired engineering skills and felt their own post-conflict management would be sufficient for ensuring good overall results. While Skotte raises questions about the impact of imposing the rebuilding of minority-group housing, there are nonetheless indications that over time occupancy rates increased. The reasons for this may be several, however: the rightful owners took possession of the houses but then sold or traded them to majority families who needed or wanted new housing, and some families use the rebuilt houses as second homes or retirement homes for the older generation while the younger ones have moved elsewhere, in part for livelihoods reasons. Overall, however, there do not seem to be recent studies that address the more contentious issues regarding the Impact on long-term housing and settlement patterns, the effect housing reconstruction actually had on reconciliation (or if this at least laid the foundations for reconciliation), and the spread effects housing had on rebuilding living social networks. Similar holds for the home-owner program in Sarajevo, where the longer-term results in terms of this functioning as a good model for this socio-economic asset transformation is not known.

The infrastructure projects have led to better quality and more reliable provision of power and water in the affected communities, and thus the improvements in quality of life that this entails. The longer-term effects on cross-ethnic collaboration and thus overall more rational resource use – by water basin, across ethnic-based power companies – is not discussed except as a looming and thus unsolved issue in the water sector. The original objective for the water sector intervention – “contributing to the ongoing peace process” – may not have been such a bad idea, but it would have required some reflection around how to do it. One Norwegian firm was asked if they were aware of the work that the Nansen Dialogue Centre was carrying out and if they had considered using them in the project. The project was aware of the centre but felt they could handle the issues themselves. Given the lack of ambition about what the projects were to achieve and lack of clarity concerning what the projects might achieve in this field, this response is understandable. What remains as a question to Norway and the international community is how major

reconstruction activities such as public infrastructure can be linked into larger reconciliation and community re-constitution processes since these may exactly be the occasions in which community decision-making and discussions on distribution of resources and equity can be used to bridge gaps – if done well.

The Private Sector Development interventions may actually harbour some interesting models and lessons, but since none of them have been tracked over time nor along any kind of expected trajectory, little regarding higher-level Impact is known. This is critical since it is these higher-level results that could justify the considerable resources that have been poured into in particular the incubators and the rural cooperatives. Has the Business Innovation Programs program led youth not necessarily to become entrepreneurs, but has the group- and project based pedagogy and the “can do” philosophy spilled over into attitudes and behaviours that are more innovative, self-confident in other walks of life? Are upstart projects by graduates from Business Innovation Programs more or less likely to survive than those who did not benefit from this experience? Have Jæren Produkt-utvikling coop members changed their attitudes towards quality control, professional running of their own farms, input purchases, commercialisation? Are they more innovative, seeking new production techniques, looking for more joint solutions? Are the incubators a model for how to nurture up-start firms in a highly uncertain environment in the transition out of a planned economy, or is this a very expensive subsidy to a few privileged individuals?

Another question is if there is a need for scale and visibility in order to improve the probability of institutionalization. It may for example be the case that the Jæren Produkt-utvikling model is quite appropriate to large parts of Bosnian agriculture, but that the limited funding made it difficult to move beyond the slow one-cooperative-a-year progression. If after a pilot phase the parties agreed that the model was important, it should probably have been scaled up so that it really could have an impact – or terminated and the resources instead spent on the Private Sector Development activity that was actually achieving important results and scale that one up instead.

The evaluation of the demobilization program was done at a stage where long-term effects could not be registered, though there were concerns in terms of how the demobilized were doing economically. While BiH was not considered to be so unstable that armed conflict was likely to break out again – and hence a real failure of the DDR program would not have dire consequences – the feeling of increasing instability that seems to be growing is not a good sign. One of the key results that a Disarmament, Demobilisation and Peintegration (DDR) program should lead to is that command, control and communication structures of the former combatants are largely broken and not likely to be useful in cases of future instability. It is not clear that this has happened as the larger reconciliation process has not progressed very far, so there may be good reasons for going back and checking how the demobilized really experience their situation.

#### 4.4.4 Sustainability

Housing, being a private asset, tends to be a sustainable investment as long as technology and design chosen is in line with local traditions, and thus can be maintained and is seen as desirable by the owner. In BiH the further dimension of **location** – was the housing really built where the intended owners wanted them – has to be added. Skotte (2004), Čukur et al (2005) and Kirkengen (2006) all raise questions regarding aspects of sustainability: parts of the program was too import intensive; the intended beneficiaries were not always consulted properly, especially in the early phase but in general the Norwegian programs faced the constraints of the annual funding that made reasonable consultation difficult (though the Information and Counselling program was created to address this). The location of houses was particularly an issue with “minority return” housing since homes were built in areas where the intended beneficiaries no longer wanted to live, or where the changes brought about by the war made livelihoods in the rural areas much less viable and thus some rural houses remained unoccupied. On the other hand, adding in various forms of social infrastructure and helping increase self-ownership in urban areas probably increased the motivation for keeping and maintaining the homes.

The improvement in organization and financial management of the power and water companies undoubtedly strengthened their financial viability. In the power sector there are essentially different national power utilities along ethnic lines, which ensures that overall rationality in what is a limited national market is below its potential, and which may affect long-term sustainability as the power market in South-eastern Europe opens up and becomes more competitive. This is a more immediate concern in the water sector especially in the Federation since political control by a particular ethnic group in one municipality creates major obstacles to more efficient and effective use of water resources in the larger river basin. From a BiH *national* perspective the water sector appears particularly problematic since watersheds clearly do not follow ethnic divisions.

None of the private sector development programs appear very sustainable, though for different reasons. The agricultural cooperatives, each separately, are able to scrape out a small surplus but as an aggregate the profit from the growth pole – the commercialization/export hub *Agroneretva* – is thin and not showing much dynamism. One thing is that the cooperatives as a group have not been able to get long-term contracts with national food chains (largely foreign owned) – their natural home market – but also have so far not shown much dynamic in terms of important export markets: there is very little going to the EU though the Hazard Analysis and Critical Control Points certificate is EU-valid, and the quantities sold to Norway, despite stable and encouraging support, remain minuscule. More important, the Jæren Produktutvikling model has not been taken on by any of the local agricultural authorities and the links to agricultural research and testing stations has so far been absent. As noted before, this is unlike Serbia where things appear much more sustainable, and Croatia where Jæren Produktutvikling exited with a viable cooperative group in place. So it may be BiH and not the model that is the major problem. That, however, is little consolation: as of today the model does not appear very sustainable.

Business Innovation Programs has now got the agreements for moving the entrepreneurship training from a voluntary to a more integrated part of the school curriculum within the Republic of Srpska and Posavina canton, which is positive. The challenge is whether the link for example to EUVET will make this a more national model. The lack of serious verification of results and thus empirical evidence for the value-added of the model makes it less likely that other ministries of education will take on what is after all an additional cost to their already underfunded education budget. But this means that the sustainability of the model remains questionable.

The incubators have been very expensive to set up. What remains to be seen is if these were necessary one-time investments or if there is a major long-term subsidy element in the program that makes the incubators non-viable over the medium term. The business models developed for the incubators supposedly are built on long-term sustainability. Given the high costs and the stagnant business environment in BiH, some of the parameters of the business model may be optimistic, so there is a need to track performance and analyze whether the costs are worth it or other cheaper forms for entrepreneurial incentives may make more sense.

#### **4.5 Democratisation and Euro-Atlantic Approximation**

The support to democratisation and Euro-Atlantic approximation was largely made up of three kinds of interventions:

- (i) Strengthening social sectors and services;
- (ii) Legal and justice sector reform;
- (iii) Strengthening democracy, human rights and reconciliation.

The interventions the team looked at were:

- Social inclusion, gender and children's rights by UNICEF and Save the Children Norway, SCN (*Redd Barna*);
- Secondment to the High Judicial and Prosecutorial Council (HJPC) and spin-off activities from this,
- Reconciliation through the Nansen Dialogue Centres (NDCs).

**Table 4.3: Reconstruction and Development Assistance, Assessment of Results**

Activity	Relevance	Effectiveness	Impact	Sustainability
<b>Housing – NRC, NPA</b>	One third of housing destroyed ⇒ rebuilding: <b>Highly relevant</b> : Targeting intended beneficiaries, selection of location, contributing to reconciliation: <b>Variable</b>	Physical works: <b>Effective</b> Stakeholder involvement, definition of priorities: <b>Variable, improved</b> Economic effects: <b>Limited</b> Corruption control: <b>Weak, improved</b>	Immediate results on households w new/repared homes: <b>Positive</b> Reconstitution of social networks, livelihoods, building sector, reconciliation: <b>Unknown</b>	Majority return homes: <b>Good</b> Minority return homes: <b>Good where done well, improving in zones where originally not done well through transactions/exchanges</b>
<b>Power rehab – Srebrenica, Sarajevo</b>	Need to rebuild national and local grids, improve viability: <b>Relevant</b> Contribution to reconciliation: <b>Weak</b>	Physical works: <b>Effective</b> Organizational, financial management improvements: <b>Effective</b>	Public services: <b>Much improved</b> Community reconciliation: <b>None</b>	Short-term: <b>Good</b> Long-term as markets open up: <b>Potentially problematic</b>
<b>Water rehab – municipal, various</b>	Need to rebuild national and local grids, improve viability: <b>Relevant</b> Contribution to reconciliation: <b>Weak</b>	Physical works: <b>Effective</b> Organizational, financial management improvements: <b>Effective</b>	Public services: <b>Much improved</b> Community reconciliation: <b>None</b>	Short-term: <b>Improved</b> Long-term by larger watersheds: <b>Potentially problematic</b>
<b>Ag coops – JPU</b>	Need for collaborative mechanisms in small-holder BiH ag: <b>Relevant</b> Commercial principles for credit scheme: <b>Highly relevant</b> Overall model, strategy: <b>Unclear</b>	Viable cooperatives established: <b>Reasonably effective</b> Cooperatives as model for BiH: <b>Limited effectiveness</b>	Farmer income levels, stability: <b>Supposedly improved (unclear)</b> Viability, dynamic of agricultural sector: <b>Limited, None</b>	Individual cooperatives: <b>Marginally sustainable</b> Commercialisation hub: <b>Acceptable</b> Coop model: <b>Unclear</b>

Activity	Relevance	Effectiveness	Impact	Sustainability
<b>Entrepreneurship training - BIP</b>	Contents, pedagogical approach: <b>Highly relevant</b> Link to educational system: <b>Unclear</b> Contribution to reconciliation: <b>Weak</b>	Training program established: <b>Effective</b> Training as model for BiH: <b>Limited effectiveness</b>	Entrepreneurship, pedagogical approach on teachers, students involved: <b>High</b> Improved school system: <b>Limited</b>	As part of curriculum: <b>Poor, with exception of RS</b>
<b>Industrial incubators – SINTEF, SIVA</b>	Need for supporting modernization of BiH industry, ICT: <b>Relevant</b> Incubator model: <b>Unclear</b>	Tuzla results: <b>Reasonable</b> Incubators as model: <b>Questionable effectiveness</b>	On firms supported: <b>Positive</b> On sector, ICT: <b>Unknown, None</b>	Incubator itself: <b>Unclear but undoubtedly facing challenges</b>
<b>Demobilisation - IOM</b>	Need for DDR: <b>Relevant</b> Model chosen which based on previous DDR phases: <b>Relevant</b> Contr to reconciliation: <b>Unclear</b>	DDR exercise as such: <b>Effective, though also the last of four DDR phases in BiH</b>	Life situation of the demobilized: <b>Unknown</b>	DDR program itself closed – sustainability of livelihoods of ex-soldiers: <b>Unknown</b>

The support to legal and justice sector reform has been important and relevant, based on long-term and consistent dialogue between the legal institutions in BiH and Norwegian authorities. The secondment of senior Norwegian lawyers to the High Judicial and Prosecutorial Council (HJPC) along with financial support has been highly successful, and Norway is set to continue the support to the council after the staff secondment ends in 2012.

The question of *attribution* of the results is important, however. On the one hand some of the impressive outputs by the High Judicial and Prosecutorial Council can clearly be accounted for by the seconded lawyers that provided advice. But the *structural conditions* that can explain how the council got the political space to carry out such reforms are primarily due to the EU insisting that unified legal sector reform had to take place and the Office of the High Representative pushing for systemic change and signed agreements to ensure that this happened, both of which Norway has supported but hardly something Norway can take credit for (see also Annex D Box D.9).

In the field of Democracy, Human Rights and Reconciliation, Norway has not had a clear strategic direction for its support. What Norway has been good at is being attentive to issues and opportunities, and been willing to support a fairly eclectic range of interventions and take risks. Norway was the first large-scale funder of the Research and Documentation Centre, an intervention that has been critical to getting important facts on the table concerning the actual level of conflict deaths. Norway was an early supporter of Balkan Investigative Reporters Network, which has provided comprehensive and reflective reporting on the war crimes proceedings in BiH. The Nansen Dialogue Centre has been an innovative and insistent local voice for ensuring space for dialogue and supporting actions at community level (see Box D.10). Many of the cultural events that have moved audiences to reflect on issues the country is facing due to the ethnic dimensions of the conflict have been supported by Norway, including one of the few truly regional projects, the *Sarajevo Notebooks* (see Annex D Box D.11). From the perspective of assisting and nurturing local initiatives that could contribute to democracy and reconciliation, Norway has therefore supported a wide range of relevant activities. What has been missing is follow-through and follow-up through structured learning and critical assessments: Norway has let a hundred flowers bloom, but the gardener has thereafter not been good at tending to those flowers that were really blossoming and weeding away those that wilted.

#### **4.5.1 Effectiveness**

The social sector interventions by UNICEF and Save the Children-Norway appear all to have delivered both expected outputs but in particular to have contributed to the hoped-for outcomes. This is reflected in greater political awareness and improved framework conditions with better legislation and Ombudsman capacity in place. Public sector and civil society skills are better leading to improved services to the target populations. Local actors have been empowered through establishing better networks to like-minded groups, both within BiH but also to regional networks throughout the Western Balkans (see Annex D Box D.8).

The support to legal sector reform has also delivered more than could have been hoped for when the support began. The model with an independent High Judicial and

Prosecutorial Council is in fact seen as so successful that BiH is now “exporting” this to other countries in the region, with strong support from the international community. The Norwegian inputs to these processes and results appear to have been important.

In the field of support to democracy, human rights and reconciliation, it is difficult to know what has been achieved, since Outcomes from deliverable Outputs generally are not well specified and much less well documented, as far as the evaluation has been able to ascertain:

- The Research and Documentation Centre has produced an impressive database on all registered/known deaths, has put this onto an electronic map of BiH, and linked all known information to individual cases. This is available through the internet, the resource centre is open to all and their staff participate in meetings and provide presentations. The question is what this has led to in terms of increased knowledge and awareness, empathy, attitudes and behaviour, across different groups and geographic areas – but also what can realistically be expected from only one program like the Research and Documentation Centre.
- The Nansen Dialogue Centre has been working nearly five years in Stolac and the Srebrenica/Bratunac areas, and can point to a number of important achievements – schools becoming more integrated, inter-ethnic committees set up, requests for NDC services from other localities that see the progress made. Yet more tangible, conclusive and replicable Outcomes are missing, making the longer-term success of the Nansen Dialogue Centre activities unclear.
- United World College (UWC) notes the successful introduction of the *International Baccalaureate* in BiH as one success indicator, as the IB’s international reputation is not only academic but also built on universal values of human rights, tolerance etc. What the result is in the context of BiH is debatable, however, since the students are largely self-selected: only those already accepting the basic values that the United World College is based on would wish to apply and take the academically demanding course. The value-added to inter-ethnic dialogue and reconciliation is thus unclear, and hence the justification for the large Norwegian funding as well.

On the other hand, Balkan Investigative Reporters Network has produced over 6,000 court reports, 500 radio reports and RSS feeds; records an increasing number of “hits” on its web reaching about a million a month, an increasing number of re-publications of articles and radio broadcasts, and more subscribers to its services. These are all largely in the realm of Outputs, but the reproduction of articles, the re-purchase of services shows a real demand for its work and thus provides a good indicator of probable Outcome, though it still would be interesting to find traceable changes in recipient attitudes and behaviour.

#### **4.5.2 Impact and Sustainability**

The support to social sector interventions and to legal and judicial reform can both be expected to be fairly sustainable as large parts of the program have become embedded in public policies and structures: anti-trafficking legislation and ombudsman are in place (the implementation of the legislation and intentions behind it may lag, but the **systemic frameworks** are in place), and the High Judicial and Prosecutorial Council is already a successful and important core institution in the BiH legal and judiciary

structure. As democracy takes hold and statehood is strengthened if the process towards EU membership proceeds, this should solidify the support for the council, especially since its creation was a key pre-condition for EU pre-accession agreements.

The Impact of human rights, reconciliation and democracy building activities are much more questionable. Since few if any of these actions have clear-cut long-term objectives apart from a continuous reproduction of current outputs (Balkan Investigative Reporters Network, Research and Documentation Centre, United World College among others), it is not clear what expected Impact is to be in the first place.

On the sustainability side, this is perhaps even more problematic. It is understandable that Norway wants an exit strategy and not have an open-ended funding commitment. At the same time, Norway – as initiator and strong promoter of human rights and reconciliation – has to recognize that these pure public goods are largely *not* wanted by key target groups: there is no demand for reconciliation among nationalists/chauvinists. Pushing this task onto other donors does not make it any more “sustainable” – *except* if the reconciliation activities produce results that the EU sees as useful or even critical to EU accession, for example in the context of its concern with social inclusion (see Annex D Box D.12).

#### 4.6 Embassy Projects

The Embassy has about NOK 2 million a year to disburse to small-scale projects. It has become increasingly transparent by using its web-site [www.norveska.ba](http://www.norveska.ba) to announce the availability of grants, and reports on the activities that received funding the last four years. There were not clear priorities communicated for these grants till now, however, though for 2010 it is stated that “*Current priorities are activities that encourage reconciliation, support human rights, democratisation and civil society development, as well as institution building*”.

This set of priorities has in fact been the norm for most of the period for which the team has been able to find data. Annex Table D.8 shows all 31 activities that received funding in this area 2002-2008, for a total of NOK 5 million, about 42% of total embassy funds. Several of them received funding over several years (see Box D.13). The overall weakness is that it is difficult to find results from all of the activities, and in particular it is not clear what all of these activities in the fields of human rights and democratisation really add up to.

What is surprising is that there is so little **local** skills and capacity used to assess and monitor these activities. There is something contradictory about a flexible donor trying to promote democratisation and reconciliation yet not having local knowledge centres involved as dialogue partners, both in setting priorities, but particularly in assessing results and identifying lessons learned. Right now a badly under-staffed Embassy is trying to process and monitor/track 20-30 minuscule activities each year in an extremely complex and contentious field. While the small grants provide the embassy an opportunity for pro-active and flexible funding for interesting interventions, the overall impression is rather an overwhelmed embassy running behind a flood of proposals where the best ones do float to the top but at the end of the day that still did not really matter because they were not very strategic in nature.

**Table 4.4: Support to Euro-Atlantic Approximation and Democratisation, Assessment of Results**

Project	Relevance	Effectiveness	Impact and sustainability
<b>Children's rights, anti-trafficking: SCN</b>	In line with Norwegian development concerns and BiH social inclusion agenda: <b>Highly Relevant</b>	The expected Outputs have been delivered on a timely basis and led to desired Outcomes: strengthened rights, improved public and civil society capacities to deliver, strengthened networks to like-minded actors in BiH and the region: <b>Very Effective</b>	Rights embedded in new legislation, Ombudsman institutionalised and with some capacity, objectives linked to EU social inclusion concerns: <b>Impact and Sustainability likely</b>
<b>Children's rights, gender: UNICEF</b>	In line with Norwegian development concerns and BiH social inclusion agenda: <b>Highly Relevant</b>	The expected Outputs have been delivered on a timely basis and led to desired Outcomes: strengthened rights, improved public and civil society capacities to deliver, strengthened networks to like-minded actors in BiH and the region: <b>Very Effective</b>	Rights embedded in new legislation, gender equity "owned" by broad-based group of BiH actors, objectives linked to EU social inclusion concerns: <b>Impact and Sustainability likely</b>
<b>Support to HJPC: Seconded staff</b>	In line with Norwegian development concerns and BiH legal and judiciary reform agenda as well as EU accession commitments: <b>Highly Relevant</b>	The seconded staff have been highly qualified and trusted professionals who have contributed as expected and identified new opportunities for further development ensuring continued progress: <b>Very Effective</b>	HJPC solid institution, "model" recognised as "best practice" in region and thus with high visibility, status, and part of EU accession agreement: <b>Impact and Sustainability likely</b>
<b>Nansen Dialogue Centres: Nansen Academy</b>	In line with Norwegian reconciliation and democracy concerns and formal BiH statements on overcoming ethnic and social tension though somewhat unclear on priority of form of intervention chosen: <b>Relevant</b>	Very time- and skills-intensive methodologies, changes in intended targets from general inter-ethnic dialogue to integrated schools and supportive communities and with unspecified links to higher-levels Outcomes means medium-term and societal results unclear: <b>Not Effective</b>	Currently outside larger networks & social and political forces so vulnerable to ad hoc funding/community interest, and dependent on commitment by own staff: <b>Impact and Sustainability questionable</b>
<b>Sarajevo Notebooks</b>	In line with Norwegian wishes for regional and inter-ethnic reconciliation, though unclear whether audience reached is priority: <b>Mildly Relevant</b>	The magazine delivers a high-quality product to its intended beneficiaries, discussing the difficult issues of the region, providing a platform for new writers – but spill-over to other groups, opinion makers unclear: <b>Somewhat Effective</b>	The magazine now receives support from the Slovenian Government, hopes for others to join for this pan-Western Balkans cultural periodical: <b>Impact unknown, Sustainability may becoming more likely</b>

## 4.7 Assessments, Findings and Conclusions

### 4.7.1 Humanitarian Assistance

- Norway's humanitarian assistance was *highly relevant*: Funding and operational NGOs responded quickly to the internationally defined priorities to address a massive nation-wide crisis. Norway as a funding agency was flexible, responded to requests from the coordinating bodies on the ground, and ensured that the appropriate goods and services reached the intended beneficiary populations. Demining as a pre-condition for safe return and re-establishment of livelihoods was emphasized as important to the longer-term objective of peace, stabilisation and reconciliation.
- The assistance was for the most part *highly effective*: The organisation, logistics and actual performance in delivering emergency relief to difficult-access areas was highly effective.

### 4.7.2 Reconstruction and Development Assistance

- The *relevance* of reconstruction and development activities has been more variable, largely due to the intervening factor of ethnic politics. Housing, physical infrastructure and private sector development activities are all relevant to sector needs but with respect to overall sector development and their potential contribution to reconciliation the relevance has often turned out to be less than expected.
- The *effectiveness* has largely been good regarding primary deliverables (within-organisation results), but less so for outcomes linked to larger systemic objectives, such as sector models or policies, or outcomes linked to dimensions like reconciliation.
- The *impact* on the direct partner has been positive, but spread-effects appear negligible. Almost all direct partners have been individuals, households or private firms, so ownership and thus *sustainability* of direct outputs is largely good, but as soon as results are dependent on public sector support – political and/or financial – both impact and sustainability tend to be questionable.

### 4.7.3 Democratisation and Euro-Atlantic Approximation

- All activities have been *relevant or highly relevant* as far as their *objectives* are concerned. An issue of the relevance of a couple of projects have come up in the very difficult field of reconciliation, as the overall justification for the approach can be questioned.
- The social and legal sector activities have been *highly effective* while the reconciliation projects suffer from both the difficulties of identifying clear objectives but also from the politically difficult field that makes results harder to produce and thus are considered *somewhat effective*.
- While the social and legal sector activities are well embedded in their sectors and thus are likely to produce important *impacts* and be *sustainable*, the reconciliation activities face the challenge of being considered marginal or even being contrary to the interests of important groups and thus will face considerable obstacles in delivering *impact* and also remain vulnerable to changes in funding and thus lack *sustainability*.

#### 4.7.4 Findings

- **Overall Strategy:** Norway's assistance to BiH has been massive and continuous over an 18-year period, totalling over NOK 3 billion. The only strategy developed was one prepared by Norad for a five-year NOK 70-80 million/year program as of 2002, covering (i) good governance, democratisation and human rights, (ii) sustainable economic development, and (iii) modern and including educational system. Norad was given responsibility only for the second area, the third one was never implemented and the first one continued to be handled by the MFA.
- **Implementation:** Throughout the period, MFA relied on annual agreements managed from Oslo, using primarily Norwegian implementers. There has been a shift towards using more Bosnian actors, though in 2008 this only accounted for 25% of disbursements, a fairly low ratio considering that Bosnia is a middle-income country. What seems to be holding back the increased use of local actors is a concern over corruption; the lack of competitive actors in part due to the fact that Bosnia still does not have truly national market in many areas; and a lack of predictable and credible framework conditions for private and not-for-profit actors to engage with foreign funders.
- **Aid Portfolio:** While during the emergency phase a few Norwegian NGOs were the preferred channels, with the reconstruction and later democratisation phases, the number and kinds of projects funded and actors implementing expanded dramatically, leading to a highly fragmented portfolio with unclear criteria for accepting/ rejecting/ continuing support.
- **Gender:** Gender has not been a *mainstreamed* component of the BiH portfolio, though a number of projects have addressed women's rights and situation. The project proposal and quality assurance templates for projects did not facilitate a consistent approach.
- **Embassy role:** Norway's embassy has played an important role in facilitating dialogue with the national authorities; keeping the MFA updated on political, economic and social events of importance to Norway's interests and concerns in the BiH; providing inputs and suggestions regarding Norway's project portfolio, and assisting in the monitoring of Norwegian-funded activities; and managing the Embassy projects. The embassy has not been delegated much authority, as the program remained a responsibility of the MFA in Oslo. The embassy had only two professional staff till a Norad staffer was placed there in connection with Norad's role 2000-2003, but with this post maintained till 2009, when it was transferred to the Kosovo embassy. No local professional staff have been hired even to manage the local Embassy projects portfolio.
- **Performance:** Almost all the projects are relevant to the BiH needs at the time of approval. The most successful programme areas may be the social sectors (support to vulnerable groups) and judicial reform, with important impact and likely sustainability. Looking at programme areas:
  - **Humanitarian assistance** has overall been relevant and effective;
  - **Housing** faced the political problems of minority return, and while Norwegian actors improved performance over time, the short time horizons created limitations to how performance could be enhanced. The claimed results of Norwegian support may be exaggerated;

- **Infrastructure projects** largely delivered, but where inter-ethnic politics entered (river basin management) long-term results can be expected to be limited. Their potential as contributing to inter-ethnic reconciliation was not fully exploited and would have required additional support;
- **Private Sector** projects all appear reasonable in terms of the problem analysis and approaches selected. The larger sector analysis is missing, however, so there are no relations to similar or complementary activities, nor clear links to policy objectives and national development plans and efforts. The projects appear somewhat isolated and without a strategy for how to “scale up” to national level (with the possible exception now of BIP). Part of this may be lack of scale, as the projects remain limited and without critical size for visibility. But weak results tracking means the projects are not able to document strategic results, so after nearly ten years there is still limited information on likely Impact and Sustainability;
- **Legal sector reform** support in the form of secondment and linked-in funding to other activities has been very relevant and effective. As the HJPC as institution both has a clear legal foundation as well as a strong support from the EU as a critical institution for the EU accession process, it is sustainable and will have impact, not least of all because it is considered a “best practice” model and is now providing analytical and practical advice to similar bodies in the region.
- **Inter-ethnic reconciliation** through the Nansen Dialogue Centre is relevant to the serious communal cleavages BiH contains, and which is causing a dysfunctional political and administrative organisation of the state. The question the evaluation has is with regards to the approach taken, and the lack of a solid theoretical or empirical foundation for this, and thus the difficulties in understanding both how to assess results so far achieved, and clarify what longer-term and more wide-spread societal effects one should reasonably be able to expect from such efforts.
- **Embassy projects** are largely to contribute to democratisation, reconciliation, local empowerment. Most of them appear relevant but a fair number appear based on “good intentions” with unclear perspectives over time. While it is good to give local initiatives support and thus incentives to continue, a more professional management of a funding system that has been in place more than ten years could have been expected. In particular the lack of clear aspirations and ideas about how these activities can be linked and learn from each other and thus begin more systematic qualitative improvements is a little surprising.
- **Portfolio Quality Assurance:** A key problem for assessing results is the paucity of external evaluations and other more critical forms of performance tracking. There were some early studies (Jæren Produktutvikling, Business Innovation Programs, Nansen Dialogue Centre) that caught important issues at the “formative” stage of the projects, but there have been almost no results evaluations. There does not appear to be any monitoring and evaluation program in place for the BiH portfolio, which is rather surprising given its considerable size, complexity and spread across so many fields, but also because Norway has been willing to take considerable risks and been an early supporter of new initiatives. The argument for flexibility – that the environment is changing rapidly and therefore

one may have to adjust the project portfolio quickly – requires the linked-in capacity to actually monitor performance and this presupposes a fairly aggressive monitoring program (essentially what you save on the up-front planning you need to spend on the monitoring and performance tracking). The team has not been able to find any quality assurance program leading to a rather serious quality assurance deficit for the portfolio as a whole.

- **Aid Coordination I:** Norway has worked closely with the institutions that have been present to coordinate the international response to the BiH: first the UNHCR, then the OHR, OSCE and the Stability Pact, and the various multilateral offices and agencies that have taken on funding and project roles (UN agencies, World Bank, EU). Norway has been active in continuously seconding staff to a range of international bodies, but has contributed very little to *local* capacity development through its technical assistance.
- **Aid Coordination II:** Norway has continuously contributed funding to UNDP's work to support BiH's aid coordination efforts, and has provided its aid disbursement data on time and in the requested format, and has thus been seen as one of the more collaborative donors in strengthening aid effectiveness and coordination.
- **Local Knowledge Management:** One of the paradoxes of Norway's presence is the lack of structured engagement with local knowledge centres for improving the performance and learning from Norway's funding. This is all the more noteworthy since Norway is a flexible donor and in principle very open to local inputs. This is especially relevant in the case of BiH, which is a middle-income country with considerable local skills and knowledge.

#### 4.7.5 Conclusions

- **Overall Assessment:** Norway as a donor has been highly flexible and relevant: it has quickly identified needs, and been able to provide funding for priority areas as they have been identified. This has been done in close dialogue with the inter-state bodies that have been given mandates to coordinate or otherwise act as gateways for international assistance to BiH (UN agencies, OHR, OSCE, EU). In some fields this has led to major successes: secondment to legal reform and social sector support. But this continued focus on flexibility and relevance has at times come at the expense of longer-term outcomes and impact: in some fields Norway may have exited too soon and without ensuring longer-term effects (housing, public utilities), in others the projects are not properly embedded in more broad-based sector priorities though Norway continues to fund activities without it being clear why and what the longer-term results are supposed to be. Overall, a lack of operational clarity on what Norway would like to contribute to with its considerable financial and political-diplomatic resources is somewhat frustrating.

## 5. Norwegian Assistance to Serbia

Serbia under Slobodan Milošević (1987-2000) was directly or indirectly involved in all the wars of the former Yugoslavia between 1991 and 1999. Serbia's own soil was largely spared the wars as the insurgency that began around 1996 in Kosovo was localised and relatively low-intensity at the time. The NATO bombing campaign March-June 1999 changed this, however, through its large-scale destruction of infrastructure across Serbia.

At the end of the conflict Serbia had 550,000 refugees from Croatia and BiH, and a further 200,000 ethnic Serbs were displaced from Kosovo. The war and sanctions led to economic hardship and in 2000 a new government under Vojislav Koštunica as president and Zoran Đinđić as prime minister took over, leading to a renewal of ties to the Western countries.

Since then the Serbian government has stabilised and economic and political reforms have been introduced. The larger political system is functioning relatively well with a separation of executive, legislative and judicial powers, and serious strides have been taken to improve the performance and probity of the institutional pillars. The public administration is being modernised, as Serbia does not have to build institutions from scratch, unlike the situations in BiH and Kosovo.

Serbia aspires to become an EU member by 2014, and the pace of reforms and improvements shows a determination to achieve this. The economy is improving, with the number of people below the poverty line falling by half since 2002. Serbia's official refugee population has shrunk significantly. As per 2008, some 144,000 persons had returned to Croatia, though only about half remained there. Most of the remaining have settled in Serbia and become naturalised. Some 100,000 residents still have refugee status, whereas more than 200,000 from Kosovo still have IDP status.

There was always a strong political will in Norway to assist Serbia's recovery. A close relationship between the two countries since World War II was maintained even during the 1990s, and with a democratic government in place these relations have become very close.

### 5.1 Norway's Financial Support 2000-2008

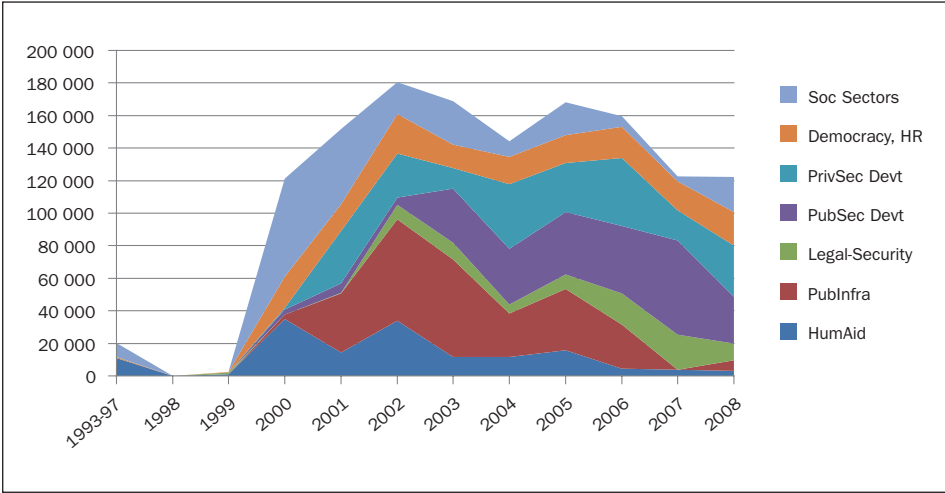
According to the database, Norway provided a little over NOK 1.5 billion to Serbia during the period 2000-2008, distributed across about 625 agreements. The purpose was to help Serbia stabilise and democratise, with a view to Euro-Atlantic

integration, and a friendlier, more democratic and prosperous Serbia was also seen as important for regional recovery, including more durable solutions in BiH and Kosovo.

In terms of Norwegian funding, as of 2001 Serbia became the largest recipient of Norwegian support in the region, though declining from around NOK 165 million in 2001 to NOK 133 million in 2008. This level of support is expected to decrease over time as EU becomes the increasingly dominant funding partner. The relations between Serbia and Norway are then expected to evolve towards more normal international relations based more on trade than aid, and where political dialogue will reflect interests rather than history.

Graph 5.1 below shows the evolution in terms of overall volume and distribution across key programme areas (see Annex E Table E.1 for more details).

**Graph 5.1: Norwegian funding to Serbia, by Programme Area and Year (NOK '000)**



The funding has largely been for three successive but overlapping phases:

**1. 1993-2000: Humanitarian Assistance and Support to the Democratic Opposition**

Between 1993 and 1999, when the first influx of refugees hit the country and sanctions were starting to hurt, Norway provided Serbia about NOK 25 million for humanitarian assistance.

By 1999, Norway’s main concern was to support the democratic opposition. Through long-standing political contacts, small-scale funding for local initiatives – like support to schools and health institutions – was given to municipalities run by the opposition. As the opposition to the regime gained momentum through 2000, Norway stepped up its aid, providing funding to independent media, civil society organisations, and increasing its aid to municipalities. Along with the funding, Norway also increased its more general political and diplomatic efforts, reaching out to leaders across the political spectrum, including the nationalistic camps.

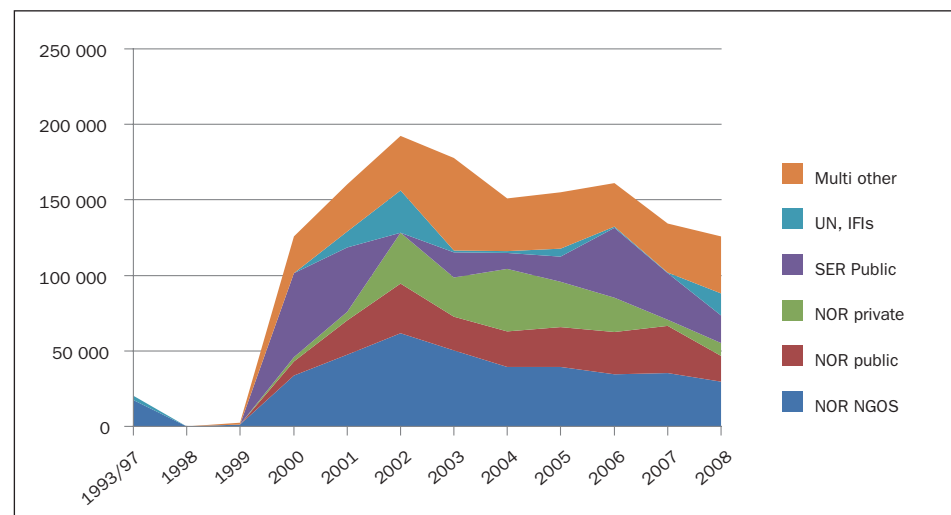
2. 2000-2003: Relief and Development – Stabilization of the Democratic Regime  
 With a new government in Belgrade as of 2000, a new era of co-operation between the West and Serbia was initiated. Among the NATO countries, Norway was trusted by large parts of the Serbian leadership, and was seen as a reasonably “honest broker” that could act as a channel to a NATO that was often distrusted and resented, and to an OSCE that was seen as fronting a Western political agenda. The first foreign visit after President Koštunica took over following the elections in 2000 was to Norway; and the Norwegian prime minister was the first Western head of government to visit Dr Koštunica in Belgrade. Norway followed up by providing quick-disbursement funds for activities to visibly boost services by the new regime to the population: child-care allowances for the next years were channelled through Serbia’s central bank, and funding for heating oil and strategic repairs of roads was accelerated to help the population get through a harsh winter. Small-scale embassy funds were also stepped up to address local problems that needed addressing.

3. 2003-present: Democratisation and Euro-Atlantic

Serbia’s government has EU membership as a political priority. This will require robustly democratic governance. Security-sector reforms – a major concern to donor countries – are ongoing, and both the police and the military are modernising quickly, partly with Norwegian collaboration. Serbia has become a member of NATO’s “Partnership for Peace”, in no small part due to active lobbying by Norway on Serbia’s behalf (and in the face of considerable resistance from some other NATO countries). Serbia has also begun participating in international peacekeeping operations under the UN, where its first deployment is as part of the UN mission to Chad, where Serbian military personnel are partnering with the Norwegian medical contingent.

In terms of the channels used, this has changed somewhat over time, as reflected in graph 5.2 below. While the use of Serbian actors may appear fairly important early on (2000-01), this was for one-off funding of child allowances through the central bank. Since then, the share of Norwegian funding through Serb actors has remained limited:

**Graph 5.2: Allocation of Norwegian Funds across Types of Channels (NOK ‘000)**



## 5.2 Humanitarian Assistance

Humanitarian assistance was provided at a substantial level till 2005, totalling NOK 146 million, with an additional NOK 12 million for demining. The team looked at two humanitarian aid projects:

- **Civil Rights Project (CRP)** - legal information and aid to displaced persons.
- **Praxis** – a local legal-aid NGO spin-off of the above-mentioned CRP effort.

### 5.2.1 Relevance

The humanitarian assistance was highly relevant, as Serbia emerged from the 1990s in an impoverished state yet having to take care of nearly 750,000 refugees and IDPs. These persons faced a host of legal issues such as their rights to housing and other assets left behind in the area they fled from and pensions and other social benefits that they had been entitled to there. Many refugees had lost their identity papers, which made it difficult to claim any rights anywhere: they existed in a legal limbo, which in turn made both return and integration in Serbia difficult. Legal assistance and advice was therefore a directly humanitarian concern.

An external evaluation notes that the programme reached the intended beneficiaries and addressed many of their most pressing needs. Moreover, the quality of the legal work is deemed to be high. Efforts have achieved synergies with international organisations in the “Yugosphere”, both on legal-strategic and advocacy issues.

The work initiated under the Civil Rights Project has been continued by Praxis, a local NGO set up largely by former local staff from the Norwegian Refugee Council. They received financial support as of 2005 from Norway and have continued to provide similar legal services.

This form of legal assistance has clearly been relevant to Norwegian policy and the Serbian government, in addition to the refugees and IDPs.

### 5.2.2 Effectiveness

Humanitarian efforts were by all accounts seen as effective. The Norwegian Refugee Council regional Civil Rights Project effort (operating also in Croatia, BiH and Kosovo) was favourably evaluated in terms of effectiveness in 2002. Though refugees were not returning in any large numbers, basic needs for legal information were met in both territories of origin and in Serbia, and a significant number got individual counsel in connection with administrative and judicial procedures.

This effort lived on through the establishment of the legal-aid NGO Praxis, which has established a reputation for efficiency and professionalism, helping individuals as well as keeping important legal-rights issues alive through their advocacy work.

**Table 5.1: Humanitarian Assistance, Assessment of Results**

Project	Relevance	Effectiveness
<b>Civil Rights Project (NRC)</b>	Consistent with Norwegian priorities and needs on the ground. Provided legal assistance to vulnerable groups at time when few other such services available, addressing key rights ⇒ <b>Relevant</b>	Outputs delivered and Outcomes reportedly achieved. Set up ambulatory offices, did pro-active information and outreach, used legal professionals: <b>Effective</b>
<b>Funding of legal-aid NGO “Praxis”</b>	Consistent with Norwegian priorities and needs on the ground. Continued legal aid to groups that have tended to be forgotten yet stand without resources, rights ⇒ <b>Relevant</b>	Continued services, not examined in detail within the scope of this evaluation: <b>Effectiveness likely but unknown</b>

### 5.3 Reconstruction and Development Assistance

The reconstruction and development support assessed here is covered by four programme areas: public infrastructure rehabilitation and improvements, public sector development, private sector development and support to incomes and livelihoods, and funding for social sectors and services, for a total of **NOK 964 million** during the period 2000-2008.

Most of the social-service funding was in fact the child-allowance support provided in 2000 and 2001 through the Serbian central bank, and for a programme for agricultural inputs that was also done as an immediate support to the government in 2001. Most of the activities have, however, been more medium-term reconstruction and development assistance across a range of activities, with an increase in total disbursements over time. This phase or modality of support is thus by far the largest in terms of funding levels.

The five projects that were looked at were:

- **Power supply to Sandžak district** was to improve the power distribution in a predominantly Muslim area. Norway wanted to assist a relatively poor region but also support the government’s efforts to reach out to a minority population in a potentially volatile part of the country. The project was implemented by Nord-Trøndelag Energi (NTE), a Norwegian power company that has also carried out power projects in Bosnia, Kosovo and Montenegro.
- **Forestry Sector Programme** to put in place a modern forestry-management planning system, implemented by the Norwegian Forestry Group (NFG) in co-operation with the relevant line ministry, the Forestry Faculty of the University of Belgrade and semi-public forestry companies in Serbia.
- **Minority and vulnerable groups in Novi Sad:** Five projects implemented by a local NGO, Ecumenical Humanitarian organisation (EHO), with funding channelled through Norwegian Church Aid (NCA). The programme includes a series of smaller projects that reach out to vulnerable groups in the Novi Sad area, including Roma.

- **Public administration reform** was to support the Ministry of Public Administration in analysing the civil service, propose reforms and support a new agency (APAD) with civil-service reform responsibilities. The effort was requested by Prime Minister Đinđić. The project was implemented with Statskonsult, Norway's public administration advisory body, which has been involved also in Montenegro and Croatia.
- **Municipal Improvement and Revival Programme, South Serbia**, was a minor funding of USD 200,000 through the UNDP for the second phase of this project.

### 5.3.1 Relevance

The Sandžak electricity-upgrading project was relevant both to the country's rehabilitation after the destruction from the NATO bombing, but also as a visible sign of the government's commitment to inter-ethnic reconciliation and development. The project addressed concerns that Norway had regarding Serbia's democratic development – that it would ensure the inclusion of national minorities that often felt under pressure or even under threat by the country's Serb majority – while also improving the performance of the local power company.

The forestry programme is less obvious in terms of relevance. The project was not an obvious priority for Norway, with its focus on peace, reconciliation and democratisation. The project was, however, formally requested by Serbia, as the country had no overview of its forestry resources or logging, and the system in place for planned and sustainable use of forestry resources was by all accounts wholly inadequate.

Local governance, including in Albanian-majority municipalities bordering Kosovo in southern Serbia, has been, and remains, a relevant concern to both Serbia and donor countries. Norway's USD 200,000 support to UNDP's *Municipal Improvement and Revival Project* Phase II was seen as a relevant objective.

The Norwegian Church Aid-Ecumenical Humanitarian Organization projects in Novi Sad are somewhat relevant, in the sense that they can be accommodated within the wide, Norwegian eligibility criteria; but they were probably not an obvious priority under Norwegian policies. The Ecumenical Humanitarian Organization efforts do not concentrate on the war-affected but on classic vulnerable groups: Roma, HIV/Aids-affected, street children, the old. However, the MFA apparently considered these efforts relevant to social inclusion and capacity-building of NGOs at the time.

Reform of Serbia's civil service has been and remains a pressing concern. Statskonsult's support to the government was clearly relevant under Norwegian policies, and was requested by the prime minister.

### 5.3.2 Effectiveness

The electricity project improved the power grid in Sandžak substantially, established a central equipment-storage facility for the region and trained the utilities in charge in supply-chain management. This project has by all accounts been very effective.

The forestry-management project has drawn up a computerised, detailed inventory of all forests resources, digitised onto electronic maps. It has provided Serbia with a GIS-based forestry-management and planning tool, though implementation took longer than expected. GIS has become a subject at the University of Belgrade's Faculty of Forestry, university staff and students have been trained in its use, and the system is being used by the country's main forestry companies. A last component was to introduce an environmental certification system, among other things with a view to the country's furniture industry. For this purpose, the Norwegian Forestry Group helped set up an independent NGO to act as watchdog, but funding for the effort was terminated by MFA before this system was fully in place and operational.

The Ecumenical Humanitarian Organization draws praise for its humanitarian work in Novi Sad and their staff made a very professional impression with their briefs, information material and strong commitment to their obviously good work.

Statskonsult's advisory and training tasks seem to have been used and considered good. The intended assistance to civil-service reform fizzled out when APAD was dissolved and integrated in the Ministry of Public Administration and Local Self Government (MPALSG).

### **5.3.3 Impact**

The upgrading of the power grid in Sandžak has improved delivery in a sensitive minority region. Whether this translates into changed attitudes and relations to central authorities and the Serb majority remains to be seen.

The forestry programme has contributed significantly to improved forestry management planning in Serbia, which is for the first time able to monitor what kinds of forests it has, and how to sequence the harvesting in a sustainable way. Modern management planning software has been introduced, and the new tools are being used. The effort receives praise by the University of Belgrade's Faculty of Forestry, by semi-private forestry companies, and by political authorities. Serbian experts are now, in turn, assisting other countries in the region introduce the same system.

Civil service reform assistance in terms of policy advice and training has been positive but uncertain in terms of importance. Aid to vulnerable groups in Novi Sad has no independent evaluation so achieved or expected long-term impact is not known.

### **5.3.4 Sustainability**

The electricity-upgrading and forestry management projects both show promise of sustainability: they have not only secured political support from the respective ministries, but introduced new systems and processes that are being used and highly appreciated at the working level. The power system in Sandžak is seen as high-priority by the ministry, and at the working level, the supply-chain management has improved markedly which bodes well for sustainability. Some persons trained in GIS by the project have even left the public sector and set up a private company that provides consultancy services, indicating there is a market for such skills.

These projects thus have achieved technical sustainability, and financial also seems assured given the support and efficiency improvements that have been produced.

The support to civil service training may show sustainability as Statskonsult is engaged in this field again as of 2009, while the other areas are not possible to assess. Sustainability to vulnerable groups by the Ecumenical Humanitarian Organization is unclear, and UNDP's programme for municipalities in South Serbia is too early to assess.

#### 5.4 Democratisation and Euro-Atlantic Approximation

The term “democratisation” is not clear-cut in terms of the activities that are to be covered, but programme areas included here are legal and security reform, technical assistance (TA) and secondment, support to civil society, support to civil society, and funding for democracy, dialogue and human rights, for a total of **NOK 320 million**. The importance of this objective is the issues and sectors that have been addressed.

Norway's support for security sector reform (SSR) has been important and characteristic for the assistance Norway has provided. The uniqueness is both in the fact that SSR has been addressed fairly systematically and over time; but also that it has been quite wide-ranging since both defence and police have received considerable assistance.

For this reason, six activities in the field of SSR were included, both major and more limited efforts, and four projects more related to democratisation. The projects looked at were:

- **Police-reform support (JUNO projects):** Norway's police directorate (POD) has equipped crime labs to boost investigative efficiency and helped Serbia's police introduce a so-called “problem-oriented” community-policing approach to crime prevention. While this was to improve police services, it was also to bring police into closer contact with the public, to boost public trust in the law-enforcement apparatus and install a more professional and service-oriented approach in the police corps.
- **Secondments, OSCE Law Enforcement Department:** A NOK 25 million programme has funded the secondment of senior POD staff to key positions in OSCE, which is the lead agency for police-reform co-operation in the country.

Table 5.2: Reconstruction and Development Assistance, Assessment of Results

Activity, Implementer	Relevance	Effectiveness	Impact	Sustainability
<b>Sandžak power program - NTE</b>	Consistent with Norwegian and Serbian priorities. Providing reliable basic service to affected area with ethnic minority, addressing inclusion, inter-ethnic tension: <b>Relevant</b>	Outcome produced. TA improved power distribution, reliability, supply chain management: <b>Very Effective</b>	Significant effect on targeted region, minority population well serviced, project visible, government seen to deliver: <b>Positive impact</b>	Technology taken on board, being used, utility finances can operate, maintain improvements: <b>Sustainability good</b>
<b>Forestry Sector Programme - NFG</b>	Consistent to a degree with Norwegian and Serbian priorities. Addressing need for country to better manage important renewable resource, though not priority: <b>Somewhat Relevant</b>	Outcome produced. Introduced new approach, tools, forest inventory ⇒ Forest management much better: <b>Very Effective</b>	Significant effect on forestry sector expected. Improved planning, includes all key actors: <b>Positive Impact</b>	Technology taken on board, being used, Ministry can operate, maintain improvements: <b>Sustainability good</b>
<b>Assistance to vulnerable groups, Novi Sad - EHO</b>	Assisting vulnerable groups, but not conflict-affected populations; supporting NGO sector, social inclusion: <b>Somewhat Relevant</b>	Outputs delivered effectively, well targeted, outcomes will need time: <b>Very Effective</b>	Largely immediate services to vulnerable groups – long-term impact difficult to assess: <b>Impact unclear</b>	Project depends on dedication but also needs external funding. Social service that merits public funding: <b>Sustainability uncertain</b>
<b>Public Admin Reform - Statskonsult</b>	Consistent with Norwegian and Serbian priorities. Addressing major concern of prime minister and EU accession process: <b>Highly relevant</b>	After good start with high output production, civil service reform project lost political support, cooperation came to a halt. Outputs produced while Outcome contested. <b>Partially Effective</b>	Policy advice apparently largely taken, APAD integrated into Ministry, some earlier activities now being revived. <b>Impact positive but unclear magnitude</b>	Statskonsult 2009 invited to develop further training – <b>Sustainability of training may thus improve</b>
<b>Municipal Improvement - UNDP</b>	Consistent with Norwegian and Serbian priorities. Supporting decentralisation, stronger local voice, capacity: <b>Relevant</b>	Project appears to be delivering Outputs, degree of Outcome results unclear: <b>Effectiveness Unclear</b>	Too early to assess – <b>Impact not known</b>	Too early to assess – <b>Sustainability unknown</b>

- **OSCE-project funding:** project financing totalling NOK 29 million for a number of OSCE activities, including efforts to make major changes in police training and improvements of the forensic and crime-scene investigative capacities of the police.
- **Demobilisation of soldiers:** Vocational training and start-up capital for discharged soldiers. A NATO Trust Fund was set up to assist Serbia slim down its armed forces. Norway essentially set up and funded this, with IOM implementing it.
- **Upgrading the Ministry of Interior’s information management system (MIIP),** implemented by the International Management Group (IMG)
- **Funding for the Centre for Civilian-Military Relations (CCMR),** a Serbian think-tank dedicated to strengthening civilian and political oversight of the security sector.
- **“Women Can Do It“,** empowerment of women through training and local actions to boost women’s participation in various sectors of Serbian society. This is regional programme, developed by NPA and the Norwegian Labour Party.
- **Supporting to independent media:** NPA has funded a NOK 53 million programme for supporting and strengthening independent media in Serbia through different phases over the period 1998-2011.
- **Improving the delivery of justice:** small grants to local and regional courts, to boost efficiency and accessibility of the judicial apparatus, implemented by IMG.
- **Nansen Dialogue Centres** have set up forums for dialogue and facilitating reconciliation in conflict-affected regions of the country.

This assistance has been supplemented by institution-to-institution efforts by Norway’s Ministry of Defence, the Auditor-General’s office, and other public entities in Norway. These activities are considered important by Serbian officials, but were not funded by the MFA and thus are not part of this evaluation.

#### **5.4.1 Relevance**

Contributing to democratisation and Euro-Atlantic integration has always remained the strategic objective for Norway’s assistance to Serbia.

The Police Directorate police-reform projects (JUNO) were to improve the performance of the police force and re-establish it as a credible modern rule-of-law enforcement body that the population would trust. The programme led to the Serbian police adopting a so-called “problem-oriented community-policing approach”, a concept with obvious merit and relevance to democratic development.

Similarly, secondments and funding for the OSCE Law Enforcement Department assisted the overall reform of the Serbian police forces. Working through an institution like OSCE in this manner is also in line with international “good practice” standards.

The information-management project (MIIP) for the MoI was launched after a study in 2005 found MoI suffering from poor logistics and information management, particularly financial oversight and planning. Analysts found indicators of massive leakage of funds. The MIIP introduced the electronic accounting system 2006-

2007, and is to add modules on vehicles, buildings, human resources and procurement, strengthening the democratic oversight over a major expenditure category in the budget.

Serbia is slimming down its military forces and its support apparatus. Norway helped set up a NATO Trust Fund to assist discharged military persons reintegrate into civilian life. This was done under the NATO umbrella in part to improve that alliance's image. Both the content and the "image" aspects of the project are relevant to the Security Sector Reform agenda.

The Centre for Civilian-Military Relations (CCMR) is an increasingly prominent watchdog and think-tank. It does research and advocates for public oversight over the entire spectre of security services – from army and police to private firms, and thus provides one of the few examples of civil society engagement and constructive contribution to SSR. The institution aims to become an incubator for a new generation of experts and contribute to the discourse on security-sector reforms on a basis of research-documented facts.

Since 1998 MFA has financed a portfolio of media and advocacy projects, including CSOs devoted to Roma rights, IDPs and refugees, youth and human rights but perhaps the most prominent efforts was the Media Development Programme and the WCDI program. Both projects are relevant given the explicit Norwegian priorities in these two areas, but they also correspond well with priorities set forth by important Serb stakeholders.

The project to improve delivery of justice in the courts is a small-grants fund to local courts for improving facilities and boosting access to justice. The effort is relevant to an enhanced legal sector.

The Nansen Dialogue Centre creates forums for dialogue, and in Serbia has been engaged in three regions. It supported the establishment of local ombudsman institutions in the Vojvodina province, sought to help establish functional structures in two dysfunctional municipalities in the predominantly Muslim region of Sandžak, and to defuse tensions in the Albanian-majority town of Bujanovac on the Kosovo border. All these efforts are to varying extents relevant to Serbia's democratisation and EU-approximation process.

#### **5.4.2 Effectiveness**

The Police Directorate's police-reform efforts (JUNO) have been undertaken in a series of phases, each one based on clear plans with good reporting and careful evaluation of each step before the subsequent one was undertaken. Both written and verbal assessments point to the program being highly effective.

The Police Directorate-seconded personnel to the OSCE are seen to have provided sound professional advice. The partnerships are praised for having delivered high-quality services, and for having shown the respect and patience required to build the trust required for the Serb partners to accept some of the proposals and ideas that have been central to these programs.

The IOM-implemented NATO Trust Fund took about a year to design – a normal time span – but got off to a slow start when less than a thousand beneficiaries were referred to the fund in the first round. This was addressed, and the project now has received praise as a good mechanism to complement other efforts to help demobilized military personnel re-enter civilian life, while also assisting Serbia's ministry of defence build its capacity in this field.

The International Management Group MIIP to improve financial management in the interior ministry has by all accounts delivered as promised, though with some lags as it was more difficult than foreseen. Serbian officials state their satisfaction with its effectiveness.

Norwegian funding has allowed the Centre for Civilian-Military Relations to double or triple its staff from 2006 and develop its analytical and networking activities. This has allowed the institution to contribute to the critical dialogue on further reforms. This project has thus delivered on its desired outcome, and has thus been effective.

The Norwegian People's Aid's "women can do it" project (WCDI) has arranged almost 300 seminars in Serbia for over 6,200 women, which have been followed up by the same number of "local actions" – that is, the awareness raising has been used to produce tangible results and further activities by the women involved. An evaluation of the regional WCDI programme noted that the quality of the activities has been considered overwhelmingly positive by the beneficiaries. Overall, the project was well-functioning and was reaching its immediate objectives of increasing skills and motivation among a substantial number of women. However, the report also noted that *"the programme's output and results factors are not clearly distinguished and indicators are not quantified. This makes it difficult to use indicators for monitoring and evaluation. Therefore, the success indicators should be made more directly linked to programme performance."*

The International Management Group-implemented small-scale support to courts was launched in September 2007, initially selecting 20 courts with a geographic spread including in minority and border areas, big and small courts, and courts with serious backlogs. The projects were proposed by the local courts and in the end 200 grants were awarded. The project effectiveness is considered in positive terms by informants.

The Nansen Dialogue Centre efforts have generated outputs as planned by the programme, but more substantive outcomes are more difficult to identify (the problems of measurement and link to other social processes is discussed more in Annex D on BiH).

### **5.4.3 Impact and Sustainability**

The most surprising finding is the nearly unison opinion that Norway's aid portfolio has had significant impacts on democratic development. The most frequently mentioned are a "socio-psychological" effect, and an important contribution to security-sector reform (SSR).

The “socio-psychological effect” is the more difficult to document, describe or measure; yet appears as the most important. The explanation provided is based on a mix of several factors. The first is the “special relationship” that many Serbs feel with regards to Norway. The historical roots are ones back to World War II, but there is also a feeling, based on the experience many Serbs have with Norwegians through the projects, that Norwegians and Serbs have some compatibilities in how they think and operate: practical and solution oriented, not a lot of unnecessary talking, focus on results. The fact that Norway was among the first donors to come into the country, has helped Serbia get into NATO, has all along been willing to talk with all political actors including the nationalists has been noted by a country that has felt vilified and collectively punished. The willingness by Norway to quickly extend a hand and to signal solidarity and support during some of the darkest days in their recent history has been noted. The wide geographic dispersion of the Embassy grants, which has made Norway visible across the country, has further cemented the image of a donor that is equitable and balanced in its dealings. This seems to have created a feeling, across an amazing range of informants, that Norwegian support had important signalling effects – that in particular at the cross-roads when a new regime was coming into being, there was a trusted and friendly voice that welcomed Serbia back into the European political space and genuinely wanted to see the country succeed.

This meant Norwegian support was seen as contributing to changing the overall mood of isolation and resentment to one of looking to the future and the West with a much more positive outlook. This confluence of intangibles and tangibles on the Serb side was complemented on the Norwegian side with good diplomacy based a solid knowledge of the region, sensitivities to history and sentiments, and ability to communicate Norway’s position and partnering objectives in a way that was acceptable and appreciated.

This has built a platform of trust that has allowed in particular the Security Sector Reform collaboration to move ahead, but has also created this unusual sense of solidarity. This is undoubtedly a historical phase that will pass; but to many Serbian informants this contribution – however one may phrase it and explain it – remains by far the most important result of Norway’s support, and one that is claimed to have been of great value to Serbia.

In the area of *police reform*, the projects are contributing to important long-term impacts. The police’s forensic-investigative capacity and thus its ability to solve crimes has improved. But perhaps more importantly, the Serbian police has adopted modern approaches to crime prevention, including “problem-oriented policing” that involves local actors to prevent and better deal with crime locally. Opinion polls show that while the police was distrusted just a few years ago, it has recently become one of the country’s top-three most-trusted institutions. Though it is too early at this stage to assess the longer-term results of the new policing approach in Serbia, the positive reception and commitment on the Serbian side bodes well for sustainability. Norwegian assistance has also resulted in significant changes in the training of uniformed police.

The OSCE Law Enforcement Department has further supported these and other reforms, and has facilitated international linkages and international police collaboration in fields such as cross-border criminality: human trafficking, arms and drugs smuggling, anti-terror work.

The upgrading of the information management system will significantly improve the Ministry of the Interior's budgeting, accounting and general resource planning, thereby increasing effectiveness and strengthening oversight and control. Time will tell whether this will happen, but officials and police embrace the upgrading and believe it will have impact. Attribution will be uncertain, but causality seems plausible.

The impact of the NATO Trust Fund for demobilisation was evaluated in 2009 where the report concludes that *"the project accomplished its strategic objectives in the field of social reintegration of former military personnel. The data listed above clearly show an interconnection between the NTF project and successful social integration"*.

The International Management Group-implemented courts-upgrading programme is too recent to assess for impact, but the intention is that the first group of courts will set an example. The project was praised by Serbian officials who seem committed to the effort.

The support to the Centre for Civilian-Military Relations think-tank has allowed it to develop and become a prominent voice in Serbia's public discourse on Security Sector Reform, and the staff point to several areas where they claim the institution has had visible impact. The Centre has also developed a broader funding base than just Norway, so its sustainability seems assured.

**Table 5.3: Support to Democratisation and Euro-Atlantic Approximation, Assessment of Results - summary**

Project	Relevance	Effectiveness	Impact and sustainability
<b>Police Reform (JUNO I-IV) – POD</b>	Consistent with Norwegian and Serbian priorities. Addressing key institution that under previous regime considered repressive so need for democratic development critical: <b>Highly Relevant</b>	Outcomes achieved. The community-based policing and improved crime labs have contributed to enhancing the effectiveness and public trust in the police: <b>Highly Effective</b>	Long-term effect on police and law enforcement expected. Reforms fully taken on board and being pursued and developed by national authorities: <b>Impact Significant, Sustainability Highly Likely</b>
<b>Secondments to OSCE</b>	Consistent with Norwegian, European and Serbian priorities. Providing senior staff to assist Serb police introduce modern methods, strengthen international ties: <b>Highly Relevant</b>	Outputs of strengthening OSCE's work achieved. Norway has provided staff to OSCE as planned, who have performed well by all accounts: <b>Effective</b>	Effects of secondments seen as positive, but this is short-term support: <b>Impact Positive, limited Sustainability</b>
<b>Police project financing - OSCE</b>	Consistent with Norwegian, European and Serbian priorities. Linked with above project, ensure funds to operationalize improvements: <b>Relevant</b>	Funding delivered for OSCE projects that produced results praised by OSCE, informants in areas like police training. <b>Effective</b>	Long-term effect of the OSCE project funding seems likely on police, and on law enforcement in general. <b>Impact probably positive, sustainability unknown</b>
<b>Military reform, demobilization - IOM</b>	Consistent with Norwegian, European and Serbian priorities to slim down the military. Added dimension of doing this under NATO umbrella to help build bridge between Serb and Western militaries: <b>Highly Relevant</b>	Outputs delivered and outcome being achieved, including strengthening of MoD capacity for military reform and demobilization: <b>Highly Effective</b>	Individual beneficiaries adapting well in civilian professions and MoD capacity in place for continued support. <b>Impact Positive, Sustainability likely</b>
<b>Mngt Info Project, Ministry of Interior - IMG</b>	Consistent with Norwegian and Serbian priorities. Rationalising and controlling interior ministry with its large budget, ensuring accountability, transparency in funds use important: <b>Highly Relevant</b>	Outcome achieved. ministry equipped and trained with tools required to control resources better: <b>Effective</b>	If results continue as positive as currently foreseen, <b>Impact will be significant, and Sustainability Highly Likely</b>

Project	Relevance	Effectiveness	Impact and sustainability
<b>Civilian-Military relations - CCMR</b>	Consistent with Norwegian and Serbian priorities. Strengthening civil-military dialogue, build independent watch dog based on research, independence, credible views: <b>Highly Relevant</b>	Outcome achieved: funding allowed the NGO to operate with a high level of activities across a broad spectrum of issues, strong international engagement, links, publications: <b>Highly Effective</b>	Beneficiary now a prominent voice in SSR discourse, mobilising resources, expected to survive and be influential: <b>Impact promising, sustainability probable</b> .
<b>Nansen Dialog Ctrs</b>	Consistent with Norwegian and Serbian priorities. Addressing inter-ethnic divides in outlying regions where Serbia facing possible unrest: <b>Relevant</b>	A number of outputs produced and results achieved in each of three geographic regions, though longer-term outcomes not clear: <b>Somewhat Effective</b>	NDC so far small, marginal actor, no clear links to larger social or political forces: <b>Impact Unclear, Sustainability Vulnerable</b> as Norwegian funding ends.
<b>Media Devt Prog - NPA</b>	Consistent with Norwegian priorities. Assisting development of independent, critical media during transition to stronger, more civil society based critical dialogue: <b>Highly Relevant</b>	Outputs produced and outcomes largely achieved. The project allowed many independent media to operate through phases of Serbian rule. Fairly broad-based program that over time has assisted in a structured manner: <b>Effective</b>	Societal effect of project over the years difficult to document, but some impact seems plausible. Will be phasing out as planned, so will undoubtedly have some longer-term impact, though no external evaluation seen: <b>Impact unknown</b> . As media institutions taking over responsibilities, those aspects of program that have been taken on board will be <b>Sustainable</b>
<b>Women Can Do It - NPA</b>	Consistent with Norwegian priorities, and apparently highly appreciated by target group (individual beneficiaries), who feel the effort is appropriate: <b>Relevant</b>	Outputs and outcomes not always clearly defined, but effort reportedly produced and outcomes reportedly achieved. Large number of seminars and actions involving many women: <b>Effective</b>	Societal effect difficult to document, but plausible in a longer perspective. Local capacity has reportedly been built to carry on. According to the evaluation, <b>Impact promising, sustainability positive</b>
<b>Improving the delivery of local Courts - IMG</b>	Consistent with Norwegian and Serbian priorities. Courts need to improve in terms of functioning and accessibility: <b>Relevant</b>	Many small-scale activities, produced as planned: <b>Effective</b>	Too early to assess, <b>Impact unknown</b> <b>Sustainability</b> is unclear but possible, depending on results of other efforts.

The 2005 evaluation of the Women Can Do It (WCDI) programme found that the local partner organisations had developed the skills and organisational apparatus needed to run a WCDI programme on their own. Eight members of Serbia's parliament have been through WCDI seminars and local actions, and the number is 80 for the entire Western Balkans region.

The Nansen Dialogue Centre has results to point to, though the relative contribution by the Centre compared with other political and social forces in the three case areas is not clear since no in-depth assessments have been made. The larger question is what the next steps and higher-level impacts of these specific interventions are expected to be, and how such efforts can become more generally available and contributory to larger societal processes (Impact).

## 5.5 Embassy Projects

The embassy disbursed on average **NOK 2 million** a year in small grants to a wide range of applicants through the Embassy Projects ("*Småpottfondet*"). The purpose was for the embassy to quickly address issues that were identified on the ground that would contribute effectively to Norway's larger support to Serbia. Over the years, this has totalled about 400 grants that span humanitarian aid, reconstruction and development efforts and democratisation support.

Grants have financed activities in virtually every municipality in the country, and they have been highly visible in Serbia. Immediately after the installation of the new government in 2000, many of the grants went to fix up community hospitals, kindergartens and other public facilities. Over the last years there has been a shift toward Security Sector Reform, support for human rights and general democratisation efforts.

One particular dimension of the portfolio that many have commented on is the geographic spread of the resources: virtually every municipality has seen at least one small grant. While this has created a lot of local goodwill, there was a more profound political message behind this approach: that Norway was serious in its message about wishing to support Serbia as it rejoined the common European space. Showing this with small-scale support to locally visible activities thus clearly served Norway's own short-term interest in being seen as a friend and ally, but was highly relevant to the larger objective of supporting democratisation and Serbia's Euro-Atlantic approximation. This required tangible proof, and often these small Norwegian grants were all that local municipalities had to show their population in terms of support and resources from the wrenching changes being made. For this reason, these small-scale grants were probably considerably more important for the larger "socio-psychological" impact than any aggregation of individual project outputs would be able to capture.

Another Embassy Project noted by many was the short-term university scholarships for a thousand of Serbia's best students offered at the time of the regime change in 2000-2001. This was a project of interest to, and funded by the MFA, with the money being channelled through the embassy. It took place when the Serbian economy had reached rock-bottom, pessimism especially among the young was

high and many wanted to leave the country, and for the best students being able to study abroad was a tempting avenue. Norway provided scholarships for students who wanted to study inside Serbia. The scholarships were strictly merit-based, and a point was made of the fact that this was open to qualified students of all political persuasions – there was going to be no “punishment” of nationalists or former Milošević supporters. The fact that the funds came quickly and at that difficult time in their history, but also that the scholarships were available to all, has made a considerable impression.

Otherwise it is clear that *individual* Embassy project grants were a mixed lot in terms of relevance to operational foreign-policy goals: they funded a large number of disparate activities and thus impossible to aggregate in any meaningful way. At the level of effectiveness of individual grants it is therefore difficult to see what can be claimed. Since the projects have largely been quite specific and targeted, the likelihood of the outputs being produced is probably reasonably good. But it would be very helpful to have a more careful synthesis study on what has actually been achieved through these numerous activities. Given some of the comments and observations provided, the results may in fact be more profound than expected. What is clear is that having this flexible small-scale funding available locally has given the Embassy an important tool for remaining relevant, visible and supportive in a fast-changing context.

## 5.6 Assessments, Findings and Conclusions

### 5.6.1 Humanitarian Assistance

- The humanitarian assistance to Serbia has been clearly *relevant*. Much of it has focused on helping Serbia’s refugees and IDPs with shelter and legal aid, and on clearing explosive remnants of war (ERWs).
- The humanitarian assistance to Serbia has been *effective*. The two efforts looked at, both in the area of legal aid, have delivered their intended outputs and outcomes.

### 5.6.2 Reconstruction and Development Assistance

- The assistance to Serbia’s reconstruction and development has largely been *relevant*. Serbia emerged from the 1990s with a run-down infrastructure, and Serbia’s public sector needed reforms. The energy-supply project in a sensitive minority region was clearly relevant while the forestry-management program was less of a pressing priority. The assistance for comprehensive civil-service reform, and one aiming at municipal improvements, were both highly relevant. The assistance to vulnerable groups in north Serbia did not target war-affected persons and has more character of classic help to vulnerable people than post-conflict reconstruction and development.
- The assistance to Serbia’s reconstruction and development appears *effective*: the energy, forestry, vulnerable-groups efforts and the support municipal improvements have largely delivered the foreseen outputs and outcomes. The support to comprehensive civil-service reform failed due to administrative infighting and as the political support for the project disappeared when the prime minister who had requested the project was killed.

- On the *impact* side, the most visible results are in the technical sectors, notably in power supply and forestry management. The power project has improved standards of life and economic outlooks in a sensitive minority region in Serbia. The forestry project has brought forestry-management planning tools up to European standards. Municipal improvements and aid to vulnerable groups in north Serbia cannot be meaningfully assessed in terms of impact at this stage.
- The *sustainability* of the power and forestry-management projects appear good: they have introduced systems and processes that are in use and much appreciated on the Serbian side, and continued own funding seems likely. The aid to vulnerable groups clearly depends on continued external assistance, while the municipal improvements are unclear at this time.

### 5.6.3 Democratisation and Euro-Atlantic Approximation

- Norway's support to Serbia's democratisation and Euro-Atlantic integration has been *highly relevant*. The most important area has been large-scale support to security-sector reform, encompassing both the police and military, as well as democratic oversight of the sector through civil society support. The support to independent media and a programme to promote gender equality are also important for the larger democratisation processes underway. The dialogue-based efforts to enhance local ombudsman institutions and support dysfunctional municipalities in minority areas is relevant to many aspects of democratisation and human rights.
- The support has also largely been *effective*. In the area of security-sector reform, three of the four police-related projects were considered effective or highly effective. The army-demobilisation effort is delivering well, and Norwegian funding has allowed a prominent think-tank to become very active, visible and constructively influential in Serbia's Security Sector Reform discourse. In the areas of media support, gender equality and local-courts upgrading, the assistance has delivered the promised outputs and outcomes while the dialogue effort has produced many outputs, but outcomes are unclear.
- The support has had significant *impacts*, where the four police-related efforts are the most prominent. Serbia's police has in just a few years gone from scoring abysmally in public-confidence polls to becoming one of the three most trusted institutions in the country; a major achievement to which Norwegian efforts have contributed. Moreover, Norwegian support has introduced new, computer-based, centralised accounting in the Ministry of Interior – a technical measure but which is expected to impact on planning, budgeting, transparency and political accountability of a traditionally closed structure. In the area of military reform, Norwegian support is highly appreciated for impacting positively on the demobilisation process. In the area of media support, Norwegian funding helped to keep alive and functioning several independent media actors under Milošević and the subsequent turbulent years, and these media probably impacted positively on political developments in Serbia. The gender-equality effort looked at has been favourably evaluated in terms of impact, as women's groups have been invigorated.
- There is political will and strong international support for Security Sector Reform in Serbia, so the achievements here are likely to be *sustainable*. Impacts of gender-equality efforts are also promising in terms of sustainability as local

actors appear to assume ownership and continue the efforts. Support to independent media has been important at historical crossroads, but it will come to an end and supported media will have to find other funding sources. With regard to the dialogue-oriented efforts, impacts are unclear and sustainability even less so.

#### 5.6.4 Findings

- **Strong Bilateral Links:** A long-standing “*special relationship*” between Norway and Serbia has been essential to achieving the good results. Excellent networks and country knowledge on the Norwegian side have been a major asset. This will make replicability limited in other settings.
- **Psycho-social impact:** Norwegian assistance to Serbia has by all accounts played a constructive role in helping motivate the people and policymakers to break with 1990s mind frames and re-orient toward Euro-Atlantic integration.
- **Serbia’s Political Will:** A strong political *will in Serbia* to democratise and reintegrate into Europe has been fundamental to achieving good results. The country embarked on this course from 2000 in a state of exhaustion by conflict and ostracism, with EU membership as a powerful motivating factor, even extending into institutions like the military and police that could face painful transformation.
- **Strong State:** A comparatively *strong state apparatus* in Serbia has been highly conducive to achieving good results in the country, not least in security-sector reform.
- **SSR Focus:** The portfolio of assistance to Serbia has been heavily tilted toward *security-sector reform*. This was an area of great concern to Western countries and increasingly to Serbian politicians and the public opinion. Norway was trusted as a genuine partner by key Serb actors and has thus been able to become a strong partner in this field.
- **Norwegian Strategic Frameworks:** The good results have been achieved in spite of scattered and short-term *formal policy frameworks* and the *annual parliamentary allocations* on the Norwegian side. The overall objectives for the support to Serbia have, however, largely been understood and agreed to by the key decision makers in the MFA and Parliament, so the lack of written policy frameworks did not hamper the assistance.
- **Annual Funding:** The practice of annual funding for projects has caused some problems for individual efforts. Uncertainty regarding next year’s funding has in particular bothered non-Norwegian project partners, who felt they could not entirely trust that MFA would provide next year’s funding until a written decision was made while Norwegian implementers were more confident in the MFA’s verbal signals.
- **Flexibility** on the Norwegian side Serbia has been highly conducive to achieving good results. As a general observation, in delivering the assistance MFA has been quick, responsive and willing to take some risk.
- **Coordination:** Norway has by all accounts coordinated its policies and assistance well with other Western countries, who acknowledge Norway’s access and trust in Serbia’s police and military, and who have appreciated Norway’s engagement in security-sector reform. One manifestation of this is that the OSCE

Mission in Serbia, which leads the international police-reform support, has been largely led by Norwegian secondments.

- **International Coordination:** Norway has also assisted Serbia coordinate the international assistance. It helped the government set up an aid-coordination unit (DACU), and Norway channels much of its support for Serbia's government and civil service through that mechanism.
- **Embassy Projects** have played a very constructive role in Serbia. The mechanism has helped shore up public and political support in Serbia for Norway as a partner, and effectively fortified other, larger Norwegian efforts – programmatic as well as diplomatic.
- **Knowledge and Diplomacy:** Norway's efforts in Serbia have benefitted from knowledgeable and respected ambassadors on the ground. Though the Belgrade embassy has been meagrely staffed, it has actively cultivated local and international networks, opened doors for many initiatives and delivered MFA and Embassy Projects to considerable effect.

#### **5.6.5 Conclusions**

- The overarching *objective* of the portfolio in Serbia has been to support democratic consolidation and Serbia's reintegration into Europe. This has also been considered essential to find durable solutions to problems in BiH and Kosovo.
- The *results* of the Serbia portfolio have been very positive, as the portfolio has for the most part been *relevant* and *effective* and has produced significant *impacts*, a major share of which are *sustainable*.
- The most important impacts are two: a "socio-psychological" one boosting hope and motivation in Serbia to join the European political space after many difficult years; and more tangible improvements in important areas of security sector reform.

## 6. Norwegian Assistance to Kosovo

In 1998, the conflict in Kosovo broke out into armed confrontation between Yugoslav security forces and Kosovo Albanian insurgents, leading to thousands of dead and nearly one million civilians having to flee their homes, with NATO bombing Yugoslavia March-June 1999. **UN Security Council Resolution 1244** (SCR 1244) authorized an international civil and military presence in Kosovo, on 10 June 1999. Both sides subsequently adopted it in the *Kumanovo Treaty*. International negotiations to determine the status of Kosovo began in 2006, as envisaged under SCR 1244), but failed, so the province is formerly administered by the UN Mission in Kosovo (UNMIK) though Kosovo has made a unilateral declaration of independence on 17 February 2008.

In addition to UNMIK and all the UN agencies operating under this umbrella, Nato maintains a security presence through the Kosovo Force (KFOR), OSCE has a countrywide regional organization, and the European Council, the World Bank and the IMF have liaison offices. Bilateral donors, from countries that have recognized Kosovo, have bilateral agreements directly with the Kosovo authorities.

Kosovo is included in the Stabilisation and Association process, a framework for EU approximation. As not all EU member states have recognised Kosovo, the country lacks a clear EU perspective. EU dialogue with Kosovo takes place within the framework of the Stabilisation Tracking Mechanism; no Stabilisation and Association Agreement (SAA) has been signed, though Kosovo is a potential candidate country for EU membership, and therefore eligible for Instrument for Pre-accession Assistance (IPA) funds, trading rights and other benefits, despite the absence of an SAA.

With an estimated GDP/capita of EUR 1,759, Kosovo is one of the poorest countries in Europe. The country has an estimated population of 2.2 million people, although no census has been conducted since 1981. 92% of the population ethnic Albanian and 5.3% Serbian, and one third of the population is below 15. While the general unemployment rate is 45%, among young people it is on the order of 80% in some areas. Approximately 45% of the population live in poverty (below EUR 1.42 per day) and 15% in extreme poverty (less than EUR 0.93 per day). Emigration, particularly among young people, is substantial. Remittances from the diaspora are critical, with almost 80% of households receiving monthly remittances of USD 250–500, one survey estimating that these remittances provide 45% of annual domestic revenues—up from 25% before the war. Over half the population relies on small-scale agriculture for their immediate support.

## 6.1 Aid Coordination

Donors committed a total of about EUR 1 billion for Kosovo during 2000. Aid has since then moved from emergency and relief to reconstruction and development and now increasingly is supporting the EU approximation process. Aid has levelled out, but is not expected to decrease much given the political importance of stability in Kosovo, the relatively weak economic prospects and the EU funds that will increasingly be available.

Numerous donors and international agencies have been and are still active in Kosovo, without there being a common development agenda or mechanism to coordinate aid flows and programs. Projects have often overlapped, the allocation between sectors has not been optimal, while as much as 80% of the funds from some donors has been paying for external technical assistance rather than in-country investments. Off-budget donor financing supports hundreds of small projects and initiatives, which it can safely be assumed further undermine aid coordination and effectiveness.

A **Donor Coordination Centre** (DCC) was established under the **Office of the Prime Minister** (OPM) at the end of 2006. It was established as the national “single window” for aid coordination. The DCC efforts during 2007 and 2008 mainly worked towards aid management capacities and increased awareness on globally accepted principles of ownership, alignment and harmonization. In addition specific modalities were being pursued such as a SWAP in education, silent partnership approaches, facilitating OECD/DAC 2008 survey on aid effectiveness applied at the national level in Kosovo.

The Kosovo government policy document of principles and commitments on aid coordination, elaborated by the DCC in close dialogue with donors, was approved at the post status donors’ conference in the summer of 2008. This document urged government leadership, to establish a coherent framework that fully takes account of Kosovo’s European Integration ambitions and accelerates the donor coordination structure with adequate institutional and legal authority and the right staffing capacity to deal with aid coordination matters. Soon after this conference, the Kosovo authorities merged the DCC and Agency for European Integration (AEI) into the **Agency for Coordination of Development and EU Integration** (ACDEI). The ACDEI promotes donor coordination under the EU approximation agenda. However, the donor coordination and alignment to national development agendas is not taking place to any large extent.

Due to the lack of an integral strategic development and EU integration agenda in place, aid in Kosovo is generally not well coordinated, reflected in such weaknesses as the very high allocations for TA, consultants and advisors. Almost all aid is in the form of projects which still do not rely on government procedures and public financial management systems and are not reflected in government budgets. Almost no aid is provided so far through basket funding or direct budget support.

For these reasons aid in Kosovo remains inefficient and associated with high transaction costs.

### 6.1.1 Norway's Role

Of the three cases that this evaluation is assessing, Kosovo is closest to one that faces a classic development agenda. Under these circumstances, Norway normally engages quite actively in various forms of aid coordination and aid assistance. In Kosovo, however, while Norway is one of the major bilateral donors, it has so far not been a pro-active party to the aid coordination dialogue and process.

In a "normal" ODA country Norway's support is normally divided between some support to national plans (Poverty Reduction Strategies, National Development plans, sector plans), some direct project support to areas of special concern, and a civil society program. The support to national plans may be seen as high risk but with expected high dividends, while the support to civil society growth can be seen to counter-act some of the risk inherent in budget support by strengthening voice and accountability in society, in addition to genuine civil society development being seen as a positive in itself. On the other hand, the recent **Public Expenditure Framework Assessment** (PEFA) for Kosovo shows that the systems in Kosovo are well ahead of comparable systems in African countries that already for several years have received Norwegian budget support.

Until now, however, Norway has not engaged much in more collaborative forms of aid assistance such as sector or budget support, but has focused on project funding. Where Norway has begun engaging in practical coordination, this has largely been around the activities it funds, and the actual coordination has thus been taken on by the project implementers (like Statens Kartverk, see Annex Box F.1). This raises questions and possibilities for the medium-term engagement for Norway, since the indications are that Norway intends to continue its assistance at a significant level for the years to come.

While Norway has supported the aid coordination mechanisms in Serbia and provided considerable funding to UNDP's aid coordination support in BiH, Norway has so far not played this role in Kosovo. One reason for this is that the new integrated aid unit clearly has an EU focus and EU funding, but this may be at the expense of a focus on strengthening the effectiveness and impact of the resources more directed towards the country's socio-economic growth and development, which is Norway's focus.

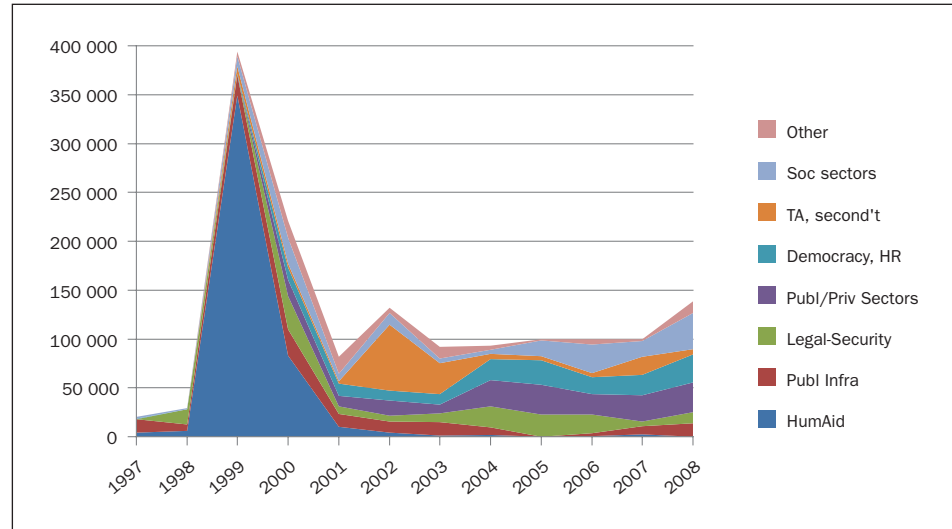
The strategy so far seems to be to avoid the risks inherent in more joined-up modalities in a country that faces serious problems of corruption. Instead Norway has sought safety in the project modus, which has been reasonably successful from a project implementation point-of-view. But this raises the classic problems of ensuring short-term project efficiency versus possible problems with longer-term program effectiveness.

## 6.2 Norway's Financial Support 1997-2008

From the database, the team has identified about 460 agreements for a total of NOK 1.5 billion that have benefited Kosovo (see Annex F Table F.2). This is an underestimate of perhaps 20-40% of actual aid levels (see Annex H, "Methodol-

ogy“). This funding has been grouped into eight program areas, as shown in graph 6.1, across time.

**Graph 6.1: Norwegian funding to Kosovo, by Program Area and Year (NOK '000)**



Most of the funding was for the humanitarian assistance right after the conflict. Since then the program has been fairly stable with support to UNMIK, the legal sector, the cadastral/ housing agency, support to democracy and human rights and, more recently, education.

Norway has been good at distributing funding both geographically and between ethnic groups inside Kosovo. As a perceived independent actor Norway has balanced its support and this has paid dividends as informants across geographical areas and ethnic groups view Norway as a fair and equitable donor and an actor who is seriously committed to assisting Kosovo's development across the various divides (informant interviews).

Norway provides the objectives for its funding in the annual budget document, which are then supplemented by the MFA's internal Allocation Notes. These show that Norway was preoccupied with first *“prevent escalation; humanitarian intervention, relief; support Stability Pact”* in 2000 and then a large focus on humanitarian aid through 2001 and into 2002. Beyond 2002 assistance focused on UNMIK through Norwegian secondment, while also moving into reconstruction and developmental efforts. The Allocation Note of 2002 then says *“Support to **political and economic reform** – i.e., toward Euro-Atlantic integration. There will be more focus on **democratization**-efforts, longer-term **capacity-building** and **institution-building** projects, and **private sector** development projects”* – that is, a fairly broad and ambitious agenda. As of this phase, the Norwegian portfolio has remained quite stable, with a number of projects supported since the early 2000s.

## 6.3 Humanitarian Assistance

This covers the period 1997-2003. The assistance consisted mainly of support to the refugees fleeing Kosovo from 1999, through both Norwegian NGOs and the UN system. The assistance included support to demining by the UN and NPA prior to the return of refugees. Total humanitarian aid was nearly **NOK 490 million**.

The projects looked at by the evaluation were:

- UNHCR's refugee programs 1999-2001.
- NPA demining 1999-2001.

### 6.3.1 Relevance

The Norwegian humanitarian projects are seen as highly relevant: Kosovo faced a humanitarian crisis with almost 1 million refugees inside and outside the territory, with little or no basic services. The support to refugee related work, through UNHCR and large Norwegian NGOs was thus of critical importance – basic survival was actually at stake.

Mines and other unexploded ordnance (UXOs) covered large parts of the country, so clearance activities was a precondition for the safe and secure return of refugees after the end of the fighting, and thus also considered highly relevant.

### 6.3.2 Effectiveness

The general perception is that the refugee assistance during and immediately after the crisis was reasonably effective. Refugees were returning relatively quickly, basic needs were met in or as close to the homes of the returnees as possible, housing was provided (both temporary and reconstruction), legal services to vulnerable groups and returnees was provided and landmines and other UXOs were more or less cleared by 2001.

**Table 6.1: Assessment of Results, Humanitarian Assistance**

Project	Relevance	Effectiveness
UNHCR refugees	1 million refugees and IDPs: <b>Very relevant</b>	Delivered what the programs promised: basic services to refugees inside and outside Kosovo: <b>Effective</b>
NPA mine clearance	Landmines, UXOs a problem in large parts of the country: <b>Very relevant</b>	Delivered what the project promised: Cleared landmines and UXOs in the “high impact” areas: <b>Effective</b>

## 6.4 Reconstruction and Development Assistance

The support to reconstruction and development began right after the war ended, and is still continuing: infrastructure support, reconstruction of housing, strengthening the public sector, private sector development, and funding of social sectors and services, for a total of just over **NOK 522 million**. The projects/ programs looked at were:

- UNDP's Rapid Response Facility that provided housing for returnees and IDPs;
- Statens Kartverk's support to establish the Kosovo Cadastral Agency (KCA);

- UNDP's Capacity building project and the youth employment project (ALMP), that focused on capacity building at municipal level and local youth employment;
- Norway's Association of Municipalities' (KS) cooperation with local governments to help build local business advisory services;
- Norwegian Forestry Group's (NFG) support to building the capacity of the Forestry Department in the Ministry of Agriculture;
- NORWAC's (re-)building of hospitals, in particular in Mitrovica;
- WHO's Mental health project to build the capacity of medical personnel and update infrastructure in the mental health services in Kosovo;
- UNFPA's project to combat gender-based violence, including support to victims.

#### **6.4.1 Relevance**

The UNDP Rapid Response Facility was a quick response to a priority need for housing for the most affected part of the population. Since this was done by a UN agency that was part of the *de facto* government, it represented a clear prioritization by an agency responsible for pan-territorial development. But the project was also in line with the need for rebuilding housing after the massive destruction that took place during the conflict.

The support to the Kosovo Cadastral Agency has gone through a series of phases (see Annex F Box F.1), so the questioning of relevance is not because of lack of importance of the substance issues, but due to wavering political support in early parts of the project.

Of the two UNDP projects, both the Capacity Development Facility for local authorities and the Youth employment project (ALMP) were requested by the Ministry of Local Government and fit into a larger agenda for supporting local authorities. The ALMP was in addition relevant for the private sector development, given the high unemployment rate among young people, something that is also potentially quite destabilising for a new nation, and Norway's Association of Municipalities (KS) project for local authority support falls into the same category of relevance.

Norwegian Forestry Group produced a project that assisted Kosovo to manage a renewable resource in a time of over-exploitation of forests, and thus useful, but the project was as much supply driven by the Norwegian project proponent as demand driven by national authorities.

NORWAC's hospital building had two objectives: re-build needed health infrastructure, and do so in a way that contributes to ethnic reconciliation. The second hospital in Mitrovica both from an overall health resource allocation and from the inter-ethnic points of view raises issues of relevance and priority, but there is little doubt that in the short term the hospital will increase the coverage and quality of secondary health care.

The baseline assessment for the WHO mental health project showed that mental health services was low on the agenda yet the issue was important due to the massive needs a traumatised population faced, so the project was highly relevant.

The UNFPA project on gender equality was also seen as relevant in a country where traditional practices and especially gender inequality practices are still very much alive.

#### **6.4.2 Effectiveness**

The UNDP's Rapid Response Facility project scored high on effectiveness in the participatory Mid-term review as it provided appropriate housing to the beneficiary population as foreseen.

The Cadastral project got off to an uncertain start but now both immediate results and the longer-term Outcomes are considered likely to be delivered.

The forestry project has developed systems and capacity to manage forest resources better. The consistency in technical support staff has been a key factor in securing direction and delivery throughout the years.

The evaluation of the UNDP employment project noted that beneficiaries had a significantly higher rate of employment than the non-beneficiaries, provided equal opportunities for men and women, and strengthened capacities in this area.

The evaluation of the Capacity Building Facility noted that it delivered according to its planned outputs, listing the considerable number of policy drafts and public bodies that had been established, though long-term effects of this could not be assessed. The KS project likewise delivered business advisory capacity to local municipalities and other stakeholders as foreseen, and reporting claims that doing this through a local NGO has been an efficient and effective delivery modality.

The NORWAC hospitals have been delivered on time, budget and with (more than) the expected quality, and for the local population this has been an effective delivery.

The WHO mental health project was relatively effective and delivered all three outputs, but also contributed to structural and organisational reforms in the health sector.

The UNFPA project was supported for only seven months and so was unable to deliver on its planned outputs.

#### **6.4.3 Impact and Sustainability**

The UNDP Rapid Response Facility project was part of, and in line with national directives and plans for repatriation. This helped in achieving the planned results, and the housing provided has been taken over by intended beneficiaries, who have assumed the responsibilities for maintenance and thus the **sustainability** of project Outputs. The fact that people were able to quickly return to their place of origin and have their homes rebuilt has been important for re-constituting local society and individual livelihoods, so the project has been able to deliver on its intended longer-term **impacts**.

Kosovo Cadastral Agency is now a relatively strong public organisation – a first important **impact**. As for **sustainability**, political support and consistent public funding remain key risks.

The youth employment project has helped the government tailor labour market programs for youth, and the national employment plan of Kosovo positively refers to the role of ALMP. But sustainability is questionable due to budgetary constraints.

The CBF project helped simplify administrative procedures and built local capacities through increased knowledge, skills and abilities, and attitude and behaviour. As with the ALM, sustainability is not likely given the government's budgetary situation.

The KS project has enabled businesses to start planning or extend businesses, built new capacities in local schools, introduced innovative teaching methodologies in line with local and international reform efforts, and helped re-establish cooperation and reconciliation between ethnic groups. Sustainability depends on political will in the target areas.

The forestry department has improved its management of Kosovo's forest resources which has helped the department become a more credible actor in the field of natural resource and environmental management, which are seen as important impacts. The sustainability seems to be assured in that staff have the technical skills to run the systems and the department has the budget to continue doing so.

The Mitrovica hospital will have an immediate **impact** on the health service availability, while sustainability will depend on the national health budget and political priorities. Whether the hospital will have any impact on the social fabric (reconciliation) of this divided city remains to be seen, but there is little to indicate why that would be.

## 6.5 Democratisation and Euro-Atlantic Approximation

Norway has funded support to the legal-security sector, the strengthening of civil society, democracy, dialogue and human rights, and technical assistance and secondment, for a total funding of **NOK 480 million**. The projects reviewed in this group were:

- Nansen Dialogue Centre (NDC) to assist the reconciliation process through a community focus, running projects in several communities in Kosovo.
- Gimlekollen support for the establishment of a media/journalism college, both the infrastructure and the trained staff to run it well.
- Support to the legal and justice sector through UNMIK by seconding qualified Norwegian staff from Norway's Ministry of Justice and Police Directorate.
- Two **Embassy projects** have also been looked at in this context.

**Table 6.2: Results Assessment, Reconstruction and Development Assistance**

Project	Relevance	Effectiveness	Impact	Sustainability
<b>Statens Kartverk/KCA</b>	Cadastral services important in post-conflict: <b>Relevant</b>	Delivering on technical deliverables, less so in terms of capacity building: <b>Varying effectiveness</b>	KCA is an established organisation with technical equipment, but high staff turn-over: <b>Varying Impact</b>	Political backing may now ensure more support than previously: <b>Reasonable sustainability</b>
<b>UNDP RRRF</b>	Reconstruction of houses a defined need. - RRRF part of a larger reconstruction national strategy: <b>Highly relevant</b>	Review shows good delivery of housing and capacity building. IDPs were housed and municipalities were capacitated: <b>Effective</b>	Individuals and communities in defined need could return and restart normal lives: <b>Highly positive</b>	Housing owner-operated: <b>Likely sustainable</b> . Municipality capacity depends on public funding: <b>Unclear</b>
<b>Forestry Project: NFG</b>	Low capacity in Gov't for forest management: <b>Relevant though not critical</b>	Capacity building including tools and systems and skills upgrading of Forestry Dept staff: <b>Effective</b>	Forestry department able to manage important forest, environmental issues: <b>Positive</b>	Sustainability depends on Gov't capacity, willingness and financial backing: <b>Unclear</b>
<b>UNDP Cap'ty Dev Facility</b>	Large need for capacity at local authority level, which both important for development and democratisation: <b>Relevant</b>	Have delivered its planned outputs, providing capacity according to defined needs: <b>Effective</b>	Have increased individual and institutional capacity to some degree: <b>Positive but fragile</b>	Challenge: continued political support and resources; keeping people in low-paid Gov't positions: <b>Uncertain but possible</b>
<b>KS Local Gov't</b>	Support to decentralisation, employment support: <b>Largely relevant</b>	Local NGO set up to deliver well to municipalities, business advice to others: <b>Highly Effective</b>	Improved business training, agricultural development, and reconciliation : <b>Highly Positive</b>	Many of the same issues as for the UNDP Capacity Building Facility: <b>Possible though problematic</b>
<b>UNDP ALMP</b>	Very high youth unemployment rate post-conflict, need for dynamic economy: <b>Relevant</b>	Delivered short-term employment to youth, increased capacity of Employment offices: <b>Effective</b>	Some impact on local economies where implemented: <b>Limited</b>	Poor econ development and lack of continuous capacity in decentralized offices: <b>Uncertain</b>

Project	Relevance	Effectiveness	Impact	Sustainability
<b>WHO mental health</b>	Mental health not focus area, although problem large: <b>Relevant to population, not identified as high government priority</b>	Delivered planned outputs of rehabilitation of specialized hospital and capacity building of staff: <b>Effective</b>	Policies improved, mental health now stronger political support: <b>Positive</b>	Sustainability dependent on political and financial support: <b>Uncertain</b>
<b>UNFPA Gender project</b>	Gender inequality and gender based violence a large problem: <b>Relevant</b>	Norway only funded 7 months, no real results produced: <b>Ineffective</b>	Since project cut short, <b>No Impact</b>	As no continuation foreseen, <b>No Sustainability</b>
<b>NORWAC hospital building (*)</b>	(Re-)built health facilities in ethnically divided areas: <b>Relevant but can be questioned</b>	Hospitals and equipment have been delivered on time and on budget to local stakeholders: <b>Effective</b>	Improved health services to previously underserved communities: <b>Positive</b>	Min of Health has limited funding so maintaining and staffing the existing health system is a challenge: <b>Uncertain</b>

(\*): NORWAC, in an E-mail, disagreed with the Relevance and Sustainability ratings. Scanteam has reviewed the arguments but do not find them valid, and thus maintains the ratings as they are.

### **6.5.1 Relevance**

The four projects that were looked at under this heading all appear quite relevant to the larger agenda of supporting democratic development, though their importance and hence priority as an important aspect of relevance varies:

The need for strengthened inter-ethnic dialogue and reconciliation is obvious in Kosovo. Whether the Nansen Dialogue Centre is the most appropriate approach and has a methodology that addresses the key concerns at this point is not clear, among other things because Norway itself has never defined either what it means by reconciliation in the Kosovo context nor specified what kinds of results it believes should come from these kinds of interventions.

The media project appears highly relevant as it introduces a modern curriculum, trains students in critical/investigative reporting and journalism, and thus is strengthening the capacity of “the fourth estate” to critically assess actions and results by decision makers, whether in the public, private or not-for-profit spheres. In a country that is accused of being highly corrupt, this function is particularly important for strengthening Good Governance.

Support to UNMIK was relevant as UNMIK was in several fields the *de facto* authority, clearly a democratising force in a society that is trying to build a new state. Norway’s focus on justice and police sectors was particularly relevant as Kosovo was in need of a reformed legal and justice system as one of the key recriminations against Yugoslav/Serb control had been the biased and distorted use of these important public institutions.

The Embassy supported projects seem especially relevant as many of them support the growth of civil society and popular participation through different means but often with good, immediate results.

### **6.5.2 Effectiveness**

The external factors that influence democratisation projects tend to be more complex and sometimes even working against their objectives than in less political projects. However, the Gimlekollen Media College and the Embassy projects have delivered the planned outputs and seemingly also expected outcomes.

The Nansen Dialogue Centre was recently evaluated, which founds that dialogue activities were in demand, but that the lack of operational goals makes performance tracking difficult. It goes on to note the problems that a project like the Nansen Dialogue Centre faces when one of the parties to a conflict-resolution process does not wish to engage – without the evaluation having a clear recommendation for such situations.

The large support to UNMIK probably produced varying results depending on the qualities of the seconded person. While most staff provided written reports about their tasks and something is thus known about activities carried out and results achieved, this is not systematic and the team has not seen any aggregate assessments of the secondments in general or those of the Norwegians in particular.

### 6.5.3 Impact and Sustainability

Uncertain capacities combined with limited public budgets pose a risk to longer-term impact and sustainability for projects in the public sector. This becomes a particular challenge when the project itself may run into opposition from forces in society that are not necessarily in favour of activities such as investigative journalism or fundamental reform of legal and security institutions and inter-ethnic dialogue and reconciliation.

Gimlekollen has evidently done an excellent job in supporting a well-functioning media college, where students/ graduates have already made an impact on local and national media. But the gradual take-over of the running of the college by the University of Prishtina is problematic since the University currently neither seems to have the political will nor the funding to include the media college in their operations anytime soon.

The Nansen Dialogue Centre is even more vulnerable to the funding challenge, as the MFA has indicated that it will phase out funding to the NDC network as of 2012. The key for the centre is probably to be able to point to significant results that lead to interest from other donors, in particular perhaps the EU in terms of its Social Inclusion agenda (discussed more in the Annex D)<sup>11</sup>.

The secondments to UNMIK were largely meant as short-term assistance in particular fields. One might therefore not expect any long-term impact or sustainability from this. But there is a need to make a distinction between TA or secondment that is largely meant to be gap-filling – when for example Norwegian staff take on implementation tasks within UNMIK – and technical assistance for capacity building, where the person has a job description to train, advise or mentor local staff and organizations with the explicit intent of building local sustainable capacity. The documentation seen on UNMIK does not address this well, so it is not clear to what extent Norwegian funding of seconded staff in fact should have produced longer-term results.

## 6.6 Embassy Projects

The Embassy in Prishtina was only formally established in early 2008, but the diplomatic efforts were strengthened already from early 2007 with an in-country presence of a senior attaché.

From the outset the Embassy was actively engaging with smaller actors and projects through its Embassy projects (*“småpottfondet”*). The projects supported receive EUR 5,000-30,000. The quality and relevance of the projects the evaluation team looked at are high, and the evaluation team was impressed by how the projects were implemented. The Embassy has hired a young local advisor, experienced from Kosovo civil society, and he is responsible for processing the requests

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11 Nansen Dialogue has facilitated dialog in Kosovo with the support from USAID, World System Learning and International Commission for Missing Persons. This may be seen as recognition of the work. Nansen Dialogue states that they “see that particularly EU, but also the U.S., is starting to realize that for a state to function it needs lojaliti from its citizens.” Nansen also states that “there are reasons to believe that dialog and reconciliation might get a higher priority in the future”, while the evaluators believe that for that to happen actors have to strategically make that choice.

that come for Embassy funding. This has had a positive impact on the quality of the projects supported.

The Embassy does not have stated selection criteria for the Embassy funds, making the job of assessing the applications costly. On the other hand flexibility and outreach seems to have been important in the first few years, and it probably has helped the Embassy mapping and understanding the “market place” and the environment in which it operates better.

**Table 6.3: Presentation of results and sources Democratisation/ EU approximation**

Project	Relevance	Effectiveness	Impact and sustainability
<b>Gimlekollen Media College</b>	Very few independent journalists and media in Kosovo: <b>Relevant</b>	Has delivered planned outputs, the physical building of a state-of-the-art media college, the development of a modern curriculum, the training and recruitment of professional staff: <b>Effective</b>	The project has had a clear impact in that journalists from Kosovo are better trained and equipped to conduct independent journalism: <b>Positive Impact so far</b> Sustainability is uncertain since plan for national ownership is hampered by indecision and culture at University of Prishtina: <b>Sustainability unclear</b>
<b>Nansen Dialogue</b>	Addressing ethnic divide through dialogue, reconciliation positive contribution: <b>Relevant</b>	Have delivered outputs in the local setting though with quite staff intensive processes: <b>Reasonably Effective</b>	Very local approach to reconciliation, uncertain if effects beyond the individuals actually participating: Can the individual results be reproduced to ensure impact and sustainability? <b>Impact unclear – Sustainability highly uncertain</b>
<b>UNMIK secondment</b>	UNMIK needed capacity to deliver mandated services, Norway focused on legal, police sectors: <b>Highly relevant</b>	Uncertain/ unambitious mandates for secondment, resulting in individually driven delivery/ ambition over and beyond a gap-filling role: <b>Varying effectiveness</b>	Some individuals delivered outputs and contributed to impact far beyond mandate. UNMIK in general, and security in particular, delivered more or less on mandate. <b>Varying Impact – Sustainability not an issue unless long-term capacity development was objective (not clear)</b>
<b>Embassy projects: Balkan Sunflower</b>	Projects have been addressing needs among important constituencies for Kosovo's long-term development, though neither project represents top priority for authorities: <b>Mildly Relevant</b>	Both projects deliver on their outputs: BS providing a number of school services to minority children/ communities BN developing and providing groundbreaking libraries for schools across communities <b>Reasonably Effective</b>	BS has achieved higher enrolment rates among ethnic minorities in the communities in which they work BN has made more children interested in the value of books <b>Both delivering Impact</b> Both these projects need public budgets and political support to reproduce results, and this is a risk <b>Sustainability vulnerable</b>
<b>BN Architects Library project</b>			

## 6.7 Assessments, Findings and Conclusions

### 6.7.1 Humanitarian Assistance

- The Norwegian-funded humanitarian projects were *relevant*: Kosovo faced a humanitarian crisis with 800,000 IDPs with little or no basic services. Explosive remnants of war (ERWs) covered large parts of the territory. The Norwegian assistance thus addressed key needs.
- The assistance was for the most part *effective*, as both the projects looked at – refugee return and mine-clearing – produced the intended outputs and outcomes. Displaced Kosovars returned relatively quickly. Basic needs were met in or as close to the homes of the returnees as possible: housing was provided (both temporary and reconstruction), legal services to vulnerable groups and returnees was provided and ERWs were cleared more or less by 2001.

### 6.7.2 Reconstruction and Development Assistance

- The reconstruction and development activities have overall been *relevant* to stated needs at the time: Kosovo required large-scale reconstruction assistance, and Kosovo institutions and UNMIK were in need of increased capacity and gap filling. National cadastral services and local authorities needed to be improved, and while forestry-sector planning and the mental healthcare system were relevant they were less of a national priority. Efforts to improve youth employment and gender-based violence sought to address important issues.
- The *effectiveness* has been mixed but mostly good. Of the nine efforts looked at, eight were wholly or partially effective when considering primary deliverables (within-organisation results). Less was achieved when it comes to larger systemic objectives, such as sector models or policies, or outcomes linked to dimensions like reconciliation. Support to Kosovo's cadastral service shows mixed effectiveness. Reconstruction of housing, forestry-sector services, municipal authorities, youth-employment efforts and mental-health services all delivered outputs effectively, as did support to health facilities in ethnically divided areas. The UNFPA gender project was cut short as Norwegian funding ended.
- With regard to *impact* reconstruction and development assistance show negligible societal effects. Lower-level effects – on the direct partner – have been relatively positive, though with considerable variation among individual projects. The mental-health services, forestry-sector efforts and support to health facilities in ethnically divided areas, as well as decentralisation-related support to municipal governance impacted well on partner institutions. Municipal capacity-development also shows encouraging signs of impact on counterparts, but this is fragile. Efforts to reduce youth unemployment have only had limited impact.
- *Sustainability* of the achieved impacts is mixed. Almost all direct partners have been individuals and smaller organisations so ownership is generally good. As soon as continued effects are dependent on public-sector support – political and/or financial – both impact and sustainability tend to be questionable. Of the nine projects looked at, none is clearly sustainable, and only two efforts show at least reasonable promise of sustainability: support for the cadastral service and reconstruction of houses. Support for local-governance capacity-building looks less likely to achieve sustainable impacts, but it is still possible. Sustainability of efforts in the areas of forestry-sector management, youth unemployment, mental health and medical facilities in technically divided areas are uncertain.

### 6.7.3 Democratisation and Euro-Atlantic Approximation

- All activities have been *relevant or highly relevant* as far as their *objectives* are concerned. Of the four projects looked at, secondments to UNMIK to support the international administrative apparatus in Kosovo was highly relevant. Two efforts are clearly relevant to longer-term Euro-Atlantic integration, namely support for developing a vibrant and diverse media, and a dialogue-oriented effort to address ethnic divides and facilitate reconciliation. The two Embassy Projects were mildly relevant in their objectives.
- The projects are by and large *effective*: the project to develop independent journalism and media has delivered its outputs according to plan. The UNMIK secondments and the dialogue effort have been reasonably effective, as have the two small embassy projects. The dialogue project is more difficult to assess, though has delivered what was intended.
- The media project clearly has already produced important *impacts* through improving the quality of journalism produced, and the Embassy Projects also seem to have impacted on the intended groups. The dialogue efforts do not seem to have documentable impacts as of yet.
- *Sustainability* appears a problem for all the projects. The problem is a mix of lack of political commitment and limited public budgets to sustain activities.

### 6.7.4 Findings

- **Portfolio Quality Assurance:** A key problem for assessing results is the relative lack of external evaluations and other more critical forms of performance tracking. There does not appear to be any monitoring and evaluation program in place for the Kosovo program, beyond frequent field visits from MFA and an increased follow up from the Embassy. This is surprising given its considerable size, complexity and spread across so many fields, but also because Norway has been willing to take considerable risks and been an early supporter of new initiatives due to its considerable flexibility of funding.
- **Country Strategy and Impact:** Project impact so far appears difficult to achieve, in part because a number of the projects are poorly integrated into national strategies or priorities. While Kosovo's own planning and coordination leaves a lot to be desired, it would seem that better up-front agreements on the long-term obligations of local partners would have helped. Developing a country programme with clear exit strategies is normally helpful.
- **Gender:** The gender dimension has not been treated in a consistent manner, neither with regards to the mainstreaming of gender in projects in general, nor in the gender equality projects the evaluation team looked at. This seems primarily due to lack of a consistent gender concern in the templates for planning and reporting. When it comes to specific projects the evaluation looked at, the UNFPA project supporting capacity development in civil society and national authorities was very relevant, but ended after only seven months so did not produce any real outputs and much less outcome and impact.
- **Flexibility and Monitoring:** The argument for flexibility – that the environment is changing rapidly and therefore one may have to adjust the project portfolio quickly – requires the linked-in capacity to actually monitor performance (presumably against some target or risk-assessment criteria so that “trigger points” can be identified) and this presupposes a fairly aggressive monitoring program

(essentially what you save on the up-front planning you need to spend on the monitoring and performance tracking). The team has not been able to find any quality assurance program leading to a rather serious quality assurance deficit for the portfolio as a whole.

- **Aid Coordination:** Norway has not been actively engaged in the general aid coordination of Kosovo, although the work on the vocational schools that was initiated in 2008 is definitely a step in the right direction. The Kosovo setting after the declaration of independence is one where Norway could fill a role as an active partner in the donor coordination work, most importantly to secure national ownership and thereby potential for reproduction of impacts and sustainability.
- **Local Programme Staff:** The hiring of a local programme officer to manage the Embassy projects has improved the quality and relevance of this key part of the overall portfolio

### **6.7.5 Conclusions**

- **Overall Assessment:** Norway quickly provided large-scale emergency assistance that delivered on its objectives. The subsequent phases of Norwegian support have been more uneven in their delivery, not least of all due to the considerable dispersion across sectors and actors. Of all the regions where Norway is engaged in the Western Balkans, Kosovo is clearly the one that comes closest to a classic “development cooperation” situation. Despite this, Norway does not seem to have taken advantage of its considerable experience in developing medium- to long-term commitments in a limited number of fields with clear performance indicators, active tracking of results, and locally hired staff who can assist in quality assuring local efforts.

## 7. Channels for the Assistance

The Norad database contains nearly 3,060 agreements that account for the disbursement of the NOK 7.34 billion over the years 1991-2008. One of the variables is “Agreement partner” – that is, the organisation that signed the legal agreement with the MFA and thus is accountable for the use of the funds. The term “channel” used in the TOR presumably means all actors that were directly involved in delivering the service for which the funds were made available, thus also the implementers on the ground if they were different than the agreement partner. The data available do not permit this level of analysis, so the analysis below is based on the data pertaining to Agreement Partner.

### 7.1 The Channels Used

There are over 200 different Agreement Partners that can be identified in the database. These have therefore been divided into six channel **groups**<sup>12</sup>: (i) Norwegian NGOs (29 in all), (ii) Norwegian public sector actors (59), (iii) Norwegian private sector actors (48), (iv), UN agencies and bodies (21), (v) other multilateral actors (OSCE, EU, World Bank etc – a total of 23), and (vi) national actors (25)<sup>13</sup>. Annex J tables J.3-J.6 show the disbursement by actor by category by year.

The **importance** of these different groups varies considerably in terms of the funding they managed. Norwegian NGOs were by far the most important, handling 39% of the total funding, while Norwegian public sector and UN agencies both channelled around 15.6%, multilateral institutions about 14%, while Norwegian private sector and national actors both managed around 8% of the funding.

#### 7.1.1 Trends in Use of Channels over time

Graph 7.1 shows the importance of each group over time. As can be seen the NGOs totally dominated the picture during the first decade, with UN agencies coming in as important channels during the emergency operations, largely UNHCR and WFP (1992-96 in BiH, 1998-2001 in Kosovo). After the emergencies, the funding has been more for classic development activities, which meant more UNDP and UNICEF projects.

As support to various public institutions increased, the use of Norwegian public institutions also grew, so as of 1999 this group of actors has, along with the continued importance of the NGOs, been the dominant channel. Over the last

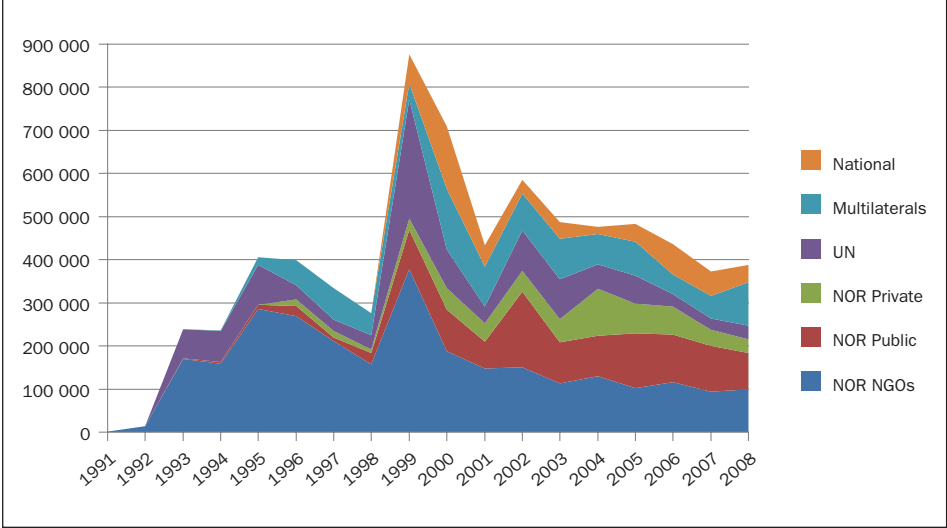
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<sup>12</sup> In the database there are only 129 agreements without an identified partner, covering 1.6% of disbursements.

<sup>13</sup> The latter is an aggregation of public, private and civil society actors, which conceptually is not helpful but since they together handled less than 8% of the funds, dividing this group would not provide useful information.

five-six years Norwegian private sector actors have also begun playing a more important role, partly as contractors on infrastructure projects, partly as technical assistance partners on development projects.

**Graph 7.1: Norwegian funding by Major Channel, 1991-2008 (in NOK '000)**



Within the multilateral system, the International Management Group (IMG) has been by far the most important channel, followed by the World Bank and European Development Bank (EBRD). Whereas the IMG has acted as contractor on a wide range of projects, the two development banks have largely received funding for infrastructure investments, in the early period partly as aid tied to commercial procurement from Norwegian suppliers.

The amorphous group termed “national actors”, while rather small in the larger picture, is even less important than at first meets the eye: the big funding 1999-2001 was for two major aid packages. The one to Serbia was about NOK 80 million for child allowances for a two-year period through the Serb national bank, while in BiH Norad signed agreements on the water and power sectors for a total of nearly NOK 145 million, though a Norwegian engineering firm actually handled the funding, so these figures need to be interpreted with some caution.

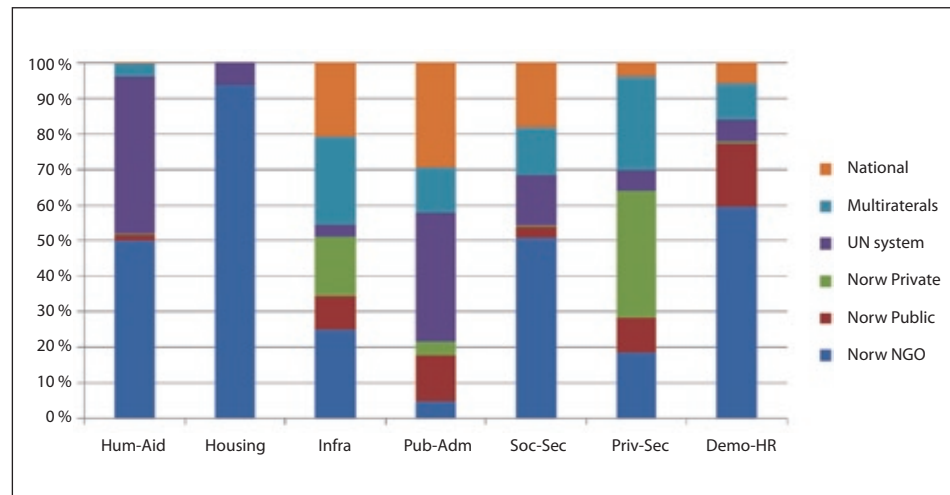
**7.1.2 Importance of Channels by Programme Area**

Graph 7.2 shows that the use of different groups of channels varied considerably by programme area. In the humanitarian field, Norwegian NGOs and UN agencies split the funding, but the picture on the ground was somewhat different as agencies like UNHCR turned around and often contracted Norwegian NGOs to handle some of the funding. The actual share going through NGOs to beneficiaries was even greater than shown below.

In the field of housing reconstruction, almost all funding was handled by Norwegian NGOs, a decision that merits some reflection. This was not a field most NGOs had worked in before; it tended to marginalise local contractors and was unnecessarily import-intensive both on the skills (Norwegian NGO staff) and materials side, so the

multiplier effect on the local economy was less than it could have been. The NGOs often went for contractor-delivered solutions rather than self-help models (though the latter was also used), further undermining local market development. A major reason for this picture was the preference for “the Norwegian model” by the MFA (see 7.2.1) and the annual allocations that forced a focus on quick deliverables rather than participatory determined ones.

**Graph 7.2: Use of Channel by Programme Area (shares of total)**



What is most notable is the limited role that national actors have played, across the board. While 30% of the funding for public administration development went to local authorities, this is a very low percentage compared with what could be expected in normal cooperation arrangements.

Perhaps even more troubling is the very low 5% of the funding to democratisation, human rights and reconciliation activities that national actors – public, private and CSO - managed. This is a field where it is recognized that local ownership is critical for any kind of sustainable impact. Again the picture on the ground is somewhat different, since the largest reconciliation program, the Nansen Dialogue Centre, received a total of NOK 145 million, which is 17.5% of total expenditures in this programme area. This funding is classified as going through a Norwegian channel since the Nansen Academy is the agreement partner, but almost all the funds have been used on the ground by the ten centres themselves, which are largely local self-governing bodies with no Norwegian staff. Despite such caveats, the limited role for national actors is noteworthy.

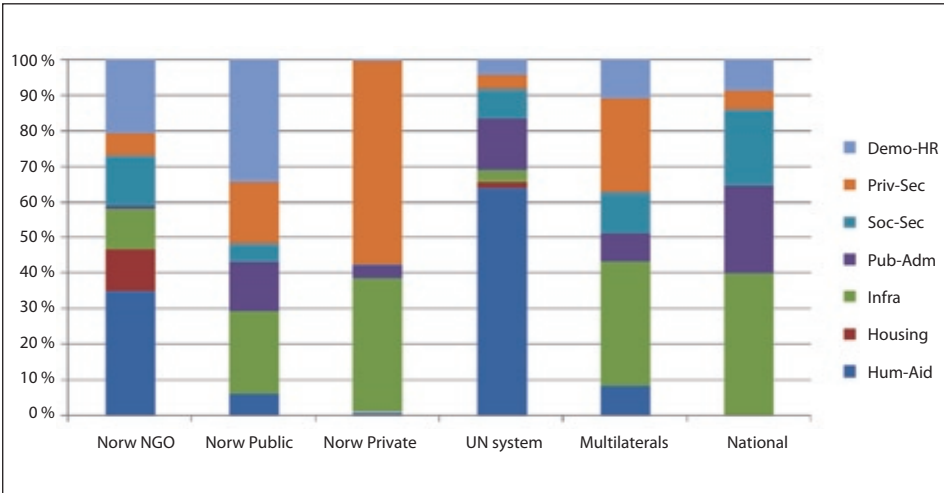
## 7.2 Performance by Channel Type

The different groups of actors have focused on different programme areas in terms of their work (graph 7.3). Norwegian NGOs have been involved in almost all the programme areas with the exception of public administration development, while Norwegian private firms have focused on infrastructure and private sector development areas.

Almost two thirds of UN funding was for humanitarian assistance, while the other multilateral agencies have provided support to private sector and infrastructure development. The local authorities have been engaged in infrastructure projects, as noted above, some public sector development and social service delivery while local NGOs have received funding for various advocacy, human rights and reconciliation activities.

Overall, there has been a considerable mix of tasks across the different groups of channels, and with no particular surprises in terms of which group has provided support in which programme area.

**Graph 7.3: Share of Programme Area according to Channel Type (shares of total)**



**7.2.1 Norwegian NGOs**

The dominance of Norwegian NGOs in the Western Balkans programme is due to the so-called “Norwegian model”: the heavy use of Norwegian NGOs that were seen as fast, flexible and efficient providers of emergency and reconstruction assistance. This approach was a response to the lack of “can-do” implementers on the ground. It was introduced in a formal report to Parliament (St.Mld 12 (2000-01) Box 2.13 “Nye samarbeidsformer”), but had been in place for nearly a decade by then. Essentially the MFA invited in the largest NGOs and told them to roll up their sleeves and get going, as the MFA would be providing the required funding. While many Norwegian NGOs have always received a large share of their funding from public coffers, this took on a whole new dimension with the Western Balkans programme. As can be seen from annex J table J.3, of the nearly NOK 2.8 billion channelled through NGOs, the three largest alone handled NOK 2.1 billion – 75%.

In terms of their performance, they have largely been considered effective, though there was considerable learning that took place in the early days of the BiH emergency regarding handling of logistics, the minority return programmes, and demining activities. Over time, performance has improved, including in terms of financial and

performance management and reporting, with no major complaints by the MFA<sup>14</sup>. The NGOs have in general seen MFA requirements as relaxed when compared to the demands from other donors, where both planning and reporting standards are much stricter. One NGO noted that they felt they learned considerably from having to comply with these tougher standards – but they did not apply these to reports meant for the MFA, nor train other staff members in them.

### **7.2.2 Other Norwegian Actors**

In terms of other Norwegian actors, whether from the private or public sectors, and whether through institutions or seconded as individuals, the overall feed-back is that they have performed as expected or beyond. One theme that comes through in many of the interviews is the solidarity and interest that drove many of the Norwegians, and an appreciation of this by the local partners.

In terms of financial management and reporting, based on what the team has seen, both private and public sector actors appear to have delivered performance and financial reports of a solid quality and as per requirements<sup>15</sup>.

There are two factors the team believe might have an important bearing on the generally very positive feed-back on the performance of Norwegian actors.

The first one is that the team has an impression that the qualifications of the Norwegians working in the Western Balkans was quite high – that the level of experience was better than often is found in other parts of the world where Norwegians do solidarity work. If this is true, it would be interesting to find out more about why this is so.

The other side of this issue is that the local counterparts were on average much better skilled than found in other regions. This made for more balanced relationships and genuine partnering, improving the relevance of the technical skills and experience the Norwegians had, making progress easier and results attainment more visible. “Job satisfaction” appears to have been high, and this mutual respect and partnering may account for a lot of the significant results that were produced under often difficult circumstances.

### **7.2.3 Multilateral Actors**

It is clear that coordinating agencies like the UNHCR played a key role in structuring the aid in the field and thus provided important value-added to Norwegian inputs. Other UN agencies played similar coordinating roles for other activities, such as UNDP’s area-based rehabilitation of the Srebrenica area, the IOM for certain issues related to IDPs and demobilized soldiers, etc.

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14 A number of the NGOs had difficulties finding documents pertaining to the early period in their archives, which is not surprising given the time lag. A number of senior staff noted the informal decision making and lack of documentation of early activities, something in fact referred to in some of the NGO reports themselves, pointing to the need for stricter documentation not least of all for internal learning and consistency purposes: several NGOs were following different procedures different places in the field, with considerable authority delegated down to field office staff. As chaos subsided, structure and standards fell into place.

15 While the TOR asked the team to assess the financial and administrative routines of the various channels, this has not been possible to any meaningful extent. The team has asked for samples of reporting and looked at some of the archives and reporting systems, but without having done anything close to an organizational review. The NGOs spoken with are also not necessarily representative of all actors, so generalizations are not possible.

On the performance reporting and financial accounting side, the UN system has well known and accepted standards. The one issue that has come up is the perception that UNDP is too bureaucratic and thus slow and costly in a fast-moving context.

The International Management Group was a multilateral body that was set up to a large extent at the insistence of Norway to act as a project manager and oversight consultant. While it focused a lot on engineering projects to begin with, it has expanded considerably, and is considered by the Norwegian embassies in the region as a high-performing body – to a large extent as a substitute for a UN that is seen as too plodding and bureaucratic.

#### **7.2.4 National Actors**

There is nothing reliable that can be said about the funding through national actors, partly because this grouping is so heterogeneous, partly because the activities are spread across so many sectors and different scale of activities that there is no common denominator. The team also reviewed only a limited number of projects handled by national actors, and even in the aggregate it is difficult to draw any meaningful conclusions.

### **7.3 Norway and Anti-corruption**

The Western Balkans region had a reputation as one where corruption was a serious problem and thus Norwegian actors were expected to address this issue as part of their operations. The team was asked by Norad's evaluation department, as an additional dimension, to look at how this problem was perceived and addressed over time by Norwegian actors, using the BiH as the case. The intention was *not* to identify or uncover cases of corruption but rather see what has been learned over time, and assess where Norway is at today in terms of its policies and instruments to combat corruption.

The context in BiH has changed since the early emergency and reconstruction phase to a phase concerned with reconciliation, democratic development and EU accession. The actors and programmes in the country today are very different to those of the 1990s. While funding during the first ten years was channelled through Norwegian NGOs and the UN, the picture is more fragmented today, and there are few programmes that have been consistent over time. With these changes, corruption type and risk also changed. This study thus sought to address the following questions (see Annex G for the full report):

- How has Norway's official "zero-tolerance" policy been executed by the MFA and recipients of Norwegian funding?
- What are the differences between the emergency/recovery and reconciliation/democratic development phase in terms of risk and response to corruption?
- What are strengths and weaknesses of MFA and partners' capacity to prevent, detect and react to corruption in relation to other donors and as compared to the past?

### **7.3.1 Norwegian Policies**

Since 1999, anti-corruption work has been a priority in the Norwegian aid administration. Norad issued a Good Governance and Anti-Corruption Action Plan (ACAP) in 2000. Zero-tolerance for corruption as a political goal has been emphasised by the current Government (St.prp. nr. 1 (2006-2007)). The MFA does not have a comprehensive anti-corruption strategy or action plan, but a number of guiding documents have been produced in recent years and capacity building in this field is ongoing.

The Anti-Corruption Action Plan presented a six-point programme against corruption:

- *Norad will become an international front-line organisation in the battle against corruption*
- *Corruption will be put on the agenda in our dialogues with our partner countries;*
- *We will provide assistance to our partner countries in the battle against corruption;*
- *International efforts to combat corruption must be better co-ordinated, more systematic and more effective;*
- *NGOs must be drawn into the battle against corruption;*
- *Sanctions will be imposed if necessary.*

The plan acknowledges that corruption is a broad and difficult concept to measure and agree upon. It points out that donors should be careful, since corruption is understood and regarded differently in different contexts. What is illegal in one country may be accepted practise in another. *“It is often difficult to delimit clearly what is corruption. What appears to foreigners to be illegitimate or illegal governance practices might be more acceptable locally. There is a risk that the international donor community, in its eagerness to promote good governance and fight corruption, will become ethnocentric. It may force third-world countries to adopt systems and practices that are suitable for western societies, but less well suited to the conditions in other parts of the world. There is a need to develop internationally accepted concepts of corruption, which define what behaviour should be criminalized as corrupt”* (NORAD 2000, p. 9).

### **7.3.2 Corruption in Bosnia and Herzegovina**

BiH is a society where connections, relationships and networks are of major importance, which opens up for favouritism and cronyism. There is a large bureaucracy and several levels of administration with unclear division of responsibilities, which create a fertile ground for corruption. The managing functions in public companies and privatisation agencies are often held by persons chosen because of their affiliation to specific parties. This leads to the public to perceive that political parties are the most corrupt institutions in the country, connected with fraud, theft, cronyism and other corrupt behaviour.

During the early phase of emergency and reconstruction there were few procedures in place to prevent, detect or deal with corruption. Norwegian actors – MFA, Norad, NGOs – report that corruption was widespread, though there were few documented cases identified or where action was taken.

Local BiH respondents note that there was poor donor coordination during this period and it was easy to get double-funding for a project. There was no banking-system and thus more difficult to track money transfers. Norwegian NGOs had few procedures in place for tracking expenditure and ensuring checks and balances. Kickbacks were normal.

Over the last years, the structure of Norwegian assistance has changed. The portfolio of Norwegian projects could be described as “low-risk”, as much of the funding is for annual small- to medium-scale projects, often “knowledge-producing” (advocacy, human rights, democracy). There are few capital-intensive projects, and thus little procurement, and only a few cases of core (non-earmarked) funding. Funding is spread very thin on a large number of actors. There are no sector-wide programmes and no budget support. Several of the projects that are supported by Norway are directly seeking to address the systemic challenges related to cronyism and networks based governance.

### **7.3.3 Norway's Approach**

In general, Norway is seen as a donor that understands the local context, keeps a constructive and informal dialogue with development partners and does not micro-manage projects, but trusts the partners' integrity, competence and local anchoring.

Norwegian requirements for financial and narrative reporting are not perceived to be particularly strict compared to other donors. All say that financial reporting and auditing is necessary, but by no means sufficient to discover corruption and misuse of funds. Other tools must be used to (i) assess risk up front, (ii) follow procedures for implementation, and (iii) ascertain that results have been achieved through the activities undertaken.

The Bosnian institutions receiving Norwegian aid portrayed a high level of awareness on the issue, and while they described financial and administrative systems for ensuring proper funds use as important, they put equal weight on decision making procedures and power relations in the organisation. These, however, are not areas that are emphasised by Norway in grants agreements. Norway currently does not have procedures in place for assessing soundness, sustainability of the organisational structure or the accountability the organisation has towards constituencies. There is little follow up on such issues, for example to verify that decision making by the Boards is in accordance with agency statutes - there may be informal structures that supersede the formal ones as the risk of power abuse is seen as high in Bosnian CSOs given the culture of *štela* (see Annex G).

While anti-corruption work has been on the agenda of Norad and the MFA during the last decade, and requirements of grants recipients and tools for addressing alert raising has been developed, it is not easy for partners to fully understand the various elements of the Norwegian anti-corruption approach. To some Norwegian informants it appeared fragmented and without a clear and well-developed framework.

The predominant change in all organisations, from MFA to Norwegian actors to Bosnian actors, is the strong improvements in procedures and tools to *prevent* corruption. It is largely the increasingly strict requirements from other donors, specifically USAID and the EU along with the media attention, that is seen as the driving force behind this change. But Norway has not *detected* any cases of corruption in Bosnia during recent years. Two cases have been brought to the attention of Norway through other channels. Corruption has not been detected through financial regular audits.

There are many examples of local staff, agencies and politicians expressing gratitude when corruption is openly discussed and solutions sought. Since the majority of actors are or want to be law-abiding and interested in the good outcomes of support, they also become victims to a pervasive system of corruption and cronyism. They are grateful when they can operate within a well-regulated system that protects them against attempts by people with power to influence them.

One issue that is emerging is that there can easily develop a contradiction between the strengths of the peace-building and civil society profile of Norway's support, and the zero-tolerance policy. Being a flexible donor that is willing to support innovative projects, wishing to encourage recipient responsibility, and working through a number of informal and political channels is not always compatible with verifying that safeguards to protect funds are in place. Social movements, political groups and informal CSOs that have legitimacy at the grassroots are often much less organised than urban-based professional NGOs: there may be trade-offs between political/peace-building/reconciliation priorities versus indicator-based planning and zero-tolerance demands on fiduciary and management systems.

A key fear is that the zero-tolerance policy can undermine key results simply if corruption is *suspected*, because suspicion of irregularities is in principle sufficient cause for freezing funds. MFA does not seem to have a clear policy to avoid third-party harm and protect investments already made if and when a decision to freeze funds is made. One question is if there is a clear policy to actually do a consequence-analysis in cases where freezing funds is being considered, but another is what the methodology will be to assess potential impact and review alternatives. This question has been raised following the investigation of the Research and Documentation Centre (RDC), an NGO that is considered to have produced important contributions to the reconciliation process<sup>16</sup>.

Another key challenge is the cost related to investigating and sanctioning corruption cases. If an organisation suspects corruption it is extremely time-intensive and costly to investigate in a thorough manner. The investigation is expected to protect the rights of the suspected and of the ones who raises alert, and few organisations have this capacity and competence. This raises the question of Norway's role in such situations, both in terms of what kinds of burden-sharing there ought to be between the local partner and Norway as a funding agent if the issue boils down to

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<sup>16</sup> In this case the issue has not been simply a *suspicion* of fraud but what the parties believe is a documented case of funds abuse, so on this score the case is simpler to justify. There have been other cases discussed in Norwegian media, from Haiti and Sri Lanka, where questions have been raised about the basis for the MFA decision to freeze funds that had quite serious consequences for the (important) CSOs involved.

an individual rather than the organisation as such (though the individual often is a powerful one within the organisation). The other is the resources available to Norway to fully play its role if and when such a situation arises. In the case of the RDC, the Norwegian embassy was grateful that other funding partners took on important roles because the time-costs of pursuing the case tasked an already-overloaded staff, disrupting other aspects of embassy portfolio management.

## 7.4 Findings and Conclusions

### 7.4.1 Channels for Norwegian Funding

- Norway has channelled 62.5% of the NOK 7.34 billion in assistance to the Western Balkans through Norwegian actors – an extremely high percentage, especially given that this is a middle-income region with considerable own capacities;
- A key reason for this is the use of the “Norwegian model”: employing trusted Norwegian NGOs and later on also public and private sector actors to deliver projects. The advantage of this approach has been quick decision based on easy and informal access to decision makers, good control and an ability by the MFA to put considerable pressure on actors to deliver as promised (not unimportant in fragile state contexts) – in short, low transaction costs and high accountability;
- The model has provided high visibility for Norway, with a Norwegian “door-to-door” delivery chain (from decision maker to beneficiary) which for the MFA and Norwegian politicians was important for Norway’s visibility in the larger European political space;
- But this model makes it more difficult for **local** actors to become visible and competitive in accessing Norwegian funds. This raises a major objectives-means question about the extent to which the “Norwegian model” is **an** appropriate or **the most** appropriate one for achieving the overarching objective of “peace, reconciliation and democratisation”. This objective is normally linked to issues of local ownership, participation, genuine voice and so on, and the evaluation team would have thought this could more easily be attained by having stronger local engagement in programme development and funds management;
- The UN system played important roles, especially during the emergency phase on the delivery side but in particular in coordinating the numerous actors. More questions have been raised about the comparative advantage of typical project-implementing agencies, in particular UNDP, in a fragile state context, where it was seen as slow and costly and where a new agency, the International Management Group, was considered to deliver faster, better and cheaper;

### 7.4.2 Norway and Anti-corruption

- Norway has improved its anti-corruption policies, and Norwegian actors on the ground have improved their procedures and instruments for detecting and preventing corruption. A key issue for partners, Norwegian and local, is understanding Norway’s “zero tolerance” policy in a context of Norway being a risk-taker and supportive of potentially conflictual fields like democratisation, reconciliation and democratic governance and what kinds of burden-sharing there will be if suspicions of funds abuse arise, and thus how or if Norway intends to protect innocent third-party interests and long-term investments.

### **7.4.3 Conclusions**

- **The “Norwegian Model”** as a mode for channelling funds provides flexible, accountable, and low transaction costs for delivering support in a fragile state context, but raises questions about long-term effectiveness for peace, reconciliation and democratisation because of the marginalisation of local actors and centralised decision making.
- **Norway’s Anti-corruption** policies have become clearer and better, but Norway’s “zero-tolerance” stand raises questions about attention to third-party harm and long-term investments, especially since Norway otherwise is willing to be a risk-taker. There is furthermore a question of whether Norway is prepared to take on the considerable staff time that is required to pursue a serious fraud or corruption case, and in general what its burden-sharing approach for difficult situations are.

## 8. Overall Assessments of Norwegian Support

The overall assessment of Norway's support to the Western Balkans remains partial, because of the three "pillars" of Norwegian efforts – political/diplomatic, security, and development – this evaluation has only looked in-depth at the last one. This means that the team's judgments regarding *development results* is not able to pay due regard in particular to the significant political and diplomatic efforts that Norway engaged in, and evidently with considerable success. Part of this success is translated into development results: the high score on **relevance** and successes in what otherwise are often quite contentious fields of security and legal/judiciary reform. But it means that there are important parts of Norway's activities in the Western Balkans that remain to be assessed properly for final conclusions.

This chapter looks at overall **portfolio results** according to (i) **DAC criteria**, (ii) **phases of support**, (iii) by **territory**, (iv) by type of **channels**, and (v) Norway's **aid management**.

The first three dimensions have been discussed extensively in chapters 4-6, and the fourth one in chapter 7 and thus not repeated here. Instead two dimensions are discussed here.

Section 8.1 looks at results according to key **programme areas**, because the team believes that this is a useful level at which to understand portfolio results, and thus of help when looking ahead.

Section 8.2 looks at larger issues of **Norway's aid management**, from political level down to project administration, because this appears an area where a number of options should be looked into for possible future engagements in complex emergencies.

Section 8.3 then summarises the Findings across the four performance dimensions noted above before looking at Lessons Learned, Looking Ahead, and also the limitations of the lessons from the Western Balkans when it comes to other fragile situations.

### 8.1 Programme Areas

The more detailed studies of the assistance to Bosnia and Herzegovina, Serbia and Kosovo showed that some of the programme areas showed common results across geographic region while others revealed important differences.

### **8.1.1 Humanitarian Aid**

The humanitarian aid in all the three territories showed high relevance and effectiveness, largely because the needs were so obvious and Norway – along with the other actors – coordinated their support on the ground under the guidance of the international bodies that were mandated to do so: UNHCR and later the Office of the High Representative in BiH, UNMIK in Kosovo.

One major lesson was from BiH, where Norway put together large “integrated packages” of supplies and the administration and logistics to deliver them, with overall very good results. The *efficiency* of the emergency assistance has not been looked at, where comments were that the quality of the Norwegian assistance was very good but Norwegian actors tended to be expensive. The lesson here may be that in situations where speed and quality in the first phase really is of the essence, the Norwegian support may justify the cost, but that over time Norwegian actors may hand over more responsibilities to local actors on the ground.

### **8.1.2 Demining**

The humanitarian demining has been carried out by NPA in all three territories, where the largest programme by far has been in BiH. The recent evaluation of NPA's global demining programme was very positive in particular on local capacity development, and the MFA's role as a long-term funding partner. This picture needs to bear in mind that the early phase was characterised by considerable conflict, confusion and criticism, and it was only after NPA sorted out a number of technical and management issues that the programme really began delivering. Getting things right from the beginning is often difficult as adjustments have to be made to accommodate the specific circumstances, but getting the resources and time to do so was key to delivering sustainable results. Capacity development was not an originally intended deliverable – with annual allocations this was not feasible – but grew over time due to the increasing trust through the long-term engagement. This could and should have been addressed more systematically and earlier, and in particular MFA only providing multi-annual funding as of 2008 is difficult to understand.

### **8.1.3 Housing Reconstruction**

In BiH, housing reconstruction began while the conflict was going on as IDPs needed shelter. While a distinction was made between temporary and permanent shelter, some IDP shelters were in fact planned with the possibility in mind that this housing might serve more permanent needs. The quality was thus higher and costlier than a purely temporary solution would have required. Some of these IDP shelters are in fact still in use, 15 years after they were set up. In this case this was a deliberate choice that was appropriate, but Norway should be careful since in other situations investing this much in temporary shelters has been seen as wasteful (i.e. rebuilding Aceh).

The reconstruction of permanent housing faced the complexities of the politics of war. The early phase of “minority return” programmes did not take this into account and focused on the engineering challenges. While the MFA provided funding, it did not get much involved in the complexities of the programme to begin with. As it

became clear that minority return was as much about framework conditions and incentives, the MFA for once stepped in and questioned the approach, getting the Norwegian NGOs to have a more participatory planning and counselling approach.

The NGOs had limited experience with housing reconstruction, were time and resource constrained and thus less able than similar Swedish programmes to include complementary infrastructure and livelihoods inputs; used turn-key contracts rather than self-help approaches and thus generated less learning, local ownership and linkages to the local construction industry and labour markets.

Overall, the programmes were shaped by the emergency situation at the time rather than seeing housing as a household's most important investment decision that hence should be based on long-term considerations. This lesson seems confirmed by later reconstruction efforts where local populations are willing to trade off speed of rebuilding with own involvement, quality and relevance of building, and that the long-term considerations should not only involve the house as such but also the larger community (Scanteam 2009, on Aceh reconstruction). The MFA could probably also have ensured more structured cross-NGO learning and quality assurance, as NGOs in this phase were behaving more like competitors for contracts rather than as partners to a needy population.

#### **8.1.4 Public Infrastructure**

While Norwegian firms only handled 15-20% of infrastructure rehabilitation funds, the aid to the power and water sectors appears to have been successful. The Norwegians were seen as professional, committed and as genuine partners, so one of the more valuable results was the more open and participatory "corporate culture" that was transmitted through example.

But Norway did not exploit fully the possibilities this created in terms of testing how communal service utilities could contribute to local accommodation and reconciliation processes. While the housing reconstruction ended up trying to include this dimension, this was among original objectives also in infrastructure projects but never followed through. While NGOs got resources to address this dimension, the utilities did not. But according to one study (Skotte 2004) it may be that more can be achieved through using public service delivery than individual housing as vehicle for larger social approximation processes.

While Swedish funding went into larger integrated area programmes, the Norwegian infrastructure and housing projects were not connected. It is not obvious that too much inter-linking of resources from one donor is the most successful approach, but given that it is realised that inter-ethnic dialogue and reconciliation is complex, the lack of across-sector linkages to get some synergies is notable.

In the power sector, the main concern was – reasonably enough – to get power transmission and distribution in place again, and Norway prioritized conflicted areas (Sandzak in Serbia, Srebrenica/Bratunac in BiH). The support to the water sector in BiH was more strategic, with an "evolution" towards more complex and contentious ethnic-political settings, and Norway balancing the support across the entities. But

even in the water sector no longer-term commitment and broader agenda seems to have driven the support, so there was limited links to the sector as such, and little achieved in sustainable inter-ethnic reconciliation.

#### **8.1.5 Social Sectors**

The early social sector interventions were classic service delivery tasks, often to vulnerable groups. The more important achievements noted with regards to advocacy, policy and institutional development and local and regional networking was in part due to well-designed projects with credible implementers, but perhaps even more due to these efforts being compatible with and in fact supporting parts of the EU “social inclusion” agenda. There were therefore major political pressures and resources available to support, integrate and institutionalise the achievements produced by these interventions, so the larger framework conditions were highly conducive.

#### **8.1.6 Public Administration Development – Civilian, Legal and Security**

Two aspects of the public administration support are noteworthy. The first is the heavy engagement in judicial and security sector reforms – areas that Norway historically has not been much involved in. The other is the very modest support to public administration.

Normally Norway provides considerable support to strengthening the state, and this is currently seen as one of the most important functions in a fragile state situation. But while Kosovo is building a state from scratch and BiH has a dysfunctional public sector crying out for reform, it is only in Serbia that Norway provided support to public sector reform, though the efforts were not successful as hoped for.

While Norway tends to focus on building the executive functions of the state, it has to an unusual extent supported development of the judiciary in all three programmes, and with considerable success. The policy of seconding senior legal staff has generated important contributions, though these results have also come about to a great extent due to the conducive policy environment that EU demands and approximation has ensured.

In the defence and police sectors in Serbia, the commitment to reform was wide and Norway trusted, so Norway’s support led to what informants claim is highly positive attributable impact. It should also be noted that in order to secure this collaboration, the Embassy has had three full-time staff working on this sector, versus one staff to cover all other activities.

#### **8.1.7 Private Sector Development**

10% of total Norwegian support has been for private sector development (PSD), which is an unusually high share. The experience in BiH has been mixed, with three efforts in three different fields of Private Sector Development not really showing much spread- and growth effects. While it is still early days for the *incubator programmes*, the considerable resources spent raises questions of cost effectiveness, while the *entrepreneurial training* and *cooperative development* have till recently little beyond direct project outputs to show for their considerable efforts.

What is noteworthy, however, is that those same programmes appear quite successful in Serbia and Croatia. The importance of local ownership and the general policy environment for Outcome and Impact results is thus clear. One question is if Norway should be applauded for “staying the course” also in BiH despite rather disappointing results so far. This evaluation, however, believes that Norway should have accepted that framework conditions were not yet conducive and either closed down the activities till the conditions were seen as positive, or join up with other actors to ensure greater visibility and resources for supporting policy and implementation changes. Neither was done which the evaluation attributes in large part to a lack of strategic clarity on Norway’s side of what were indicators of success or “trigger values” for cutting losses and exiting.

### **8.1.8 Democratisation and Human Rights**

Norway has been a strong supporter of activities to improve human rights, democratisation, reconciliation (the “success stories” in the social sectors could easily be classified here since they deal with the rights of vulnerable groups). This is a field that is notoriously difficult to measure, or agree on what can be considered “success criteria”. Yet Norway continues to invest considerable resources because it is convinced that this is an important contribution to stabilisation, peace and democratisation, a point of view that the evaluation team supports.

Norway has provided support to a wide range of initiatives: free and improved media across the region, research and training institutions with a focus on facts-based contributions to the public discourse, and advocacy and interventionist actors such as the NDCs. Norway has also supported a range of small and localised efforts, not least of all through the Embassy projects. It is not possible nor meaningful to try to aggregate all the activities into some common metric, but several comments seem in order.

The first is that exactly because this is a complex and contentious field, there should have been continuous and critical review of the activities, yet there has been no systematic attempt at identifying results, much less any research-based effort at learning and improving across organisational boundaries.

The second comment, linked with the first, is the almost total absence of local knowledge institutions involved in quality assurance and learning. While Norway tried to introduce a research-based component in the NDC program 1999-2003 with PRIO as programme manager, this did not work out. But no local institutions were invited in instead. Furthermore, while it would have been highly useful to have PRIO or another academic institution engaged, the problem is not a lack of learning by Norwegians, but by the local stakeholders. And the issue is not the NDC as such but the larger panorama of Norwegian-funded activities.

A meeting with actors in BiH revealed that neither Norway nor any other actor is supporting a common learning platform or arena to exchange experiences and lessons learned in this critical field. Yet one of the frustrations was clearly a lack of

linkages that could allow synergies to develop<sup>17</sup>. More importantly for the longer-term, there is no serious academic effort being supported around the issues of community and society dialogue, approximation and reconciliation, which presumably ought to be important for both public and academic debate. For the Norwegian portfolio, a research-based programme could contribute to addressing difficult questions at the core of its reconciliation support: what are meaningful conceptual and empirical frameworks for such efforts (EU's Social Inclusion? more general Social Capital approaches?), what is really "the demand" for different approaches (the NDC is fairly intrusive and time-intensive – is this replicable on a larger scale, does it generate more sustainable and meaningful reconciliation and thus can justify the costs? etc). More generally, what have been the real achievements in terms of credible Outcome and Impact and is it therefore possible to begin focusing on those approaches that seem more likely than others to yield positive results?

Norway supports the Center for Inter-disciplinary Post-graduate Studies (CIPS) at the University of Sarajevo with their MA programmes for gender studies and for non-confessional religious studies. It would be interesting to see if a more generic programme for studies in peace and conflict resolution could be supported perhaps across the region, bringing in other actors like the Centre for Peace Studies at the University of Belgrade. Over time other partners at other universities in the region could join in, perhaps in partnership with interested Norwegian institutions, including the Nansen Academy. This would ensure that the skills and insights generated through 15 years' commitment to this field can be taken full advantage of by the actors in the region.

## 8.2 Aid Administration

The direct management of the Western Balkans portfolio by the MFA has been noted earlier as an unusual feature of this programme.

### 8.2.1 Political Leadership

There has been an unusual degree of consensus at political level about the support to the Western Balkans: there have been no discernible changes/discontinuities with changes of government (from Labour to Conservative back to Labour-dominated cabinets), the dialogue between MFA and Parliament appears to have been open and continuous with a number of Parliamentarians' visits to the region.

The cooperation between the MFA, the Ministry of Defence, the Police Directorate and the Ministry of Justice also appears to have been good, especially as the links have improved over time. What has been unusual is that many of the efforts undertaken by Defence, the police etc are not funded by the MFA but through their own budgets: Norwegian and Serbian police work closely together on common issues (leading among other things to documented successes regarding Balkans-based criminal gangs in Scandinavia), most of the military collaboration is direct or

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<sup>17</sup> One example in BiH is Norway funding NDC, which works a lot with schools and is a very learning-intensive and staff-intensive activity. Norway at the same time is supporting Education for Peace, an activity that involves the eight higher pedagogical institutes across BiH which in turn in principle reach 110,000 teachers. The obvious linkage is .... but so far that has not happened, in any structured or strategic way.

through NATO, etc. That is, the “3D”-approach appears quite successful in terms of internal coordination<sup>18</sup>.

The programme has clearly been responsive to the political priorities of the day, and Parliament has been quick to follow up on political agreements by voting the funds required, the most notable case being trebling of funds from 1998 to 1999 when Norway assumed the OSCE chairmanship. The flexibility and across-the-board political consensus has thus been very successful in mobilizing the political, human and financial resources required to put together a comprehensive and sustained response for the Western Balkans, and which at the same time has been quickly able to adjust to changing circumstances<sup>19</sup>.

### **8.2.2 The Oversight Triangle**

The Auditor-General’s annual report to Parliament began in 1997 to document quite lax management of the annual budgets under direct MFA management, which includes the Western Balkans programme. While some improvements took place – the AGO referred to some changes and further intentions by the MFA to enhance its procedures and controls – what the AGO was pointing to was basically poor (development) project management.

In line with standard procedures, the MFA both responded in writing and took action based on the comments, but following the reports across time it is clear that the improvements were taking longer than would have been desirable. AGO comments in later years return to some of the same weaknesses of lack of clarity on approval criteria, incomplete documentation, difficult to find archived material etc.

Parliament debated these issues and criticised the MFA, which in turn addressed some of the issues. But it is only with the more comprehensive administrative reform project in 2006 that the MFA puts in place a systemic and comprehensive response to almost a decade of criticism – a reform process where WBS has been a visible and pro-active contributor.

What appears as somewhat troubling is that the AGO has not followed more closely the Western Balkans allocations that have all along been one-year votes but which in some years approached NOK 1 billion. These funds were to be spent in that same fiscal year in a fragile state area known to face serious corruption problems. The only specific reviews was of NCA activities in BiH along with NRC projects in Ethiopia in 1998, where the concern was the management of Norwegian funds by NGOs not Norwegian funds in Western Balkans, and a review of the bilateral programme with Serbia in 2007.

The Parliamentary oversight of MFA is also unclear. If the MFA was not following the appropriate procedures for funds management – which is essentially what the AGO was saying – why was this not clamped down on harder and sooner? Obviously there

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<sup>18</sup> The team has not been asked to and has not looked into the non-MFA funded areas, so this is a fairly impressionistic conclusion based, however, on a fairly wide range of comments by persons involved.

<sup>19</sup> There are a number of examples that show that Norway has been unusually fast and open to funding activities that were seen as important where larger and more heavily staffed actors were not able to come up with solutions within the time period desired – a very positive aspect of Norway’s support in a fragile environment.

is a trade-off between speed/flexibility and administration/documentation when working in a volatile region like the Western Balkans – but at the turn of the century, after ten years of one-year allocations and now voting nearly NOK 1 billion, why did Parliament not demand a more vigorous response to the auditor general findings?

The 1999 Parliamentary paper did lead to the establishment of the WBS in 2000, which also was staffed up somewhat, so the MFA did respond to some of the criticisms. But while Parliament did follow up and was very satisfied with the MFA delivery against the *political* objectives of the funding, the *management* of the funds remained a weak spot and where improvements were allowed to move at a more glacial pace.

### **8.2.3 The MFA as Programme Manager**

The MFA has had very knowledgeable and an unusually stable staff who understand the region well. The contact net has been comprehensive, so within the decision making circles of the Ministry there has been a fairly clear and consistent vision of what Norway has wanted to do. This has ensured the high degree of **Relevance** of what Norway has funded, which is a major achievement in such a high-risk area. What has been a lot weaker is the corollary of this: while decision makers have focused a lot on addressing priority questions as they arose, there has been less time to worry about what the long-term desirable outcomes ought to be, and ensure that these in fact are attained.

The annual allocations, with 500 applications and over 400 projects approved in 2003, could perhaps have been justified if the Western Balkans was still in turmoil and Norway therefore did not have clear foundations for its decision making. The Dayton Peace Agreement in BiH in 1995 and the stabilisation of the Kosovo and Serbia situations as at end 2000 provided the kind of predictability that in other situations have allowed Norway to programme its collaboration over a medium-term horizon. An expected action would have been to focus and slim down the portfolio to a core programme in key sectors, and formalize this through medium-term funded programmes with at least indicative performance criteria laid out.

The key reason this did not happen seems to be the continued *political* imperative behind the Western Balkans funding: concerns remain flexibility (ability to quickly adjust to new political realities), and the political gains (visibility of Norway as a political actor). This has fit both with the structural situation and the “corporate culture” in which the WBS has found itself. The Western Balkans funding – along with that of Norwegian funding to other fragile or conflict-affected situations such as Afghanistan and Palestinian territories – sorts under the Minister of Foreign Affairs, not the Minister of Development Cooperation. Furthermore the MFA is primarily a policy body, not a development one. MFA staff are more focused on the politics and the role of Norway as a player than on long-term poverty reduction and aid effectiveness, and thus have less of a background in these fields. The fact that Norad’s involvement in BiH 1999-2003 was not seen as successful by MFA is partly because there was an impatience with the formal procedures and thus time costs involved. But Norad procedures is in fact largely what the Auditor-General’s Office wanted to see in place in the MFA.

Norway produced the one formal policy document for its longer-term engagement in the Western Balkans (St.mld 13/1999-2000), which is only available in Norwegian. No general strategy (“a plan of action designed to achieve a long-term or overall aim”, Oxford Dictionary) or country programme (“a set of related measures or activities with a particular long-term aim”, op.cit.) were developed. The annual budget documents providing the funding allocations and the objectives for these are only published in Norwegian, though relevant summaries were of course made available to local partners. From a cooperation “good practice” point of view (see boxes 8.1 and 8.2), Norway’s cooperation was thus less transparent than its ODA funding in other regions.

#### **Box 8.1: Aid Effectiveness “Good Practice”**

The aid effectiveness debate in the development community led to an agreement on the Paris Agenda (March 2005) and the follow-on Accra Agenda for Action (September 2008) where focus is on alignment with national development objectives, stronger national ownership, more effective and inclusive partnerships, and stronger mutual accountability. The concern has been to ensure that donor-funded activities are strongly embedded in national priorities and plans. This is to ensure Impact and Sustainability, but also to reduce overall transaction costs of the aid, in particular to the host country. Fragmentation of aid has made management and oversight very costly for poorly staffed and funded local administrations.

Key instruments for achieving these objectives have been various formal planning and monitoring instruments, including donor policies and country programmes. One thing is that such instruments make donors transparent to their local partners (most donors make such documents available on their web-sites), but more important is normally the process of producing them: open and inclusive dialogues that invite in relevant stakeholders to ensure relevance and linkages of activities proposed. Such processes are time-demanding and hence costly, so various joint mechanisms are common to improve the efficiency and effectiveness of process and results. Multi-donor trust funds is one (see box 8.2) and various budget support or sector-wide approaches (SWAps) others. While at times frustrating and slow, such processes typically improve transparency and thus local ownership to decisions arrived at, the learning on the side of the local partners, and the accountability of the donor to the local partners and thus predictability of its funding. This latter point is often a major concern because ad hoc donor funding is a major challenge for local planning and coherence in own resource programming.

Linked to a lack of an operational strategy is a concern over the lack of a learning/ quality assurance strategy. If Norway insists on maintaining flexibility in its financing, that must be premised on an argument that the situation is so fluid that a lot of *ex ante* planning is not useful. However, if this is the case, then the follow-on argument is that activities will instead be adjusted as experience is gained and the environment changes. This requires an active learning approach to the portfolio. This is, however, missing. The resources spent on reviews and evaluations appear lower than in a standard cooperation programme, yet the risks are clearly higher and the need for performance tracking thus presumably greater.

Linked to this is a question of whether the MFA ends up wearing too many hats. It draws up resource allocation principles; it approves projects and negotiates agreements; it maintains close ties to implementing bodies, especially the Norwegian ones;

it takes decisions across a wide array of sectors largely on its own; and carries out its own oversight – essentially monitoring the quality of its own decisions. Such a large and complex portfolio might benefit from being looked at by more independent eyes.

The most important field that Norway is supporting is peace, democratisation and reconciliation, an area where Norway has invested considerable resources on a global basis. Yet so far the Ministry's Section for Peace and Reconciliation (SPC) in the Department for UN, Peace and Humanitarian Affairs and Norad's Peace, Gender and Democracy Department have not been involved in a systematic way, either to contribute to the thinking around Norway's engagement, or to learn from the considerable experience that has been generated<sup>20</sup>. These links should be exploited more in the future.

#### **8.2.4 The MFA as Project Administrator**

MFA staff have had to work under immense time pressures for the last 15 years. The large number of projects across a disparate set of sectors essentially demands that a desk officer must have the skills and experience to critically assess performance in private sector development, children's rights, reconciliation dialogue, judicial reform and public utility development – among others.

One result of this work situation is the observations by the Auditor-General's Office on the lack of proper project management. And the weaknesses pointed to were rather basic. Given that Norway as a donor nation over the last 30 years has developed a set of tools and procedures for its development cooperation, this should have been avoidable. But this anomaly is understandable: the MFA is primarily a policy making body. Having a unit that has direct management responsibilities is thus unusual, since the other regional offices in the MFA largely have a policy formulation role while the embassies handle the management issues.

There is also the issue that the Western Balkans Section has throughout the years been under-staffed compared to the tasks and responsibilities that it has been asked to handle. A key yet obvious lesson that the international community has learned is that the transaction costs of working in fragile states is *higher* than in stable and predictable situations, yet the MFA has tried to keep them *lower* through the heavy reliance on Norwegian actors: the oversight costs are low. But if the "Norwegian model" begins to be phased out, the MFA should prepare for more realistic staffing needs to quality assure a demanding portfolio.

As pointed out by the Auditor-General's Office over the years, basic project management systems have been weak, which undermines the Section's ability to track performance and really manage what is a complex portfolio. A basic project list that identifies the same activity over time for what is now in fact a fairly stable portfolio in a number of fields does not exist<sup>21</sup>. Since there has been no structured grouping

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20 The SPC was only established around 2002, with a focus to begin with on Sri Lanka and later on expanded to other peace operations where Norway is directly engaged. While WBS and SPC have a dialogue and keep each other informed on issues like seminars, it is the SPC that is mandated to develop the more generic skills and document the experiences in this field.

21 The most common identifier for registering documents is the annual agreement number, which changed from one year to the next. The *principles* for numbering the agreements also changed over time, so it is not possible to track a given project, such as demining in BiH, through a logical evolution in agreement numbers. The fact that the MFA has changed its basic archival system twice during the period has not made matters easier.

of activities (such as the Programme Area clusters this evaluation has used), it is unclear how any assessments of the portfolio could be carried out, along any dimension. What has allowed the Western Balkans Section to manage the portfolio as well as it has is primarily due to the stability and commitment of the staff, which has ensured a solid institutional memory, along with constant monitoring visits to the field and close collaboration with the resident embassy staff.

But while the MFA and the Western Balkans Section have been criticized by the Auditor-General's Office for its project management, the more important question is whether this really ought to be an MFA task, or whether other management solutions could have been applied?

### **Box 8.2: Multi-Donor Trust Funds and Fragile Situations**

The international community has increased its engagement in so-called fragile and conflict-affected states and situations. A preferred vehicle for providing support is multi-donor trust funds (MDTFs), of which Norway has been an early and major supporter. The MDTFs are normally administered by the UN or World Bank, congregate all the donors around the table for policy discussions and allocation decisions, in close dialogue with national authorities.

The governing principles are (i) clear and explicit strategies that are locally anchored and agreed, (ii) decision making and implementation authority delegated to the field, (iii) clear and transparent criteria for allocating resources and transparency in decision making, (iv) focus on what are considered the main objectives and thus limited number of activities and sectors engaged in, (v) clear reporting, monitoring and evaluation demands on all partners that receive funding, usually structured around key performance areas.

MDTFs tend to be "best practice" in terms of information and accountability: minutes from decision making meetings, progress reports, funding decisions and disbursement levels are provided on web-sites. Project progress reports are distributed and discussed, and management and financial allocation implications agreed to. Joint reviews and evaluations are common, and major evaluation exercises are normally planned in connection with expected major decision points.

Projects tend to be limited in number, with multi-year funding and medium-term targets agreed to. There are attempts to have performance tracking focus on deviations from expected results rather than activity reporting, though success here is variable. The trend, however, is clearly to focus on longer-term Outcomes and Impact that is desired, including in complex fields like capacity development, good governance, human rights and protection of vulnerable groups, etc.

While MDTFs are able to lower total transaction costs substantially, the main gain is to the local authorities, which can treat the MDTF as a „one stop shop“ for funding and policy discussions. The degree to which donors or authorities dominate the dialogue varies, however, though the trend is towards more local ownership and leadership. The overall costs of running an MDTF, while relatively low, are often underestimated by the donors, as fragile environments necessarily mean more quality assurance for both financial and results performance (Scanteam 2007).

#### **8.2.5 Role of the Embassies**

The Norwegian embassies have had to play several roles under quite trying circumstances: Norway's diplomatic representative to the host government; facilitator for the many Norwegian actors engaged in the programmes; monitoring agent and

political “listening post” for the portfolio; policy advisor to the MFA and go-between to local authorities and other actors interested in accessing programme resources.

The arguments for not delegating more responsibilities to the field and for not hiring more local programme staff, especially in a region where there are considerable skills available, remains something of a mystery. Norway has been praised for having very good, well-connected and knowledgeable ambassadors in the field, so building a stronger portfolio management team around them would seem to be a good approach. One barrier is the ceiling on staffing, though one can use programme funds for hiring local programme staff.

## 8.3 Findings and Looking Ahead

### 8.3.1 Performance by DAC Criteria

- **Portfolio Relevance:** The portfolio has overall been **relevant** according to Norwegian assistance objectives and the needs on the ground. The relevance is particularly clear regarding the humanitarian assistance while some of the assistance during what is termed the Democratisation and Euro-Atlantic approximation is less clear-cut.
- **Portfolio Effectiveness:** The portfolios in BiH, Serbia and Kosovo have overall been **effective** as compared against planned Output and Outcome. The deliverables by the Norwegian-funded efforts have in some cases been highly effective while others have produced below expectations. The latter cases have either had to do with low or weakening political commitment, or poor focus and linkages to other development forces that could have provided more support. For such a diverse and complex portfolio that has been implemented under variable and sometimes adverse conditions, the general performance is thus quite satisfactory.
- **Portfolio Impact:** Portfolio impact was not assessed for humanitarian assistance (not relevant), and for many of the democratisation and Euro-Atlantic integration efforts it is too early to see if real impact will result. Regarding the reconstruction and development efforts, direct impacts have varied from “unclear” or limited to quite positive:
  - One group of success stories are those where Norwegian-funded efforts have been compatible with larger transformational forces, often driven by EU approximation (defence and police reforms in Serbia, legal sector (HJPC) and rights of vulnerable groups in BiH, etc);
  - Another group is where the owner of the project has taken strong ownership: (forestry programmes in Kosovo and Serbia, mental health in Kosovo, etc);
  - Overall Impact is greater in Serbia, where a strong government has both political will and capacity to formulate priorities and implement them. The fragmented polity in BiH and weak state in Kosovo and poor public finances both places makes attainment of Impact more difficult to achieve;
  - In these Fragile State settings one problem has been unrealistic higher-order objectives, where some projects have ambitions in complex areas like reconciliation but without having sufficient clarity and resources for how to achieve them.
- **Portfolio Sustainability:** Project sustainability varies considerably across the portfolio. It seems generally assured if the project owner has a strong commit-

ment to continued results, or is part of a larger societal programme (sector strategy, national priority):

- Because of the generally satisfactory to high level of skills available in the region, the *technical* sustainability – the ability of the owner/organisation to continue the activities without further technical advice – is often good. The main threat comes from ability to retain trained persons in an increasingly active labour market;
  - While the public sector/state is quite weak (BiH, Kosovo), the private sector and civil society appear even weaker. The willingness and ability (financial) of the public sector to continue longer-term financial obligations appear fundamental to long-term sustainability for a very high share of the projects;
  - A fragmented portfolio makes sustainability of individual projects more difficult to achieve and definitely more difficult to monitor.
- One group of projects pose a particular challenge for Norway as a donor: projects set up to contribute to reconciliation are largely producing a public good and thus cannot be expected to achieve local financial sustainability. But more important, the public good being produced is seen as a “public bad” by powerful groups, so the projects will continuously be working in a contentious environment. Sustainability can thus be seen as much a Norwegian responsibility as a partner one, so there needs to be a long-term vision with a realistic exit strategy that provides predictability and clear criteria for continued support. This has so far been missing.

**Overall Conclusion: Relevance** of the portfolio has been high, largely due to very good political work, **Effectiveness** largely positive through the use of “the Norwegian model” and considerable local capacity in place, while **Impact and Sustainability** are more variable and could probably have been better through more structured programming.

### Box 8.3: The Western Balkans Programme and Norwegian Assistance

The highly politically driven yet direct management of the Western Balkans programme is, as noted several times, very different from the other Norwegian ODA-funded programmes.

Classic development cooperation, whether channelled through state-to-state bilateral agreements, through multilateral channels like the World Bank or UN agencies, or through NGOs, has developed a set of standards and instruments that are to a large extent codified by the OECD’s Development Assistance Committee, DAC. The DAC standards are to ensure documentable value-added to the intended beneficiaries, largely through quality-assuring the activity cycle from planning to final impact. This has led to certain formal (and Yes, bureaucratic!) procedures, but which have been found to be necessary to ensure a clear results-focus while making the donors transparent and accountable to the local stakeholders. Many of the larger actors have invested considerably in their results-based management (RBM) systems, allowing actors like the World Bank to produce annual Aid Effectiveness reports aggregating data from all their lending operations or the UNDP to show how well they are doing at Outcome level in their key areas of operations against the “contracts” they have with their Board.

The other major funding programme Norway has is with the new EU members, managed through the Financial Mechanism Office (FMO). While this disburses about NOK 2.5 billion a year – 97% of which comes from Norway – in relatively stable countries (Baltic states, Central and Southern Europe), the FMO has set up a rigorous monitoring and evaluation system, with an own staff of over 40.

### 8.3.2 Performance by Portfolio Phase

- **Humanitarian Assistance Portfolio:** The humanitarian assistance has been **highly relevant** and generally also seen as quite **effective**, whether delivered by Norwegian or multilateral partners.
- **Reconstruction and Development Portfolio:** The efforts funded to rebuild and further develop conflict-affected societies have overall been **relevant**. The **effectiveness** has been affected by local framework conditions, in particular contentious local politics (i.e., some minority return housing in BiH) where lack of time and embeddedness in local power relations undermined performance. Overall projects have delivered quite well, and often under adverse conditions. Impact and Sustainability are even more affected by the longer-term framework conditions under which they are expected to continue delivering their results, so this is more variable.
- **Democratisation and Euro-Atlantic Approximation Portfolio:** Again **relevance** is considered good while **effectiveness** varies by framework conditions. While EU approximation is a clear objective being pursued in Serbia and desired in Kosovo, the commitment to the reforms required for EU approximation varies in BiH, which affects those projects set up to be compatible with this process. More so than in the other groups of projects, the **contextual factors** more than project-internal ones determine both effectiveness and undoubtedly also future **impact and sustainability**.
- **Embassy projects:** The small-scale Embassy grants have been valuable additions to the larger portfolios in all three states/territories. More strategic guidance and better local embeddedness through more use of local organisations and skills could undoubtedly improve aggregate outcomes.

### 8.3.3 Performance by State/Territory

- **Bosnia and Herzegovina Portfolio:** Norwegian support has been massive, flexible and relevant to the changing dynamics of the situation on the ground. BiH has a fragmented polity and dysfunctional public administration, which has affected performance. Where Norwegian support is well embedded in longer-term processes (legal, social sector reforms) performance even with limited resources has been notable. Where this is missing, Norwegian stand-alone projects tend to become marginalised and not able to attain the kind of societal impact that was hoped for (private sector development, public utilities, democratisation). When looking ahead and considering options, Norway should probably participate in/take the initiative to joint reviews with both national and international partners, to assess if the critical factors are likely to be in place to ensure beyond-project impact over a reasonable time period, or if the objectives are so important (stabilisation, reconciliation) that Norway is willing to continue to shoulder the burden/ risks for a further time period, but then with a clearer exit strategy in place.
- **Serbia Portfolio:** The portfolio of projects has by and large performed very well, in some areas beyond what could reasonably have been expected to begin with (SSR, but also a project like forestry management that frankly was not highly relevant at the outset). As the Norwegian funding can be expected to decline in the years to come, a clear exit strategy will be critical to maximise future impact and sustainability.

- **Kosovo Portfolio:** The Kosovo portfolio has overall been relevant as well as delivered quite effectively. The challenges are on the longer-term impact and sustainability as a number of the projects face uncertain political and financial commitments for the future. Part of this has to do with unclear integration/relevance in larger sector priorities, though this is changing with for example the education project.

#### 8.3.4 Delivery Performance

- **Use of Channels:** The development and use of the “Norwegian model” was an innovative and highly effective instrument, especially in time-constrained operations where quick decision making and implementation was facilitated by long-standing trust, ease of communication, acceptance of informal procedures and commitments among Norwegian actors, yet ability by the MFA to demand and control results. Accountability was thus good, especially on deliverables, but over time also on reporting (financial and results). Norway also maintained its traditional good contacts to the multilateral system and in particular used a number of UN agencies. Growing dissatisfaction with some UN channels led Norway to push for the establishment of and subsequently use extensively a new implementing agency, the International Management Group. The continued priority to these sets of implementers has marginalised national/local actors. This is surprising in a region of considerable skills, and appears not compatible with Norway’s usual concern with local ownership and accountability for ensuring longer-term impact and sustainability.
- **Public Finance Probity:** There is a public finance management follow-on to this. The close and continuous relations between the MFA and Norwegian actors whereby project proposals for continuous activities are approved year on year raise questions about the transparency and criteria for contract awards. The example of three NGOs that have signed agreements totalling NOK 2.1 billion without a public procurement process and without a systematic quality assurance system in place is one outcome of this;
- **Norwegian Political Commitment:** There has been strong, sustained and broad-based political support in Norway for the Western Balkans portfolio. The focus has been on the **political** dimension of the support – the Western Balkans as a strategic part of Europe and the subsequent imperative to stabilise, integrate and ensure long-term socio-economic growth and development. Norway has therefore invested significant senior political resources over time, particularly during the first decade of engagement, but continues to pay considerable attention to the region.
- **Norwegian Aid Management:** The obvious political steer on the Norwegian support has been reflected in highly visible leadership, close contact between political and administrative management, and close relations between political management and key Norwegian implementing partners. This has allowed for fast decision making, flexibility, clarity and strength of purpose regarding Norway’s views. The centralised administration in Oslo of a complex portfolio raises questions about local anchoring and thus longer-term effects. The annual agreements have over the years caused unreasonable work pressures on staff while causing delays and uncertainties among partners. This is being addressed now with pluri-annual and sometimes larger framework agreements, with a

reduction in number of projects and sectors further reducing the fragmentation of a portfolio that in some years contained over 400 agreements. The embassies have less delegated roles and much fewer staff than comparable embassies by other donors in the region, or Norwegian embassies in other regions.

- **Gender:** Norway has not pursued gender in a systematic and consistent manner across time or areas. Planning and reporting templates till recently did not have a gender aspect the way Norway's other ODA-funded activities must, though this is now being put in place. In all programmes there have been activities that have addressed gender and equity issues, but while individual projects have achieved successes (WCDI, anti-trafficking, gender-based violence), there has been no systematic learning or scaling up of achievements.
- **Anti-Corruption:** Norway has improved its anti-corruption guidelines, skills and procedures, but the impact of a "zero tolerance" policy is creating uncertainty among local partners (full transparency regarding resource freeze policies and how Norway intends to protect third parties and long-term investments, but also which costs Norway is willing to assume). There is also the impression that Norway as a partner has not taken fully on board and is prepared for the very staff intensive processes that anti-corruption measures and prosecutions entails, and thus a fear that these costs may disproportionately be pushed onto local partners.

### 8.3.5 Looking Ahead

- **Resource Planning: Political and Development Concerns:** Flexibility in resource planning has been important during early phases and in times of extreme volatility. But it is notable that the portfolio fairly quickly "settled" on a number of projects. Using short-term and political planning approaches for medium- to long-term activities is not optimal. While there is a need for continuous political oversight of resource use in fragile settings, there should also be a strong and clear effort to adhere to internationally agreed-to "good practice" approaches to improved aid effectiveness:
  - **Engagement in fragile states and situations** should build on the Paris 2007-principles that emphasise building a viable and democratic state, local participation, ownership and leadership and in particular better linkages to other complementary activities and actors (harmonisation and alignment).
  - **Differentiate resources for political versus development objectives:** Once funding is for medium-term results, apply standard ODA principles and procedures, and ensure staff who has the experience to do this;
  - **Delegate to the field** as much decision-making but in particular implementation and management responsibilities as possible, relying on local skills and knowledge as much as is realistic;
  - **Produce written policy/programming statements** with pluri-annual funding frames to make Norway transparent as a donor and accountable as a partner.
- **Monitoring and Quality Assurance:** A Q&A strategy anchoring the institutional memory of the "lessons learned" at least as much in local knowledge management institutions as in Norway may be a useful to improving local ownership and sustainability, but first and foremost could become a practical contribution to

public domain information about key activities, such as support for peace, reconciliation and democratisation.

- **Aid Coordination:** Norway has supported improved aid coordination activities in BiH and Serbia, and should consider to both become more involved and more pro-actively supportive of similar efforts in Kosovo, despite the obvious embassy time/ management costs that this entails.
- **Programming:** Norwegian support has so far largely been on a project-by-project basis, in principle based on applications. This has been the main cause of the extreme fragmentation of the overall portfolio. Future project and programme decisions could take a more strategic approach: (i) identify key sectors for Norwegian support, (ii) carry out sector-based reviews, engaging other logical partners in the exercise, to strengthen local anchoring and broadening political, financial and technical support (“who else supports agricultural development based on cooperatives? Which ones of these might join us for considering a five-year programme?”), (iii) design a comprehensive quality assurance programme involving local knowledge centres, (iv) include if not a complete exit strategy then at least some thoughts or criteria for phasing out and handing over responsibilities to local actors.
- **Technical Assistance and Secondments:** Norway has used nearly NOK 600 million on Norwegian technical assistance and secondments. While there are a number of success stories that can be told from this, in the aggregate it is unclear what the conclusions from this support modality are. A lot of reporting by the individual experts exists, so the empirical basis for learning is in place. Against the criticism of the high costs of Norwegian staff (the efficiency concern), Norway needs to specify what it expects the returns are – locally and perhaps back in Norway. One Outcome is considerable additional expertise in Norway on a range of skills that are transferable through mechanisms like NORDEM. At the same time, more cost-effective alternatives exist and should be considered in such an analysis.

### 8.3.6 Norway in Fragile Situations

- **The 3D Approach:** Norway seems to have developed good working relations across the relevant ministries for ensuring coherence and strategic consistency when engaging in new Fragile State contexts. This seems to have evolved more from the Afghanistan than Western Balkans experience, but clearly is a model to take forward.
- **The Norwegian Model** is a good rapid-response mechanism for immediate action if there are credible Norwegian actors that can move quickly to the field (this capacity is largely available, not least due to the large number of individuals and organisations that were involved in Western Balkans and now can be identified through NORDEM, the NGOs, etc). But the model may quickly become dysfunctional, especially in remote areas where the main coordination has to take place on the ground, and decision making in Oslo thus may increase overall transaction costs and decrease flexibility.
- **Western Balkans** was not a typical Fragile State situation as it was primarily a European political challenge. Most Fragile States is about development overlaid by conflictual political structures. The entire focus must thus be much more field-based, which makes the relevance of Western Balkans experience less direct.

# Annexes





# Annex A:

## Terms of Reference

### 1 Introduction

The total Norwegian assistance to the Western Balkans for the period from 1991 to the end of 2007 was close to ten billion Norwegian kroner. The overarching aim of this support has been to contribute to peace, reconciliation and democracy. Norad's Evaluation Department is now commissioning an evaluation of the Norwegian support to the region during the period 1991 to date.

### 2 Background<sup>22</sup>

#### 2.1 *The Western Balkans*

As the Federal Republic of Yugoslavia broke up and new countries were created, ethnic and civil wars affected all the countries in the region. The war in Croatia and Bosnia (1991-1995) caused severe damage and led to immediate humanitarian needs within its population. Infra-structure was ruined and more than three million people fled the war, either as refugees to other countries or as internally displaced people. The General Framework Agreement for Peace in Bosnia-Herzegovina ("the Dayton Agreement"), provided a temporary solution in 1995. According to this agreement "Bosnia and Herzegovina, Croatia and the Federal Republic of Yugoslavia agree to fully respect the sovereign equality of one another and to settle disputes by peaceful means". In 1998-99 tensions in the then-Serbian province of Kosovo, developed into a full scale war between Serbia, Albanian militants and NATO. The conflict led to a wave of refugees to Albania and Macedonia, to destruction of infrastructure in Serbia, and indirectly to the fall of the Balkans last authoritarian leader, Slobodan Milosevic, in October 2000. The Kosovo conflict also contributed to the ignition of armed conflict in Macedonia in 2001 that led to the Ohrid Agreement, giving provision for the representation of ethnic Albanians in Macedonian politics and administration. Kosovo remained an international protectorate under the UN until 2008 when the country declared its independence.

In June 1999, based on an EU initiative, the Stability Pact for South Eastern Europe was adopted. With this pact more than 40 partner countries and organisations undertook to strengthen the countries of South Eastern Europe "in their efforts to foster peace, democracy, respect for human rights and economic prosperity in order to achieve stability in the whole region".

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<sup>22</sup> For more detailed background information see "Norwegian Assistance to the Western Balkans 1991-2007 – Document Review", NIBR, 2009. The review was commissioned by Norad to serve as a background document for the evaluation

The term “Western Balkans” became customary in 1999, after the Stabilisation and Association Process was adopted<sup>23</sup>. The term includes Albania, Croatia, Bosnia and Herzegovina, Macedonia, Montenegro and Serbia. Today the Western Balkans is being characterised as an emerging region in transition, the countries are however still facing acute social problems such as unemployment, poor infrastructure, human trafficking and organised crime. Moreover, the region is weighed down by divisions along the lines of religion, nationality, cultural heritage, politico-economic system and level of economic development.

## **2.2 Norwegian aid - From Humanitarian Aid to Development Cooperation**

Sparked by the civil wars in former Yugoslavia, the Western Balkans became one of the main target areas for Norwegian humanitarian aid during the 1990s<sup>24</sup>.<sup>5</sup> In the time period from 1991 to 1995 Norway provided almost 1.5 billion NOK to the Western Balkans. After Dayton, from 1996 until 1999, Norway contributed with more than 2.5 billion NOK. In financial terms, the Western Balkans had become one of the main recipients of Norwegian development aid as stability in the Western Balkans was seen as the major challenge for European security at the time. The Western Balkans was also seen as test case for the Common Foreign and Security policy of the EU as well as EUs increased responsibility for peace keeping in Europe. The end of armed conflict and the introduction of democratically elected governments in all countries in the region changed the focus of Norwegian assistance. During the period 2000-2008, Norway provided close to 6 billion NOK in bilateral aid to the Western Balkans. The major priority areas for Norwegian aid during this period included support to economic and political reform, capacity and institutional development, security and justice reform, human rights, and private sector development, in addition to support to combat organised crime and trafficking of women and children. At the regional level, Norwegian support has mainly been channelled through the Stability Pact. The need to promote stability, democratisation and integration in Euro Atlantic structures has been seen as key both by Norway and the countries themselves. In terms of financial support, the main recipients of Norwegian assistance to the Western Balkans have been the States of Ex-Yugoslavia and the Federal Republic of Yugoslavia. Neither of these exists today as the political development in the region led to disintegration and the establishment of new states. However, throughout the period from 1991 until today, Bosnia-Herzegovina has been among the largest recipients of Norwegian aid. After 1999 there was a major increase in aid to Albania, Macedonia and Kosovo and since 2000, Serbia has become a major receiver of Norwegian Aid. The thematic focus of Norwegian aid has been adapted as the situation in the countries has changed from primarily humanitarian assistance, through rehabilitation to reform work and processes which are believed to help the countries enter the Euro-Atlantic structures. Today the support comes primarily as support to institutional development, economic and private sector development, educational reform, the social sector and peace and reconciliation.

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<sup>23</sup> Regional cooperation in the Western Balkans”, Milaca Delevic, Cailliot Paper no 104, July 2007, Institute for Security Studies.

<sup>24</sup> “Norsk bistand gjennom femti år”, p. 245.

### **2.3 Channels for Norwegian Contributions**

Around the time of civil war in Bosnia, Norway was the largest contributor to the United Nations High Commissioner for Refugees (UNHCR), which coordinated international aid to the Balkans. In addition, many Norwegian Non-Governmental Organisations (NGOs) participated in the reconstruction in the Western Balkans. In 1997 as many as 160 NGOs received financial contributions from the Norwegian government. The largest Norwegian NGOs were the Norwegian Red Cross, Norwegian People's Aid, The Norwegian Refugee Council and Norwegian Church Aid.

At this time a multitude of international donors were to act simultaneously. Only in Bosnia-Herzegovina more than 14 multilateral development agencies, 60 bilateral donors, and 400 NGOs pledged support to and became active in the country's post-conflict recovery and reconstruction"<sup>25</sup>. These could be seen as having varied and sometimes conflicting agendas. Today the channels for Norwegian development cooperation include Norwegian, international, regional and local NGOs, Norwegian state institutions, the UN system and other multilateral actors. The Norwegian embassies in the Western Balkans also administer their own funds for projects, mostly for local projects of lesser magnitude.

## **3 Purpose of the Evaluation**

Based on the vast amount of financial contributions to the Western Balkans, there is a need to take stock of the outcome of Norwegian aid. The purpose of this evaluation is therefore to document effects of Norwegian aid in the time period from 1991 until today. During this period the Norwegian aid to the region can be divided into three different phases corresponding to the development in the countries:

1. Humanitarian aid/ relief
2. Reconstruction/development
3. Reforms and adjustment to the Euro-Atlantic integration process

The main users of the findings of this evaluation will be the Norwegian Ministry of Foreign Affairs (MFA), and other stakeholders who have and are still playing an active role in the Western Balkans. In this context the MFA refers to its officials in Oslo, the Norwegian Embassies and the Norwegian Agency for Development Cooperation (Norad). The stakeholders include partners in the recipient countries (public and private), non- governmental organisations and multilateral organisations.

## **4 Objectives**

The major objectives of the evaluation are to:

- Assess and document achievements of Norwegian assistance to the Western Balkans during the above mentioned phases in relation to relevance, effectiveness, efficiency, sustainability.
- Identify lessons learnt contributing to improving the planning, organization and implementation of future Norwegian interventions in countries where needs are changing from humanitarian relief to longer term development collaboration.

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25 "Project Performance Assessment Report – Bosnia and Herzegovina", Report No.: 28288, the World Bank, March 2004.

The achievements will be evaluated against the overall objectives as formulated in various documents including:

- reports and propositions to the Stortinget<sup>26</sup>
- allocation memorandums
- letters of allocations
- national development plans

The findings and lessons learnt of the evaluation should be translated into recommendations to the Norwegian Government regarding planning and implementation of future Norwegian interventions in countries where needs are changing over time.

## **5 Scope of Work**

The evaluation will encompass the main recipient countries of Norwegian support in the Western Balkans, namely Bosnia-Herzegovina and Serbia/Kosovo.

The main focus of the evaluation is the processes involved in establishing and maintaining support in societies where needs are changing over time. The evaluation will focus on the major channels for Norwegian support and assess achievements at outcome and to the extent possible impact level, specific to the three phases of support.

Special emphasis should be placed on the role and interplay of the various actors/channels of Norwegian aid analyzing synergies and comparative advantages. Efforts and achievements should be assessed against the context and standards prevailing at the time, when decisions were made. As the nature of the activities varies, the responses may also have varied over time. The focus will be on the quality and results of Norwegian assistance so far and reasons for successes and failures. The evaluation will document the areas in which the allocated resources have been spent and describe the administration of the funds in terms of reporting, accounting and auditing procedures. Emphasis shall also be on decision making/administrative (internal organizational) processes in MFA and whether these have been suitable for changing conditions in the areas of intervention.

In brief the focus of the evaluation will be describing and assessing the following:

- The process of how the Norwegian assistance to Bosnia-Herzegovina and Serbia/Kosovo evolved during the different phases
- The plans, strategies and timing for the intervention
- The coordination and interplay between various actors
- The administrative/logistical set-up.

## **6 Key Issues**

The evaluation should cover but not be limited to the key issues below. The evaluation team is also free to propose other evaluation questions in the inception report and in the draft report as needed.

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<sup>26</sup> Including St.meld. nr 13 (1999-2000) and St.prp.nr.1 (1999-2000).

### *Planning and implementation*

- How has the various programmes/initiatives been generated/initiated?
- Has the Norwegian support been responsive to the challenges facing the region?
- How was the planning and implementation of the various programmes/activities organized within MFA?
- How effective was the coordination between various MFA departments involved?
- Which internal and external factors have determined the planning, management and results of the programme, including the transition from one phase to another? E.g. to what extent have departments involved in long term development aid been involved in the planning?
- How have issues such as political prioritisation, public attention, demand for speed and visibility influenced the programme planning and implementation?
- Were the programme objectives clear and how were they translated into activities?
- Did the staffing at MFA and embassies adequately correspond to the tasks to be performed?
- How did the various programmes/initiatives ensure response to evolving needs?
- To what extent have activities in the early phase of the programme shaped the options for activities and their outcomes in later phases?
- Briefly how has Norway organized and administered the support to the Western Balkans compared to other donors?

### *Funding*

- Which channels and sources of funding were applied for the various programmes /activities and which constraints were encountered?
- What are the various systems in place for administration of funds in terms of accounting and auditing?
- Are there areas of assistance to the Western Balkans that are particularly subject to misuse?

### *The role and performance of the various actors*

- Assess performance against objectives/targets set in project proposal/descriptions.
- Assess the contribution of the various agencies in terms of coordination of activities.
- What measures have been taken during the planning and implementation to ensure that resources are efficiently used and administered? Assess the potential gap between attention to inputs and concern for results.
- Do the agencies give adequate attention to effects and impacts of their assistance on recipients and local communities?
- To what extent is interventions gender sensitive?

### *Coordination/coherence*

- Assess and analyse coordination and organisational change in the various phases. To what extent and how was the activities supported by Norway coordinated with each other and with other programmes in Serbia/Kosovo and Bosnia Herzegovina?

- Was the need for speed and visibility balanced with the need for co-ordination and co-operation?
- Were the various actors willing and able to engage actively in coordination of their operations?

#### *Local involvement*

- How did the various actors identify and support local partners?
- To what extent were local stakeholders' incl. beneficiaries, internal displaced persons (IDPs) and returnees, involved in planning, decision-making and implementation of Norwegian support in the various phases?
- To what extent has the Norwegian assistance contributed to building local capacity?
- Assess the relationship to local communities (authorities and populations) in host areas. What measures are taken to protect or mitigate damage to local communities – economic and environmental?

#### *Sustainability*

- Do local partners have the capacity to maintain the benefits from the interventions when donor support has been withdrawn?
- To what extent are exit strategies developed?
- Assess and analyse connectedness – are activities of a short term emergency nature carried out in a context which takes longer term and interconnected problems into account.

## **7 Evaluation Approach/Methods**

It will be part of the assignment to develop a methodological and conceptual framework to ensure an objective, transparent and impartial assessment of the issues to be analysed in this evaluation as well as ensuring learning during the course of the evaluation. The evaluation team should make use of empirical methods such as document analysis, questionnaire surveys, interviews, focus groups, field visits, case studies and data/literature surveys to collect data which will be analysed using specified judgement criteria and suitably defined qualitative and quantitative indicators. The team is expected to interview different stakeholders including MFA, the Norwegian Embassies, Norad, and partners at country level including international, multilateral and non-governmental organisations as well as beneficiaries at national level (e.g. individuals, communities that benefit directly or indirectly from the interventions).

In order to document results at outcome and impact level as well as identifying lessons learnt, the consultant will propose a few cases at project/programme level in the two countries for closer scrutiny. In Bosnia-Herzegovina possible case studies could cover the areas reconstruction (houses), justice and education. In Serbia possible case studies could be within law enforcement, institutional support and democratisation and in Kosovo reconstruction and support to ethnic minorities could be covered. The proposed case studies should be presented in the Inception report for discussion with MFA and Norad. Guiding principles: Triangulate and validate information, assess and describe data quality in a transparent manner (assess strengths, weaknesses, and sources of information). Data gaps should be

highlighted. Data collection A document review of the Norwegian Assistance to the Western Balkans during the period (1991-2007) is provided together with this document. Further data collection is the responsibility of the evaluation team. Access to archives will be facilitated by MFA/Norad. Validation and feedback workshops shall be held in the two case countries before departure, involving those that have provided information, and others who are relevant. Where relevant, gender shall be accounted for in the report, in the data collection, the analysis and the findings and recommendations.

## **8 Organisation and requirements**

### **8.1 Composition of Team**

The evaluation team will report to Norad through the team leader. All members of the team are expected to have relevant academic qualifications and evaluation experiences. In addition the evaluation team should cover the following competencies:

Gender balance in the team is an asset. Quality assurance shall be provided by the company delivering the consultancy services, including a person that is external to the evaluation team.

### **8.2 Organisation**

The evaluation will be managed by Norad's Evaluation Department (Norad). An independent team of researchers or consultants will be assigned the evaluation according to the standard procurement procedures of Norad (including open international call for tenders). The team leader shall report to Norad on the team's progress, including any problems that may jeopardize the assignment. The team is entitled to consult widely with stakeholders pertinent to the assignment. All decisions concerning these TOR, the inception report, draft report and final report are subject to approval by Norad. The evaluation team shall take note of comments received from stakeholders. Where there are significantly diverging views between the evaluation team and stakeholders, this should be reflected in the report.

### **8.3 Budget**

The tender shall present a total budget with stipulated expenses for fees, travel, field work and other expenses. The evaluation is budgeted with a maximum of 65 consultant person weeks. The team is supposed to visit the case countries as well as MFA in Oslo and other relevant stakeholders. Additionally, two team members are expected to participate in the following four meetings in Oslo: A contract-signing meeting, a meeting to present the inception report, a meeting to present the draft report and a meeting to present the final report to relevant stakeholders. Direct travel costs related to the possible dissemination in a case country will be covered separately by the Evaluation department on need basis and are not to be included in the budget. The budget and work plan should allow sufficient time for presentations of preliminary findings and conclusions, including preliminary findings to relevant stakeholders in the countries visited and for receiving comments to the draft report.

#### **8.4 Reporting and Outputs**

The Consultant shall undertake the following:

Prepare an inception report in accordance with the guidelines given in annex 3.1 in this document. This includes a preliminary description of the country context, a description of the methodological design to be applied and suggested selection of case studies in the two countries. The inception report should be of no more than 20 pages excluding necessary annexes.

At the end of each country visit, present preliminary findings, conclusions and recommendations in a meeting to relevant stakeholders, allowing for comments and discussion.

Prepare a draft final report and a final report in accordance with the guidelines in annex 3.2 of this document. The final report shall not exceed 80 pages, excluding annexes.

Present the final report at a seminar in Oslo and/or in one of the case countries.

All reports shall be written in English and are to be submitted in electronic form in accordance with the deadlines set in the time-schedule specified under *Section 2 Administrative Conditions in Part 1 Tender Specifications* of this document. The Consultant is responsible for editing and quality control of language. The final report should be presented in a way that directly enables publication. The Evaluation Department retains the sole right with respect to all distribution, dissemination and publications of the deliverables.

The evaluation team is expected to adhere to the DAC Evaluation Quality Standards as well as Norad's Evaluation Guidelines. Any modification to these TOR is subject to approval by Norad. All reports shall be submitted to Norad for approval.

## Annex B: List of Informants

### Norwegian Informants

#### Public Sector Officials

Mr. Bjørn Tore Godal, Minister of Foreign Affairs, 1994-1997  
Mr. Knut Vollebæk, Minister of Foreign Affairs, 1997-2000  
Ms. Marit Nybakk, Member of Parliament 1985-present, former member of Foreign Relations Committee, currently a Deputy President of Parliament  
Mr. Jan Egeland, Deputy Minister of Foreign Affairs, 1992-1997  
Mr. Espen Barth Eide, Deputy Minister of Foreign Affairs, 2000-2001  
Mr. Kim Traavik, Deputy Minister of Foreign Affairs, 2001-2005  
Mr. Nils Ragnar Kamsvåg, Deputy Director General, Section for Western Balkans Affairs (WBA), MFA  
Mr. Tobias Frambe Svenningsen, Assistant Director General, WBA-MFA  
Ms. Eli Jonsvik, Adviser & Desk Officer/Serbia, WBA-MFA  
Mr. Kjetil Køber, Adviser & Desk Officer/Bosnia-Herzegovina, WBA-MFA  
Ms. Toril Langlete, Adviser and Desk Officer/Kosovo, WBA-MFA  
Ms. Dagfrid Hjorthol, former desk officer, WBA-MFA  
Mr. Inge Tveite, NGO section, Norad  
Ms. Rannveig Rajendram, formerly Southeast Europe desk, Norad  
Mr. Håkon Lepsøy, formerly Private Sector section, Norad  
Ms. Toril Berentzen, Assistant Director General, Auditor General's office  
Ms. Magnhild Kaasin, Senior Audit Adviser, Auditor General's office  
Mr. Glenn Roer, Audit Adviser, Auditor General's office

#### Norwegian Non-Governmental Organisations

Mr. Johan Hindahl, Head of Division, Latin-America, Europe and Global Programmes, Norwegian Church Aid (NCA)  
Mr. Per Nergaard, Head, Mine Action Department, Norwegian People's Aid (NPA)  
Ms. Vanessa Finson, Advisor, Mine Action Department, NPA  
Ms. Kari Kjærnet, Advisor, International Department, NPA  
Mr. Ivar Evensmo, former SEE Regional Representative, NPA (1998-1999)  
Ms. Benedicte Bergersen Nesheim, Head of Section, Norwegian Refugee Council (NRC)  
Ms. Berit Faye-Petersen, Programme Coordinator (former Country Director in BiH and Serbia), NRC  
Ms. Marit Backe, Head of Section (former Programme Coordinator Balkans), NRC  
Mr. Geir Andreassen, Programme Coordinator Europe, Norwegian Red Cross (NRX)  
Ms. Helene Berg Vikan, Programme Coordinator (formerly Western Balkans), NRX  
Mr. Jan-Egil Mosand, Disaster Management (formerly Western Balkans), NRX

Mr. Karsten Solheim, Programme Coordinator (formerly Western Balkans), NRX  
Mr. Peter Meyer, Special Adviser, National Disaster Preparedness (formerly W Balkans), NRX  
Ms. Synne Holan, Project Manager, Norwegian Aid Committee (NORWAC)  
Ms. Linda Bukåsen, Regional Coordinator, Europe and Middle East, Save the Children Norway (SCN)

### **Norwegian Public Sector and Research Institutions**

Mr. Svein Eriksen, Direktoratet for forvaltning og IKT (DIFI)  
Mr. Øystein Haugen, Special Adviser/Manager International Projects, Kommunenes sentralforbund (Norwegian Association of Local and Regional Authorities)  
Mr. Steinar Bryn, Nansen Dialogue Network/Norway  
Ms. Bente Knagenhjelm, Nansen Dialogue Network/Norway  
Ms. Ingrid Vik, Oslo Peace Center (former Nansen Dialogue/Norway)  
Ms. Inger Skjelsbæk, Deputy Director, Peace Research Institute of Oslo (PRIO)  
Dr. Jakob Bergsland, Rikshospitalet (Tuzla heart centre)  
Mr. Anders Stølan, SINTEF (Tuzla incubator)

### **Norwegian Private Companies**

Ms. Astrid Green, Athene Prosjektledelse (project manager, Banja Luka incubator)  
Mr. Jon Steinar Østgård, General Manager, Business Innovation Programs (BIP)  
Mr. Bjørn Reite, Project Manager, BIP  
Mr. Inge Haugland, former Chairman of the Board, Jæren Produktutvikling (JPU)  
Mr. Per Kverneland, Project Manager, JPU  
Mr. Donald Campbell, Norplan – AsplanViak  
Mr. Bjørn Ole Grodås, Nord Trøndelag Energi (NTE)  
Mr. Carl Ove Solberg, NTE  
Mr. Øystein Aasaaren, Managing Director, Norwegian Forestry Group (NFG)  
Mr. Campbell Day, Senior Adviser, NFG

### **Other Informants**

Mr. Dan Smith, Secretary General, International Alert (former Director, PRIO)  
Mr. Hans Skotte, Project Director, Programme for Reconstruction and Development, Department of Urban Design and Planning, Norwegian University of Science and Technology,  
Mr. Per Iwansson, former Sida desk officer, BiH

## **Bosnia and Herzegovina Informants**

### **Government Officials**

Ms. Dušanka Basta, Assistant Minister, Coordination of International Economic Aid, State Ministry of Finance and Treasury  
Mr. Aljoša Čampara, Parliamentary Assembly of BiH, Head of Secretariat  
Mr. Tarik Šerak, Director, Mine Action Center in BiH (BHMAC)  
Mr. Milan Rezo, Deputy Director, BHMAC

### **International Agency Officials**

Mr. Josip Polić, Operations Officer, European Bank for Reconstruction and Development (EBRD)

Ms. Regina Boucault, Chief of Mission, International Organization for Migration (IOM)

Mr. Miro Sarić, Office Manager, IOM

Ms. Radmila Radović, Head of Finance, IOM

Ms. Florence Bauer, Representative, UNICEF

Ms. Selma Turkić, Child Protection Project Officer, UNICEF

Ms. Seid Turković, Cluster Coordinator, Srebrenica Regional Recovery Programme, UNDP

Ms. Amna Muharemović, Cluster Coordinator, Public Management, UNDP

Mr. Nedim Čatović, Program Coordinator, UNDP

Ms. Arlett Stojanović, Project Manager, Strategic Planning and Policy Development, UNDP

Mr. Scott Pohl, Protection Officer, UNHCR

Ms. Lejla Riđanović, Assistant Programme Officer, UNHCR

### **Donor Officials**

Ms. Dalida Tanović, Project Manager, British Embassy

Ms. Sabina Đapo, Project Manager, British Embassy

Mr. Jan Braathu, Ambassador, Embassy of Norway

Ms. Mette Strengenhagen, Embassy of Norway

Mr. Kenneth Høgevold, Intern, Embassy of Norway

Ms. Elma Turković, Intern, Embassy of Norway

Mr. Anders Hedlund, Counsellor/Head of Sida, Embassy of Sweden

Mr. Erik Illes, First Secretary, Embassy of Sweden

Mr. Nedim Bukvić, National Programme Officer, Embassy of Sweden

### **Local Partner Representatives**

Dr. Taida Šarkinović, Director, Center for Interdisciplinary Postgraduate Studies (CIPS), University of Sarajevo (UoS)

Ms. Nejra Nuna Čengić, Coordinator, MA Program in Gender Studies, CIPS/UoS

Ms. Zilka Spahić-Šiljak, Coordinator, MA Program in Religious Studies, CIPS/UoS

Mr. Dino Abazović, Coordinator, MA Program in Religious Studies, CIPS/UoS

Ms. Ljuljeta Goranci Brkić, General Manager, Nansen Dialogue Centre (NDC), Sarajevo

Mr. Nebojša Šavija-Valho, NDC/Sarajevo

Mr. Mustafa Cero, Operations Manager, NDC/Sarajevo

Mr. Sven Marius Urke, Member of Council, High Judicial and Prosecutorial Council (HJPC)

Mr. Kenan Ališah, Secretariat, HJPC

Dr. Žarko Papić, Director, Independent Bureau for Humanitarian Issues (IBHI)

Ms. Žaklina Ninković, Red Cross Society of BiH

Mr. Mirsad Tokača, Director, Research and Documentation Centre (RDC)

Ms. Mevlida Rovčanin, Director of Programs, RDC

Ms. Lejla Mamut, Director of Programs, RDC

Mr. Bjørn Hagen, Director, Save the Children-Norway (SC-N)

Ms. Andrea Žeravčić, Regional Programme Manager, SC-N  
Mr. Ahmed Pjano, Programme Manager, SC-N  
Ms. Aida Bekić, Programme Manager, SC-N  
Mr. Darvin Lisica, Programme Manager, Mine Action Programme, Norwegian People's Aid (NPA)  
Ms. Meliha Hadilosmalović, Finance Manager, NPA  
Ms. Vojka Smiljanić-Đikić, Editor, *Sarajevske Sveske* ("Sarajevo Notebooks")  
Ms. Anisa Sućeska Vecić, Director, Balkan Investigative Reporting Network (BIRN)  
Ms. Amila Nezirović, Administration and Finance Officer, BIRN  
Ms. Arijana Aganović, Traveling Theatre Hasija Borić / International Multi-religious Intercultural Center (IMIC)

### **Banja Luka**

Ms. Silba Ajdarov, Programme Coordinator, Business Innovation Programmes (BIP)

### **Mostar**

Mr. Elvir Đuliman, Project Coordinator, Nansen Dialogue Centre (NDC)  
Ms. Edita Zovko, Facilitator, NDC  
Ms. Gordana Anić, Facilitator, NDC  
Mr. Vernes Voloder, Facilitator, NDC  
Mr. Dragi Žujo, Project Manager, Jæren Produktutvikling  
Ms. Belma Hadžimahmutović, Udruženje LINK

### **Srebrenica**

Mr. Osman Suljić, Mayor, Municipality of Srebrenica  
Mr. Alexander Prieto, Programme Manager, UNDP  
Mr. Miladin Jovanović, Project Manager, *Elektrodistribucija Bratunac, Elektro-Bijeljina*

### **Tuzla**

Mr. Nevres Kamberović, Head, Sector for returnees, Dept of General Administration and Returnees, Municipality of Tuzla  
Dr. Emir Mujanović, Head, Cardiovascular section, BH Heart Center  
Mr. Robert Martić, Managing Director, BIT Center

### **Other Informants**

Ms. Dobrila Govedarica, Executive Director, Open Society Fund-BiH

## **Republic of Serbia Informants**

### **Government Officials**

Ms. Mirjana Nožić, Head of Unit, Sector for Programming, Management of EU Funds and Development Assistance, Ministry of Finance  
Ms. Jelena Pajović, Adviser, Sector for Programming, Management of EU Funds and Development Assistance, Ministry of Finance  
Mr. Dusan Spasojevic, Secretary of State for Defence Policy, Ministry of Defence  
Mr. Nikola Busa, Defence Policy Sector, International Military Cooperation Department, Ministry of Defence  
Mr. Petar Mihajlovic, Director, Centre for Demining, Ministry of Defence

Mr. Dražen Maravić, Head of Bureau, International Co-operation and European Integration, Cabinet of the Minister, Ministry of the Interior  
Mr. Željko Milenić, Samostalni Policijski Inspektor, Ministry of the Interior  
Mr. Aleksandar Vasiljević, Glavni Policijski Inspektor, Ministry of the Interior  
Mr. Golub Gračević, Policijski Savetnik, Ministry of the Interior  
Ms. Manka Perović, Adviser for International Relations, Ministry of the Interior  
Mr. Predrag Grujičić, Senior Adviser, Head of European Integration and International Co-operation Department, Ministry of Mining and Energy  
Ms. Sladjana Vukmerica, Adviser, Ministry of Mining and Energy  
Ms. Vesna Jarić, Gender Adviser, Gender Equality Directorate, Ministry of Labour and Social Policy

### **Donor, International Community Officials**

H.E. Mr. Haakon Blankenborg, Ambassador, Embassy of Norway  
Mr. Gianluca Rocco, Deputy Chief of Mission, International Organization for Migration (IOM) Serbia  
Ms. Svjetlana Djokić, Communication and Promotion Activities Adviser, IOM Serbia  
Prof Vladimir Bilandžić, CSBM Adviser, Head of Mission Office, OSCE  
Ms. Jelena Matić, Senior Programme Assistant, Law Enforcement Department, OSCE  
Ms. Branka Bakić, National Programme Officer, Law Enforcement Department, OSCE  
Ms. Lora Dimitrijević, Assistant Programme Officer, UNHCR  
Ms. Rini Reza, Deputy Resident Representative, UNDP  
Ms. Željka Topalović, Head of Programme and Financial Support, UNDP  
Mr. Daniel Varga, Programme and Knowledge Management Assistant, Learning Manager, UNDP

### **Local Partner Representatives**

Ms. Sonja Cagronov, former Director, Agency for Public Administration Development (APAD); presently director, Top Career Consulting  
Ms. Mirjana Dervišević, Project Coordinator, Association of Business Women (AWB), Novi Sad  
Ms. Sonja Stojanović, Director, Centre for Civil-Military Relations (CCMR)  
Col (ret) Dr Miroslav Hadžić, Chair, Management Board, CCMR  
Col Milorad Timotić (ret), Deputy Chair, Management Board, CCMR  
Mr. Djordje Popović, Education Coordinator, CCMR  
Ms. Jelena Radoman, Advocacy Coordinator, CCMR  
Mr. Predrag Petrović, Research Coordinator, CCMR  
Mr. Vladislav Iviciak, Director, Ecumenical Humanitarian Organisation (EHO)  
Ms. Ana Bu, Deputy Director, EHO  
Ms. Daliborka Batrnek Antonić, Project Coordinator, EHO  
Mr. Robert Bu, Programme Coordinator, Roma Resource Centre, EHO  
Ms. Tamara Blagojević, Programme Coordinator, People with Disabilities, EHO  
Mr. Torgeir Hannås, International Management Group  
Mr. Halvor Gjengstø, Project Manager, International Management Group  
Ms. Jelena Lengold, Director, Nansen Dialogue Centre (NDC)  
Mr. Goran Lojančić, Head of Office, Bujanovac, NDC

Mr. Boris Ilijevski, Project Coordinator, NDC  
Mr. Goran Lojanovic, NDC  
Mr. Srdjan Došljak, Administrative Manager, NDC  
Ms. Ivanka Kostić, Executive Director, NGO Praxis  
Mr. Emil Jeremić, Regional Director, Regional Office South Eastern Europe, Norwegian People's Aid (NPA)  
Ms. Ivana Kahrmann, Programme Manager, Civil Society and Media Development Programme, Regional Office South Eastern Europe, NPA  
Ms. Milica Krstanović, Deputy Programme Manager, Civil Society and Media Development Programme, Regional Office South Eastern Europe, NPA  
Mr. Dragan Tepavac, Regional Financial Manager, Regional Office South Eastern Europe, NPA  
Mr. Miloš Savin, President, Creative Youth of Novi Sad (SONS)  
Ms. Ivana Staničić, Executive Director (I), SONS  
Ms. Bojana Jovanović, Executive Director (II), SONS  
Mr. Aleksandar Vasiljević, Executive Manager for Development and International Cooperation, Srbijašume  
Prof Dr. Dragoljub Kavran (emeritus), former Dean, Faculty of Law, University of Belgrade  
Mr. Nenad Petrović, Assistant Professor, Forest Management Planning Department, Faculty of Forestry, University of Belgrade

## **Kosovo Informants**

### **Government Officials**

Mr. Edon Cana, Chief Executive Officer, Agency for Coordination of Development and EU Integration/Office of the Prime Minister of Kosovo  
Mr. Selim Thaqi, Head of Department of Macroeconomics, Ms.Valmira Rexhebeqaj, Macro Economic Advisor/ Department of Macroeconomics, Ministry of Economy and Finance  
Mr. Tahir Ahmeti, Head of Training Unit, Agency for Forestry, Ministry of Agriculture, Forestry and Rural Development  
Mr. Xhavit Ukaj, Head of Department of Strategic Planning and Coordination  
Mr. Hamit Basholli, Chief Executive Officer, Kosovo Cadastral Agency, Ministry of Public Service  
Mr. Sami Kurteshi, Kosovo Ombudsman  
Mr. Bengt Anderson, Management Advisor, Kosovo Cadastral Agency, Ministry of Public Service  
Mr. Besnik Osmani, Permanent Secretary, Ministry of Local Government Administration  
Mr. Scott Bown, Executive Director, Mr. Xhevat Azemi, Deputy Director, Kosovo Property Agency

### **Donor, International Community Officials**

Mr. Sverre Johan Kvale, Ambassador, Embassy of Norway  
Mr. Agon Maliqi . National Programme Officer, Royal Norwegian Embassy Prishtina  
Mr. Ranjit Nayak, World Bank Representative in Kosovo  
Ms. Saranda Cana, National Programme Officer, Swiss Development Cooperation

Mr. Anders Ohrstrom, Counsellor/Country Manager, Mr. Fatos Mulla, National Program Officer, Development Cooperation. Sida, Embassy of Sweden Skopje Office in Prishtina

Mr. Fabio Serri, Head of Office, European Bank for Reconstruction and Development

Mr. Samir Selimi, Task Manager – Operations/Social Development, The European Commission Liaison Office to Kosovo European Commission.

Mr. Pierre Weber, Head of Office, Grand Duchy of Luxembourg Office in Prishtina

Mr. Philip Tissot, Chief of Protocol, UNMIK

Mr. Tetsuo Kondo, Executive Director, UNDP

Ms. Aferdita Spahiu, Education Specialist, UNICEF

Mr. Communities Policy Officer, Communities Section, OSCE Mission in Kosovo

Mr. Argjent Karai, Project Manager, IMG

Mr. Mbili Ambaoumba, Representative of UNHCR in Kosovo

Mr. Skender Sylva, Head of Office, WHO

Ms. Ardita Tahirukaj, NPO, WHO

Mr. Besnik Stuja, Mental Health Assistant, WHO

Ms. Visare Mujko-Nimani, NPO, UNFPA

#### **Local Partner Representatives**

Mr. Petrit Tahiri, Executive Director, Kosovan Nansen Dialogue,

Ms. Synne Holan, Resident Representative, NORWAC

Mr. Lulzim Shehu, Country Representative, NORWAC

Mr. Willem Howen, Head of School, Kosovo Institute of Journalism and Communication

Mr. Driton Ramajli, Managing Partner, Mr. Skender Halili, Managing Partner, KS-K

Mr. Bujar Nrecaj, dipl. Architekt fh, BN Architects

Mr. Muhamet Arifi, Coordinator, Balkan SunFlowers Kosova

#### **Other Informants**

Mr. Shpend Ahmeti, Ceo, GAP Institute for Advanced Studies

## Annex C: Documents Consulted

### Independent Evaluations, Reviews, Studies

- Barakat, Sultan and Steven A. Zyck (2008), "NATO/PfP Trust Fund Programme for Assistance to Redundant Military Personnel in Bosnia and Herzegovina: Independent Mid-term Evaluation". Draft Final Report, Post-war Reconstruction and Development Unit, University of York, York/UK, 25 August.
- Beauclerck, John; Taida Kapetanović; Ahmed Pjano and Aida Ivković (2004), "Children Affected by Armed Conflict and Disaster. Country Evaluation for South East Europe Regional Office in Bosnia and Herzegovina - The Federation of Bosnia and Herzegovina (FBiH) and Republika Srpska (RS) & The State Union of Serbia and Montenegro - The Republics of Serbia and Montenegro". Save the Children Norway, October.
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