

Public and Private Finance for Development (PPFD)

Second Cycle 2020-2023

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Mid-Term Evaluation

24.05.2023

Undertaken by Roderick Ackermann for UNDP Istanbul Regional Hub for Europe and the CIS

Project and evaluation information

Project/outcome Information		
Project/outcome title	Public and Private Finance for Development	
Atlas ID		
Corporate outcome and output	<p>Regional Programme for Europe and the CIS for 2018-2021</p> <p>Outcome 2: Addressing poverty and inequalities through more inclusive and sustainable development pathways</p> <p>Indicative outputs</p> <ul style="list-style-type: none"> National public finance capacities in partner countries enhanced and strengthened through effective provision of the Slovak knowledge and experience (Public Finance for Development Programme) Capacities of the Slovak private sector to participate in development cooperation enhanced with a view to mobilise financial resources, knowledge, expertise and technologies (Private Sector in Development Cooperation Programme) Capacities of Ministry of Finance of the Slovak Republic officials enhanced in managing Slovakia's development cooperation (MFSR Capacity Building Programme) 	
Country	Bosnia and Herzegovina, Moldova, Montenegro, North Macedonia, Serbia	
Region	Europe and CIS	
Date project document signed	05 February 2020	
Project dates	Start	Planned end
	01 January 2020 ¹	31 December 2023
Project budget	USD 5,981,947 (USD 7,376,543 with funding carried over from the previous project cycle) ²	
Project expenditure at the time of evaluation	USD 3,328,632 (as of 31 October 2022)	
Funding source	Ministry of Finance of the Slovak Republic	
Implementing party	UNDP Istanbul Regional Hub for Europe and the CIS, and UNDP country offices	
Evaluation type (project/ outcome/thematic/country programme, etc.)	Project	
Final/midterm review/ other	Midterm	
Period under evaluation	Start	End
	January 2020	February 2023
Evaluators	Roderick Ackermann	
Evaluator email address	roderick@evalutility.com	
Evaluation dates	Start	Completion
	May 2022	March 2023

¹ This evaluation covers the second cycle of PPF, which started in January 2020. The first cycle ran from 01 January 2017 to 31 December 2019. The first cycle is not covered by this evaluation.

² Second cycle only

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Acronyms and abbreviations

Abbreviation/ Acronym	Definition
CO	UNDP Country Office
DAC	Development Assistance Committee
GMS	General Management Support
IRH	UNDP Istanbul Regional Hub for Europe and the CIS
MFEA SVK	Ministry of Foreign and European Affairs of the Slovak Republic
MF SVK	Ministry of Finance of the Slovak Republic
MKD	North Macedonia
MLD	Moldova
MNE	Montenegro
ODA	Official Development Assistance
PEFA	Public Expenditure and Financial Accountability Programme
PFD	Public Finance for Development
PPFD	Public and Private Finance for Development
PSD	Private Sector for Development
RMF	Resource Mobilisation Facility
SDG	Sustainable Development Goals
SIGMA	Support for Improvement in Governance and Management
SRB	Serbia
SVK	Slovakia
UN	United Nations
UNDP	United Nations Development Programme
USD	United States Dollar

Executive Summary

Introduction

Subject of the evaluation

This report presents the findings, conclusions, and recommendations of the mid-term evaluation of the United Nations Development Programme (UNDP) project 'Public and Private Finance for Development' (PPFD).

The evaluation covers the second implementation cycle of PPFD, which started in January 2020 and is due to end in December 2023. So far, 14 new sub-projects have been launched during the current cycle, some of which have been completed. PPFD is implemented by UNDP through its country offices in 5 partner countries (Bosnia and Herzegovina, Moldova, Montenegro, North Macedonia, and Serbia), and is comprised of 3 Outputs:

- **Output 1** National public finance capacities in partner countries enhanced and strengthened through effective provision of Slovak knowledge and experience (Public Finance for Development Programme (PFD)).
- **Output 2** Capacities of the Slovak private sector to participate in development cooperation enhanced with a view to mobilising financial resources, knowledge, expertise and technologies (Private Sector in Development Cooperation Programme);
- **Output 3** Capacities of Ministry of Finance of the Slovak Republic officials enhanced in managing Slovakia's development cooperation.

The budget for PPFD is approximately USD 7.4 million, of which approximately 45% has been spent as of 30 September 2022.

Overview of the evaluation

The overall aim of the evaluation is to assess the performance of the project, its results, inputs and activities, and what changed in partner countries as a result. The evaluation's findings and recommendations will be used by the Project Board, UNDP, and by the implementing partners to strengthen the project's implementation and the sustainability of results. Based on the findings and conclusions, recommendations are provided to support the further development of PPFD.

The evaluation was undertaken between May 2022 and early March 2023. It was comprised of extensive desk research, data analysis, individual and group interviews involving 78 PPFD and external stakeholders, and a survey of contracted Public Finance for Development (PFD) experts. Interviews were carried out in two phases. During the first phase, in 2022, interviews covered UNDP staff and partners in all 5 partner countries and were carried out exclusively online. During the second phase in early 2023, face to face meetings were held with UNDP staff and partners in Bosnia and Herzegovina and North Macedonia, and also with UNDP's Istanbul Regional Hub.

Main conclusions

Inevitably, the COVID-19 pandemic has disrupted project implementation, although the project was adapted to mitigate the disruption. The pandemic mainly affected implementation in 2020, as the planning of activities for 2021 already took the pandemic into account. Annual PPFD reports identify two main effects of the pandemic on project implementation. Firstly, some activities were postponed to the subsequent year, and secondly, various activities took place online rather than in person. This indicates that PPFD implementation is likely to be more concentrated towards the end of the current

implementation cycle than originally planned (this is also indicated by analysis of financial data), which may constrain overall effectiveness and sustainability. The move to online activities mitigated disruption to the schedule, but experience suggests that online activities may be less effective than in-person activities for various reasons, such as connectivity problems, constraints on interactivity, the increased possibility for participants to be distracted, and general fatigue with the format resulting from its extended use. However, given the circumstances of the COVID-19 pandemic, there was no alternative.

Relevance and coherence

The proactive engagement of partner institutions in the design of PFD and Resource Mobilisation Facility (RMF) projects ensures that most address concrete needs in the area of improved management of public finances, carbon reduction, and renewable energy. Many activities address the requirements of the EU negotiation process and at the same time are addressing practical operational constraints. Projects are tightly integrated with other UNDP work and the work of other bilateral and international actors. PPFD oversight by the Project Board, and guidance provided by UNDP's Istanbul Regional Hub (IRH) ensures that PPFD projects are in line with the strategy of the donor, the Ministry of Finance of Slovakia (MF SVK), which focuses on areas where Slovakia has proven experience and expertise. However, the quality of individual project proposals varies, and they do not clearly identify expected changes in the performance or behaviour of institutions, systems or target groups. Furthermore, some do not clearly identify partner institutions. The goal of Output 2 is not clear and it is not evident that the RMF can address the expectation that it will lead to greater involvement of the Slovak private sector in international development cooperation. Expectations regarding the mobilisation of additional funding are not clearly identified in the Project Document. Output 3, as presented in the Project Document, does not correspond to the actual situation – it is described as internal capacity building for MF SVK. It does include *ad hoc* individual capacity building for ministry staff, but discussion with the IRH indicates that activities are intended mainly to maintain the ministry's profile as an international donor and to support delivery of its official development assistance (ODA) strategy.

Effectiveness

PPFD is supporting the introduction of new or revised legislation and institutional structures and the development of guidelines, and it has provided assessments and recommendations. It is also supporting the introduction and scaling up of new systems and approaches (including innovative financing mechanisms) with demonstrable benefits. Interview feedback indicates that PPFD is contributing to changes in the performance or behaviour of institutions, systems or target groups in all five partner countries and at central and local levels. Slovak and other international expertise and experience are very useful, but some UNDP country offices (CO) have made limited use of these resources. PPFD lacks the necessary systems to collect, analyse, and learn from outcome data. PPFD and donor visibility are variable and project-related web pages provide a confusing picture.

Efficiency

PPFD management and coordination have improved significantly since the previous evaluation in 2018. UNDP COs report that they receive excellent support from the PPFD project manager and private sector specialist and that PPFD processes are generally working well. Based on analysis of UNDP AAA financial reports as of 30 September 2022, overall PPFD management costs (including GMS) amount to 36% of total costs. This is largely justified by the design of PPFD, which has so far funded 14 projects during the current implementation cycle which range in value from USD 754,922 to USD 23,976. Nevertheless, there are some gaps, such as the quality of the Project Document, the quality of individual project proposals, outcome monitoring and reporting, and systems to manage and exploit different types of project data.

Sustainability

PPFD outputs are likely to be used and further developed, as they address practical needs of partner institutions and are delivering demonstrable benefits that support their wider uptake (e.g. increased tax collection at central and local levels, efficiency gains, and cost reduction). PPFD outputs are well integrated with other work of UNDP's COs and other national and international actors. Better outcome monitoring would enable better identification and communication of concrete benefits, which in turn would promote utilisation and scaling up of outputs.

Cross-cutting issues

Individual project proposals do not reflect the emphasis placed on gender equality and human rights in the PPFD Project Document, although some projects do address these issues in practice.

Good practices

Several key features of PPFD support good results:

- **Well-defined roles and good coordination between key actors:** The three key actors are the COs, the IRH, and the Project Board. The Project Board provides strategic guidance and oversight. Projects are developed by COs in consultation with national partners and with IRH guidance and support to ensure that they fit within the agreed framework.
- **Focus on piloting and practical problem solving:** PPFD projects generally focus on piloting and practical problem solving where a small investment can lead to a disproportionate catalytic effect.
- **Integrating PPFD with other funding:** Integrating different sources of funding enables faster progress and bigger outcomes. Thus, while they are funded as standalone projects, many PPFD projects are tightly integrated with other projects and funding sources in pursuit of bigger goals.
- **Innovative funding mechanisms:** There are examples of innovative funding mechanisms in BiH, MKD, and MNE that PPFD has either introduced or helped to scale up, leading to investments that would otherwise have taken longer to materialise, or which might not have happened. This has involved dialogue with key actors over long periods, research, analysis, development of feasibility studies, and public communication, including data to support investment decisions.

Recommendations

Strategic recommendations

The following recommendations are addressed to UNDP IRH management and the donor:

1. IRH and MF SVK should jointly reformulate the objectives and expected outcomes of Output 3 to clearly reflect MF SVK's strategic ODA objectives. Output 3 activities should respond to these, rather than to individual *ad hoc* needs that could perhaps be more appropriately addressed through an internal continuing professional development budget. The basis for the assessment of Output 3 activities provided in the results framework should focus on changes in institutional ODA performance and reputation.
2. IRH and MF SVK should jointly review and clarify the goal of Output 2. The goal of this Output, as indicated in the PPFD project document, is to increase Slovak private sector participation in international development cooperation. In practice this objective appears to have been deprioritised in the current PPFD implementation cycle, but the donor still has expectations in

this regard. It is also not clear if the RMF can address these expectations, although it is producing useful results in the 4 partner countries where it is currently implemented.

3. IRH and MF SVK should jointly review objectives and expectations regarding mobilisation of additional private sector and IFI funding. Any calculation of what has been achieved in this regard is unlikely to be straightforward, in view of the different funding models and the influence of different projects and donors. It is therefore important to develop a workable and mutually acceptable calculation methodology.
4. IRH should completely rewrite the Project Document for the next phase of PPF (after 2023) to provide a clear and up to date picture of the project, its objectives, structure, expected outcomes, and systems and processes (e.g. monitoring, quality assurance, etc.). This is not simply a presentational issue. It requires a joint reassessment of objectives by MF SVK and UNDP. This process should be informed by a jointly developed theory of change, which is likely to be a challenging process that takes time and may require multiple iterations. It could benefit from external facilitation. Particular attention should be given to the development of a small number of clear indicators to assess outcomes at country and regional levels, as well as specific outcomes that are important for MF SVK as the donor.

Operational recommendations

The following recommendations are addressed to UNDP IRH:

5. IRH should ensure that project proposals and reporting place much greater emphasis on expected and actual changes in the performance or behaviour of target institutions, systems, or groups. This applies equally to projects where the main emphasis is on drafting legislation, guidelines, or assessments. This supports project design and management, strategic learning, and communication of project benefits to different audiences, which in turn can promote scaling up and sustainability of project results.
6. IRH should ensure that individual project proposals are clearly and consistently presented. In some cases, this implies providing more information but in other cases it implies providing information more concisely. This includes: clearly identifying the goal in the project title; eliminating contextual information that is not directly relevant to the project; making a clear distinction between information about linked projects and the project that is the subject of the proposal; identifying specific partners and target groups to be involved; identifying what changes are expected, where, and when and explaining what monitoring information will be collected, how, when, and by whom; grouping activities into coherent components; budgets that are structured in the same way as project components, are presented in the currency of the project, and that systematically identify project management and general management support (GMS) costs, including where these are zero.
7. IRH should improve presentation of PPF on the UNDP website, starting with a project dashboard with direct links to further information ('dashboard' here means a table of projects including basic data, such as partner country, category (PFD or RMF), start and end dates, and project cost). The structure of the content of web pages should be updated to make a clear distinction between PPF and other Slovak-funded activities, and more information on results should be provided. In addition to providing information country by country, important cross-cutting themes should be summarised and analysed. For example, it would be useful to add a web page explaining all the different funding mechanisms that have been used and in which contexts.

8. IRH should develop a system to collect, manage and exploit project data more efficiently (including output and outcome data). Project data is spread across numerous individual files and email messages. It is therefore highly fragmented, making it hard to reconcile different sources of information or to extract management insights and information for communication about the project to different audiences. The system should be developed collaboratively with COs, taking into account the needs of different users and audiences, including those external to the project and UNDP. This is likely to be a challenging process but would directly support project management and reporting of results. It would also provide an example of good practice that could be adapted for different projects. Finally, clear, transparent, and regularly updated presentation of project information, including structure, activities, results and outcomes would support IRH fundraising work.
9. In consultation with COs, IRH should review the information and guidance it provides about RMF parameters and scope. This will enable COs to improve decision making and resource allocation when they are considering what RMF ideas to submit. This will also help to avoid engaging partner institutions in discussion about project proposals that are likely to be rejected by IRH.
10. IRH should facilitate more experience and information sharing between COs and with the IRH. CO project managers find annual in-person regional meetings very useful, and these could be used to further build synergies between the five partner countries and develop regional objectives for the PFD element of PPF. It is also possible that specific RMF projects could be replicated (with contextualisation and adjustments) in different partner countries, with the benefit of lessons already learned. Experience and information sharing can also be facilitated by improved presentation of information about PPF on the UNDP website, as recommended above (recommendation 7). IRH could also consider using a restricted PPF website for regular communication with COs and sharing internal information such as guidelines, best practices, updates, advice on addressing common challenges, and useful contact information.

1 Introduction

This evaluation report covers the Public and Private Finance for Development project (PPFD). PPFD is funded by the Ministry of Finance of the Slovak Republic (MF SVK). The project is managed by the United Nations Development Programme (UNDP) Istanbul Regional Hub (IRH) and is implemented by IRH and UNDP country offices (CO) in five partner countries: Bosnia and Herzegovina, Moldova, Montenegro, North Macedonia, and Serbia. This evaluation covers the second implementation cycle of PPFD, which started in January 2020 and will end in 2023. The first implementation cycle of PPFD, which ran from 2017 to 2019, is not covered by this evaluation. The term 'PPFD' in this report refers only to the second implementation cycle (2020-2023), except where the first implementation cycle is explicitly indicated.

1.1 Evaluation scope

The evaluation covers all five partner countries and all three Outputs of the second implementation cycle of the project, which started in January 2020.³ The evaluation was launched in May 2022. The cut-off date for financial data is 30 September 2022, while for other data collection it is 03 March 2023.

The PPFD project's three outputs are:

- **Output 1** National public finance capacities in partner countries enhanced and strengthened through effective provision of Slovak knowledge and experience (Public Finance for Development Programme (PFD)).
- **Output 2** Capacities of the Slovak private sector to participate in development cooperation enhanced with a view to mobilising financial resources, knowledge, expertise and technologies (Private Sector in Development Cooperation Programme);
- **Output 3** Capacities of Ministry of Finance of the Slovak Republic officials enhanced in managing Slovakia's development cooperation.

Outputs 1 and 2 are comprised of 14 new sub-projects launched since January 2020. Output 1 also includes a project that has continued from the previous implementation cycle (i.e. the project started before January 2020).

Details of the project's structure, objectives, budget and context are provided in section 2 below (page 5).

1.2 Evaluation objectives

This section summarises the evaluation objectives. The complete list of evaluation objectives and questions can be found on pages 3 to 5 of the evaluation terms of reference, which are provided in Annex 1.

According to the terms of reference, the purpose of the evaluation is to *'provide an impartial review of the Project in terms of its relevance, effectiveness, efficiency, impact, sustainability, management, and achievements including impact of COVID-19 pandemic on the Project implementation of the Project*

³ The terms of reference (p2) state: *'The project consists of two implementation cycles. The first cycle (2017-2019) was implemented based on the project document prepared in 2016 and the mid-term evaluation was done in 2018. The second cycle (2020-2023) is implemented on the basis of revised project document prepared in 2019 and valid as of January 2020 until 2023.'*

activities. The information, findings, lessons learned, and recommendations generated by the evaluation will be used by the Project Board, UNDP, and by the implementing partners to strengthen the project implementation and results' sustainability'.⁴

The evaluation should assess the overall performance of the project, its results, inputs and activities, and what changed in partner countries as a result. In particular, the evaluation should focus on:

- **Project design and strategy**, taking into account the recommendations of the 2018 mid-term evaluation report and their incorporation into the design of the current project implementation cycle;
- **Project implementation and results**. The evaluation should focus in detail on the country-specific activities and results of Output 1;
- **Engagement of stakeholders** and collaboration between project partners;
- **Sustainability**;
- **Gender responsiveness**.

The evaluation report should describe key lessons learned and it should provide recommendations that are concise, actionable, and well targeted for relevant decision-makers.

The evaluation will assess the project according to the following 6 OECD DAC⁵ evaluation criteria:⁶

- Relevance
- Coherence⁷
- Effectiveness
- Efficiency
- Impact
- Sustainability

The evaluation should assess the extent to which **gender equality** and **human rights** are addressed in project design, implementation, and outcomes.

As specified in the terms of reference, the evaluation provides recommendations that are '*...concise, actionable, and well targeted for relevant decision-makers ...*' to support the evolution of project results going forward and enhance the impact of the project.

1.3 Evaluation approach and methods

It was originally envisaged that the entire evaluation would be carried out remotely, and this was the approach used for the development of the draft evaluation report, which was submitted to UNDP in early November 2022, and the revised evaluation report, which was submitted in December 2022. Following submission of the revised evaluation report, UNDP introduced the possibility of visiting the

⁴ Terms of reference, p3

⁵ Development Assistance Committee (of the Organisation for Economic Co-operation and Development)

⁶ OECD (undated), 'Evaluation Criteria',

<https://www.oecd.org/dac/evaluation/daccriteriaforevaluatingdevelopmentassistance.htm>

See also UNDP Independent Evaluation Office (06/2021), 'Evaluation Implementation and Use', p13

<http://web.undp.org/evaluation/guideline/documents/PDF/section-4.pdf>

⁷ The terms of reference do not include the coherence criterion, but relevant are included under relevance

IRH and two partner countries,⁸ to hold meetings with UNDP staff and project partners in order to explore certain aspects of PPF in greater detail with UNDP and other stakeholders. It was agreed in discussion between the evaluator and IRH that the two countries to be visited would be Bosnia and Herzegovina and North Macedonia. The former was selected as an example of a partner country with a complex and challenging project implementation environment. The latter was selected as several examples of concrete project outcomes there had emerged during the evaluation, and it was considered that these merited further exploration. Visits to the IRH and the 2 partner countries took place between mid-February and early March 2023. The discussions with stakeholders during the visits to the two countries are annexed to this report as country case studies (Annex 8 Bosnia and Herzegovina and Annex 9 North Macedonia).

The evaluation uses a combination of qualitative and quantitative methods, which are briefly explained below.

1.3.1 Qualitative methods

Review of documentation

Approximately 145 project-related documents were surveyed and of these approximately 20% were identified as being most informative/ useful and were reviewed in depth to develop the picture of the project. Other documents were examined for additional information to fill in gaps. In total, approximately 70 documents and 30 web pages were consulted, and these are listed in Annex 4. The main documents fall into the following categories:

- The project document (including the results framework);
- Sub-project proposals, amendments, and updates;
- Consolidated annual reports;
- Quarterly updates
- Project board minutes (with numerous attachments);
- A list of stakeholders (UNDP, Slovak ambassadors, and MF SVK representatives, but no project stakeholders);
- A list of Public Finance for Development (PFD) experts.

In addition to the 145 documents provided by UNDP at the start of the evaluation, 20 more (including financial reports) were provided by UNDP with its comments on the draft of this report, which was submitted to UNDP in November 2022.

Stakeholder interviews

In addition to several discussions with the project manager during the course of the evaluation, individual and group interviews were held with 78 stakeholders (see Annex 5). These are summarised in Table 1 below. The sample of UNDP staff, Slovak ambassadors, and MF SVK representatives to be interviewed was selected in discussion with the IRH. The sample of national stakeholders to be interviewed was based on the suggestion of UNDP CO staff in discussion with the evaluator.

⁸ IRH notes that this was made possible by the relaxation of UNDP's travel policy, which had been constrained by the COVID-19 pandemic

Table 1: Summary of stakeholder interviews

Stakeholder group	Number of interviews
UNDP Country Office	27
National (central) institution	18
Expert	3
UNDP Istanbul Regional Hub	10
Ministry of Finance of the Slovak Republic	2
Embassies of the Slovak Republic	2
Other donors	2
Implementation partner in Serbia	1
Local government	13
Total	78

The purpose of the semi-structured interviews was to:

- Gain a better understanding of PPFD (and sub-project) objectives and activities;
- Find out about the types and extent of change resulting from implementation of project activities (e.g. changes in the performance or behaviour of institutions, units, systems, target groups, etc.);
- Hear what, for interviewees, have been the highlights or main successes of the project activities to date;
- Hear how and to what extent project activities address gender and human rights;
- Understand if and how PPFD has fallen short of interviewees' expectation, the main challenges that have been encountered, and aspects of PPFD that could be improved.

1.3.2 Quantitative methods

- Budget data was extracted from project documentation, restructured and analysed using spreadsheet pivot tables;
- A survey of contracted Public Finance for Development (PFD) experts was conducted using Google Forms, and responses were analysed using built in survey reports. This can be described as a quantified qualitative approach as it is based on the views and perceptions of respondents, but answers were limited to specific options that could be analysed on a quantitative basis. Further information on the survey is provided below this bullet list;
- The list of PFD expert assignments provided by UNDP was analysed using spreadsheet pivot tables. The list had to be processed to standardise country abbreviations and the spelling of experts' names (e.g. inconsistent use of accented characters in names leads to errors in the analysis), and to generate unique keys to differentiate between experts with the same last names;
- The documents provided by UNDP were bulk searched to identify the number of occurrences of key words, such as 'gender', 'women', 'vulnerable', 'youth', etc.

Survey

70 contracted PPFD experts were invited to complete an online questionnaire in English. 19 responses were received. Of these, 14 were from national experts, 4 from international experts, and 1 from an expert who has provided services to PPFD as both a national and international expert. Of the 19 respondents, 12 had provided services to PPFD in Serbia, 4 in North Macedonia, and 3 in Montenegro.

There were no responses from experts who had provided services in Bosnia and Herzegovina or Moldova, although interviews were held with representatives of these last two groups. A summary of survey responses is provided in Annex 7.

1.3.3 Triangulation

The use of the different data sources and analytical methods described above enabled findings to be triangulated. For example, findings on how the project addresses gender are based on analysis of project documentation and interviewee feedback. Similarly, findings relating to outcomes are based on analysis of project documentation, interview feedback, and the survey of PPFD experts.

1.4 Limitations of the evaluation

Following an initial review of project documentation (which was provided after contract signature), it became evident to the evaluator that there was a very significant mismatch between requirements expressed in the terms of reference and the number of days allocated to the evaluation. Based on calculations shared with IRH, the evaluator estimated that nearly double the number of days would be required in view of the number of sub-projects (and sub-project components) to be covered across 5 countries, and the number of interviews implied by the terms of reference (approximately 60 according to the evaluator's estimate). As it was not possible to increase the budget for the evaluation, it was agreed that the number of interviews would be limited to approximately 38, and the evaluator pointed out that the amount of time allocated to document analysis for each country would have to be reduced. Ideally, more time would have been available for document analysis, because PPFD information is highly fragmented and spread across some 145 documents of varying quality and clarity, and there is minimal outcome monitoring data. No doubt, this is not a problem for UNDP staff who have been immersed in PPFD planning and implementation for several years, but it presents a significant challenge for anyone with limited time and no previous knowledge of the project.

It was therefore not possible to provide the detailed picture of the 15 projects and their achievements envisaged in the terms of reference, and the assessment of effectiveness and impact was therefore somewhat constrained. Here it is worth noting that while the terms of reference provided by UNDP explicitly state that effectiveness and impact should be covered by the evaluation, one comment on the draft of this report from IRH states that project results should not be expected to become visible for 3 or more years.

Subsequently, after submission of the revised evaluation report in December 2022, UNDP offered the possibility of undertaking face to face meetings with stakeholders at IRH and 2 partner countries, and these were undertaken between mid-February and early March 2023 (see 1.3 for further details).

2 Overview of the project

This section is structured as follows:

- Context (2.1)
- Project structure and objectives (2.2)
- Risks and assumptions (2.3)
- Budget (2.4)

2.1 Context

This section is structured as follows:

- UNDP-Slovakia cooperation (2.1.1)
- Evolution of the project (2.1.2)
- Country context (2.1.3)

2.1.1 UNDP-Slovakia cooperation

The United Nations Development Programme (UNDP) cooperates with Slovakia as a donor through regional programmes funded by the Ministry of Finance of the Slovak Republic (MF SVK) and the Ministry of Foreign and European Affairs of the Slovak Republic (MFEA SVK).⁹

The partnership between the UNDP and the Slovak Republic emerged in the early 2000s to advise programme countries on their development policies, help them manage and evaluate projects, channel small grants, and manage professional exchange schemes. Gradually, the specific topics that the partnership has been dealing with for a long time have been identified; namely, the support on public finance management, the support for private sector engagement and the promotion of innovation or security policy in the Western Balkans. The partnership is the oldest initiative of the kind in the region.

Cooperation with MF SVK is represented by the Public and Private Finance for Development (PPFD) project and the Slovak Transformation Fund project¹⁰. Only PPFD is the subject of this evaluation. This is comprised of:

- Public Finance for Development (PFD), and
- Private Sector for Development (PSD).

PSD itself is comprised of (1) the Resource Mobilisation Facility (RMF) and (2) Rozvojmajstri/ Private Sector Specialist, which supports Slovak private sector engagement.¹¹ Cooperation with MFEA SVK (which is not covered by this evaluation) is implemented under the UNDP-Slovakia Partnership: Effective Development Cooperation Solutions for the SDGs project (implemented 2018 – 2024), which is comprised of:

- The Slovak Challenge Fund
- The South-Eastern and Eastern Europe Clearinghouse for the Control of Small Arms and Light Weapons (SEESAC)

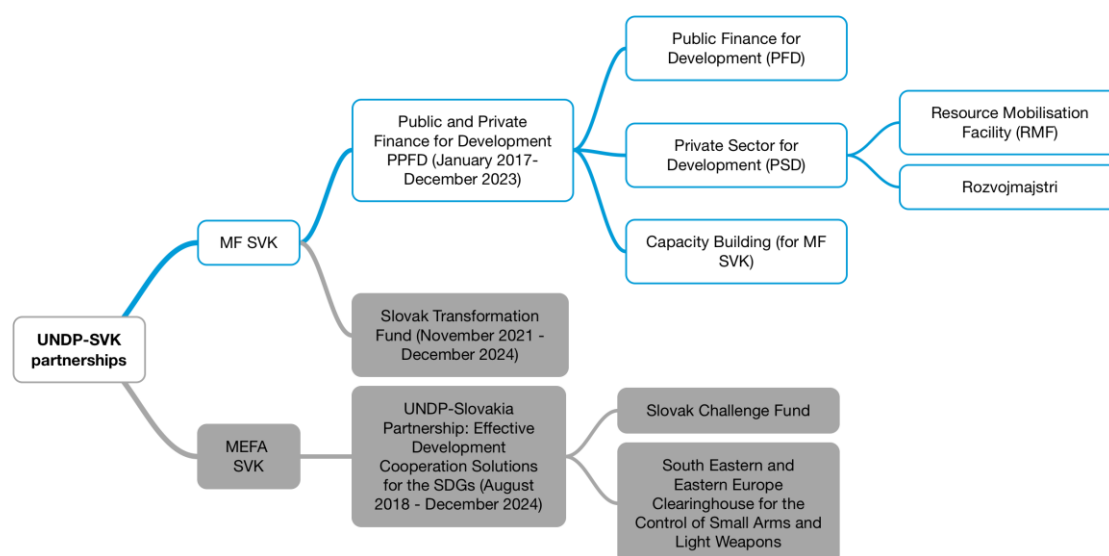
To facilitate understanding, the UNDP-Slovakia partnerships are presented in Figure 1 below. The elements in blue boxes are covered by this evaluation. The elements in grey boxes are outside the scope of the present evaluation.

⁹ UNDP Europe and Central Asia (2022), 'Slovak - UNDP Partnerships', <https://www.undp.org/eurasia/about-us/partners/slovak-undp-partnerships>

¹⁰ STF project is implemented by different project team – Innovation Team, IRH.

¹¹ UNDP Europe and Central Asia (2022), 'Slovak - UNDP Partnerships', <https://www.undp.org/eurasia/about-us/partners/slovak-undp-partnerships>

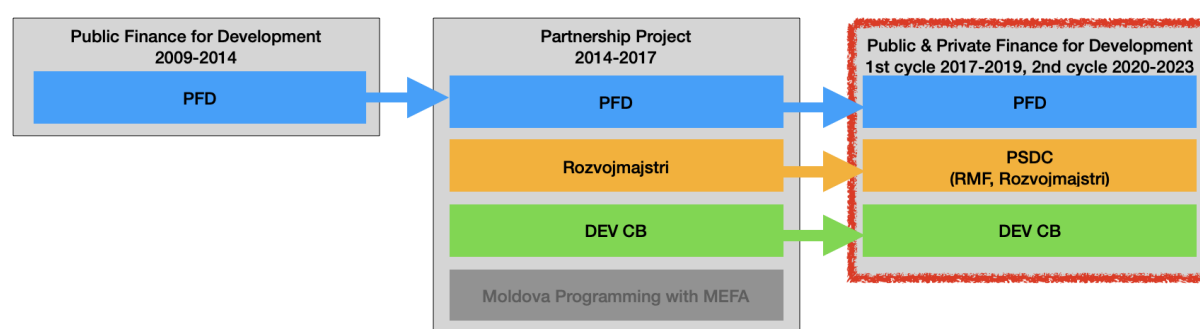
Figure 1: UNDP-Slovakia partnership



2.1.2 Evolution of the project

PFD was implemented as standalone project from 2009 to 2014. From 2014 to 2017 it formed part of a larger project, *'The Slovak Republic – UNDP Partnership for Results in the International Development Cooperation'*, which was funded by both the MF SVK and the MFEA SVK. As well as PFD, it included elements to promote private sector participation in development (Rozvojmajstri), and to develop the capacities of MF SVK development practitioners. In 2017, elements of the Partnership Project that were funded by the MF SVK were extracted and launched as the PPFD, which is due to continue until 2023. The first implementation cycle of PPFD ended at the end of 2019 and the project is currently in its second implementation cycle. Figure 2 below shows the evolution of the project.¹²

Figure 2: Evolution of PPFD



¹² Elinor Bajraktari (08/2018), *'Evaluation Report – "Slovak Republic–UNDP Partnership for Results in the International Development Cooperation" and "Public and Private Finance for Development" Projects'*, Footnote 6 (p22)

2.1.3 Country context

This section is structured as follows:

- Relations with the European Union
- Population
- Human development and corruption perceptions

In common with other European countries, the 5 PPFD partner countries have been affected by the Russian invasion of Ukraine that was launched in early 2022. Energy prices have increased significantly, with ramifications for all sectors, and Moldova is hosting a large number of refugees from Ukraine.¹³

Relations with the European Union

Of the five partner countries, four are EU candidate countries. Only Bosnia and Herzegovina is currently not a candidate country. Moldova, an EU Eastern Partnership country,¹⁴ was granted the status of candidate country by the European Council on 23 June 2022 following its application in early 2022 to join the EU.¹⁵ Bosnia and Herzegovina is a potential EU candidate country. The European Commission's 2022 annual country reports covering 4 of the PPFD partner countries provide an excellent overview of political and EU-related developments in each country.¹⁶

Population

In 2021, the populations of the five PPFD partner countries ranged between almost 7 million (Serbia) and approximately 620,000 (Montenegro).¹⁷ World Bank data shows that the population of three of these countries declined steadily from 2012 to 2021 (Bosnia and Herzegovina, Moldova, and Serbia). The populations of the other two remained static over this period (see Figure 3 below).

¹³ According to UNHCR data, almost 100,000 refugees from Ukraine are recorded in Moldova as of 13 December 2022. See UNHCR (undated), *'Ukraine Refugee Situation'*, accessed 17/12/2022
<https://data.unhcr.org/en/situations/ukraine>

¹⁴ European Commission (undated), *'European Neighbourhood Policy and Enlargement Negotiations'*,
https://neighbourhood-enlargement.ec.europa.eu/european-neighbourhood-policy/eastern-partnership_en

¹⁵ European Commission (12/10/2022), *'2022 Communication on EU Enlargement Policy'*,
[https://neighbourhood-enlargement.ec.europa.eu/system/files/2022-10/2022 Communication on EU Enlargement Policy-v3.pdf](https://neighbourhood-enlargement.ec.europa.eu/system/files/2022-10/2022%20Communication%20on%20EU%20Enlargement%20Policy-v3.pdf)

¹⁶ European Commission (12/10/2022), *'Bosnia and Herzegovina 2022 Report'*,
[https://neighbourhood-enlargement.ec.europa.eu/system/files/2022-10/Bosnia and Herzegovina Report 2022.pdf](https://neighbourhood-enlargement.ec.europa.eu/system/files/2022-10/Bosnia%20and%20Herzegovina%20Report%202022.pdf)

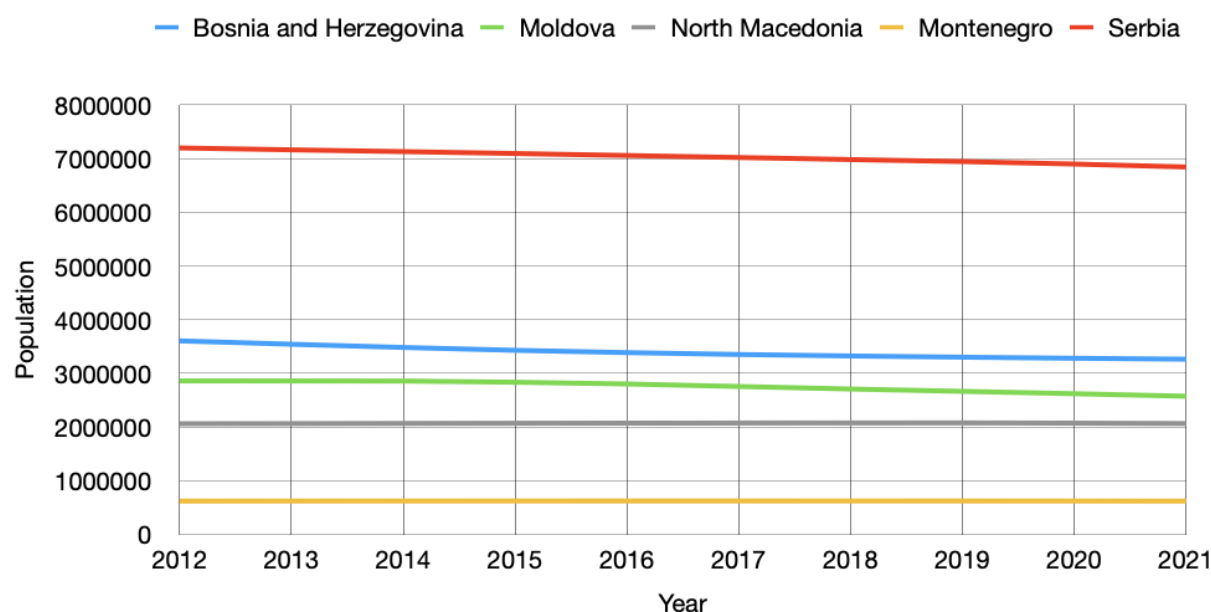
European Commission (12/10/2022), *'Montenegro 2022 Report'*,
[https://neighbourhood-enlargement.ec.europa.eu/system/files/2022-10/Montenegro Report 2022.pdf](https://neighbourhood-enlargement.ec.europa.eu/system/files/2022-10/Montenegro%20Report%202022.pdf)

European Commission (12/10/2022), *'North Macedonia 2022 Report'*,
[https://neighbourhood-enlargement.ec.europa.eu/system/files/2022-10/North Macedonia Report 2022.pdf](https://neighbourhood-enlargement.ec.europa.eu/system/files/2022-10/North%20Macedonia%20Report%202022.pdf)

European Commission (12/10/2022), *'Serbia 2022 Report'*,
[https://neighbourhood-enlargement.ec.europa.eu/system/files/2022-10/Serbia Report 2022.pdf](https://neighbourhood-enlargement.ec.europa.eu/system/files/2022-10/Serbia%20Report%202022.pdf)

¹⁷ World Bank (16/09/2022), *'Population, total - Moldova, Serbia, Montenegro, North Macedonia, Bosnia and Herzegovina'*,
<https://data.worldbank.org/indicator/SP.POP.TOTL?end=2021&locations=MD-RS-ME-MK-BA&start=2000&view=chart>

Figure 3: Population 2012-2021



Source: author, based on World Bank

Human development and corruption perceptions

Table 2 below provides an overview of the human development rankings of the 5 partner countries based on information from UNDP's 2021 Human Development Index (HDI). The HDI classifies the five partner countries as having 'very high human development' (Montenegro and Serbia) or 'high human development' (Bosnia and Herzegovina, Moldova, and North Macedonia). Out of 191 countries the five partner countries are ranked between 49 and 80 in the HDI (i.e. they are all in the top half). In the 2021 HDI, Montenegro rose three places in the ranking compared with 2020, while Serbia and Bosnia and Herzegovina both fell one place in the ranking. Gross national income for the five countries in 2021 ranged between USD 20,839 (Montenegro) and USD 14,875 (Moldova). In all five countries, the actual mean years of schooling is between 18% (Moldova) and 25% (North Macedonia) below the expected number of years of schooling.

Table 2: Human development overview of the five partner countries

Country	HDI rank	Category	Human Development Index (HDI) 2021	Change in rank 2020 to 2021	Life expectancy at birth (2021)	Mean years of schooling 2021 as percentage of expected years of schooling (2021) ¹⁸	Gross national income (GNI) per capita 2021 (2017 PPP \$)
Montenegro	49	Very high human development	0.832	3	76.3	81%	20,839
Serbia	63	Very high human development	0.802	-1	74.2	79%	19,123

¹⁸ This column is calculated by author from HDI data

Country	HDI rank	Category	Human Development Index (HDI) 2021	Change in rank 2020 to 2021	Life expectancy at birth (2021)	Mean years of schooling 2021 as percentage of expected years of schooling (2021) ¹⁸	Gross national income (GNI) per capita 2021 (2017 PPP \$)
Bosnia and Herzegovina	74	High human development	0.780	-1	75.3	76%	15,242
North Macedonia	78	High human development	0.770	1	73.8	75%	15,918
Moldova	80	High human development	0.767	1	68.8	82%	14,875

Source: author, based on UNDP¹⁹

Table 3 below provides an extract of gender indexes from the 2021/2022 Human Development Report for the five partner countries, namely the Gender Development Index (GDI)²⁰ and the Gender Inequality Index (GII).²¹ Moldova, Montenegro, and Serbia are in the highest GDI group (high equality), while Bosnia and Herzegovina and North Macedonia are both in the middle group (medium equality). Of the five partner countries, the 4 Western Balkan countries are ranked close together (between 32 and 37), while Moldova is ranked 51.

Table 3: Gender data from the 2021/2022 Human Development Report

Country	GDI		GII	
	2021 GDI	2021 Group ²²	2021 GII	2021 GII rank
Montenegro	0.981	1	0.119	32
Serbia	0.982	1	0.131	36
Bosnia and Herzegovina	0.940	3	0.136	38
North Macedonia	0.945	3	0.134	37
Moldova	1.010	1	0.205	51

¹⁹ UNDP (2022), 'Human Development Data',

<https://hdr.undp.org/data-center>

²⁰ The Gender Development Index is the ratio of female to male HDI values

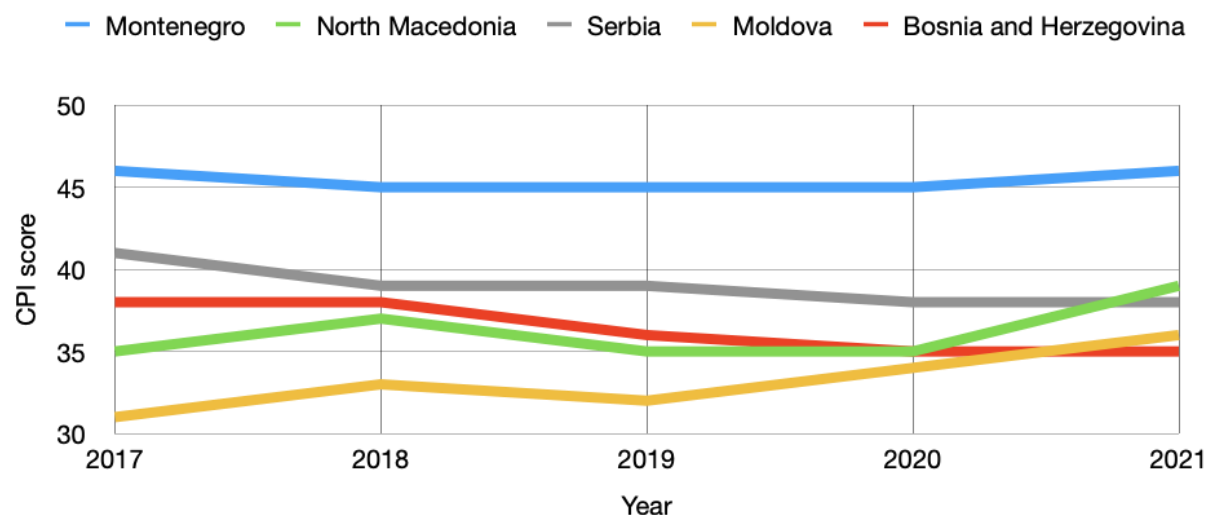
²¹ The Gender Inequality Index is a composite measure reflecting inequality in achievement between women and men in three dimensions: reproductive health, empowerment and the labour market.

²² Countries are divided into five groups by absolute deviation from gender parity in HDI values. Group 1 comprises countries with high equality in HDI achievements between women and men (absolute deviation of less than 2.5 percent), group 2 comprises countries with medium to high equality in HDI achievements between women and men (absolute deviation of 2.5–5 percent), group 3 comprises countries with medium equality in HDI achievements between women and men (absolute deviation of 5–7.5 percent), group 4 comprises countries with medium to low equality in HDI achievements between women and men (absolute deviation of 7.5–10 percent) and group 5 comprises countries with low equality in HDI achievements between women and men (absolute deviation from gender parity of more than 10 percent)

Source: author, based on UNDP²³

Figure 4 and Figure 5 below show Corruption Perceptions Index (CPI) scores and ranking (out of 182 countries and territories) for the five partner countries from 2017 to 2021. Figure 4 suggests a slight downward trend in the scores for Bosnia and Herzegovina and Serbia over this period, while for North Macedonia and Moldova the figure suggests a slight upward trend.

Figure 4: Corruption Perception Index scores 2017-2021



Source: author, based on Transparency International²⁴

Figure 5 indicates an overall improvement in Moldova's ranking from 2017 to 2021 (lower number indicates higher rank). North Macedonia's ranking was higher in 2021 than in previous years but its rank has fluctuated. The figure indicates a steady drop in the ranking for both Bosnia and Herzegovina and Serbia. With the exception of Montenegro, the five countries are grouped around the middle and just below the middle of the ranking. Montenegro is ranked 64, approximately one third from the top of the ranking, and above EU Member States Bulgaria, Hungary, and Romania.

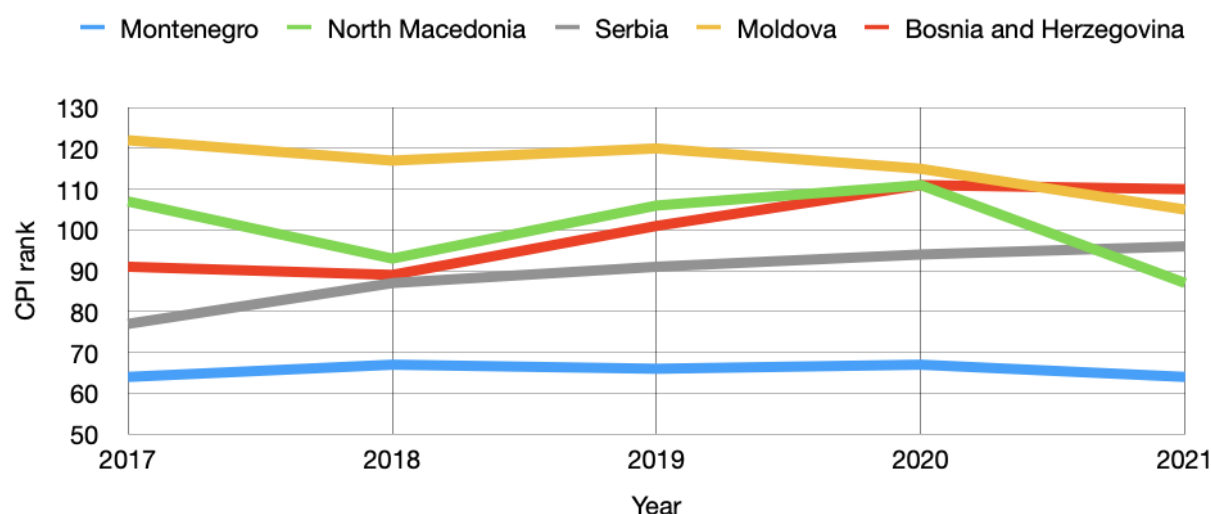
²³ UNDP (2022), 'Human Development Report 2021/2022',

https://hdr.undp.org/system/files/documents/global-report-document/hdr2021-22pdf_1.pdf

²⁴ Transparency International (2022), 'Corruption Perceptions Index' [2021],

<https://www.transparency.org/en/cpi/2021>

Figure 5: Corruption Perception Index rank 2017-2021



Source: author, based on Transparency International

2.2 Project structure and objectives

PPFD currently supports five countries in the Western Balkans and Eastern Europe: Bosnia and Herzegovina, Moldova, Montenegro, North Macedonia, and Serbia. North Macedonia and Bosnia and Herzegovina were added to the project towards the end of the first implementation cycle. Ukraine was dropped from PPFD in 2017.²⁵ The project also supports the engagement of the Slovak private sector in development cooperation work, although in practice, the emphasis on this appears to have been scaled back. A small part of the budget is allocated to enhancing development cooperation management capacities within the MF SVK.

The Project Document defines three Outputs (objectives):²⁶

- **Output 1** National public finance capacities in partner countries enhanced and strengthened through effective provision of Slovak knowledge and experience (Public Finance for Development Programme (PFD)).
- **Output 2** Capacities of the Slovak private sector to participate in development cooperation enhanced with a view to mobilising financial resources, knowledge, expertise and technologies (Private Sector in Development Cooperation Programme);
- **Output 3** Capacities of Ministry of Finance of the Slovak Republic officials enhanced in managing Slovakia's development cooperation.

Outputs 1 and 2 account for approximately 83% of the budget available for the period 2020-2023.

²⁵ Due to lack of commitment on the part of the Ukrainian Ministry of Finance. See Elinor Bajraktari (08/2018), 'Evaluation Report – "Slovak Republic–UNDP Partnership for Results in the International Development Cooperation" and "Public and Private Finance for Development" Projects', p60-61

²⁶ UNDP (05/02/2020), 'Revised Project Document – Public And Private Finance For Development', <https://info.undp.org/docs/pdc/Documents/SVK/PPFD%20ProDoc%202019%20-final%20signed.pdf>

2.3 Risks and assumptions

The Risk Register in the PPFD project document identifies the following risks:

1. Political environment not receptive to project initiatives;
2. Lack of commitment (government and/ middle management at partner institutions) to public finance reforms and to project initiatives;
3. Duplication with other initiatives;
4. Lack of experts with relevant expertise and/or capacities;
5. Limited interest from Slovak private companies in participating in the project; limited outreach to companies in beneficiary countries.

Materialisation of these was considered to be generally unlikely, although the potential impact of risks 1, 2, and 4 was considered to be rather high.

Elsewhere, the project document states *'For capacity building measures targeting MFSR, retention of knowledge and expertise remains an important risk, as MFSR staffing may be subject to changes, rotations, etc.'*²⁷

The Updated Risk Log in the 2020 annual PPFD report is almost identical to the original Risk Register, but includes 3 additional columns: 'Date identified', 'Last update' (date of), and 'Status', which provides a brief update on changes. No change was reported for risks 2, 3, and 5. Risk 1 was reported to be reducing, while risk 4 was reported to be increasing in view of the impact of the COVID-19 pandemic.

The Updated Risk Log in the 2021 annual PPFD report indicates that 5 risks remained generally low (risk of materialisation). Risk 1 was reducing – although there had been some issues in this regard, these had been solved by the end of 2021. Regarding Risk 4, the Risk Log indicates that it was not possible to contract Slovak experts for certain assignments but that relevant international experts were contracted instead.

Observations on risks identified in project documentation

The project's risk analysis does not make any distinction between different countries regarding risks 1 and 2. In particular, there is no acknowledgement of the complicated political context in Bosnia and Herzegovina, which is more challenging from the perspective of PFD.

Regarding risk 5, limited interest from Slovak companies in participating in the project was a known high risk but this is not acknowledged, nor is the fact that it has materialised. In practice, the involvement of Slovak companies appears to have been deprioritised during the current PPFD implementation cycle.

2.4 Budget

The original budget for the present (second) PPFD implementation cycle was USD 5,981,947.²⁸ The budget was increased to USD 7,376,543 with the reallocation of USD 1,424,120 of unutilised funds from first project cycle (minus a fee of USD 29,524).²⁹

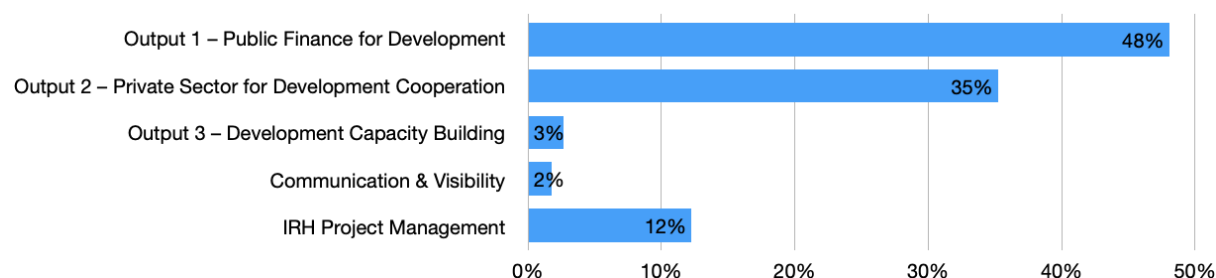
²⁷ This is stated under 'Risks and Assumptions' in the project document

²⁸ UNDP (05/02/2020), 'Revised Project Document – Public And Private Finance For Development', <https://info.undp.org/docs/pdc/Documents/SVK/PPFD%20ProDoc%202019%20-final%20signed.pdf>

²⁹ UNDP (undated), 'Public and Private Finance for Development – 2021 Annual Project Progress Report'

Figure 6 below shows the distribution of the project budget by output. 48% is allocated to Output 1, 35% to Output 2, and 3% to Output 3. 12% is allocated to IRH project management but this excludes management and general management support (GMS) costs for individual projects funded by PPF – these costs are included in individual project costs.³⁰ 2% of the budget is allocated to communication and visibility.

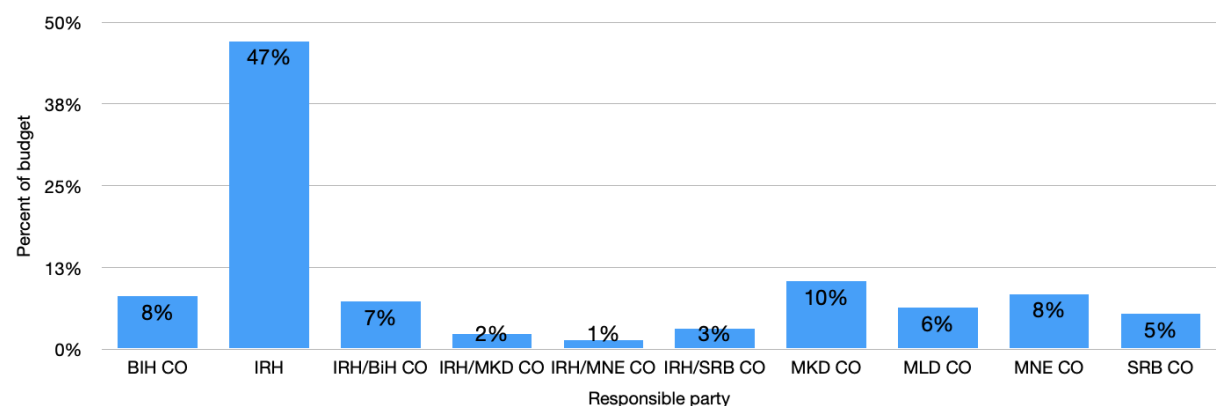
Figure 6: Distribution of PPF budget 2020-2023 (USD 7.4 million) by output



Source: author based on UNDP³¹

Figure 7 below shows that the IRH on its own is responsible for the administration of almost 50% of the PPF budget.

Figure 7: Distribution of total budget 2020-2023 (USD 7.4 million) between UNDP IRH and COs



Source: author based on UNDP³²

3 Findings

The findings are based on the review of documents, and the interviews and the survey conducted during this evaluation. The use of several methods and sources of data (triangulation) provides the basis for the findings. The findings also reflect individual views and feedback to provide a range of relevant ideas and information to support learning and the improvement of the PPF project. This chapter groups the findings by topic and is structured as follows:

- Activities and outputs (3.1)

³⁰ IRH project management costs include: the project manager, project associates, the private sector specialist (referred to as Rozvojmajstri coordinator in the project document), travel, and operational expenses

³¹ UNDP (undated), 'Public and Private Finance for Development – 2021 Annual Project Progress Report'

³² UNDP (undated), 'Public and Private Finance for Development – 2021 Annual Project Progress Report'

- Added value (3.2)
- Design (3.3)
- PPFD systems and processes (3.4)
- Budget (3.5)
- Outcomes (3.6)

3.1 Activities and outputs

This section reviews the activities of the three Outputs. As noted above (2.4), Output 1 and Output 2 account for approximately 83% of total PPFD funding available until December 2023.

3.1.1 Output 1

There are 5 PFD projects (1 in each partner country) with total funding of USD 2,836,779 (see

Table 4 below). They range in value from USD 754,922 to USD 299,570. They support central, regional, and local authorities with strategic planning, budgeting, financial programming, tax collection, and spending analysis. Each of these PFD projects is comprised of between 2 and 5 components. The project in Serbia has supported local authorities only.

Table 4: PFD projects to date

Country	Project	Project partners	Budget (USD)
MKD	Support to Public Finance Management Reform in the Republic of North Macedonia	<ul style="list-style-type: none"> • Ministry of Finance • Public Revenue Office • State Audit Office • Local self-government units 	754,922
MNE	Strengthening Transparent and Accountable Public Finance Management in Montenegro	<ul style="list-style-type: none"> • Ministry of Finance and Social Welfare of Montenegro • Revenue and Customs Administration of Montenegro • Local self-governments 	723,288
BIH	Advancing Public Finance Management in Bosnia and Herzegovina	<ul style="list-style-type: none"> • Ministry of Finance of the Federation of Bosnia and Herzegovina • Ministry of Finance of Republika Srpska • Cantonal ministries of finances • Selected local governments 	608,999
MLD	Strengthening capacities and systems for effective Public Finance Management in the Republic of Moldova	<ul style="list-style-type: none"> • Ministry of Finance of the Republic of Moldova • State Chancellery of the Government • Ministry of Health 	450,000
SRB	Support for Improving Governance and Economic Planning at the Local Level for Accelerating the Implementation of SDGs in the Republic of Serbia	<ul style="list-style-type: none"> • Implemented by the Standing Conference of Towns and Municipalities • Ten local self-governments in the Republic of Serbia 	299,570
Total			2,836,779

Finding 1 Output 1 produced or contributed to 48 outputs in the five partner countries during 2020 and 2021. The outputs were comprised of guidelines and methodologies, new and amended legislation, reports and analysis, and strategies and plans for public finance institutions

Analysis of annual PPF reports for 2021 and 2022 indicates that Output 1 has produced or contributed to 48 outputs, such as reports and analyses, guidelines and methodologies, new or amended laws, and strategies and plans. Table 5 below provides a brief overview of Output 1 activities as of December 2021

Table 5: Summary of Output 1 activities and outputs

BiH
Development Finance Assessment for SDG financing
Linking financing with development results
Strengthening of internal controls and value for money approach in local governments in Bosnia and Herzegovina
MLD
Development Finance Assessment
Fiscal implications of structural reforms
Spending reviews
MNE
Supporting the Reform of Public Finance Management and Reporting
Strengthening Capacities for Public Revenue Increase
Reinforcing Public Finance at Local Level
Support in Financial Programming, Macroeconomic Analyses and Projections
Montenegro Economic Reform Programme (ERP) 2022-2024
MKD
Transfer Pricing
Exchange of Information for tax purposes
Strengthening the capacities for monitoring and detecting informal economy and reinforcing controlling mechanism
Strengthening the capacities of the state auditors in auditing accrual financial statements
Fiscal decentralisation
Property tax
Establishing Value for Money department within the Ministry of Finance
SRB
Organisational Development And Optimisation Of The Operations Of Local Self Governments In Serbia And Improved Local Development Planning (Medium-term plans for 5 municipalities)
Improved Medium Term Economic Planning And Resource Mobilisation For Sustainable Development (Socio-economic development)

The 2020 annual report indicates that a total of 16 '*...policies / laws / recommendations / analyses related to public finance on national and/or local level developed for partners organizations*' were developed in 2020 but it is difficult to reconcile this number with other information in the report.

The 2021 annual report lists 24 outputs and these are summarised in Table 6 below.

Table 6: Output 1 2021 outputs by country and type of output

Country	Guidelines/ methodology	New/ amended legislation	Report/ analysis	Strategy/ plan	Total
Bosnia and Herzegovina	1		1		2
Moldova	1				1
Montenegro	2		3		5
North Macedonia	1	2	4		7
Serbia			5	2	7
			2		2
Total	5	2	15	2	24

Source: author based on UNDP³³

3.1.2 Output 2

The PPF budget divides Output 2 into 3 activities amounting to USD 2,599,030. The RMF accounts for 96% of this (USD 2,507,447). 3% is allocated to Rozvojmajstri³⁴ (USD 71,583),³⁵ and 1% to Private Sector Assessment (USD 20,000).

Resource Mobilisation Facility

Finding 2 PPF has funded nine new RMF projects in four of the five partner countries during the current cycle amounting to USD 1,355,266. These focus mainly on pre-investment support and development of innovative funding mechanisms for low carbon technologies and energy efficiency, and leveraging information technology at local government level

To date, PPF has funded nine new RMF projects in four of the five partner countries during the current cycle amounting to USD 1,355,266. These are listed in Table 7 below. There are so far no RMF projects in Moldova. One project in BIH has continued from the first cycle.

RMF projects provide pre-investment support such as technical assessments and feasibility studies, development of innovative funding mechanisms for investment in low-carbon technologies, and development of technical specifications for infrastructure projects. RMF funding is limited to areas in

³³ UNDP (undated), '*Public and Private Finance for Development – 2021 Annual Project Progress Report*', p12

³⁴ The Rozvojmajstri term is not currently used in project management, however it is defined in Atlas based on the Project Document. Currently Private Sector Specialist term is used.

³⁵ This does not include the USD 120,000 cost of the Rozvojmajstri Coordinator for 3 years, which is included under IRH project management costs

which Slovakia has expertise and could provide the relevant inputs, although the actual provision of relevant services is not limited to Slovak consultants or companies. The main focus of the RMF so far is energy efficiency and low carbon energy generation, and leveraging information technology at local government level.

Table 7: RMF projects to date

Country	Project	Project partners	Total budget approved (USD)
BIH	Accelerating Clean Energy Transition Through Utilisation of Solar Energy Potential in Bosnia and Herzegovina	<ul style="list-style-type: none"> • Entity ministries and Environmental Funds • Cantons • Ministry of Foreign Trade and Economic Relations of BIH • Regulatory Commission for Energy in FBiH • Regulatory Commission for Energy of Republika Srpska • Operator for Renewable Energy Sources and coefficient cogeneration in FBiH • Electricity power company of RS • Ministry of Energy and Mining of RS • Ministry of Energy, Mining and Industry of FBiH • Brčko district 	649,000
MKD	Climate resilient irrigation infrastructure in Bregalnica River Basin – Feasibility Study for improvement of irrigation scheme in Bregalnica River Basin	<ul style="list-style-type: none"> • Ministry of Agriculture, Forestry and Water Economy 	150,000
MKD	Macedonian Model of E-municipality	<ul style="list-style-type: none"> • Up to three (3) Municipalities in the country (TBD) 	125,000
SRB	Energy Efficiency Renovation of Central Government Building - Feasibility Study on EE Renovation of SIV 3 building	<ul style="list-style-type: none"> • Ministry of Mining and Energy 	120,000
SRB	Public LoRaWAN network in Kragujevac	<ul style="list-style-type: none"> • City of Kragujevac 	110,700
MNE	A Just Transition Roadmap for Montenegro – reaching national consensus on coal phase-out pathway (Just Transition)	<ul style="list-style-type: none"> • Implementing partner n/a • Project location: Pljevlja 	82,473
MKD	Waste Into Food (organic waste in green economy)	<ul style="list-style-type: none"> • Gradsko Micro-Region, Republic of North Macedonia 	50,284
BIH	Development of the design documents for construction of the “Peace bridge” on Bosna River in Maglaj	<ul style="list-style-type: none"> • Municipality of Maglaj 	43,833
MNE	Solar Development in Montenegro	<ul style="list-style-type: none"> • Eco Fund and Ministry of Ecology, Spatial Planning and Urbanism • Project locations: Podgorica, Nikšić, Bar, Budva, Tivat, Kolašin, Pljevlja 	23,976

Country	Project	Project partners	Total budget approved (USD)
BIH	Development of a private-public investment model for EE street light systems in Bosnia and Herzegovina ³⁶	<ul style="list-style-type: none"> Target groups: municipalities, private investors 	Funded during 1 st PPFD cycle
Total			1,355,266

Rozvojmajstri /Private sector Specialist and Private Sector Assessment

The Rozvojmajstri programme was launched during the 2014-2017 Partnership Project, the predecessor to PPFD. The programme aimed to promote and support the engagement of Slovak companies and consultants in international development contracts.

A review of the Rozvojmajstri project was delivered in June 2020 and its recommendations provided the basis for creating the new position of the Private Sector Specialist (Rozvojmajstri Coordinator in the PPFD budget) and developing the framework for the RMF in the second (current) PPFD cycle, although IRH notes that there were only minimal changes to the approach from the approach used in the previous implementation cycle, which ended in 2019.³⁷ The Private Sector Specialist was contracted in September 2020 to ‘...lead the dialogue with private sector entities and support the UNDP COs with requested expertise’ and to support RMF implementation.³⁸

The PPFD budget indicates that a Private Sector Assessment was planned for 2022. This was intended to assess the extent to which the outputs of RMF projects were subsequently used. However, this was not implemented in view of the mid-term evaluation that is the subject of this report.

3.1.3 Output 3

Finding 3 During 2020 and 2021 Output 3 delivered 10 training workshops for MF SVK development professionals and supported their participation in 5 high-profile development-related events. Training covered a range of topics in the areas of interpersonal and management skills, and more strategic development-related issues related to public finance

Output 3 aims to develop the capacities of MF SVK development professionals and to increase the profile of the MF SVK in international development fora. Activities in 2020 and 2021 are summarised in Table 8 below. PPFD has provided ten training workshops for MF SVK development professionals addressing specialised needs. The total number of participants was 51, although the number of unique participants is much lower.³⁹ PPFD also supported 3 UNDP official development assistance (ODA) online training sessions with a total of approximately 400 participants from different organisations in different countries (again, the number of unique participants may have been lower).

PPFD also supported the participation of MF SVK staff in 5 high-profile events and activities.

³⁶ This project was funded in the first cycle of PPFD. Its budget of USD 512,508 is therefore not included here.

³⁷ UNDP (undated), ‘Public and Private Finance for Development – 2020 Annual Project Progress Report’, p11

³⁸ UNDP (undated), ‘Public and Private Finance for Development – 2020 Annual Project Progress Report’, p17

³⁹ Here, the total number of participants is the sum of the number of participants in all events – it takes no account of who participated. The number of unique participants is the number of people who participated in 1 or more activities. Because some people participated in multiple activities, the number of unique participants is less than the total number of participants.

Table 8: Summary of Output 3 activities by type and year

Type of activity Description	2020	2021
Representation at meeting/ presentation	4	1
CEF Advisory Board	1	
Chairing the PEFA Steering Committee and a High Level Retreat on Strategic Direction	1	
Consultations on MF SVK development cooperation for diplomat assigned for Bosnia and Herzegovina	1	
OECD WP STAT meetings, including TOSSD Workshop		1
Training of Diplomats on MF SVK Development Cooperation	1	
Training	10	4
Core protocols for agile team		1
DAC Working Party on Development Finance Statistics, Paris, France	1	
Domestic Revenue Mobilisation course, Brussels, Belgium	1	
Facilitation Skills Training	1	
High-Level Executive Course in European Studies		1
Learn4dev Core Group meeting, Paris, France	1	
MACRO I – Macro for development, Brussels, Belgium	1	
MS EXCEL II.	1	1
REMOTE EFFECTIVE - How to communicate, cooperate and lead in remote and hybrid conditions		1
Training on Strategic Persuasion Skills	1	
Support to UNDP ODA online learning session: Green Finance	1	
Support to UNDP ODA online learning session: Mainstreaming Environment and Climate Change in ODA	1	
Support to UNDP ODA online learning session: Mainstreaming Gender in ODA	1	
Total	14	5

3.2 Added value

Finding 4 Slovakia's size and experience are highly relevant to the 5 partner countries

Slovak funding provided by PPF has specific benefits for partner countries. Slovakia emerged from the division of a larger country. Its experience of recreating national systems and functions previously managed by the large former state of which it was a part is relevant to the challenges being addressed by the 4 Western Balkan partner countries. Furthermore, feedback from one CO suggests that partner countries may be more responsive to cooperation between states of a similar size.

PPF provides support in specific areas where Slovakia has had concrete experience. Slovak experts bring experience and knowledge that is highly relevant to the stage of development of the partner countries and to the EU accession process.

Finding 5 National stakeholders and UNDP country offices appreciate the flexibility of PPF and the possibility of using it to address specific practical needs.

Interviewed stakeholders emphasise the importance of PPF's flexibility, especially in the fluid political context in some countries. Funding can be mobilised quickly and there is little bureaucracy, although two interviewees in different countries indicate that agreement on the project relevance and scope took longer than expected. Several examples have been provided of where PPF funding has been combined with other funding to achieve wider objectives. For example in Montenegro, RMF funding contributed to the training of photovoltaic installers needed for the second phase of a renewable energy grant programme launched by Eco Fund. In North Macedonia, the project 'Macedonian Model of E-municipality' provides a clear basis for further systematic investment in municipal IT systems funded from different sources.

PPF funding is small but highly targeted and provides practical support to operationalise commitments and strategies.

A representative of a national institution in one country notes that PPF support is more structured than its cooperation with other international and bilateral partners.

Finding 6 Slovak expertise has been used by all 5 PFD projects. Slovak expertise and experience are considered very useful. 1 UNDP country office has mobilised considerably more Slovak PFD experts than other country offices.

For Output 1 the objective is to enhance national public finance capacities in partner countries through effective provision of Slovak knowledge and experience. However, the results framework does not include an indicator for the use of Slovak expertise on PFD projects and it is unclear how 'effective provision' should be understood.,

Analysis of the PFD expert database indicates that Slovak expertise has been used on the PFD projects in all five countries. Stakeholder feedback indicates that Slovak expertise and experience have been very helpful. However, analysis of a list of PFD expert contracts indicates that only 1 UNDP CO, North Macedonia, has made significant use of Slovak experts (number of experts) and it accounts for 55% of all assignments undertaken by Slovak experts. The North Macedonia CO has mobilised 11 Slovak experts, while the other 4 COs have each mobilised 1 or 2.

Figure 8: Number of PFD experts mobilised by UNDP country office and nationality of expert

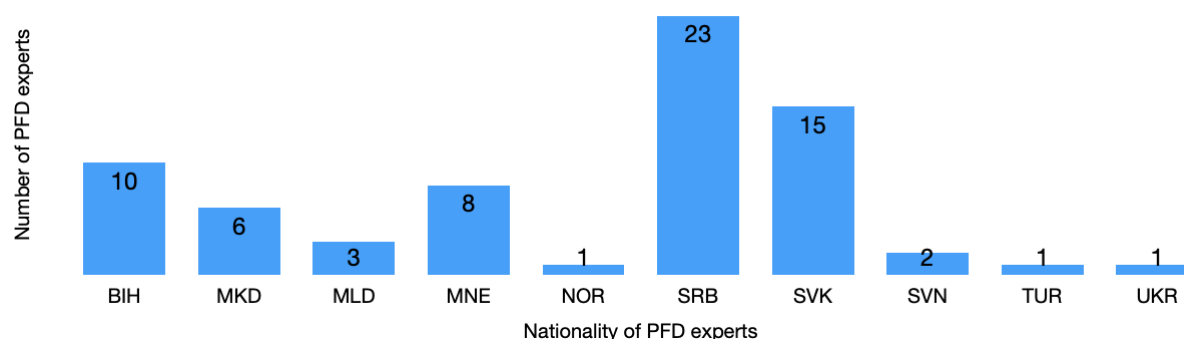


Source: author based on UNDP

Overall, 104 PFD assignments have been undertaken by 70 experts. 74% of the 104 assignments have been undertaken by national experts, approximately 21% by Slovak experts, and 5% by experts of other nationalities. National experts account for approximately 71% of the 70 experts, Slovak experts 21%, and experts of other nationalities 7%. The reliance on national experts is largely because foreign experts lack the necessary understanding of the context and legislation. Language may also be a barrier where analysis of legislation is required, and some activities require licences issued by national governments, which may be unavailable to foreign service providers. Other constraining factors mentioned by interviewees include:

- Insufficient project funding to hire SVK or other international experts (possibly only in the context of a single RMF project);
- Budgets may not be attractive for foreign service providers with higher costs;
- SVK experts applying through companies, rather than as individual experts;
- One interviewee suggests that some terms of reference may be unnecessarily restrictive for international experts.

Figure 9: Distribution of PFD experts by nationality



Source: author, based on UNDP

In some cases national experts have worked together with Slovak experts, and in other cases where Slovak experts have not been engaged, it is possible that Slovak knowledge and experience have been

transferred through study visits. However, 55% of all Slovak expert assignments have been in just one country, North Macedonia. There has been only 1 Slovak expert assignment in each of BiH and Serbia.

This raises important questions about some of the PFD projects that have been selected for funding. For example, would greater involvement of international experts have been feasible and desirable? If projects require exclusively national experts, could they benefit more from Slovak and other international experience through other means, such as study visits, participation in international events, etc.? If Slovak or other international expertise is not required, this may call into question the added value of Slovak funding. One interview suggests that development cooperation is far more effective when it combines national and international expertise.

Indicator 2.3 in the results framework, which relates to RMF projects, is '*Number of projects where Slovak expertise has been applied*'. The target for each year is 2 and the target for the period 2020-2023 is 9. The 'Progress' column in both reports indicates 1. It is understood that this is the cumulative total for the two years i.e. a single RMF project has applied Slovak expertise, although it is unclear if this was in both years, or only 2020.

Finding 7 For the donor, UNDP COs provide local knowledge and links to national and sub-national authorities, and project management experience

UNDP COs have large teams comprised mainly of national staff who have comprehensive understanding of the national context and the challenges to be addressed. They have well established links with national authorities and also work with sub-national authorities. COs have huge project management experience.

3.3 Design

Finding 8 PPFD sub-projects address Outputs listed in regional and country programme documents

PPFD sub-projects were compared with outputs listed in the regional programme document and the country programme documents for each country. These are:

- Regional programme document for Europe and the Commonwealth of Independent States (2022-2025);
- Country programme document for Bosnia and Herzegovina (2021-2025);
- Country programme document for Montenegro (2017-2021);
- Country programme document for Montenegro (2023-2027);
- Country programme document for the Republic of Moldova (2018-2022);
- Country programme document for the Republic of North Macedonia (2021–2025);
- Country programme document for Serbia (2021-2025).

Table 13 in Annex 12 summarises the results of this analysis. This is not a precise analysis, as these documents list 78 outputs which are often broad and open to interpretation, even when the accompanying indicators (of which there are many) are used for additional insight.

Nevertheless, the analysis indicates that PPFD activities in each of the five partner countries correspond to 2 or more of the Outputs in the regional programme document. Overall, 8 Outputs of this document are addressed by PPFD sub-projects. PPFD sub-projects also correspond to 1 or more Outputs of the relevant country programme documents.

Finding 9 PFD and RMF are well integrated into other UNDP CO work and well aligned with the priorities of national actors and the work of other international actors.

Interview feedback indicates that PFD projects are well integrated into the wider work of UNDP COs, and other international actors. Projects respond to the needs of national stakeholders, who have been systematically and proactively engaged in project design. This is confirmed by meetings with stakeholders in BiH and MKD. Most projects address strategies or action plans and many build on previous work funded by Slovakia and other bilateral and international actors.

Not all project proposals clearly identify partner institutions and it is therefore unclear to what extent they have been involved in project design from the start. This appears to be the case where it was necessary to develop the concept before specific partners, such as municipalities, could be identified. However, it is understood that in these cases, relevant central actors were involved from the start.

Finding 10 PFD and RMF projects address concrete needs, although objectives and expected outcomes presented in project documentation are generally unclear

Interview feedback indicates that projects are addressing concrete needs. However, their documented design is input/ activity/ output oriented and there is little emphasis on outcomes (i.e. the changes that activities and outputs are intended to support or bring about). The overall objectives of PFD projects tend to be presented in terms of 'providing support' rather than achieving clearly identified outcomes. Project titles tend to be very general and provide little idea of what the projects are about or what they are intended to achieve. Some project proposals do not clearly identify partner institutions or target groups. Proposals often include several paragraphs of macro-context information that is of no direct relevance, but omit information about the specific problem to be solved or how the performance or behaviour of institutions, systems, or target groups are expected to change. In some cases, the description of the intervention is combined with very detailed description of the situation, and it is difficult to identify clearly what the project will cover.

In some cases there appear to be no linkages between PFD project components, which are effectively separate projects grouped together for simplification of financing and management. This is not necessarily a bad thing, but it tends to contribute to the lack of overall clarity in the presentation of objectives and expected outcomes.

Project budgets are not consistently structured and there appear to be errors in some of the totals.

None of the proposals includes a results matrix, or any other information about what outcomes will be monitored or how this will be done.

Finding 11 The fit of Output 3 with the other two outputs remains problematic for the current implementation cycle, because the description of this output in the project document does not adequately reflect the overall purpose of activities covered by this output.

The previous evaluation found that the outcomes of capacity building for development professionals in the Slovak civil service were modest, in part because this element of the project was designed and implemented in isolation from other elements of the project. The fit of Output 3 with the other two outputs remains problematic for the current implementation cycle, because the description of this output in the project document does not adequately reflect the overall purpose of activities covered by this output. Discussions with IRH staff indicate that the use of the term 'capacity building' for MF SVK is outdated

in this context, as MF SVK can no longer be considered an emerging donor. Rather, the funding covers activities that are required to deliver the ministry's ODA strategy. These are legitimate costs but the activities cannot be assessed on the basis of capacity built – some other basis is needed to assess the effectiveness of these activities in supporting delivery of the ministry's ODA strategy.

Finding 12 The revised PPFD project document does not reflect the current PPFD implementation cycle

As currently formulated in the PPFD project document, the stated objective for Output 2 does not reflect the actual situation.

For Output 2 the objective is to enhance the capacities of the Slovak private sector to participate in development cooperation with a view to mobilising financial resources, knowledge, expertise and technologies. In practice, Output 2 appears to be dedicated almost exclusively to the RMF, including the work of the Private Sector Specialist. While the project still aims to promote and facilitate the participation of Slovak experts and companies in RMF projects and subsequent contracts, the emphasis on this aspect of the project appears to have been considerably reduced since the previous implementation cycle. The main focus of Output 2 is the RMF projects themselves, with or without Slovak participation. The picture provided by project documentation is particularly unclear regarding the promotion of Slovak private sector participation. The revised project document states that *'Rozvojmajstri will continue the activities targeting the Slovak private sector community to ensure higher participation on global development marketplace.'*⁴⁰ The 2020 PPFD annual report notes that the *'contract with Aspiro, Rozvojmajstri implementing entity, ended as of 31 October 2020'* and *'most of the tasks carried [out] by Rozvojmajstri were transferred ...'* to the newly appointed Private Sector Specialist.⁴¹ However, the Rozvojmajstri website indicates that the Rozvojmajstri programme is still implemented by the consultancy company Aspiro a.s. with the support of UNDP and the Ministry of Foreign and European Affairs of the Slovak Republic, but no longer with the support of the Ministry of Finance.⁴² It is unclear from project documentation what the USD 71,583 allocated to Rozvojmajstri in the PPFD budget over four years covers.⁴³ As noted above, the USD 120,000 allocated to the Rozvojmajstri Coordinator (Private Sector Specialist) over three years is listed separately under IRH project management (see Footnote 35).

The donor still expects more Slovak companies to be involved. However, it is not clear if the reasons for the perceived lack of Slovak private sector engagement are understood or to what extent the RMF can address this expectation. For example: Slovak companies in relevant sectors may consider that the value of contracts, or the chances of submitting a winning offer, do not justify the time and resources required to prepare offers; they may have limited interest in entering Western Balkans markets at the

⁴⁰ UNDP (05/02/2020), 'Revised Project Document – Public And Private Finance For Development', p9 <https://info.undp.org/docs/pdc/Documents/SVK/PPFD%20ProDoc%202019%20-final%20signed.pdf>

⁴¹ UNDP (undated), 'Public and Private Finance for Development – 2020 Annual Project Progress Report', p5

⁴² RozvojMajstri (2022), 'The RozvojMajstri', <https://rozvojmajstri.com/#about> [accessed 27/10/2022]

⁴³ In a comment on the draft of this report, UNDP notes that this budget was intended to cover private sector-related activities, such as missions to UNDP COs or international financial institutions, and potential events, etc. However due to the Covid 19 pandemic, this budget use was used to a very limited and funds were transferred to RMF.

present time because they perceive it as too small or too risky; or they may be unable to find suitable local partners.

Finding 13 The output indicators in the PPFD results framework are of limited use for assessing PPFD effectiveness

For Output 1 the indicators are:

- 1.1 Number of country specific initiatives launched;
- 1.2 Number of policies / laws / recommendations / analyses related to public finance on national and/or local level developed for partners organisations;
- 1.3. Percentage increase in knowledge and understanding of specific public finance issues by the public officials.

The first two indicators have been exceeded in 2020 and 2021 combined. However, the indicators are lacking a qualitative dimension to assess the importance or 'value' of the outputs or how they are used. The third indicator above is highly relevant. The 2021 annual PPFD report indicates that public officials' knowledge and understanding increased by 36%-55%. However, there is no explanation of how this figure was calculated or what it means in practice (see Annex 12 for further analysis of this indicator).

For Output 2, the indicators are:

- 2.1 Number of Slovak companies participating in IFI⁴⁴ and/or IGO⁴⁵ tenders (including those in consortia);
- 2.2 Number of solutions developed through RMF funding;
- 2.3 Number of projects where Slovak expertise has been applied.

The first indicator here appears to be no longer relevant (see Finding 12 above). The second indicator is relevant but is lacking a qualitative dimension, such as the amount of funding mobilised. The third indicator appears to be more applicable to Output 1 (where it is not included) but, as noted above (see Finding 6 and Finding 12), this seems to be less relevant in the current PPFD cycle.

The indicators for Output 3 are relevant but they provide little insight into how or to what extent the capacities of MF SVK development professionals have developed.

Finding 14 The future investment path for RMF projects is not always clear

RMF projects can be characterised as moderately risky in that they aim to establish a basis for future investment in things that might not have happened, or at least not to the same extent. In some cases there is a clear investment pathway, but this is not so clear in other cases.

In one case it is unclear what is expected to happen after outputs have been delivered. In another case, the project does not cover all of the partner institution's requirements and this will delay utilisation of project outputs, possibly significantly, as the partner will have to secure other funding to undertake the 'missing' element, which will have to be procured separately. It might have been preferable to wait until

⁴⁴ International financial institution

⁴⁵ Intergovernmental organisations

the partner institution had secured national or other co-financing so that all the work could be completed at the same time.

One project is partly funding work that is required by law, and it could be argued that this work should have been covered by national co-financing.

Finding 15 PPFD clearly addresses Sustainable Development Goals 2, 7, 12, 13, and 16

PPFD supports the Sustainable Development Goals (SDG) by promoting better use of public and private finance for development goals. Output 1 addresses SDG 16 Partnerships for the Goals, as it supports better budgeting and tax collection at central and local levels. It is also supporting development finance assessments. Output 2 directly addresses SDG 7 (Affordable and Clean Energy) and SDG 13 (Climate Action) with its focus on energy efficiency and renewable energy. Individual RMF projects also address SDGs 2 (Bregalnica River Basin) and SDG 12 (Waste Into Food). Coverage of SDG 5 Gender Equality is unclear – this is discussed in more detail below (Finding 16).

Table 9: Coverage of the Sustainable Development Goals

SDG	PPFD	RMF
1 No Poverty		
2 Zero Hunger		✓
3 Good Health and Well-Being		
4 Quality Education		
5 Gender Equality	✓	?
6 Clean Water		
7 Affordable and Clean Energy		✓
8 Decent Work and Economic Growth		
9 Industry, Innovation, and Infrastructure		
10 Reduced Inequalities		
11 Sustainable Cities and Communities		
12 Responsible Consumption and Production		✓
13 Climate Action		✓
14 Life Below Water		
15 Life on Land		
16 Peace and Justice and Strong Institutions		
16 Partnerships for the Goals	✓	

Finding 16 The PPFD project document emphasises gender but none of the 14 PFD and RMF projects funded during the current cycle explicitly address gender and there are very few substantive references to gender in 145 project-related documents that have been analysed, including annual PPFD reports.

The PPFD project document states that:⁴⁶

Gender aspects are fully implied in project design. Gender dimensions will be considered when developing specific projects and interventions. Particular attention will be paid to gender considerations in reaching out to stakeholders and beneficiaries. Gender disaggregated data will be collected in capacity assessments, monitoring and evaluation activities.

Capacity building for development professionals will include better understanding of the use of gender analysis for development cooperation strategies, development projects and in evaluations of development cooperation. Improved management of public finances will contribute to better public funds allocation to support gender equality through national public policies and programs.

At the same time, the cover page of the project document provides the GEN1 marker, indicating limited contribution to gender equality.

However, none of the proposals for the 14 PFD and RMF projects funded by PPFD make any substantive reference to gender or women, and there are very few references in project reports. Of the 145 project-related documents that have been analysed, only 17 include the words 'gender' or 'women', and usually only in the description of the project macro context. The 2020 PPFD annual report has only one reference to gender, which relates to an online learning session on 'Mainstreaming gender in ODA' under Output 3. There is no mention of gender or women in the 2021 annual PPFD report.

A comment on the draft of this report from one UNDP CO indicates that COs were encouraged to consider gender in the implementation of activities. Interviews with COs suggest that, in practice, some projects do address gender equality. In other cases, consideration of gender was found to be impractical (insufficient budget and/ or time) or not relevant i.e. projects address technical issues that are perceived as not having a gender dimension. A comment from IRH suggests that this reflects the project's GEN1 marker. Nevertheless, the text of the PPFD project document (quoted in the box above) suggests the expectation of a systematic approach to gender, even if the GEN1 marker indicates a limited contribution to gender equality. Overlooking the gender dimension when addressing technical subjects ignores the possibility that underlying assumptions may be unsound, for example that different technical designs have no gender related effects.

Finding 17 UNDP is focusing increasingly on SDG-related products and services but these may not always be sufficiently adapted to national and local contexts and capacities

Interview feedback and analysis of project documentation suggests that greater emphasis needs to be placed on explaining and operationalising some SDGs at national and local levels, and within UNDP

⁴⁶ UNDP (05/02/2020), 'Revised Project Document – Public And Private Finance For Development', p34 <https://info.undp.org/docs/pdc/Documents/SVK/PPFD%20ProDoc%202019%20-final%20signed.pdf>

itself. An interview in one country suggests that, at local level, the SDG are perceived as an 'empty logo'.

Other interview feedback indicates that UNDP (globally) increasingly promotes certain products and services, one of which is applied by PPF. This is generally relevant to the context in which it is applied by PPF, and it is a good example of UNDP's leveraging of its global institutional expertise and experience to add value to PPF. Nevertheless, while relevant, this type of UNDP product/ service may not be sufficiently adapted to specific contexts and capacities, and this may limit the effectiveness and sustainability of projects built around them. In one country, the partner institution noted that it did not request one element of the PPF support being provided – this was suggested by UNDP.

3.4 PPF systems and processes

Finding 18 PPF management and coordination have improved significantly since the 2018 evaluation

The 2018 evaluation covered the PPF component of the Partnership Project (2014-2017), and the entire PPF project from 2017 to mid-2018.⁴⁷ It was critical of decision-making, management, and coordination arrangements, which involved many actors from different entities located in different countries. UNDP country offices were not sufficiently involved in the design or implementation of activities.

Feedback from interviews during the present evaluation in 2022 indicates that PPF management and coordination have improved significantly since the previous evaluation. Roles and responsibilities are much clearer, and UNDP COs have the primary role in designing and implementing PPF and RMF projects. Their strong links with central and local authorities in the 5 partner countries ensures that projects are well aligned with the needs of national stakeholders. The IRH supports COs with the exploration of ideas, shaping projects, budgeting, referring experts, and reviewing experts' terms of reference. It also organises regional PPF meetings, which are considered very useful. The IRH project manager helps to organise study visits in Slovakia and engages directly with hosts.

It is important to note that, when referring to the help provided by the IRH, UNDP COs mainly refer specifically to the PPF project manager and private sector specialist. There were few references to other IRH actors, although a comment on the draft of this report from IRH states that projects receive technical support from IRH as needed, and that IRH provides quality assurance and 'other support'.

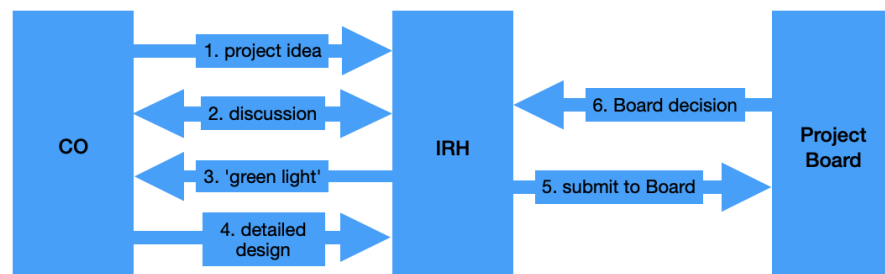
Finding 19 RMF expectations/ scope/ parameters were not so clear for some COs

Feedback from 3 COs indicates that RMF expectations, scope, or parameters were not so clear for them. They devoted time and resources to developing project concepts, which involved engaging in dialogue with partner institutions, but several proposals were subsequently rejected. In one country, lack of clarity about what could be covered seems to have generated tension with a partner institution. IRH notes that the introduction of the 'Project Ideas' system (see Figure 10 below) has reduced the time devoted to the development of projects. COs only spend time on projects that are approved at the idea stage. MF SVK is involved in the evaluation of project ideas and the detailed project proposals.

⁴⁷ Elinor Bajraktari (08/2018), 'Evaluation Report – "Slovak Republic–UNDP Partnership for Results in the International Development Cooperation" and "Public and Private Finance for Development" Projects'

The project development and approval process for PFD projects is summarised in Figure 10 below. The process for RMF projects is the same, except that these are approved by IRH rather than the Project Board.

Figure 10: Project development and approval process for PFD projects

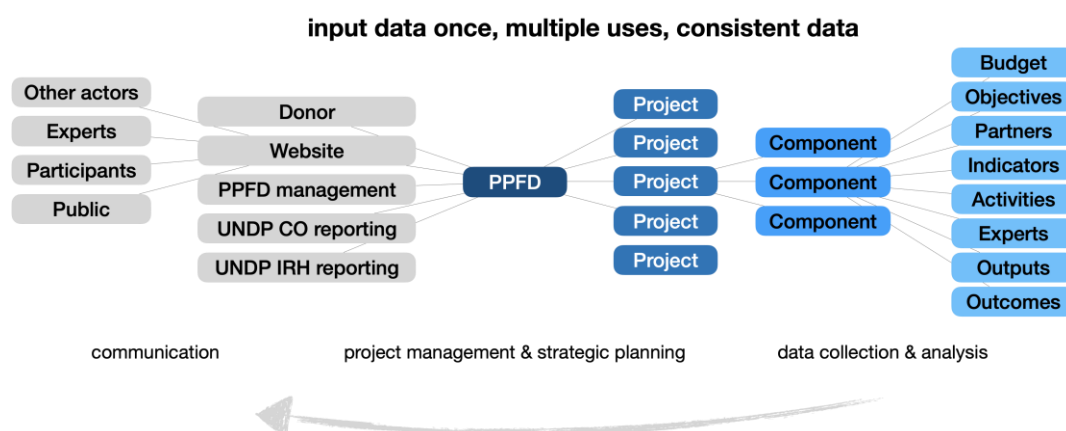


Source: author, based on interviews

Finding 20 PPFD lacks adequate data management and monitoring systems

Project data is spread across numerous individual files and email messages and is therefore highly fragmented. This makes it hard to reconcile different sources of information or to extract management insights and information for communication about the project to different audiences. Figure 11 below suggests a possible structure for a PPFD data management system.

Figure 11: Possible structure for a PPFD data management system



For this evaluation, the primary documents used for information on individual project developments are the annual PPFD reports (2020 and 2021). However, the information is highly condensed, and while the 2 annual reports do list outputs, such as draft laws, reports, and guidelines, the lack of contextualisation limits the usefulness of this information. The 2 annual reports include information about projects launched during the first PPFD implementation cycle, but the distinction between the two implementation cycles is not always clear. Feedback from one CO suggests that one activity reported in both the 2020 and 2021 annual reports is unrelated to the PFD project in the relevant country.

PPFD and RMF budget data and objectives have to be extracted from multiple files. Project budgets are not consistently structured and there appear to be errors in some cases. There appears to be no list of projects with components, budgets, and start and end dates amongst the approximately 145 documents analysed for this evaluation.

PFD project components are categorised, although this information was not available until the end of the evaluation. RMF projects and their components do not appear to be categorised in any way. This made it difficult to identify similar activities in different countries. For example, development finance assessments are being undertaken in 2 countries, but this was not obvious as in one case this does not appear in the title of the relevant project component. Systematic classification of all project components would be very useful for long-term assessment and learning, as would systematic identification and logging of partner institutions and target groups.

A well-developed spreadsheet listing 104 PFD expert assignments was provided. This includes the subject of each assignment, but it is not possible to link the assignments to specific projects. There are anomalies in the spreadsheet that have to be removed before it can be analysed (e.g. inconsistent use of country abbreviations, and errors or inconsistencies in spelling of expert names). A list of RMF experts has not been provided.

The lack of a clear and systematic file naming convention makes it hard to quickly identify the most up to date project documents, or even in some cases to identify the type of document.

Finding 21 PPFD and donor visibility is generally limited and varies considerably between countries

PPFD visibility guidelines state that the branding goal of UNDP and MF SVK is to:⁴⁸

- Make the Public and Private Finance for Development project easy to associate with visually;
- Facilitate PFD communication across partner countries;
- Recognise and give credit to the donor – the Slovak Ministry of Finance;
- Enhance UNDP's work and promote UNDP partnerships.

Visibility is not simply about identifying the source of funding. It means also providing a clear, coherent, and up to date picture of the goals and structure of PPFD and supported PFD and RMF projects. Based on the evaluator's own experience of trying to make sense of the project from publicly available information, and on interview feedback and responses to the survey of PFD experts, overall PPFD visibility is limited.

Stakeholder feedback from Serbia indicates that, for the PFD project there, PPFD and Slovakia were very visible. However, in another country a local stakeholder suggests that few people are aware of the PPFD or Slovak funding. The survey of PFD experts indicates moderate familiarity with the PPFD project (see Annex 7, question 1). One interviewed expert was unaware of the PPFD or Slovak funding. Terms of reference for a project in another country mention Slovak support once on the second page. This could easily be missed, and there is no Slovak logo or specific mention of MF SVK or PPFD. Of the 19 PPFD experts who responded to the survey, only approximately 16% are very familiar with the PPFD project and approximately 32% don't know much about it, know very little about it, or are not sure. Just over half are somewhat familiar with the project. IRH notes that all terms of reference and other documents include references to Slovak funding, and that beneficiaries and the local public, rather than experts, are the primary targets of the PPFD visibility strategy.

Interviews with Slovak embassies in 2 partner countries suggest that in recent years UNDP COs have become less proactive in keeping them informed about developments with Slovak-funded projects. IRH

⁴⁸ UNDP & Ministry of Finance of the Slovak Republic (07/2022), 'Public and Private Finance for Development – Visibility Guidelines', https://www.undp.org/sites/g/files/zskgke326/files/2022-10/ppfd_visibility_guidelines_072022_1.pdf

notes that it systematically communicates with Slovak embassies and invites them to engage in the project pre-approval process. One interviewee suggests that Slovak funding should be more systematically visible on all UNDP project outputs, such as reports, studies, guidelines, etc. where Slovak funding is involved.⁴⁹

Several web pages provide information about PPFD.⁵⁰ Overall, they provide a confusing picture. Someone already familiar with PPFD can find relevant information here, although these pages are clearly intended to inform people who are not familiar with the project. For someone not familiar with the project, these pages do not provide a clear picture. There appears to be no single overall PPFD page or concise summary of PPFD activities (e.g. a tabular summary of projects, dates, and funding). The two main UNDP-managed pages present PFD and RMF as two separate projects and the two pages do not refer or link to each other. The PFD page for each partner country provides a link to the relevant UNDP CO, but it is difficult to identify PPFD activities on CO websites. The RMF page does not include links to CO websites.

3.5 Budget

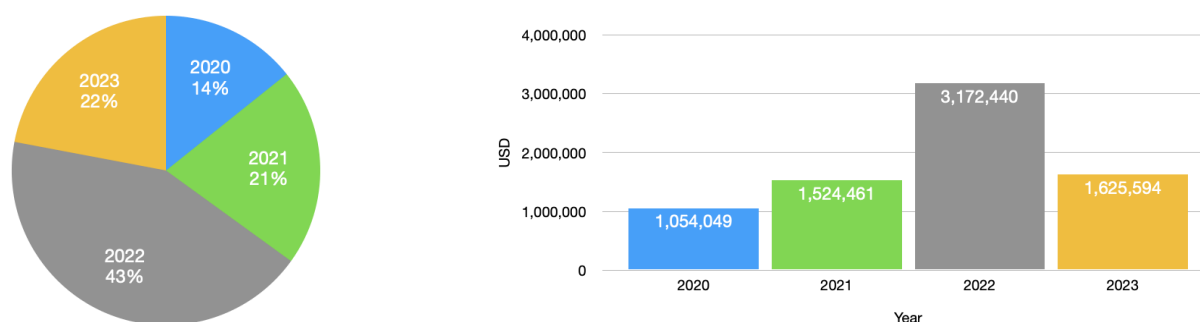
Finding 22 Approximately 45% of the total USD 7.4 million available funds have been used during the period January 2020 to September 2022, leaving approximately 55% to be used in the final 15 months of the current PPFD implementation cycle

Analysis of budget utilisation indicates that PPFD made a slow start in 2020 and 2021. In part this can be attributed to the COVID-19 pandemic. In addition, the RMF concept was not fully developed until late 2019, which delayed the development of the RMF project pipeline, and the Private Sector Specialist was recruited only in late 2020. Annex III of the 2021 annual PPFD report indicates that project expenditure was expected to double compared with 2021, leaving approximately USD 1.6 million to be utilised in 2023 (see Figure 12 below), the final year of the present implementation cycle. Financial data provided by UNDP up to 30 September 2022 indicates that USD 3,328,632 has been utilised since January 2020, leaving approximately USD 4.4 million to be utilised in the final 15 months of the current PPFD implementation cycle.

⁴⁹ This observation was made with regard to Slovak funding to the UNDP in general in one country, not only to PPFD

⁵⁰ UNDP Regional Hub for Europe and Central Asia Slovak partnership (2018), 'Public Finance for Development' [information about PFD projects], <https://publicfinance.undp.sk/en/>
UNDP Regional Hub for Europe and Central Asia Slovak partnership (undated), 'MF SR a UNDP' [information about RMF projects], <https://publicfinance.undp.sk/en/mf-sr-and-undp/>
Slovak Agency for International Development Cooperation (undated), 'MF SR – UNDP Partnership', <https://slovakaid.sk/en/useful-info-and-statistics/undp/>
Ministry of Finance of the Slovak Republic (2021), 'Public Financial Management Support', <https://www.mfsr.sk/en/european-international-affairs/development-cooperation/public-finance/>

Figure 12: Allocation of funding (USD 7.4 million) by year



Source: author based on UNDP⁵¹

Table 10 below shows actual PPFD expenses for the period January 2020 to September 2022.

Table 10: Actual PPFD expenses January 2020-September 2022 (USD)

	2020	2021	2022 (up to 31 September)	Total
Output 1	474,785	1,027,402	739,266	2,241,454
Output 2	563,514	176,775	303,394	1,043,683
Output 3	15,749	17,290	10,456	43,495
Total	1,054,048	1,221,467	1,053,116	3,328,632

Source: author, based on UNDP⁵²

Finding 23 PPFD management costs (including 8% GMS) amount to 36% of total PPFD costs from January 2020 to September 2022

Analysis of AAA expense reports indicate that PPFD management costs (including GMS) accounted for approximately 36% of all expenses during the period January 2020 to September 2022 (see Table 11 below). Management costs for Output 1 were 46% of total Output 1 costs, while for Output 2 they were 16% and for Output 3 10%.

Table 11: Annual PPFD management costs (including GMS) as percentage of annual total costs January 2020-September 2022, by Output

	2020	2021	2022	Total
Output 1	51%	41%	51%	46%
Output 2	11%	20%	22%	16%
Output 3	11%	9%	12%	10%
Overall	29%	37%	42%	36%

⁵¹ UNDP (undated), 'Public and Private Finance for Development – 2021 Annual Project Progress Report'

⁵² AAA reports (1 for each Output) for the period January 2020 – October 2022. The three reports were combined into a single spreadsheet by the evaluator for analysis.

Source: author, based on UNDP⁵³

Table 12 below is based on the same data but here it is disaggregated by operating unit, as specified in UNDP AAA reports.

Table 12: PPFD management costs (including GMS) as percentage of total costs January 2020-September 2022 by operating unit

Operating unit	2020	2021	2022	Total
BIH	8%	7%	56%	53%
MDA	72%	94%	18%	54%
MKD	25%	23%	35%	26%
MNE	67%	28%	37%	34%
SRB	8%	9%	7%	8%
SVK ⁵⁴	28%	58%	50%	41%
Total	29%	37%	42%	36%

Source: author, based on UNDP⁵⁵

3.6 Outcomes

Finding 24 There is no data on how PPFD is influencing the performance or behaviour of target institutions, groups, or systems

Information provided during interviews indicates that for some projects, there are readily identifiable indicators, such as revenue raised, information exchanged with foreign counterparts, volume of waste recycled, solar generating capacity installed, number of solar installations, costs reduced, etc. Project monitoring and reporting focus on narrative description of inputs, activities and outputs.

Notwithstanding the results framework in the PPFD Project Document, there is no evidence that there has been real consideration of how outcomes will be assessed, what data should be collected, when and by whom, or what systems needed to be put in place. This applies both to the overall PPFD and to individual PFD and RMF projects. As noted above, there is a lack of clarity in expected outcomes at overall PPFD level (see Finding 13) and at the level of individual PFD and RMF projects (see Finding 10). None of the 14 project proposals includes a results matrix or other information about how outcomes will be assessed. There is no evidence of systematic collection of data relating to the outcomes of Output 3. Systems and resources (human and financial) are required for systematic collection, aggregation, and analysis of multiple types of data to assess the effectiveness of multiple projects. Lack of attention at design stage means that insufficient funds are allocated to monitoring. Budgets for monitoring may also be limited by a desire to allocate as much funding as possible to project activities,

⁵³ AAA reports filtered on the following account codes, as indicated by IRH: 6xxxx, 714xxx, 715xxx, and 75105

⁵⁴ 'SVK' here can have 3 different meanings. For Output 1, 'SVK' refers to IRH. For Output 2 'SVK' indicates that the budget is administered by IRH but the budget is utilised by COs to implement project activities. For Output 3, 'SVK' refers to MF SVK.

⁵⁵ AAA reports filtered on the following account codes, as indicated by IRH: 6xxxx, 714xxx, 715xxx, and 75105

although in the case of PPFD, project management (including GMS) up to 30 September accounts for 36% of PPFD expenses (see Finding 23).

The donor notes that the lack of information about post-completion developments is particularly problematic. To some extent, UNDP CO staff working in a particular sector can be expected to keep up to date with developments after projects end, although this is likely to be more problematic where there is a need to collect data that is not directly relevant to subsequent projects. Individual project budgets cannot be used for monitoring developments after they have been finalised.

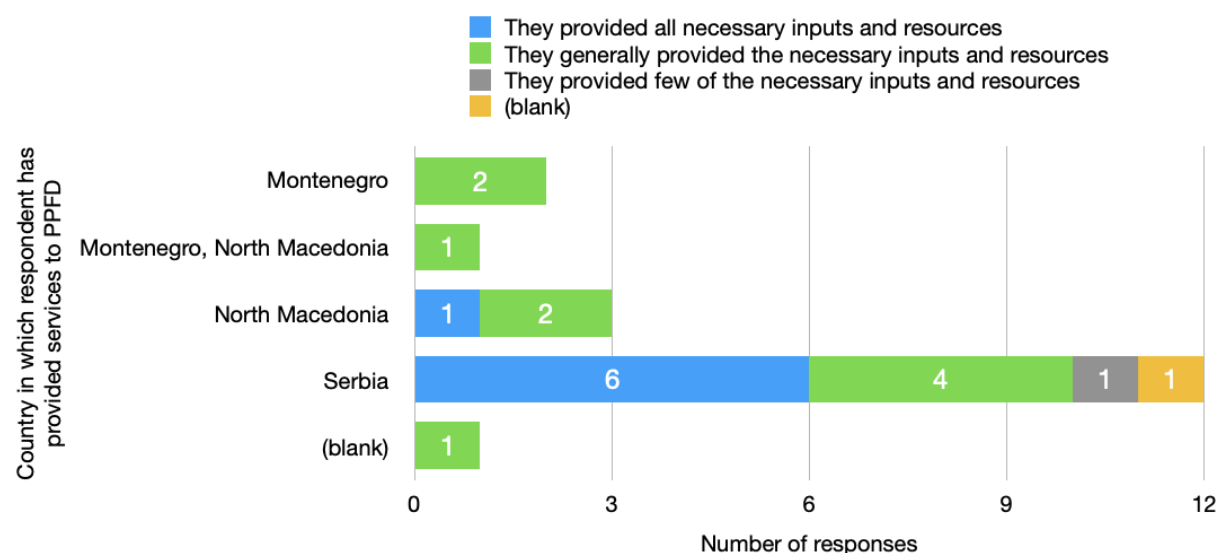
Feedback from one CO and the IRH suggests that further dialogue between the IRH and COs may be desirable to optimise annual reporting in terms of the level of detail about project activities, and reflections on important post-project developments such as the approval of laws or the scaling up of innovative initiatives.

Finding 25 Supported institutions are generally well engaged and make good use of the support provided

Interview feedback and the survey responses from PFD experts indicate that supported institutions are generally well engaged and are making, or are likely to make, good use of the support provided. However, political instability and staff turnover means that expected developments will take longer to emerge or may not materialise to the expected extent. The refugee and energy crises in Europe resulting from the war in Ukraine inevitably constrain the ability of some institutions to engage fully in project activities, and the work of some institutions has been disrupted by cyber-attacks.

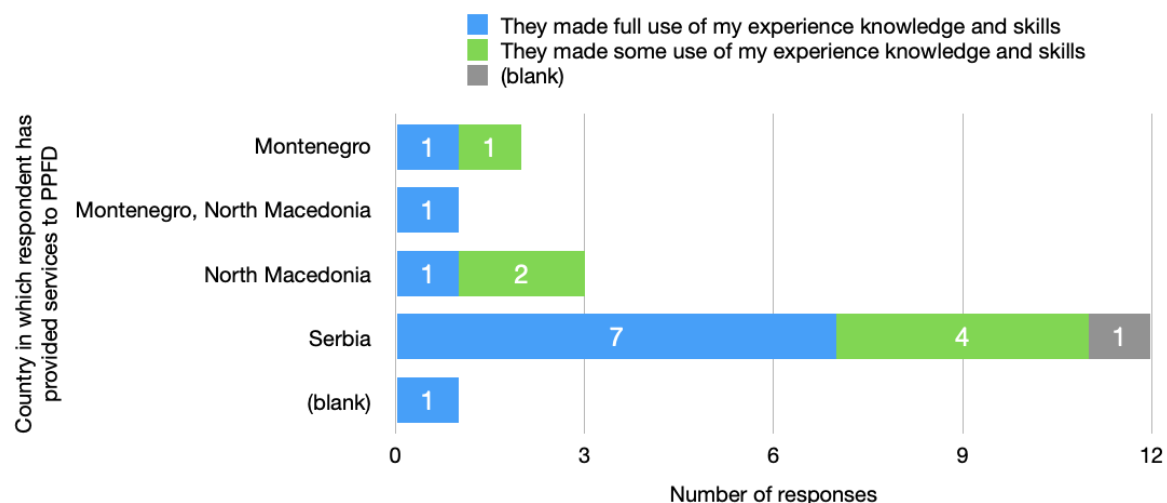
Approximately 57% of respondents to the survey of PFD experts indicate that supported institutions generally provided the necessary inputs and resources (see Annex 7, question 5), while 39% consider that they provided all necessary inputs and resources (see Figure 13 below).

Figure 13: Expert survey question 5 'To what extent did the institutions/ bodies you supported provide the necessary inputs and resources needed to complete your work on time and to the expected quality?'



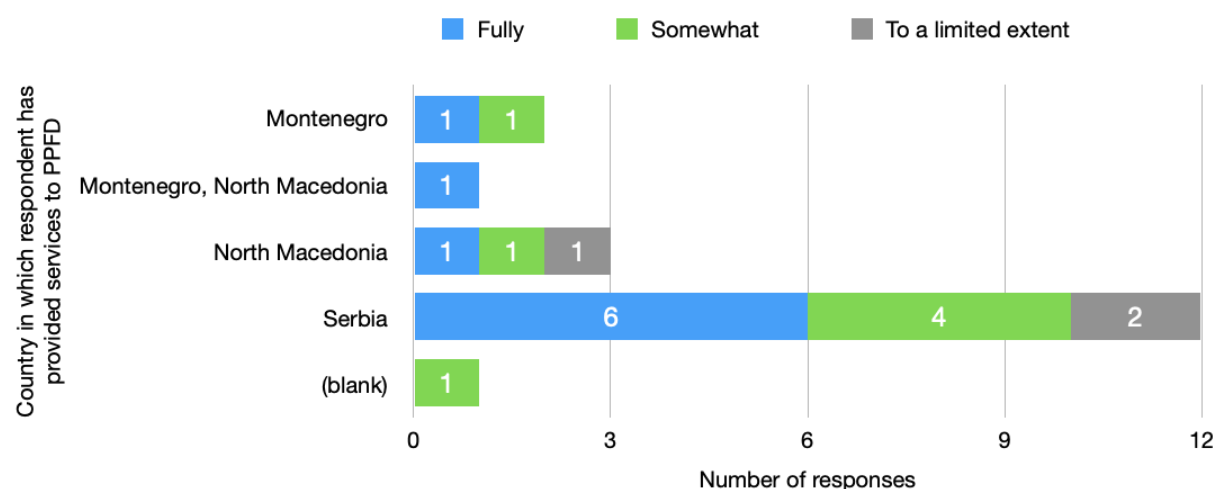
61% of respondents consider that supported institutions have made full use of their experience, knowledge and skills (question 6), while 39% consider that some use has been made of their experience, knowledge and skills (see Figure 14 below).

Figure 14: Expert survey question 6 'To what extent do you consider that the institutions/ bodies you supported, and UNDP, made best use of your experience, knowledge, and skills?'



Almost half of the survey respondents indicate that supported institutions have made full use of, or are likely to make full use of, the outputs of experts' work (question 7), while approximately 37% consider that some use will be made of these outputs, and 16% that limited use will be made of outputs. The responses to survey question 7 are summarised in Figure 15 below.

Figure 15: Expert survey question 7 'To what extent do you consider that the institutions/ bodies you supported have utilised, or are likely to utilise, the outputs of your work?'



Finding 26 Several projects involve piloting new systems, tools, and approaches with demonstrable benefits and are being scaled up or are likely to be scaled up

Many projects involve piloting new systems, tools, and approaches and interview feedback indicates that these are generally producing demonstrable benefits and are being scaled up or are likely to be scaled up. For example, RMF projects have supported the introduction of new public-private funding models, such as the the ESCO model for energy efficient street lighting in BiH, and different arrangements for funding solar energy systems on private houses introduced by 'Accelerating Clean

Energy Transition Through Utilization of Solar Energy Potential in Bosnia and Herzegovina'.⁵⁶ The same project is developing a publicly accessible tool to support investment decisions by individual households and companies. In MKD 'Waste Into Food (Organic waste in green economy)', has supported an arrangement between a privately owned local biogas plant and municipalities, which turns a waste disposal problem into an income generator for both the plant operator and the municipalities. The MKD example does not involve direct private sector investment in delivering local public services – rather, it makes private sector investment in the area more attractive with research and data that link different, but overlapping, public and private sector interests. 'Solar Development in Montenegro' has supported the scaling up of an earlier project,⁵⁷ which is not covered by this evaluation. Also in MKD, the PFD local property tax pilot project has developed a far cheaper and much more reliable and efficient system for assessing property taxes that has attracted interest from different municipalities. 'Macedonian Model of E-municipality' provides a blueprint for the digitisation of local service delivery, which is being widely adopted.⁵⁸

Finding 27 National stakeholders express satisfaction with the support provided by PFD projects, and interviews provided examples of specific changes in the performance or behaviour of target institutions, groups, or systems

During the online interview phase interviewees were able to identify relevant changes only to a limited extent, although it was possible to identify potential indicators of change from discussions with interviewees. Subsequent face to face interviews with project partners in BiH and MKD provided further examples of relevant developments.

PFD projects support the development of legislation and guidelines, new and updated structures and systems, and capacity development. New legislation, structures, and systems are important, but on their own they do not provide evidence of change. Thus, it is important to understand what changes in perceptions, understandings, performance and behaviour accompany the introduction of new legislation, structures, and systems, etc. at institutional, system, and community levels.

National stakeholders express satisfaction with the support provided by PFD projects, but are generally unable to point to specific changes. National stakeholders and UNDP COs highlight the following outcomes:

- In BiH, the CO reports an increasing readiness amongst local civil servants and administrative staff to address gaps via capacity building in specific areas, such as risk identification and management, detection and prevention of irregularities and fraud. Feedback from interviewed partners interviewed suggests that processes and practices are changing, although so far only on a limited scale, as capacity development and training has not yet been scaled up, and some municipalities may struggle to apply the new approaches. Also in BiH, partner institutions report greater confidence in their ability to link programme budgets with strategic plans. Local authorities are deploying innovative new funding mechanisms developed by RMF projects to incentivise investment in solar energy, reduce household electricity costs, reduce carbon emissions, and ultimately enable consumers to earn income from surplus electricity production. The Solar Atlas sub-project will provide comprehensive, publically accessible, data that is expected to unlock more private sector investment in solar energy;

⁵⁶ Further details of PPFD activities in BiH are provided in Annex 8

⁵⁷ 'Strengthening capacities of decision and policy makers on national and local level'

⁵⁸ Further details of PPFD activities in MKD are provided Annex 9

- In Moldova, feedback from the project partner indicates that the PFD project has accelerated decision making but has not otherwise resulted in significant changes so far;
- In Montenegro, it is reported that SIGMA⁵⁹ has noted improvements in centrally implemented regulatory impact assessments. It is also reported that the European Commission has noted the high quality of the country's most recent Economic Reform Programme. The CO confirms that these processes are led by national stakeholders, whose capacities are thus being sustainably developed. Among many other things, the project is helping to upgrade the information technology system of the Games of Chance Administration, but it is unclear specifically what developments can be expected in the performance of its responsibilities;⁶⁰
- In North Macedonia, national stakeholders confirm the importance of the PFD project there. Among other things the project is helping to develop indicators of the informal economy that will support improved monitoring in future. One component of the PFD project developed a digital system for a pilot municipality to assess property values and collect taxes. The municipality estimates that it collected approximately MKD 6 million in property taxes in 2022, which amounted to 20% of its budget. It estimates that this will double to approximately MKD 12 million in 2023 i.e. a 100% increase, amounting to 40% of its budget. Compared with the situation before the project, property tax collection is expected to be around 200% higher in 2023. Furthermore, legislative changes relating to property taxes will lead to increased revenue for local governments. The PFD project has introduced the concept of transfer pricing and is supporting working on transfer pricing reports that will lead to increased tax revenue. Development of North Macedonia is a notable example because it was the only CO that provided examples of clearly identifiable measurable outcome indicators, although these do not appear to be identified or tracked in project documentation available to the evaluator. Analysis of project documentation and discussions with stakeholders suggest that it should be possible to identify more indicators that can help to assess the effectiveness of the project. 'Macedonian Model of E-municipality' is directly supporting improvements in the provision of services at the local level, and time and cost savings.

Finding 28 In Serbia, the PFD project continues previous work on the introduction of a new local development planning approach which has been endorsed by the central authorities and which municipalities are required by law to apply. Some interview feedback suggests that some local governments will struggle with this, due to financial and/ or personnel constraints. Interview feedback suggests that networking during Output 3 activities has been useful

Project documentation does not include information about the benefits of training and related activities funded by PPFD as experienced by MF SVK development professionals and/ or their units. However, interview feedback indicates that it has been useful for networking, which has led to Slovak support for the Public Expenditure and Financial Accountability Programme (PEFA) in the Western Balkans.

4 Conclusions

The conclusions presented here are based on the findings. They have been developed by applying judgement criteria to the findings about activities and outputs, added value, design, PPFD systems and

⁵⁹ Joint EU-OECD initiative 'Support for Improvement in Governance and Management'

⁶⁰ This presumably relates to the monitoring of gambling websites, but it is not clear what this means in practice e.g. number of websites monitored, frequency of monitoring, unlicensed websites detected/ shut down, discrepancies detected in actual and reported online gambling activity and financial turnover, tax revenue increased, etc.

processes, budget, and outcomes. The evaluation framework in Annex 2 presents the indicators/success standards applied by the evaluator in developing the conclusions presented here.

The conclusions are grouped as follows, by 5 of the OECD DAC (as indicated in the inception report), and cross-cutting issues:

- Relevance (4.1)
- Coherence (4.2)
- Effectiveness (4.3)
- Efficiency (4.4)
- Sustainability (4.5)
- Cross-cutting issues (4.6)

The terms of reference indicated that impact should also be assessed. However, it is not possible to assess impact in a meaningful way in view of the stage of implementation of the project, the distribution of projects across 5 countries, the small scale of some projects, attribution challenges, and the absence of impact monitoring data (e.g. public surveys, economic analysis, etc.).

4.1 Relevance

Conclusion 1 PPFD projects mostly address concrete needs

The proactive engagement of partner institutions in the design of PFD and RMF projects ensures that they address concrete needs (see Finding 25). However, project proposals do not always clearly identify specific partner institutions (see Finding 10) and project design in some cases thus appears to be driven more by UNDP, at least in the early stages of project development. In one case, support was not requested but was proposed by UNDP, and it is unclear to what extent the partner institution is in a position to benefit fully in the context of several overlapping crises.

Conclusion 2 Project proposals do not clearly identify expected changes

Individual PFD and RMF project proposals generally do not provide a clear and concise picture (see Finding 10). They focus on activities and outputs but do not identify expected changes in the performance or behaviour of institutions, systems or target groups.

Conclusion 3 The goal of Output 2 is not clear and it is not clear that the RMF can address the perceived lack of engagement of the Slovak private sector in international development cooperation

The presentation of Output 2 in the current PPFD Project Document is unclear (see Finding 12). Output 2 was originally intended to promote the participation of the Slovak private sector in development cooperation, either directly in the RMF (which focuses on subjects where Slovak companies could provide services or products), or in public procurement resulting from the RMF, or in other public procurement in the context of international development cooperation. Project documentation indicates that there was limited interest from Slovak companies during the first PPFD implementation cycle. While Slovak private sector participation is still desirable, promotion and facilitation of Slovak private sector participation appears to have been scaled back during the current implementation cycle. The RMF has thus emerged as a standalone instrument without a clear overarching goal.

4.2 Coherence

Conclusion 4 Projects are well integrated

Individual PPFD projects are well integrated with other UNDP work and the work of other bilateral and international actors (see Finding 9).

Conclusion 5 Output 3 is not a good fit with the other two PPFD Outputs.

Output 3 activities appear to have no direct relevance to Output 1 or Output 2 (see Finding 11). It is unclear how Output 3 activities contribute to other elements of PPFD or how MF SVK capacity building for development cooperation benefits from linkages to Output 1 or Output 2. Moreover, capacity building activities do not respond to a clear institutional strategy but are based on annual personal development plans. Capacity building activities therefore appear somewhat *ad hoc*. While relevant, it would be normal to expect these types of activity to be funded from an internal institutional budget for continuing professional development, rather than a project managed by another institution.

4.3 Effectiveness

Conclusion 6 PPFD is supporting the introduction and scaling up of new systems and approaches with demonstrable benefits, and is contributing to changes in the performance or behaviour of institutions, systems or target groups in all 5 partner countries. However, PPFD lacks systems to systematically catalogue and assess these successes

PPFD and RMF include good examples of projects that are introducing or scaling up new systems and approaches, and they provide evidence that small projects can produce a disproportionate catalytic effect (see Finding 26). Clear evidence of the benefits is supporting their wider uptake. Based on interview feedback, PPFD activities are leading to changes in the performance or behaviour of institutions, systems or target groups in all 5 partner countries (see Finding 27).

However, these successes are not clearly identified in PPFD reporting (see Finding 20). There is limited attention to outcomes throughout PPFD, which emphasises activities and outputs (see Finding 20, Finding 24, Finding 25, Finding 26, and Finding 27). New/ updated legislation, structures, and systems are important, but on their own do not demonstrate that the expected change is taking place. An important indicator of effectiveness of the RMF is the level of investment mobilised through different models introduced by the projects, but this is not systematically tracked, and the different funding models and their potential applications⁶¹ are not summarised anywhere, for example on a dedicated web page.

Conclusion 7 Visibility is particularly important for the donor in the region, but PPFD presentation and communication are not coherent, and visibility varies between the countries

Varying levels of PPFD and donor visibility are reported across the 5 partner countries (see Finding 21). Interviews and analysis of project documentation and various project-related web pages point to a lack of coherence in how PPFD is packaged and communicated. This starts with the PPFD Project Document, which is unclear, and is reinforced by various UNDP and MF SVK web pages that provide a fragmented and confusing picture. There is publicly available information but it is not easy to find. The only overview of the entire project is included on the 'Slovak-UNDP Partnerships' page, which is not so clearly structured and does not provide a clear picture of what PPFD covers. The link on this page to

⁶¹ For example, in MKD, the CO envisages multiple different potential applications of the 'Waste into Food' funding model.

further information about PFD points to a slow loading 'Public Finance for Development' page that leads to further information about PFD activities in each country and limited information about results. The slow loading of this page appears to be caused by the loading of extracts from Facebook posts which are presented at the bottom of the page. The link included on the partnerships page to further information about the RMF points to the 'Private sector engagement' page, which includes three different facilities/ programmes, none of which is clearly identified as the RMF, and which can all be easily misunderstood as forming part of PPFD. There appears to be no information about RMF results.

Conclusion 8 Slovak and other international expertise and experience are very useful. More use of these resources in some partner countries could further promote the introduction of new ideas and approaches

Even where activities require mainly national experts, interviewee feedback and analysis of project data indicates that more use could be made of Slovak and other international experience (see Finding 6). For example, study visits generate new ideas and can help to catalyse decision-making in partner countries by demonstrating how proposed systems and approaches work in practice. Similarly, international experts can enrich the work of national experts by introducing external perspectives and experiences.

4.4 Efficiency

Conclusion 9 PPFD management and coordination have improved significantly since the previous evaluation in 2018

The previous evaluation found that the roles and responsibilities of different PPFD actors were not clear, and UNDP COs were not sufficiently involved. The situation in 2022 is very different (see Finding 7 and Finding 18). COs now have the leading role in the development and implementation of projects. They report that PPFD processes are mostly working well, and that they receive excellent support from the PPFD project manager and private sector specialist.

Conclusion 10 PPFD management costs are high but are largely justified

PPFD management and GMS costs for the period January 2020 to September 2022 amount to 36% of total project costs (see Finding 23). This appears to be high. However, PPFD focuses on gap-filling, catalytic projects, and this results in more and smaller projects, and most PFD projects include multiple components. Projects range in value (excluding management costs) from USD 510,140 (Support to Public Finance Management Reform in the Republic of North Macedonia) to USD 22,000 (Solar Development in Montenegro). The average value is USD 238,544, and the median is just USD 150,000. It could be argued that this is financially inefficient, as such projects are likely to be relatively more expensive to develop and manage. However, they can generate disproportionately large effects (see Conclusion 6) and stakeholders value the flexibility of PPFD (see Finding 5). PPFD is by design a high-cost approach. Limiting management costs could limit the flexibility of PPFD, as projects would possibly need to be more standardised, and could lead to fewer suitable project proposals. Furthermore, IRH points out that PPFD is not a traditional development project – through PPFD, UNDP is providing a service to MF SVK to operationalise its ODA strategy, which implies additional costs.

GMS helps to ensure consistency in the application of UNDP's norms, standards, and approaches globally, and it supports continuous incremental development of UNDP's systems and approaches. It is therefore not unreasonable to expect that PPFD would benefit from a well-developed Project Document, well-developed data management and monitoring systems, and consistent application of processes and quality standards including, for example, attention to cross-cutting issues such as gender equality, and consistency in the clarity of project proposals. However, there are gaps in areas

such as the quality of the Project Document, the quality of individual project proposals, the lack of emphasis on outcomes, the absence of references to gender equality in project proposals (gender equality is emphasised in the Project Document), and the lack of adequate systems to manage and exploit different types of project data. It is important here not to attribute blame to individual UNDP staff as this is a systemic, institutional issue.

4.5 Sustainability

Conclusion 11 PPFD outputs are likely to be used and further developed, as projects respond to the needs of partner institutions, and projects are integrated into the wider work of UNDP's COs. Better outcome monitoring would enable better identification and communication of concrete benefits, which in turn would promote utilisation and scaling up of outputs

PPFD projects respond to the needs of partners in the 5 partner countries, and they are mostly proactively engaged in project activities (see Finding 10 and Finding 25). This indicates that project outputs are likely to be used and further developed in future. Some projects have produced clear, demonstrable benefits (e.g. large increase in local taxes collected) and this is likely to ensure that outputs are well utilised and scaled up (see Finding 27). Better outcome monitoring across different projects can reinforce this effect throughout PPFD.

UNDP has a long-term presence in the five partner countries and PPFD projects are well integrated into the wider work of COs (see Finding 9). This supports the continued utilisation and further development of project outputs. However, reliance on project funding means that COs may lack sufficient resources to follow developments after projects have ended, and this is confirmed by some interview feedback.

Outcome monitoring is an important tool for reinforcing sustainability, as it can show where further action is needed, and systematic learning can help to strengthen the sustainability of future interventions. However, PPFD does not incorporate systematic outcome monitoring (see Finding 20 and Finding 24).

4.6 Cross-cutting issues

Conclusion 12 Individual project proposals do not reflect the emphasis placed on gender equality and human rights in the PPFD Project Document, although some projects do address these issues in practice

The Project Document emphasises gender equality and human rights. However, there are few references to these issues in individual project proposals or PPFD reports (see Finding 16). In practice, these issues are addressed by some projects but in other cases project budgets are too small to incorporate these issues, or the technical nature of the project is perceived as having no gender dimension.

5 Recommendations

5.1 Strategic recommendations

The following recommendations are addressed to UNDP IRH management and the donor:

1. IRH and MF SVK should jointly reformulate the objectives and expected outcomes of Output 3 to clearly reflect MF SVK's strategic ODA objectives. Output 3 activities should respond to these, rather than to individual *ad hoc* needs that could perhaps be more appropriately addressed through an internal continuing professional development budget. The basis for the assessment of Output 3 activities provided in the results framework should focus on changes in institutional ODA performance and reputation.
2. IRH and MF SVK should jointly review and clarify the goal of Output 2. The goal of this Output, as indicated in the PPFD project document, is to increase Slovak private sector participation in international development cooperation. In practice this objective appears to have been deprioritised in the current PPFD implementation cycle, but the donor still has expectations in this regard. It is also not clear if the RMF can address these expectations, although it is producing useful results in the 4 partner countries where it is currently implemented.
3. IRH and MF SVK should jointly review objectives and expectations regarding mobilisation of additional private sector and IFI funding. Any calculation of what has been achieved in this regard is unlikely to be straightforward in view of the different funding models and the influence of different projects and donors. It is therefore important to develop a workable and mutually acceptable calculation methodology.
4. IRH should completely rewrite the Project Document for the next phase of PPFD (after 2023) to provide a clear and up to date picture of the project, its objectives, structure, expected outcomes, and systems and processes (e.g. monitoring, quality assurance, etc.). This is not simply a presentational issue. It requires a joint reassessment of objectives by MF SVK and UNDP. This process should be informed by a jointly developed theory of change, which is likely to be a challenging process that takes time and may require multiple iterations. It could benefit from external facilitation. Particular attention should be given to the development of a small number of clear indicators to assess outcomes at country and regional levels, as well as specific outcomes that are important for MF SVK as the donor.

5.2 Operational recommendations

The following recommendations are addressed to UNDP IRH:

5. IRH should ensure that project proposals and reporting place much greater emphasis on expected and actual changes in the performance or behaviour of target institutions, systems, or groups. This applies equally to projects where the main emphasis is on drafting legislation, guidelines, or assessments. This supports project design and management, strategic learning, and communication of project benefits to different audiences, which in turn can promote scaling up and sustainability of project results.
6. IRH should ensure that individual project proposals are clearly and consistently presented. In some cases this implies providing more information but in other cases it implies providing information more concisely. This includes: clearly identifying the goal in the project title; eliminating contextual information that is not directly relevant to the project; making a clear

distinction between information about linked projects, and the project that is the subject of the proposal; identifying specific partners and target groups to be involved; identifying what changes are expected, where, and when and explaining what monitoring information will be collected, how, when, and by whom; grouping activities into coherent components; budgets that are structured in the same way as project components, are presented in the currency of the project, and that systematically identify project management and GMS costs, including where these are zero.

7. IRH should improve presentation of PPFD on the UNDP website, starting with a project dashboard with direct links to further information ('dashboard' here means a table of projects including basic data, such as partner country, category (PFD or RMF), start and end dates, and project cost). The structure of the content of web pages should be updated to make a clear distinction between PPFD and other Slovak-funded activities, and more information on results should be provided. In addition to providing information country by country, important cross-cutting themes should be summarised and analysed. For example, it would be useful to add a web page explaining all the different funding mechanisms that have been used and in which contexts.
8. IRH should develop a system to collect, manage and exploit project data more efficiently (including output and outcome data). Project data is spread across numerous individual files and email messages. It is therefore highly fragmented, making it hard to reconcile different sources of information or to extract management insights and information for communication about the project to different audiences. The system should be developed collaboratively with COs taking into account the needs of different users and audiences, including those external to the project and UNDP. This is likely to be a challenging process but would directly support project management and reporting of results. It would also provide an example of good practice that could be adapted for different projects. Finally, clear, transparent, and regularly updated presentation of project information, including structure, activities, results and outcomes would support IRH fundraising work.
9. In consultation with COs, IRH should review the information and guidance it provides about RMF parameters and scope. This will enable COs to improve decision making and resource allocation when they are considering what RMF ideas to submit. This will also help to avoid engaging partner institutions in discussion about project proposals that are likely to be rejected by IRH.
10. IRH should facilitate more experience and information sharing between COs and with the IRH. CO project managers find annual in-person regional meetings very useful and these could be used to further build synergies between the 5 partner countries and develop regional objectives for the PFD element of PPFD. It is also possible that specific RMF projects could be replicated (with contextualisation and adjustments) in different partner countries, with the benefit of lessons already learned. Experience and information sharing can also be facilitated by improved presentation of information about PPFD on the UNDP website, as recommended above (recommendation 7). IRH could also consider using a restricted PPFD website for regular communication with COs and sharing internal information such as guidelines, best practices, updates, advice on addressing common challenges, and useful contact information.

6 Good practices

Several key features of PPFD support good results:

- **Well-defined roles and good coordination between key actors:** The three key actors are the COs, the IRH, and the Project Board. The Project Board provides strategic guidance and oversight. Projects are developed by COs in consultation with national partners and with IRH guidance and support to ensure that they fit within the agreed framework.
- **Focus on piloting and practical problem solving:** PPFD projects generally focus on piloting and practical problem solving where a small investment can lead to a disproportionate catalytic effect.
- **Integrating PPFD with other funding:** Integrating different sources of funding enables faster progress and bigger outcomes. Thus, while they are funded as standalone projects, many PPFD projects are tightly integrated with other projects and funding sources in pursuit of bigger goals.
- **Innovative funding mechanisms:** There are examples of innovative funding mechanisms in BiH, MKD, and MNE that PPFD has either introduced or helped to scale up, leading to investments that would otherwise have taken longer to materialise, or which might not have happened. This has involved dialogue with key actors over long periods, research, analysis, development of feasibility studies, and public communication, including data to support investment decisions.

7 Lessons learned

Outcome and impact monitoring require a well developed theory of change and clearly defined indicators for different levels of outcome. External facilitation of these processes can be helpful in exposing hidden assumptions and gaps in institutional thinking. Discussions with IRH suggest that 3 levels of outcome should be monitored for PPFD: (1) sub-project outcomes (country level); (2) UNDP corporate outcomes; and (3) donor outcomes (i.e. strategic outcomes of importance to the donor). Tools and processes are required to systematically collect, analyse, and report outcome data. These should be established, tested, and fine-tuned at the start of the project to ensure that they are capable of generating the required data. The establishment, implementation, and maintenance of these systems requires time, financial resources, and specialised expertise that should be included in the project budget.

With each new iteration of a project, the theory of change, objectives, and expected outcomes should be reviewed and updated. Reusing an existing project document (with minor changes) is likely to constrain this process, leading to increasing divergence between the project document and the actual situation, and a lack of clarity amongst key actors. It is important to recognise when a project document has become a constraint to clear thinking and when development of a new project document is needed.

The terms of reference for the evaluation of complex projects should be informed by a meaningful evaluability assessment to ensure that the terms of reference are realistic, and that the evaluation budget corresponds to the work implied by the terms of reference. It makes no sense to include the evaluability assessment as a requirement to be fulfilled by the evaluator during the inception phase, unless the terms of reference allow for the modification of the scope and/ or budget of the evaluation on the basis of the evaluation inception report.

ANNEXES

Annex 1. Terms of Reference

Terms of Reference

Mid-term Evaluation of the Project: Public and Private Finance for Development

Type of Contract:	IC (Evaluator)
Languages Required:	English
Duration:	estimated May 2022 – August 2022 (approximately 30 work days)
Location:	Home based

BACKGROUND

Public finance management (PFM) reform is considered to be one of the most successful reforms of the Slovak transition and economic transformation process. Based on this, PFM has become one of the key and long-term areas of Slovakia development cooperation. Its fulfillment is also realized through cooperation between UNDP and Ministry of Finance of the Slovak Republic, as the main carrier of PFM knowledge and experience.

Public and Private Finance for Development project (PPFD) started in 2017, but its predecessors were several projects that dealt with PFM as well as the engagement of the private sector in development cooperation. The first initiative, Public Finance for Development programme, has been established in 2009 with the aim to assist the partner countries in their efforts to undertake reforms and/or improve the public finance management. The programme was built primarily on areas where Slovakia, specifically Ministry of Finance of the Slovak Republic as donor, has the strongest expertise and experience. Later, in 2014 the private sector component was added to reflect the global need of higher involvement of private finance and expertise into the development cooperation.

Current project (PPFD) which is the subject of the mid-term evaluation, was launched in January 2017 and extended as of January 2020 until December 2023. The project objective, as defined in the project document, is to ensure that *the partner countries benefit from effective and efficient provision of the Slovak knowledge and experience in advancing their efforts towards sustainable human and economic development in public finance and through strengthened contribution of the Slovak private sector*. Fulfillment of the goal is realized through three project components:

- I. Public Finance for Development (PFD) programme that aims to strengthen the public finance management capacities in selected partner countries;
- II. Private Sector in Development Cooperation programme that aims to enhance the capacities of the Slovak private sector to participate in development cooperation with a view to mobilize financial resources, knowledge, expertise, and technologies;
- III. Capacity Building component that aims to enhance the capacities of Slovak and international development professionals to be able to address the development challenges more effectively and professionally.

Project interventions are realized mainly in Western Balkan countries, Bosnia and Herzegovina, Serbia, Montenegro, North Macedonia, Moldova, and partially in Ukraine. Despite the fact that the project document mentions the partners countries, the geographical range of the potential countries is open.

The project is fully financed by the Slovak Ministry of Finance. Operationally, the project is managed by the UNDP Istanbul Regional Hub, and is a part of the regional Partnerships portfolio.

Project basic data

PROJECT/OUTCOME INFORMATION		
Project/outcome title	Public and Private Finance for Development	
Corporate outcome	Addressing poverty and inequalities through more inclusive and sustainable development pathways	
Date project document signed	2016, extension in 2019	
Project dates	Start	Planned end
	January 2017	December 2023
Project budget	Approx. 10 mil. USD (2017-2019: 4 mil. USD; 2020-2023: 6 mil. USD)	
Project expenditure at the time of evaluation	Approx. 5 mil. USD	
Funding source	Ministry of Finance of the Slovak Republic / SlovakAid	

The project consists of two implementation cycles. The first cycle (2017-2019) was implemented based on the project document prepared in 2016 and the mid-term evaluation was done in 2018. The second cycle (2020-2023) is implemented on the basis of revised project document prepared in 2019 and valid as of January 2020 until 2023. The current project cycle includes only the slight changes because the initial cycle was characterized by the strategic redesign of the project, adding the new partner countries, enlarging the scope of interventions, and introducing new tools.

Main project partners:

The **Ministry of Finance of the Slovak Republic** is the exclusive donor of the project and also significant contributor to PFM expertise.

The project is implemented by the **Partnership Team of the UNDP Istanbul Regional Hub**. The direct project implementation team consists of Project Manager, Private Sector Specialist, Project Associate and Communication Consultant which are based in Bratislava, Slovakia.

The current **Project Board**¹ includes representatives of the Ministry of Finance of the Slovak Republic and the UNDP RBEC and is chaired by the Chief of Strategy and Partnerships Team UNDP RBEC, who serves as the Project Executive.

UNDP **Country Offices** (COs) are involved in the implementation of the project activities on ground.

On the beneficiary/partner **country level** the project cooperates with a number of partners, including Ministries of Finance and other relevant state and/or local institutions in partners' countries.

¹ The Project Board composition has been slightly changed in 2021 due to the organizational changes in UNDP RBEC:

EVALUATION PURPOSE, SCOPE AND OBJECTIVES

The **purpose** of the mid-term evaluation is to provide an impartial review of the Project in terms of its relevance, effectiveness, efficiency, impact, sustainability, management, and achievements including impact of COVID-19 pandemic on the Project implementation of the Project activities. The information, findings, lessons learned, and recommendations generated by the evaluation will be used by the Project Board, UNDP, and by the implementing partners to strengthen the project implementation and results sustainability.

The evaluation shall provide concrete evidence to support its findings and recommendations that need to be concise, actionable, and well targeted for relevant decision-makers that can affect the positive evolution of results later in the current phase and impact of the project.

Scope of evaluation: The evaluator will evaluate the complex project (all three components) and focus on the qualitative and quantitative achievements of the project outputs, goals, and results against the project document information. In addition, within the PFD programme component (Output 1) the evaluation shall focus in detail on the country-specific activities and their results.

The evaluation **objective** is to examine the overall performance of the Project, its results, inputs and activities; and how the outputs delivered positive changes in partner countries. In assessing the project achievements, the evaluator shall focus on following categories:

Project design and strategy: The evaluator will assess the project proposal and its strategy, project objectives and achieved results. It will also assess the relevance and scope of the planned activities, the adequacy of the inputs to achieve the planned results, as well as the consideration of the 2018 mid-term evaluation recommendations in the new project cycle starting as of 2020.

Project implementation and results: The evaluation shall assess the effectiveness and efficiency of project progress to date – outputs, outcomes, achievement of objective(s), timelines, and quality of outputs. This should encompass the assessment of country-specific project activities and their contribution to attaining the overall project objective and respective outputs. The evaluator shall review the work plans, project budgets and the results framework. He/she shall assess the achievement of indicators and suggest additional or/and alternative indicators if relevant.

The evaluation should also assess the extent to which the project implementation has been inclusive of relevant stakeholders and to which it has been able to create collaboration between different partners and make recommendations to further strengthen inclusiveness and partnerships under the project. The evaluation shall identify and examine significant but unexpected effects of beneficial or detrimental character (if relevant).

Sustainability: The evaluator shall assess the prospects for results sustainability and continuation of project benefits within or outside the project domain, after it has come to an end.

Gender responsiveness: The evaluator shall evaluate whether and if so, to what extent the gender equality aspect has been considered throughout the project cycle.

EVALUATION CRITERIA AND KEY GUIDING QUESTIONS

An assessment of project performance shall be carried out against expectations set out in the Project Document(s), country specific projects and the annual work plans.

The evaluation shall, at minimum, cover the criteria of relevance, effectiveness, efficiency, sustainability, and partnerships as well as cross-cutting issues as human right and gender equality. The evaluator should be guided by, but not limited to, evaluation guiding questions listed in below. The evaluator is expected to refine the list and specify possible additional questions exploring the purpose, scope, methodology and project evaluability within the Inception Report.

Relevance

- Are the Project's objectives relevant to the needs of the UNDP partner countries in terms of their social and economic development?
- To what extent is the Project aligned with the relevant national development priorities in the partner countries as the beneficiaries, UNDP strategic objectives and SDG 17 - partnership?
- To what extent is the Project responsive to the changing environment in country at national and subnational levels and how should it adapt to these changes?
- To what extent was the method of delivery selected by the Project appropriate to the development context?
- To what extent does the Project address need of marginalized groups and contribute to gender equality?
- To what extent was Slovak expertise and / or national / international expertise relevant for the partner countries?
- To which extent the Project activities support domestic resource mobilisation of partner countries?

Effectiveness

- To what extent are the Project activities implemented and intended results and the specific objective/outcome achieved and reported? What are the main project achievements? Please provide outline of a measurable overview of the Project results against the indicators and their target values/statements as defined in the Project results framework.
- What are the positive or negative, intended or unintended, changes brought about by the Project's interventions? This may, inter alia, include an overview of benefits the Project brought to beneficiary institutions and citizens in partner countries.
- What factors have contributed to achieving or not achieving the intended specific objective/outcome and outputs/results?
- To what extent has the Project managed to perform sharing of Slovak knowledge and expertise to the UNDP COs and their national partners?
- Assess the degree to which project implementation was flexible and adaptive to the context and external situations such as pandemics.

Efficiency

- Have resources (financial, human, technical) been allocated strategically to achieve the Project results?
- Are there any weaknesses in the Project design, management, human resource skills, and resources?
- Analyse the role of the Project Board and whether it is optimally being used for decision making.
- Assess the timeline and quality of the reporting followed by the Project.

- Identify factors and constraints, which have affected the Project implementation including technical, managerial, organizational, institutional and socio-economic policy issues in addition to COVID-19 related challenges and other external factors unforeseen during the Project design.
- To what extent did Project engage or coordinate with beneficiaries, implementing partners, and national counterparts to achieve outcome-level results?
- Are the outcomes of public finance for developments and private sector engagement effectively communicated in the partner countries, in donor's country and within the UNDP? Is there a communication strategy in place?

Impact

- What are the Project effects and impact in terms of implemented Project activities, both in qualitative, and quantitative terms?
- What is the overall impact of the Slovak long-term contribution to the public finance reforms in partner countries?
- To what extent the Slovak contribution to the public finance supports the UNDP country offices in their other interventions?
- To what extent are key stakeholders/final beneficiaries satisfied with the Project implementation, specifically in terms of the partnership support and what are specific expectations for the potential follow-up assistance?

Sustainability

- To what extent the Project outputs/results are likely to be sustainable beyond the Project's lifetime? How could the Project results be further sustainably projected and expanded in the countries?
- What would be future priority interventions to ensure long-term sustainability of the Project's achievements and contribute to further sharing knowledge and expertise to partner countries?
- How has the Project enhanced and contributed to the development of national capacity in partner countries and of the Slovak experts?
- To which extent partner countries resources and expert's resources influence sustainability of the Project results.

Human rights

- To what extent have poor, indigenous and physically challenged, women and other disadvantaged and marginalized groups benefited from the work of UNDP in the country?

Gender equality

- To what extent have gender equality and the empowerment of women been addressed in the design, implementation and monitoring of the Project?
- Is the gender marker data assigned to this Project and is representative of reality?
- To what extent has the project promoted positive changes in gender equality and the empowerment of women? Were there any unintended effects?

Lessons learned

- State and elaborate the main lessons learned in relation to the effectiveness of implementation modalities.

METHODOLOGY AND MANAGEMENT OF EVALUATION PROCESS

The evaluation methodology should employ:

- ☐ Combination of both qualitative and quantitative evaluation methods and instruments.
- ☐ **Review of all relevant documentation.** This would include a review of inter alia:
 - ☐ Project document,
 - ☐ Results framework,
 - ☐ Annual workplans,
 - ☐ Activity designs,
 - ☐ Consolidated annual reports,
 - ☐ Highlights of project board meetings
- ☐ **Semi-structured interviews** with key stakeholders including government counterparts, donor community members and implementing partners:
 - ☐ Development of evaluation questions around relevance, effectiveness, efficiency and sustainability designed for different stakeholders to be interviewed.
 - ☐ Key informants and focus group discussions with men and women, beneficiaries and stakeholders.
 - ☐ All interviews should be undertaken in full confidence and anonymity. The final evaluation report should not assign specific comments to individuals.
- ☐ **Surveys and questionnaires** including participants in development programmes, and/or surveys and questionnaires involving other stakeholders at strategic and programmatic levels. The evaluator is expected to follow a participatory and consultative approach that ensures close engagement with the evaluation managers, implementing partners and direct beneficiaries.
- ☐ Data review and analysis of monitoring and other data sources and methods. Ensure maximum validity, reliability of data (quality) and promote use; the evaluation team will ensure triangulation of the various data sources.

The Inception Report prepared by the evaluator should include the proposal of detailed methodology. On the other hand, it is suggested to include following:

- ☐ Evaluation should employ a **combination of both qualitative and quantitative evaluation methods and instruments.**
- ☐ **Review of all relevant documentation.** This would include a review of inter alia:
 - ☐ Overall Project document and country specific project documents
 - ☐ Results framework
 - ☐ Annual workplans
 - ☐ Activity designs
 - ☐ Updates provided by UNDP COs and project annual reports
 - ☐ Project board meetings minutes
- ☐ **Development of evaluation questions** around relevance, effectiveness, efficiency, and sustainability and designed for different stakeholders to be interviewed.
- ☐ **Semi-structured interviews** with key stakeholders including partners' and government counterparts, donor community members, implementing partners, experts, etc.
- ☐ **Surveys and questionnaires** including participants in development programmes, UNCT members and/or surveys and questionnaires involving other stakeholders at strategic and programmatic levels.
- ☐ The evaluator is expected to follow a participatory and consultative approach that ensures close engagement with the evaluation managers, implementing partners and direct beneficiaries.
- ☐ **Other methods** such as outcome mapping, group discussions, etc.

- Ensure maximum validity, reliability of data (quality) and promote use; the evaluation team will ensure triangulation of the various data sources.

The assignment will take place in evaluator's home office. The evaluator is expected to conduct online and e-mail interview with all relevant stakeholders, including personnel in beneficiary institutions and UNDP Country Offices.

The principal responsibility for managing this evaluation resides with the UNDP IRH. The UNDP IRH will contract the evaluator. The evaluator will be supervised by and will report to the UNDP Project Manager.

Written deliverables shall be presented in English and in electronic form (in MS Word format) to the UNDP Project Manager. The Inception Report and draft evaluation report will be reviewed jointly by the Project Manager and the Donor.

EVALUATION PRODUCTS (DELIVERABLES)

The evaluator is expected to deliver the following:

- **Evaluation inception report** (10-15 pages). The inception report should be carried out following and based on preliminary discussions with UNDP after the desk review, and should be produced before the evaluation starts (before any formal evaluation interviews). Within the inception report package, the Evaluator should deliver also the evaluation matrix that will include the evaluation questions, sub-questions, data methods, etc.
- **Evaluation debriefings**. Immediately following an evaluation, UNDP may ask for a preliminary debriefing and findings.
- **Draft evaluation report** (max. 70 pages). The programme unit (Partnership team) and key stakeholders (Donor) should review the draft evaluation report and provide an amalgamated set of comments to the evaluator within an agreed period of time, addressing the content required (as agreed in the TOR and inception report) and quality criteria as outlined in these guidelines.
- Evaluation report audit trail. Comments and changes by the evaluator in response to the draft report should be retained by the evaluator to show how they have addressed comments.
- Final evaluation report (max.70 pages).
- Results presentations to stakeholders and/or the evaluation reference group.
- Evaluation brief and other knowledge products or participation in knowledge-sharing events, if relevant.

The key deliverable expected is a comprehensive and analytical Final Evaluation Report in English that should **adhere to the UN standard format**. The Final Evaluation Report will be a stand-alone document that substantiates findings, conclusions, and recommendations. The report will have to provide complete and convincing evidence to support its findings.

PAYMENT SCHEDULE

Payment will be made in two instalments:

- 1st instalment presenting 30% of the lump sum after submission of the Inception Report, upon confirmation of UNDP on delivering on this contract obligation in a satisfactory manner;
- 2nd instalment presenting 70% of the lump sum upon confirmation of UNDP on delivering on all contract obligations in a satisfactory manner.

COMPETENCIES

The evaluation shall be done by independent evaluator who shall carry out following competencies:

Corporate competencies:

- ☐ Demonstrates integrity by modeling the UN's values and ethical standards;
- ☐ Promotes the vision, mission, and strategic goals of UNDP;
- ☐ Displays cultural, gender, religion, race, nationality and age sensitivity and adaptability;
- ☐ Treats all people fairly without favoritism;
- ☐ Fulfills all obligations to gender sensitivity and zero tolerance for sexual harassment.

Functional Competencies:

- ☐ Strong client orientation and advisory skills,
- ☐ Excellent communication skills and drafting/writing skills in English (Familiarity with MS Office is required),
- ☐ Strong organizational awareness,
- ☐ Ability to meet deadlines and work under pressure,
- ☐ Strong interpersonal skills.

QUALIFICATION

Education:

- ☐ Advanced (MA) university degree (or equivalent) in evaluation, social sciences, economy, development studies or another relevant field.
- ☐ Additional education/specialized training in evaluation is an asset.

Experience:

- ☐ At least 5 years of experience in monitoring and evaluation, results-based management, development cooperation, policy planning and analysis, advisory support to governments or donor agencies in evaluating development cooperation, or public financial management or private sector engagement, or similar consultancy assignments.
- ☐ Previous experience in working with international organizations/working with UN agencies is an asset.
- ☐ Experience in applying qualitative and quantitative evaluation methods, designing and leading evaluations or similar assignments is required (at least 3 similar assignments)
- ☐ Experience in writing of evaluation reports or similar documents in English (at least 3 similar assignments)
- ☐ Knowledge of multilateral organizations and recent developments in development cooperation is an asset.
- ☐ Familiarity with the Slovak ODA system is an asset.

Languages: Proficiency (verbal and written) in English

EVALUATION ETHICS

This evaluation will be conducted in accordance with the principles outlined in the UNEG 'Ethical Guidelines for Evaluation'. The consultant must safeguard the rights and confidentiality of information providers, interviewees and stakeholders through measures to ensure compliance with legal and other relevant codes governing collection of data and reporting on data. The consultant must also ensure security of collected information before and after

the evaluation and protocols to ensure anonymity and confidentiality of sources of information where that is expected. The information knowledge and data gathered in the evaluation process must also be solely used for the evaluation and not for other uses with the express authorization of UNDP and partners.

IMPLEMENTATION ARRANGEMENTS

The Evaluator's direct counterpart on UNDP side will be the PPFD evaluator manager (EM), who is the project manager (PM), who is responsible for delivery of all requested documents and contacts on key evaluation stakeholders. The PM will support the Evaluator also with organizing the (online) meetings if necessary, especially those with the Donor and IRH staff.

The Evaluator shall also be in contact with the UNDP Country Offices project managers who are managing the evaluated project. They are responsible for delivering all extra documents related to their projects, list of key stakeholders contacts and support the evaluator in organizing the (online) meetings.

UNDP IRH Quality Assurance team will review the final evaluation document.

The Donor will review the final document and provide the remarks. This will be channeled through the PM.

TIMEFRAME OF THE EVALUATION PROCESS

ACTIVITY	EST # OF DAYS	DATE OF COMPLETION	PLACE	RESPONSIBLE PARTY
Desk review and inception report				
Meeting briefing with UNDP (project manager and project staff as needed)	-	At the time of contract signing	Remotely	Evaluator
Sharing of the relevant documentation with the evaluation team	-	At the time of contract signing	Via email	Evaluation manager
Desk review, evaluation design, methodology and updated workplan including the list of stakeholders to be interviewed	5 days	Within two weeks of contract signing	Home- based	Evaluator
Submission of the inception report	-	Within two weeks of contract signing		Evaluator
Comments and approval of inception report	-	Within one week of the inception report submission	UNDP	Evaluation manager
Data-collection				
Consultations, in-depth interviews and focus groups	15 days	Within four weeks of contract signing	Remotely	UNDP IRH and UNDP COs
Debriefing to UNDP and key stakeholders	1 day		Remotely	Evaluator
Evaluation report writing				
Preparation of draft evaluation report (70 pages maximum excluding annexes), executive summary (5 pages)	5 days	Within three weeks of the completion of the interviews.	Home- based	Evaluator
Draft report submission	-	Within three/four weeks of the completion of the interview		Evaluator
Consolidated UNDP and stakeholders comments to the draft report	-	Within two weeks after submission of the draft evaluation report	UNDP	Evaluation manager and evaluation reference group
Debriefing with UNDP	1 day	Within one week of receipt of comments	Remotely	UNDP, evaluation reference group and Evaluator
Finalization of the evaluation report incorporating additions and comments provided by UNDP, evaluation reference group, stakeholder	3 days	Within one week of final debriefing	Home- based	Evaluator
Submission of the final evaluation report to UNDP (50 pages maximum excluding executive summary and annexes)	-	Within one week of final debriefing	Home- based	Evaluator
Estimated total days for the evaluation	30			

SELECTION OF APPLICANT

Since utilizing the UNDP IRH Official Roster of Individual Evaluators for Programme/Project Evaluation and Monitoring, the evaluator that qualifies with the Qualification Criteria listed above will be selected on the lowest price offer for the tasks specified in this ToR.

The applicants are requested to submit the financial proposal / the price offer for the tasks specified in the ToR.

In the financial proposal the evaluator is requested to specify total lump sum professional fee for the tasks specified in the ToR. The amount of work days for the whole assignment, specified at the top of the ToR, shall be considered as indicative.

**Please note that the financial proposal is all-inclusive and shall take into account various expenses incurred by the evaluator/contractor during the contract period (e.g., fee, health insurance, vaccination, personal security needs, translation costs if any, communications, office supplies, and any other relevant expenses related to the performance of services). Payments will be made only upon confirmation of UNDP on delivering on the contract obligations in a satisfactory manner. General Terms and conditions as well as other related documents can be found under: <http://on.undp.org/t7fjs>. Qualified women and members of minorities are encouraged to apply.*

TOR ANNEXES

- Annex 1. Inception report content
- Annex 2. Evaluation Code of Conduct (in separate document)
- Annex 3. Project document including the results framework (in separate document)
- Annex 4. Indicative list of main stakeholders to be interviewed in evaluation
- Annex 5. List of documents to be considered for the evaluation desk review
- Annex 6. Evaluation matrix template
- Annex 7. Standard UNDP evaluation report outline

ANNEX 1. INCEPTION REPORT CONTENT

1. Background and context illustrating the understanding of the project/outcome to be evaluated.
2. Evaluation objective, purpose and scope. A clear statement of the objectives of the evaluation and the main aspects or elements of the initiative to be examined.
3. Evaluation criteria and questions. The evaluation criteria will use to assess performance and rationale. The stakeholders to be interviewed and interview questions should be included and agreed.
4. Evaluability analysis. Illustrate the evaluability analysis based on formal (clear outputs, indicators, baselines, data) and substantive (identification of problem addressed, theory of change, results framework) and the implication on the proposed methodology.
5. Cross-cutting issues. Provide details of how cross-cutting issues will be evaluated, considered and analyzed throughout the evaluation. The description should specify how methods for data collection and analysis will integrate gender considerations, ensure that data collected is disaggregated by sex and other relevant categories, and employ a diverse range of data sources and processes to ensure inclusion of diverse stakeholders, including the most vulnerable where appropriate.
6. Evaluation approach and methodology, highlighting the conceptual models adopted with a description of data-collection methods, sources and analytical approaches to be employed, including the rationale for their selection (how they will inform the evaluation) and their limitations; data-collection tools, instruments and protocols; and discussion of reliability and validity for the evaluation and the sampling plan, including the rationale and limitations.
7. Evaluation matrix. This identifies the key evaluation questions and how they will be answered via the methods selected.
8. A revised schedule of key milestones, deliverables and responsibilities including the evaluation phases (data collection, data analysis and reporting).
9. Detailed resource requirements tied to evaluation activities and deliverables detailed in the workplan. Include specific assistance required from UNDP Outline of the draft/final report as detailed in the guidelines and ensuring quality and usability (outlined below). The agreed report outline should meet the quality goals outlined in these guidelines.

ANNEX 4. INDICATIVE LIST OF MAIN STAKEHOLDERS TO BE INTERVIEWED IN EVALUATION

- Project manager and project team members
- Relevant UNDP RBEC and IRH senior managers and staff, including SAP team
- UNDP Country Offices project teams and the national partners in Bosnia and Herzegovina, Serbia, Montenegro, Moldova, North Macedonia, Ukraine
- Selected experts that were engaged for the assignments under the PFD programme
- Slovak Embassies in partner countries
- Donor's ODA representatives

ANNEX 5. LIST OF DOCUMENTS TO BE CONSIDERED FOR THE EVALUATION DESK REVIEW

- Project document
- UNDP Country offices project document for PFD programme
- Projects approved for support from RMF
- Project Annual Progress Reports
- Project updates
- Minutes of the Project Board meetings
- 2018 PPFD Mid-Term :) Evaluation
- Communication and visibility working plans
- PFD web site

ANNEX 6. EVALUATION MATRIX TEMPLATE

Relevant evaluation criteria	Key Questions	Specific Sub- Questions	Data Sources	Data collection Methods / Tools	Indicators/ Success Standard	Methods for Data Analysis

ANNEX 6. STANDARD UNDP EVALUATION REPORT OUTLINE

1. Title and opening pages with details of the project/project/outcome and of the evaluation team.
2. Project and evaluation information details: title, Atlas number, budgets and project dates and other key information.
3. Table of contents.
4. List of acronyms and abbreviations.
5. Executive summary: a stand-alone section of maximum four pages including the quality standards and assurance ratings.
6. Introduction and overview. What is being evaluated and why?
7. Description of the intervention being evaluated. Provides the basis for report users to understand the logic and evaluability analysis result, assess the merits of the evaluation methodology and understand the applicability of the evaluation results.
8. Evaluation scope and objectives. The report should provide a clear explanation of the evaluation's scope, primary objectives and main questions.
9. Evaluation approach and methods. The evaluation report should describe in detail the selected methodological approaches, methods and analysis.
10. Data analysis. The report should describe the procedures used to analyse the data collected to answer the evaluation questions.
11. Findings and conclusions. Evaluation findings should be based on an analysis of the data collected and conclusions should be drawn from these findings. Specifically, the Project Evaluation Report will include a review of impact and effects of the Project on its beneficiary institutions.
12. Recommendations. The report should provide a reasonable number of practical, feasible recommendations directed to the intended users of the report about what actions to take or decisions to make prior and during the Project Phase III to be elaborated.
13. Forward-looking actionable recommendation for the Project, outlining key strategic priorities to be addressed in the potential next phase of the project.
14. Lessons learned. As appropriate and as requested in the TOR, the report should include discussion of lessons learned from the evaluation of the intervention.
15. Annexes

Annex 2. Code of Conduct

Ethical Code of Conduct for UNDP Evaluations

Evaluations of UNDP-supported activities need to be independent, impartial and rigorous. Each evaluation should clearly contribute to learning and accountability. Hence evaluators must have personal and professional integrity and be guided by propriety in the conduct of their business

Evaluators:

1. Must present information that is complete and fair in its assessment of strengths and weaknesses so that decisions or actions taken are well founded
2. Must disclose the full set of evaluation findings along with information on their limitations and have this accessible to all affected by the evaluation with expressed legal rights to receive results.
3. Should protect the anonymity and confidentiality of individual informants. They should provide maximum notice, minimize demands on time, and: respect people's right not to engage. Evaluators must respect people's right to provide information in confidence and must ensure that sensitive information cannot be traced to its source. Evaluators are not expected to evaluate individuals and must balance an evaluation of management functions with this general principle.
4. Evaluations sometimes uncover evidence of wrongdoing. Such cases must be reported discreetly to the appropriate investigative body. Evaluators should consult with other relevant oversight entities when there is any doubt about if and how issues should be reported.
5. Should be sensitive to beliefs, manners and customs and act with integrity and honesty in their relations with all stakeholders. In line with the UN Universal Declaration of Human Rights, evaluators must be sensitive to and address issues of discrimination and gender equality. They should avoid offending the dignity and self-respect of those persons with whom they come in contact in the course of the evaluation. Knowing that evaluation might negatively affect the interests of some stakeholders, evaluators should conduct the evaluation and communicate its purpose and results in a way that clearly respects the stakeholders' dignity and self-worth.
6. Are responsible for their performance and their product(s). They are responsible for the clear, accurate and fair written and/or oral presentation of study limitations, findings and recommendations.
7. Should reflect sound accounting procedures and be prudent in using the resources of the evaluation.

Annex 3. Evaluation framework

Criterion Key question/ issue	Specific sub-questions	Indicators/ success standards
Relevance		
Relevance to needs and context	To what extent do the overall project, sub-projects, and activities address the needs and expectations of partner countries, institutions, and groups?	Stakeholder feedback, and desk research confirm that the condition is met and provide examples.
	How and to what extent has the project adapted to changes in the context and operating environment?	
	To what extent does specific expertise (Slovak, national, international) address the needs and expectations of partner countries, institutions, and groups?	
Focus and feasibility	How clear are the objectives and expected outcomes?	
	How feasible are the scope and aims of the project considering the context and available resources?	
	To what extent is project design based on a common vision amongst key actors?	
	To what extent does the project address the most appropriate points of leverage?	
Cross-cutting issues	To what extent are project activities compatible with the capabilities of the target institutions and groups, UNDP, MF SR?	
	How and to what extent has gender equality been addressed in the design of the project, sub-projects, and activities?	
	How and to what extent have the needs and concerns of vulnerable and marginalised groups been addressed in the design of the project, sub-projects, and activities?	
Delivery mechanism	To what extent does the project delivery mechanism complement/ support other support delivery arrangements (UNDP, Slovakia, national, other international)?	
Coherence		
Linkages and mutual support	To what extent and how do project Outputs support/ build on each other?	Stakeholder feedback and desk research confirm that the condition is met and provide examples.
	To what extent and how do the project and other UNDP work at national and regional levels support each other?	
	To what extent and how does the project build on/ support the work of other actors (national and international) at national and regional levels?	
Effectiveness		
Changes in understandings, functioning, performance	To what extent and how have the knowledge, skills, and perceptions of decision-makers and civil servants at different levels of public administration changed?	Stakeholder feedback and desk research confirm that the condition is met and provide examples.
	To what extent have project participants been able to apply new knowledge, skills, and ideas in their work?	

Criterion Key question/ issue	Specific sub-questions	Indicators/ success standards
	What is changing in the way that systems, institutions, and target groups function and perform?	
Slovak experience	To what extent has Slovak experience been shared with UNDP country offices and partner countries?	
	How has Slovak experience been shared? (e.g. through: Slovak experts, or national or international experts; sharing Slovak tools, research, other knowledge products, methodologies, manuals, guides, etc.)	
	What is the added value of shared Slovak experience?	
Gender equality and human rights	To what extent and how do project outcomes address challenges and concerns experienced by women and vulnerable and marginalised groups in each partner country?	
Added value of RMF	How many projects have been funded in each country following completion of RMF feasibility studies, project proposals, etc.	
	How much funding has been mobilised for projects developed with RMF support? Is it more or less than envisaged?	
	How important has RMF support been in mobilising this funding? (e.g. critical - would not have happened without RMF; important - RMF accelerated and/ or increased mobilised funding; not so important - could have been covered by other sources e.g. EU PPF)	
	How significant/ important are the projects developed by the RMF	
Slovak ODA capacity building	To what extent and how have Slovak ODA civil servants' knowledge, skills, and understandings changed as a result of project capacity building activities?	
	To what extent has engagement in capacity building activities contributed to career advancement? (e.g. salary increase, promotion)	
	To what extent and how has Slovak ODA policy and practice evolved as a result of project capacity building activities?	
	To what extent and how have the visibility and profile of Slovakia as a provider of ODA changed as a result of project capacity building activities?	
Partnership	How substantively have key stakeholders in partner countries been engaged in sub-project design, implementation, monitoring, and oversight? (National and sub-national institutions)	
	To what extent do sub-project design and implementation arrangements address specific suggestions and concerns of key stakeholders in partner countries?	
Efficiency		
Cost efficiency	To what extent is the allocation of resources optimised to maximise project outcomes?	Stakeholder feedback and desk research confirm that the

Criterion Key question/ issue	Specific sub-questions	Indicators/ success standards
	<p>To what extent do the benefits of activities reflect the costs?</p> <p>To what extent do the quality of activities reflect the costs?</p> <p>To what extent have activities been implemented on time, taking into account developments in the project context and operating environment?</p>	condition is met and provide examples.
Management and implementation arrangements	How clear are the roles and responsibilities of different actors in project management and implementation?	
	To what extent is there agreement on the roles and responsibilities of different actors in project management and implementation?	
	In practice, do project management and implementation arrangements reflect agreed roles and responsibilities?	
	To what extent are project management and implementation arrangements (envisaged and actual) optimised to maximise project outcomes at minimum cost?	
	To what extent is the added value of different actors being leveraged to optimise project management and implementation (i.e. UNDP IRH, UNDP county offices, MF SR, Slovak embassies)?	
	To what extent has it been possible to mobilise the right experts in a timely manner?	
Project systems	To what extent are adequate systems in place to monitor, analyse, and communicate evolving needs and project results to different audiences? (Project Board, donor, national partners, public in partner countries)	
	How well do these systems function in practice?	
Synergies	In practice, to what extent and how do different elements of the project support and build on each other?	
	In practice, to what extent and how do project activities support/ build on/ make use of other relevant UNDP, national, and international work at national and regional levels?	
Impact		
Influence on public finance management in partner countries	To what extent and how is Slovak support influencing public finance reform in partner countries in the longer-term? What difference is this making in practice, including for women and vulnerable and marginalised groups?	Stakeholder feedback confirms impact of Slovak support
	To what extent and how does the project influence perceptions of Slovakia in the partner countries amongst key national actors and the general public?	
Influence on UNDP county office work	To what extent and how does Slovak public finance support influence the work of UNDP country offices in partner countries?	
	To what extent and how does Slovak public finance support facilitate other initiatives of UNDP country offices in the partner countries?	

Criterion Key question/ issue	Specific sub-questions	Indicators/ success standards
Sustainability		
Leadership commitment	To what extent are project results embedded in 'living' (and politically supported) national reform/modernisation strategies and action plans?	Stakeholder feedback and desk research confirm that the necessary conditions exist to ensure the sustainability of the benefits of Slovak support
	To what extent do key actors at central and local levels perceive real benefits from project activities and outputs?	
Financial sustainability	To what extent does continuation of benefits at central and local levels depend on technical assistance/ facilitation from UNDP or other external actors?	
	To what extent are the necessary finances available at central and local levels in partner countries to ensure that new laws, systems, processes, methodologies, etc., will continue to be implemented and further developed as necessary?	
Supporting structures	To what extent are existing systems, networks, and capacities at national and sub-national levels capable of ensuring continuous learning and self-improvement in key areas supported by the project?	
Slovak ODA capacity building	To what extent are trained civil servants being retained or advanced in relevant roles?	
	To what extent are new ODA-related skills, knowledge, practices, and networks incorporated into institutional policies, rules, procedures, etc.?	

Annex 4. Documents

Project documentation

PPFD overall

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Annex 5. List of consultations

Name	Institution/ organisation
Istanbul Regional Hub	
BAYAZIT, Berna	UNDP
CHCHERBININA, Yuliya	UNDP
HOLIK, Michal	UNDP
MLYNARCIKOVA, Viktoria	UNDP
PANIKLOVA, Ekaterina	UNDP
POGHOSYAN, Suren	UNDP
REBEDEA, Oana Maria	UNDP
SADAAT, Sayed Omer	UNDP
STOJKOSKA, Michaela	UNDP
TROGEMANN, Gerd	UNDP
Bosnia and Herzegovina	
ALJOVIĆ, Alija	Ministry of Finance of the Federation of Bosnia and Herzegovina
AŠONJA, Slavica	Municipality of Han Pijesak
AVDUKIĆ, Nijaz	Development Programming Institute of Bosnia and Herzegovina
ĆOROVIĆ, Fejsal	UNDP
CVJETKOVIC, Tanja	City of Gradiška
GRABUS, Alisa	UNDP
KAČO, Martin	Embassy of Slovakia
KADRIĆ, Dženana	UNDP
KERNISALO, Taru	EU Delegation to BiH
KINLOCH PICHAT, Stephen	UNDP
KISIC, Irena	Republika Srpska Ministry of Trade and Tourism
KLEPIĆ, Andrijana	Sarajevo Center Municipality
KNEZOVIĆ, Darko	City of Mostar
LAKOVIĆ HOŠO, Aida	UNDP
MARTIĆ, Radislav	City of Gradiška
MUJEZIN, Hamdija	UNDP

Name	Institution/ organisation
NEDERA, Steliana	UNDP
OBARČANIN, Muamer	UNDP
POZDER ČENGIĆ, Adela	UNDP
ROŠIĆ, Selma	City of Cazin
ŠAHBAZ, Haris	UNDP
SMRZLIĆ, Maja	UNDP
TOLJEVIĆ, Albin	UNDP
TRKULJA, Brankica	Republika Srpska Ministry for Administration and Local Self Governance
VOJNOVIC, Sanja	General Secretariat of the Government of Republika Srpska
VUJAT, Verica	City of Gradiška
Moldova	
CLAUSSEN, Jens	International expert
OLARI, Marcel	UNDP
SCLEARUC, Natalia	Ministry of Finance
Montenegro	
BOSKOVIC, Bojana	Ministry of Finance
JOKIC, Irena	UNDP
KIKOVIC, Aleksandra	UNDP
VULIKIC, Borko	UNDP
North Macedonia	
ACEVSKI, Maksim	State Audit Office
CRVENKOVSKI, Darko	UNDP
CVETANOVSKA GUGOSKA, Biljana	UNDP
CVETKOVSKI, Boshko	Lozovo Municipality
DIMITRIOVSKA, Aneta	Ministry of Finance
DIMITROVSKA, Jasmina	Public Revenue Office
DOGOZANSKA, Elena	State Audit Office
DOIJCHINOVSKA, Daniela	Public Revenue Office
DURNEV, Bojan	Ministry of Agriculture
GRIGORYAN, Armen	UNDP

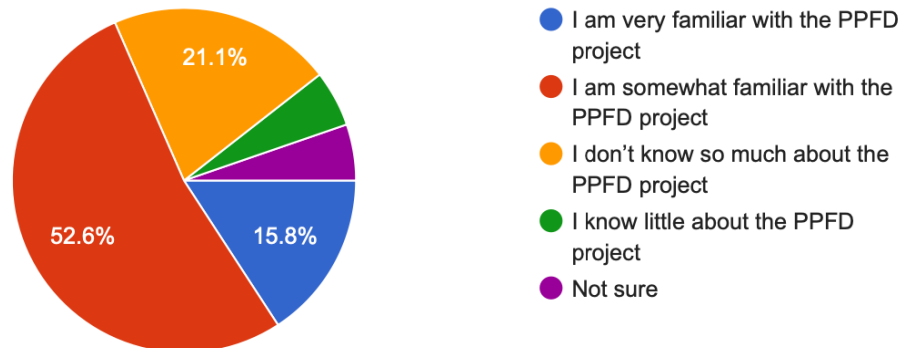
Name	Institution/ organisation
JANEVSKA, Tanja	State Audit Office
JOVANOVIĆ LOKVENEC, Emili	UNDP
KASIAKOVA, Lucia	International expert
KOLEV, Marko	City of Veles
MARKUŠ, Henrik	Embassy of Slovakia
MIHAILOVSKA, Svetlana	Sveti Nikole Municipality
NIKOLIC, Martin	UNDP
SIMONOVSKA, Magdalena	Ministry of Finance
STAMATIOVSKA, Biljana	Public Revenue Office
STOJANOSKA, Maja	UNDP
TASEVSKI, Ivica	City of Veles
TODOROVA, Nadica	Sveti Nikole Municipality
VASILESKA SALEVIC, Irena	Ministry of Finance
VLADEV, Dejan	Sveti Nikole Municipality
Serbia	
FILIMONOVIC, Milovan	UNDP
MARINKOVIC, Aleksandar	Standing Conference of Towns and Municipalities
MATEJIC, Maja	UNDP
PETROVIĆ, Žarko	UNDP
SEKE, Ana	UNDP
SELAKOVIĆ, Snežana	Expert
SOLUJIĆ, Antonela	Ministry of Mining and Energy
STRAHINJIC NIKOLIC, Tatjana	UNDP
VASILEV, Petar	Embassy of Switzerland, Swiss Cooperation Office in Serbia
Slovakia	
MACASKOVA, Marianna	Ministry of Finance
ZILKOVA, Tatjana	Ministry of Finance

Annex 6. Detailed Methodology

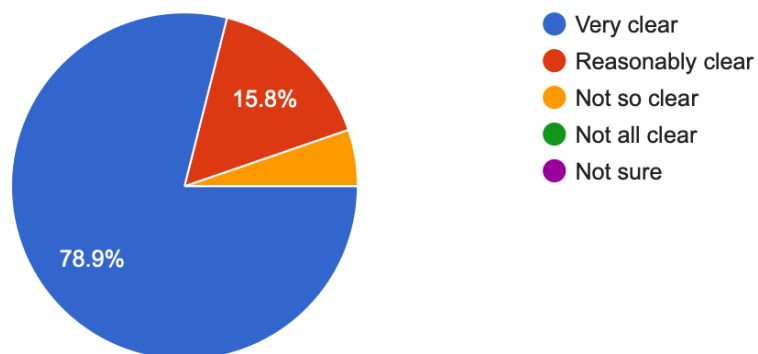
This annex is not needed as the methodology is covered in Section 1.3.

Annex 7. Survey of PFD experts

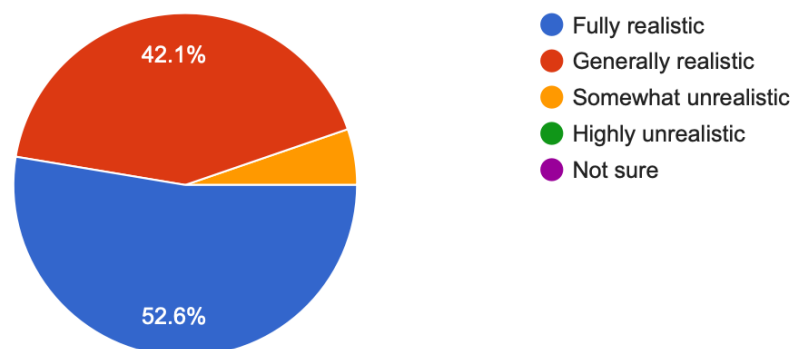
1. How familiar are you with the PPFD project? (19 responses)



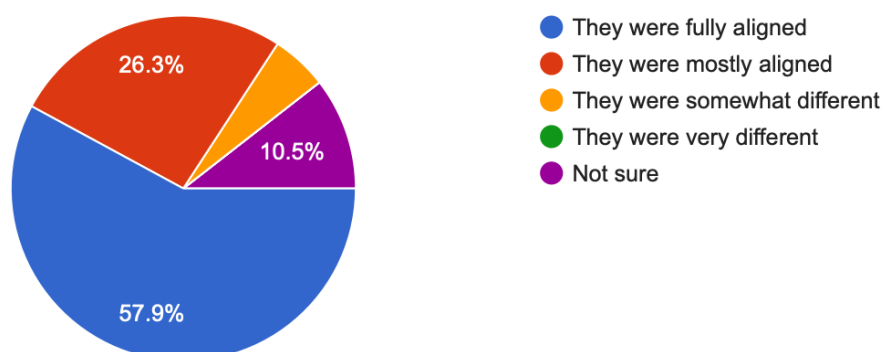
2. How clear were your terms of reference? (19 responses)



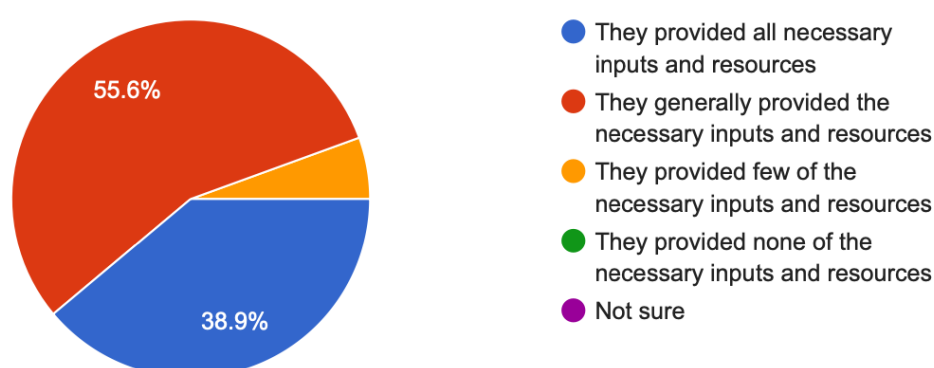
3. How realistic/ feasible were your terms of reference? (19 responses)



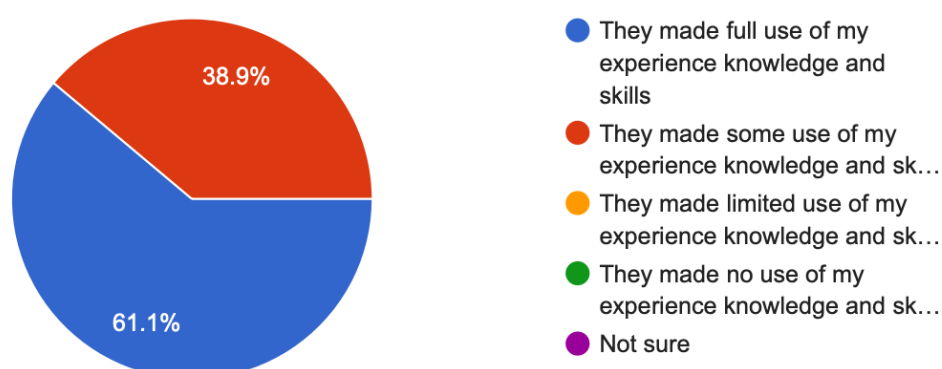
4. To what extent were the inputs and outputs that you were asked to provide **in practice** aligned with the terms of reference for your assignment(s) with PPF? (19 responses)



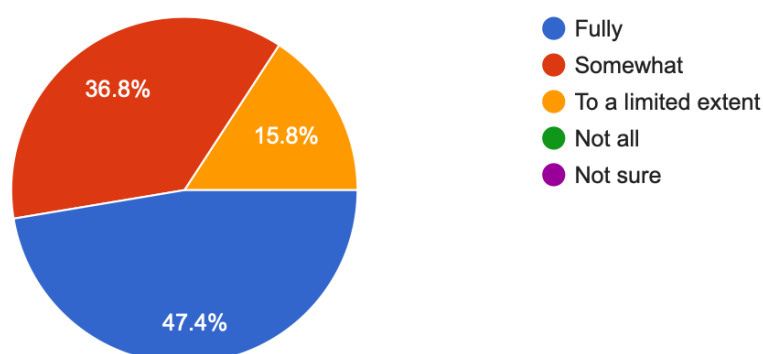
5. To what extent did the institutions/ bodies you supported provide the necessary inputs and resources needed to complete your work on time and to the expected quality? (18 responses)



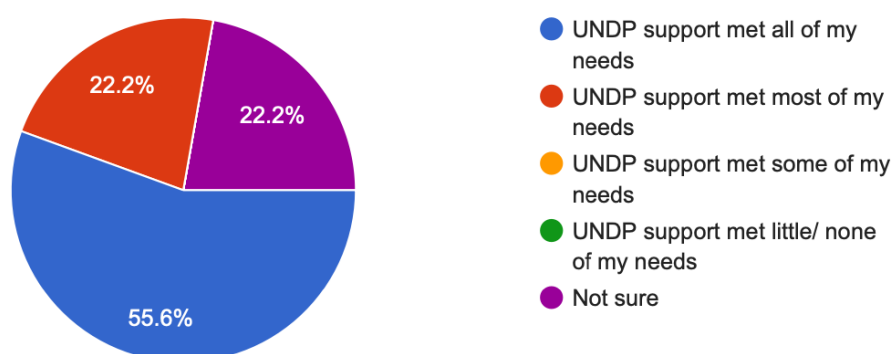
6. To what extent do you consider that the institutions/ bodies you supported, and UNDP, made best use of your experience, knowledge, and skills? (18 responses)



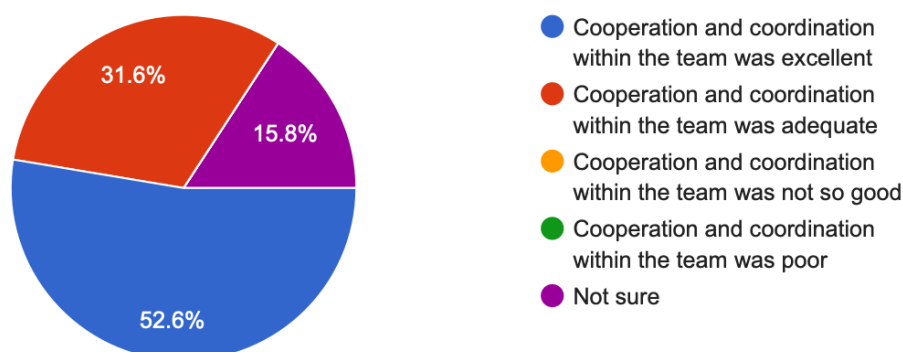
7. To what extent do you consider that the institutions/ bodies you supported have utilised, or are likely to utilise, the outputs of your work? (19 responses)



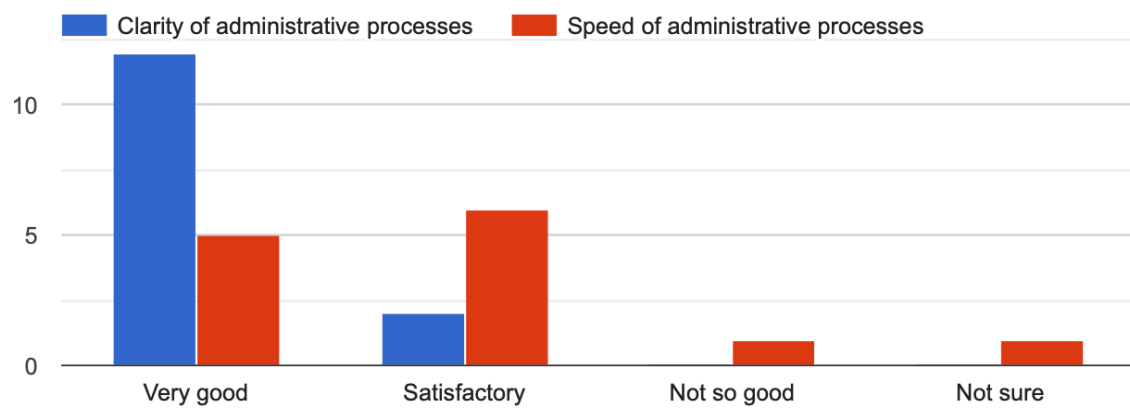
8. How would you assess the support provided by UNDP, either UNDP Country Office or IRH project team, to help you carry out your PPF assignment(s)? (18 responses)



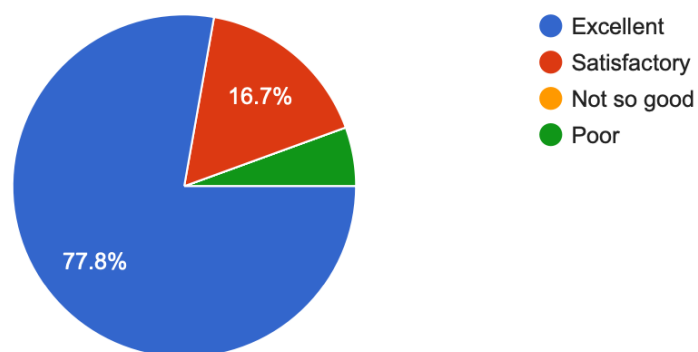
9. How would you assess cooperation and coordination with other members of the team (e.g. national consultant, and/or junior/senior consultants)? (19 responses)



10. How would you assess the administrative aspects of your work with PPF, such as the contracting and payment processes?

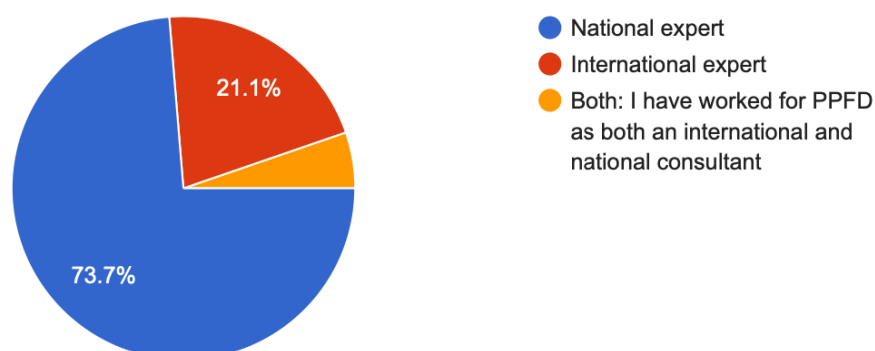


11. Overall, how would you assess your experience of working with PPF?

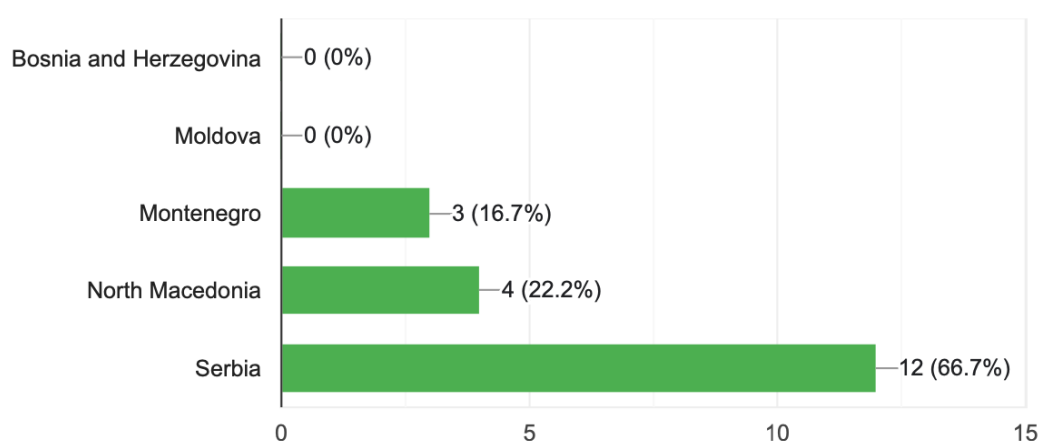


12. Please provide any observations about your experience of working with PPF and/ or suggestions for improving the experience in future. (10 responses)

13. In the context of your work with PPFD, would you describe yourself as a national expert or international expert? (National expert: supporting PPFD in the country of your nationality; international expert: from another country) (19 responses)



14. In which country/ countries have you carried out PPFD assignments since January 2020? Please select all that apply. (18 responses)



Annex 8. Bosnia and Herzegovina case study

The Bosnia and Herzegovina case study is structured as follows

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1. Overview

UNDP's support to public finance development in BiH has three main elements. Firstly, a joint financing framework project with other UN agencies, which focuses on Agenda 2030. Secondly, the more traditional public finance project funded by Slovakia, which complements UNDP and Swiss policy making work over the past decade. Thirdly, work on internal controls at the local level.

2. PFD

The PFD project supports alignment of the entity development planning systems with institutional work and budget planning, and is synchronised with EU technical support to BiH on programme budgeting. It is also linked to a joint UN project on SDG finance and a Swedish project on public asset management and procurement at local level.

The PPFD project is the main source of funding for UNDP public finance work. However, the complex political context in BiH means that it is complicated to work with the entity and cantonal ministries of finance, and few donors are providing support in the area of public finance.

At local level, the PFD project builds on many years of UN support for development planning and management, and development of local government capacities to improve the delivery of core services. Projects in the past were supported by various donors, including the EU, which provided funding for projects that incentivised government and mayors to find innovative funding solutions for recovery following the 2014 floods.

The PFD project is comprised of three components:

1. Development Finance Assessment for SDG financing
2. Linking financing with development results
3. Strengthening of internal controls and value for money approach in local governments in Bosnia and Herzegovina

These are discussed in the following paragraphs.

2.1. Development Finance Assessment for SDG financing

Public funding is insufficient to meet the needs of Agenda 2030, therefore the PFD project has supported a development finance assessment (DFA), an initiative within the wider UN BiH Joint Program. The concept of DFA was not well known in BiH. It aims to support BiH counterparts with the development of a road map to identify potential sources of SDG financing, based on a comprehensive DFA diagnosis. The DFA reviewed finance instruments worldwide. At the same time, SDG public expenditure reviews identified spending patterns at state, entity, cantonal and Brčko District levels. This was a complicated exercise and required the collection of much data to link SDG spending and budgets. The public expenditure reviews helped to understand better the opportunities and remaining gaps in BiH. Further assessments will be required to review implementation.

Together, the DFA and SDG public expenditure reviews provide ideas for potential approaches that could be adopted in BiH during the preparation of the Road Map for the SDG Financing Framework for 2023-2030. The Road Map's ultimate goal is to propose practical arrangements and solutions for accelerated sustainable development through dialogue between government, the private sector and international financial institutions on the most feasible and attractive financing mechanisms.

The DFA identified 3 priority sectors that have the potential to attract finance from other sources (e.g. private sector, IFIs):

- Decarbonisation
- Digitalisation
- Research and development

An SDG Financing Road Map prioritising these sectors has been developed for each entity and they will be submitted in the near future to the governments of FBiH and RS. These road maps include enabling policies and financial instruments.

The Development Finance Framework reflecting the short- and long-term financing strategy for accelerated SDG achievements up to 2030 is expected to be finalised by April 2023.

Despite the complex political structure in BiH, the CO considers that the tools are applicable at entity and canton levels. The authorities in BiH, particularly in RS, have been slow to embrace the concept, but it is expected that this will change, as the potential for mobilising private sector and international funding becomes more evident.

Regarding communication of the SDG, the CO is planning to work more with the new parliament to explain SDG and the oversight role of the parliament regarding the SDG Framework and SDG financing. A no-cost extension will enable the PFD project to develop the capacity of the supreme audit institution to assess implementation of the SDG. Some local level communication is done by the SDG Council, which visits local governments and civil society organisations to explain Agenda 2030 and what it

means. The challenge for BiH is how the SDG will be operationalised, for example how municipalities will work together.

2.2. Linking financing with development results

This element of the PFD project aims to help the authorities in the two entities link strategic planning and budgeting (programme level budgeting). This involves on the job training and mentoring of staff of line ministries, including their finance departments, during preparation of the ministries' mid-term and annual work plans, and alignment with budgets in line with the new strategic planning legislation and budget laws in both entities. Ministry staff prepare the plans and PFD consultants review them and comment on them.

FBiH already has strategic planning legislation in place while a new law introducing programme-based budgeting was adopted in late 2022. However, application of the new budget laws will take effect at the entity level in FBiH in 2025 and at cantonal level in 2027. The local level is not covered by this new law.

Slovak experts have prepared brief guidelines to help civil servants link institutional work plans with budgets and programmes. Capacity building in FBiH will start when the new budget law comes into force. The PFD project is continuing to help FBiH to ensure a proper link between specific bylaws derived from the Law on the Development planning, and the Law on the Budget in BiH.

In RS, new legislation on strategic planning was adopted in 2022, but there are no plans to change its budget law. It will implement budget-programme alignment under current legislation. The PFD project is supporting all 16 RS ministries.

The CO notes that work on programme-based budgeting in BiH had been anticipated for many years. This is now supported by an EU project. To ensure linkages between development planning and programme budgeting, the PFD project has provided important briefing support to the EU project. However, after the EU project started to help both entities with the introduction of programme level budgeting, FBiH decided to make changes to the Law on the Budget. This has delayed this element of the PFD project, as the EU project has not yet provided UNDP with the technical manual that is being prepared on the basis of the new FBiH law.

The CO has supported the preparation of legislation, harmonised between the two entities, on strategic planning. RS was lagging but is now implementing strategic planning and programme budgeting for the first time. RS is starting to develop a new development strategy and it is expected that this will be in place by the end of 2023. FBiH already has an up-to-date development strategy. The CO notes that both entities are generally now progressing in a similar manner, although at different speeds, with the introduction of strategic planning aligned to institutional work planning and budget. There is now reported to be dialogue and exchange of experience between the two entities in this area, which the CO considers is partly attributable to the PFD project. The CO reports that the governments of both entities view Agenda 2030 as a common sustainable development platform that provides a space for enhanced dialogue between the two entities and Brčko District. A working group involving both entities and Brčko District was established in 2019, with the support of Sweden, to prepare the BiH SDG Framework that now provides common development pathways for all government levels in BiH. Thus development strategies will be aligned at all levels i.e. the state of BiH, both entities, and Brčko district.

Interview feedback from RS stakeholders

A joint meeting was held during the evaluation mission to BiH with representatives of the RS Government General Secretariat, Ministry of Trade and Tourism, and Ministry of Local Self-Government. The following paragraphs summarise their feedback about the PFD project.

Programme budgeting is not yet rooted in RS, while the 2021 strategic planning law and the decree on planning documents are already being implemented. Strategic plans provide the basis for programme budgeting. Linking strategy and programme budgeting is now a bottleneck in the planning process. While programme level budgeting is also supported by an EU IPA project, only the PFD project is supporting strategic planning in RS.

The representatives of the 3 institutions refer to 3 projects when discussing UNDP's support: the Integrated Local Development Project (ILDP), SDG-1, and SDG-2. ILDP was a joint initiative of the Government of Switzerland and UNDP implemented from 2008 to 2021. ILDP supported preparation of comprehensive and harmonised legislation on strategic planning and development management in both entities. Integration of the SDGs was launched under the SDG-1 project, which was supported by Sweden. However, the new RS Development Strategy was not part of this process. What the interviewees refer to as the SDG-2 project, is the Slovak-funded PFD that is the subject of this evaluation. It builds on the achievements of these other projects, and focuses on strengthening of linkages between SDG-based strategic planning and budgeting, and thus supports systemic implementation of the SDGs at the entity level.

In 2021, a new law on strategic planning in RS was passed. This was followed by the adoption of decrees on strategic and implementation documents. RS needs support to implement the law and the decrees.

Four national consultants provided by the PFD project are currently providing mentoring to support the drafting of the 2024-2026 medium-term work plans of all ministries. There was a preparatory workshop with the 4 consultants at the start of the process in January 2023, to set the stage. This involved formal training and was attended by 6 civil servants from each ministry representing all portfolios of the ministries – the greatest number of civil servants that have been involved in training up to that point. For the first time, they received concrete answers on how to include specific measures in programme budgets – previously budgets were used as each institution saw fit. Feedback on the training and ongoing mentoring is reported to be very positive, as these are making the process clearer and contributing to the development of documents with concrete solutions.

The mentoring is ongoing. The feedback provided by the consultants is very helpful and, among other things, helps to ensure consistency between ministries. So far, the consultants have supported 16 ministries, but it is hoped that they will eventually be able to provide support to all 40 RS institutions for which the General Secretariat is coordinating support.

The project has also supported the RS strategic planning practitioner community in facilitating exchange of knowledge and practices among staff in all RS ministries regarding preparation of strategy implementation documents. Linking plans and budgets is new for RS and is a significant challenge, but is essential for strategic planning. Programme budgeting is not yet fully rooted in RS but is expected to be within 2 years.

There has been no involvement of Slovak experts, but the interviewees consider that Slovak experience would be very useful for linking strategic plans and programme budgeting.

The practitioner community plays an important role through the exchange of experience. It would be very useful to have a vertical practitioner community involving all levels of government, including local government.

The RS government launched its sustainable development strategy 2024-2030 for the implementation of the SDG. This addresses Agenda 2030 and has been adopted at all levels of government in RS. The strategy development process will last 1 year, and will be finalised in early 2024. RS is hoping that the PFD project will support this process.

Gender and vulnerable groups

All SDG goals have been incorporated into RS law on strategic planning, and a decree was adopted on how to draft strategic sector strategies. All strategies include principles to mainstream gender, youth, and people with disabilities, and how to empower vulnerable groups in rural areas, especially in the area of tourism. Operational programmes are now being prepared to address these principles. RS has adopted a strategy on youth policy. UNDP support in general (i.e. not only the PFD project) has had a significant impact regarding vulnerable groups, but RS does already take care to address the needs of these groups. For example, the draft law on strategic planning pays special attention to gender equality and vulnerable groups. These groups must be consulted in the development of operational programmes.

Local government capacities

Local Governments in RS have limited capacity and need support. Bigger local government units are in a better position, but small local government units are underdeveloped and experience staffing constraints. In December 2022, UNDP supported a workshop/ training involving the RS administration and local government units. At this meeting it was evident that local government needs significant help. Local government started medium-term planning only in 2021. The methodology for medium-term planning has changed significantly. In the past local government relied on the Integrated Local Development project for strategic planning support, but this has ended.

2.3. Strengthening of internal controls and value for money approach in local governments in Bosnia and Herzegovina

This element of the PFD project relates to public internal financial control (PIFC). Since 2016 all levels of government have been required to implement the current system of internal financial control. However, there was no support for local government to implement the requirements of the law. The PFD project has assessed gaps in compliance with the PIFC framework, and internal controls were assessed in 15 municipalities. More specifically, the project carried out a comprehensive review of the internal control environment in 15 local governments and two cantons. The review examined in detail the current legislative and policy framework, as well as the current administrative setup and practices. Based on these activities, recommendations were developed and 33 trainers were trained to provide training to other civil servants on local government financial management and control. The training focused on business processes and register of risks.

Two experts were contracted in October 2022 to prepare a training manual and curriculum. Three 2-day training of trainers modules were run in November in Sarajevo and Banja Luka in cooperation with the respective civil service agencies of FBiH and RS, and the RS Ministry of Administration and Local Self-Governance. The training involved 33 practitioners and these now form a pool of experts to mentor and train other civil servants. However, the planned roll out of the training of 200-300 civil servants is delayed. The RS Ministry of Administration and Local Self-Governance and the FBiH Civil Service

Agency have agreed to take over the training, initially with PFD support, but the agreement between the FBiH Civil Service Agency and UNDP has to be approved by the federal government, which has not yet been formed following elections in late 2022. This leaves little time to do the training, but this is mitigated by a no-cost extension to the PFD project.

An auditor interviewed at Sarajevo Centre municipality notes that although the subject was not unknown to them, the project and the pool of trained experts have been very helpful in clarifying how the law should be implemented. It was very useful to have a partner in UNDP that understood the issues and which was therefore well placed to support them. The project has helped institutions to understand the importance of better PIFC and increased auditors' expertise on the subject. Sarajevo Centre municipality has now taken some decisions on how to proceed, and a working group has been established to guide the introduction of financial control. The deputy head of the municipality acts as the secretary of the working group, reflecting senior management's full engagement in the process. Data is being entered into the PIFC database of the Ministry of Finance of FBiH, and the municipality is performing risk assessment of the processes.

The CO notes that different municipalities are at different stages. In some, decision makers do not see the bigger picture and allocate financial control to finance departments. These are already overloaded and receive no recognition or reward for performing this additional work. Linked to this, the interviewee notes that one of the biggest challenges was to communicate the importance of processes and risk assessments. There are no tools or sanctions to force municipalities to comply, and this, combined with a lack of support from central governments, means that some municipalities are likely to take longer to comply with their PIFC requirements.

A representative of another municipality (in RS), 1 of the 15 assessed by the project, notes that while they have not yet undergone training, the assessment was itself important for the municipality, as it provided recommendations that will help the municipality address shortcomings before it is next audited. It is now implementing the recommendations. This is a small municipality with staffing constraints, and staff therefore have to multi-task. Due to other commitments, the interviewee was unable to take up the invitation to participate in the training of trainers. Nevertheless, it is expected that 3 or 4 staff will eventually undergo the training developed by the PFD project.

3. RMF

Previous energy efficiency projects focused on energy efficiency in public sector buildings. There were few examples of energy efficient public lighting schemes. In 2018 a Slovak-funded UNDP project carried out an assessment of public lighting needs, and prepared feasibility studies and investment proposals. That project introduced the ESCO funding model based on the example of the Slovak ESCO market.

A joint meeting was held with representatives of the cities of Cazin, Gradiška and Mostar to discuss the Solar Atlas and Energy Efficient Street Lighting projects. All three cities highlight the extensive support provided by UNDP for the implementation of the energy-related RMF projects, Solar Atlas and Energy Efficient Street Lighting. They note that they will continue to need UNDP support to develop larger projects, and to introduce new technologies and methodologies, especially in view of high staff turnover rates.

At least 2 of these cities are cooperating with the UNDP on various energy efficiency and renewable energy projects, not only the Slovak-funded RMF projects, and it is not always easy to distinguish RMF projects from other UNDP activities mentioned. Furthermore, the 3 cities cooperate with other international partners on other energy efficiency and renewable energy projects. This makes it difficult to assess the role and contribution of RMF, although the CO considers that the RMF has been a

catalyst, with GIZ, for example, only just started to get involved. The CO notes that the international community in BiH consolidates know-how and resources in the form of joint actions to generate systematic change – the CO is cooperating on numerous projects, which can lead to confusion when discussing the subject with cities.

3.1. Accelerating Clean Energy Transition Through Utilization of Solar Energy Potential in Bosnia and Herzegovina

This project is comprised of 2 main elements: the (1) the development of a Solar Atlas, and (2) a grant scheme for households to install solar panels. The CO describes the project as ground-breaking as it supports consumers, and the production of solar energy by citizens (prosumers). The project coincides with new legislation that permits citizens to get involved in solar energy production.

The CO reports that the banking sector is interested in green energy in BiH and has bought into the prosumer model, led by ProCredit. However, interest rates (set by the banking regulator) are high. The CO has discussed with the environment funds in the two entities the possibility of establishing revolving funds, so far without success.

While the CO approaches the entities in the same way, it notes that so far there is more interest from municipalities in FBiH, because the approach there is more decentralised and flexible.

The main Solar Atlas activities will be carried out in 2023, and all work will be completed by the end of the year. The project is closely linked to another, GEF-funded, project to achieve the right scale. The Solar Atlas is expected to go online mid-2023. Household beneficiaries have recently been selected to receive grants to install solar panels, and the results of the calls are to be published in the near future. The CO reports significant public interest in the solar panel grant calls, with many people attending public information sessions. The CO is currently preparing the technical documents for the procurement and installation of solar panels – 1 company will be contracted to do this in each city.

3.1.1. Solar Atlas

The Atlas will support future planning with information such as on which roofs solar panels have been installed and where else they can be installed. The Atlas will provide citizens with information about the potential benefits of solar panels, depending on where their homes are located. Large investors will have access to data to support investment decisions. Public institutions will get data on consumer behaviour to support decision making (e.g. locations where public interest is low).

3.1.2. Solar panels

4 municipalities have contributed funding to enable citizens to become prosumers, for the first time in BiH. Previously only private investors could provide energy to the grid. Now all municipalities are interested.

The project is providing a grant of \$12,000 to each municipality, which is matched by the municipality with the same, or a larger amount. These amounts cover 50% of the cost of installing solar panels on homes. Grantees are required to cover the remaining 50% of the cost. At least one bank has been engaged and is providing loans to grantees to enable them to cover their share of the costs.

In practice, the municipalities are generally providing much more than the minimum grant for each call. The City of Mostar is providing BAM 150,000 in grant funding (approximately USD 80,000). Some

municipalities are providing grants for solar panel installation without RMF funding. One municipality has committed to supporting all households to get access to solar energy.

In Gradiška, 18 households submitted applications for grants for solar panels in response to a public call. The city then surveyed the terrain and made a shortlist of households, of which the city expects to support 9. The city and the CO (via the RMF) are providing 50% of financing for the installation of solar panels, with grantees providing the other 50%.

In addition to funding, the CO supported the city with technical assistance as the city does not have sufficient staff to manage the process itself. The CO surveyed citizens to assess interest amongst households. It prepared the text of the call and held an information day for citizens, which included explanation of how to fill out application forms. There were also online information sessions and the CO set up a telephone line and email address for citizens to ask questions. Technical experts provided by the project carried out on the ground assessments, and the CO advised on financing.

The city of Gradiška is planning similar calls in future. The city is also engaged in other energy-related initiatives. Over the past two years, it has invested KM 50,000 in the insulation of residential buildings, and the local energy utility has announced a call to provide vulnerable households with loans for energy efficiency measures.

22 households in Cazin applied for solar panel grants, and all were successful. The CO (via the RMF) is providing USD 12,000 USD while the city is providing more than USD 50,000. As in Gradiška, 50% of the investment will be covered by grantees. Among other things, experts provided by the project developed a selection manual to evaluate grant applications. This prioritised applications by specific characteristics, such as young households, properties owned by women, and households using heat pumps.

The City of Cazin is planning to launch a second solar panel call in 2024 on its own initiative using the finance model developed by the project,⁶² and it is planning initiatives to replace dirty stoves.

The City of Mostar received 70 applications in response to its call for solar panel grants. However, at present, the city only has funds to provide grants to 35 of the 66 successful applicants. With UNDP support, it has sought additional funding from the renewable energy operator in FBiH, but a new law prevents it from supporting cities in this way. The city is also trying to get 2 FBiH power utilities involved in funding.

The 3 electricity companies in BiH are a further potential source of funding being explored by the CO. Energy companies subsidise residential energy. Solar panels reduce the amount of energy that has to be provided to households and this will leave energy companies with a surplus that can be sold at market prices on the open market. Thus the electricity companies' profits will increase if they invest in consumer electricity production. The CO has developed a funding model, and one of the 3 energy companies is planning to pilot the model.⁶³

The City of Mostar is waiting for the adoption of 3 laws that recognise the concept of 'prosumer'. Until these laws are adopted, consumers can not sell surplus energy back to the grid. Therefore, all energy

⁶² The project developed finance models for each participating city.

⁶³ In written comments, the CO notes that all 3 electricity companies have now expressed an interest, and the local government units of Živinice, Ilidža and Vogošća have agreed to a model where the cost of the investment in each location would be shared 50:50 between the respective local government unit and the electricity company. Thus end users acquire the installations free of charge.

generated from solar panels is for own-consumption only, and household installations supported by the RMF are currently limited to 4-6KW.

3.2. Development of a private-public investment model for Energy Efficient street light systems in Bosnia and Herzegovina

Energy efficient street lighting guarantees a minimum of 75% energy savings. According to the CO, other agencies have tried, but failed, to promote energy efficient street lighting in BiH. The Energy Efficient Street Lighting project developed the ESCO model in BiH. There was previously no experience of this in the country and ESCO was associated exclusively with public buildings. Unlocking private sector funding is vital, as grants and project funding cannot cover all investment needs. There are now reported to be approximately 40 ESCO projects ready for funding in BiH covering public buildings, heating, lighting, and transport – 4 of these are energy efficient street lighting projects resulting from RMF-funded feasibility studies. The showcasing of the ESCO model by a Slovak company is reported to have been transformational in BiH. The model has been discussed in BiH since 2010, and the CO reports that there was initially no interest amongst municipalities in the ESCO model because public procurement in BiH is slow and complicated, and it was not clear how ESCO would fit into this. Many municipalities are now reported to be interested in the analysis of the model and the results of the ESCO procurement. The CO describes Central Bosnia Canton as an ESCO trailblazer that generated a lot of interest.

Only 1 of 14 municipalities decided not to go ahead on the basis of the energy efficient street lighting feasibility study prepared for it. This municipality has upgraded its street lighting as envisaged, but did not use the suggested financing mechanism.

Gradiška is one of the 14 cities for which a feasibility study was undertaken. It is going ahead with investment using the ESCO model and is in the process of changing street lights. It is also applying the ESCO model to 3 school buildings (not related to PPF).

Cazin has 2 energy efficient street lighting projects, 1 using the ESCO model, and the other funded by a UNDP grant from another project. The representative of the City of Cazin notes that following the call for the installation of energy efficient street lighting, it was approached by companies from different countries interested in cooperating in the development of solar energy. The city needs external investment, and members of the diaspora are interested in investing in the city, and the ESCO model introduced by UNDP provides a mechanism to do this. The city is likely to scale up this approach.

Annex 9. North Macedonia case study

The North Macedonia case study is structured as follows

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1. Context

UNDP has been working on fiscal decentralisation in North Macedonia for many years and has embedded PPF into its current portfolio. Slovak funding has brought the CO into PFM reform, and PPF has expanded the CO's reach to include:

- Ministry of Finance
- State Audit Office
- Public Revenue Office
- Ministry of Local Self-Government

PPF has also brought other donors into the picture, for example, the Swiss Embassy is supporting the Committee for Monitoring of the Development of the System of Municipal Finances, and the preparation of the Annual and Semi-Annual reports on municipal revenues. UNDP and the Bureau for Regional Development jointly funded a project that supported the Ministry of Finance with the development of two new equalisation funds. The CO has recently concluded a memorandum of understanding with the Public Revenue Office for its engagement in the UNDP-OECD programme, 'Tax Inspectors Without Borders'.

The PFD project is reported to have strengthened the partnership between the Slovak Ministry of Finance and North Macedonian partner institutions, as it led to a direct agreement between the Slovak Ministry of Finance and the CO to support another UNDP project that is contributing to the development of the National Development Strategy. This project is closely related to PFD, as it addresses the

financing strategy of the National Development Strategy. It has brought the Ministry of Finance into the process. The Ministry of Finance and the Ministry of Local Self-Government are important partners, as are municipalities.

Decentralisation and public finance management, which PPF addresses, are important for the EU screening process. The CO reports that the government is working hard with international partners to fight corruption. It is focusing on digitalisation, decentralisation and public finance management, all of which are very important in the fight against corruption.

The PFD project covers major reforms and significant impacts are expected to become visible from 2025.

RMF funding is small and targeted. The CO reports that it brought the Ministry of Local Self-Government into the picture in the context of activities supporting the digital transformation of municipalities, which were implemented jointly with this ministry.

RMF has expanded the scope of the digitalisation agenda from the central to the local level. The new Ministry of Information Society asked for all UNDP reports on the Piloting e-municipality project.

The CO reports that the Slovak ambassador is a strong supporter of PPF and is seeking to promote interest amongst Slovak companies – a Slovak IT company has visited MKD.

2. Added value of PPF

The CO highlights the following:

- Slovakia and North Macedonia share similar national experiences of emergence from the division of larger former states. As in the case of Slovakia when the former Czechoslovakia split into two countries, North Macedonia has had to recreate national systems and functions previously managed by the large former state of which it was a part (Yugoslavia). The government of North Macedonia is more responsive to support from a state of a similar size and with a not dissimilar experience in recent years.
- Very specific topics have been chosen for PFD support. These are areas where Slovakia has had concrete experience. This was checked by the CO before submitting project proposals.
- Slovak expert missions have triggered discussions on other matters with the government and the CO has twice been approached by a senior member of the government to discuss Slovak experience and expertise.
- The Slovak experts bring experience and knowledge that is highly relevant to North Macedonia's stage of development and to the EU accession process.
- PFD is very flexible. EU IPA is the biggest donor. It focuses especially on alignment with the EU *acquis*, and like other donors, tends to be more strategic. Slovak funding is small but highly targeted and provides practical support to operationalise commitments and strategies.

One of the PFD project's partner institutions, the State Audit Office, cooperates with many international partners but highlights the following benefits of cooperation with UNDP:

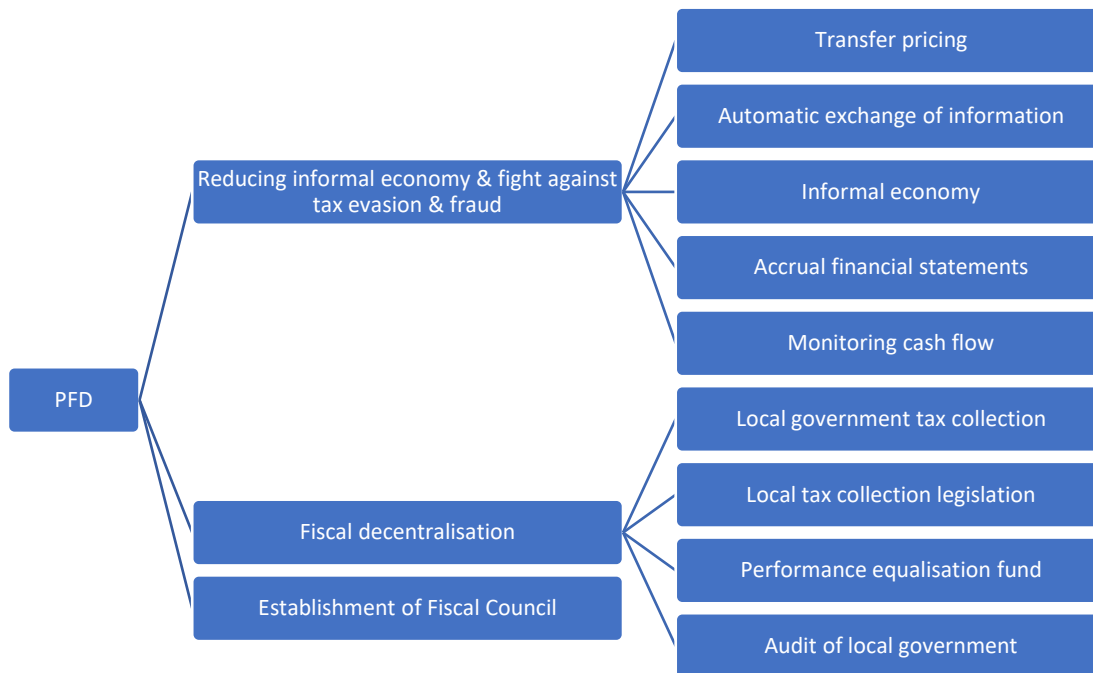
- UNDP understands the State Audit Office's needs, and adapts and responds quickly. UNDP is responsive to the State Audit Office's suggestions and observations in the development of experts' terms of reference;
- UNDP has the same areas of interest as the State Audit Office, for example local government, SDG, environment;

- UNDP is a well-known and trusted partner of various institutions in MKD;
- UNDP has excellent human resources.

3. PFD

The PFD project consists of 3 main components and with 10 distinct activities or sub-components (see Figure 16 below).

Figure 16: Structure of PFD activities



3.1. Component 1 – reducing informal economy and fight against tax evasion and tax fraud

This component is comprised of 5 sub-components: transfer pricing; automatic exchange of information; informal economy; accrual accounting; and strategy for reducing cash flow in MKD. These are explained in the following paragraphs.

3.1.1. Transfer pricing

Analysis/ monitoring of transfer pricing is new for MKD. The Public Revenue Office has set up a new transfer pricing unit and its staff underwent training in Slovakia. The PFD project has also supported the amendment of legislation on transfer pricing, and two Slovak experts have supported the Public Revenue Office with on the job capacity building, using real data, to perform the first ever transfer pricing analysis in MKD. It analysed the financial reports of 3 international companies and is currently preparing the reports. It has requested further information from one of the companies as a result of the analysis.

The government has allocated funds in the 2024 budget for more work on transfer pricing.

The business community has been engaged in the process. The CO organised a roundtable involving the Public Revenue Office, Slovak experts, and approximately 60-70 businesses. Further publicity on

the subject will be ensured through the CO's engagement with a magazine that is preparing an article on the subject.

The Public Revenue Office reports that PFD project support greatly accelerated the process of developing the first transfer pricing report in 2021. The support has included workshops, training, study visits, and comparative analysis of legislation. In addition to developing capacities, the project helped to clarify the scope of the Public Revenue Office's activities. The project has also triggered legislative changes.

The Public Revenue Office notes that while it cooperates with other international partners, the PFD project support is best suited to its current needs, namely operational capacity development.

3.1.2. Automatic exchange of information

Automatic exchange of information for tax purposes is a requirement of the EU negotiation process. This is also a new area for MKD. The Public Revenue Office notes that MKD is lagging behind in this area. Currently, information is exchanged upon request on paper. In order for automatic exchange of information to take place, the Ministry of Finance will have to sign international data exchange agreements, it will need to comply with security protocols and it will have to invest in IT.

The PFD project is supporting the Ministry of Finance with the drafting of a new law, which is expected to be adopted by the end of 2023. The project has also trained Ministry of Finance staff on data security needs, and there have been study visits to Slovakia during which MKD civil servants visited the Slovak Public Revenue Office and met with IT experts there. Technical specifications for a new IT system at the MKD Ministry of Finance are currently being prepared with the support of the PFD project. The new IT system will be financed by the World Bank and is expected to be fully operational by 2025.

3.1.3. Informal economy

The last analysis of the informal economy in MKD was done by the IMF in 2006. Until now, the Ministry of Finance has lacked capacity to do this itself. A Slovenian expert retained by the PFD project undertook research and produced a report into key factors that increase the informal economy, with indicators of the informal economy, and recommendations for reducing the problem. The expert undertook two missions to MKD, during which many meetings were held with different actors. A survey was undertaken and there were also focus group meetings.⁶⁴ The Ministry of Finance has accepted the methodology and the PFD project is currently providing training for civil servants in the Ministry of Finance to enable them to calculate the informal economy based on the indicators developed by the project.

The project organised a media campaign about the informal economy in 2021/ 2022 and the CO was expecting to appear on television in March 2023 to explain what has been done.

⁶⁴ The survey was conducted by telephone and surveyed 1,100 citizens from different demographic, age, education, employment, social, culture and ethnic groups. The survey was comprised of 30 questions about the informal economy in North Macedonia. The focus groups consisted of employees and businesses working in the informal economy, and the discussions explored why they are part of the informal economy and what the government should do to encourage them to join the formal economy. The two activities generated a lot of information about the informal economy that formed the basis for the study and the action plan for reducing the informal economy.

3.1.4. Developing and auditing accrual financial statements

The project is supporting the Ministry of Finance with the development of a strategy for introducing accrual accounting in the public sector. A gap analysis of legislation has been completed. This will be followed by the development of an action plan and pilot.

The project will provide training for the State Audit Office to ensure that it is ready to perform audits of accrual accounting in public bodies by 2024.

3.1.5. Monitoring cash flow

This is a recently added element of the PFD project and will support the development of a 4-5 year strategy.

3.2. Component 2 – fiscal decentralisation

3.2.1. Local government tax collection

Local government tax collection rates in MKD are low. In some cases the local tax collection rate is zero and in these cases, local governments are fully dependent on transfers from central government.

The PFD project has conducted a study with the Ministry of Finance and implemented a pilot project in one municipality focusing on local property tax collection rates. Three property datasets were compared and it was found that many properties in the pilot municipality were missing from the municipal database, or were wrongly registered (wrong use). Properties were re-evaluated for the first time in approximately 20 years (they should be re-evaluated every 5 years) and previously unregistered businesses were added to municipal records. New software was developed for managing property taxes and this has subsequently been further developed with other UNDP funding to cover all local tax collection, including, for example, inheritance tax and business turnover tax.

UNDP has been asked by many municipalities to replicate the work and the software tool but it does not have the funding to do this. Nevertheless, the pilot municipality has been sharing its experiences, and UNDP reports that many municipalities are now procuring services and IT at their own expense to replicate the digital tax system. One municipality that previously had a zero tax collection rate is reported to be setting up the digital tools and collecting data. This indicates that the pilot has served its purpose.

A change of political leadership in the pilot municipality as the pilot project was being launched led to some delay, as UNDP had to convince the new leadership of the project's value. However, interview feedback indicates that the leadership of the municipality is highly satisfied with the cooperation with UNDP and with the new system. The municipality highlights the following benefits:

- The new system receives data automatically from the cadastre office and other institutions. This makes property re-evaluation much easier and faster, and it can now be done at minimal cost – as noted above, properties had not been re-evaluated for approximately 20 years;
- Many unregistered, and therefore untaxed, buildings were discovered;
- The system supports the principle of equality i.e. all tax payers are now contributing fairly. The methodology is fully transparent.

The result is that the municipality is now raising more property taxes from previously unregistered, under-valued, or incorrectly categorised buildings. Furthermore, changes in tax law introduced in

December 2021 mean that unoccupied property is now taxed at a much higher rate. The municipality of Sveti Nikole was the first to implement this change.

The municipality estimates that it collected approximately MKD 6 million in property taxes in 2022, which amounted to 20% of its budget. It estimates that this will double to approximately MKD 12 million in 2023 i.e. a 100% increase, amounting to 40% of its budget. Compared with the situation before the project, property tax collection is expected to be around 200% higher in 2023.

The CO reports that business tax revenue has also increased because some businesses had been missing from the municipality's records.

In order to maximise the benefit from the new system, the municipality has increased the number of staff in its tax department.

The increased tax revenue will enable the municipality to make capital investments. Prior to the introduction of the new system, the municipality relied more on its own budget (transfers from central government), which provided for the delivery of essential services but did not cover municipal infrastructure investments.

The mayor reports positive and negative public reaction to the new system.

The municipality has agreed with UNDP on future modules to be added to the system and the connection with the national interoperability portal will be upgraded.⁶⁵

3.2.2. Changes to legislation regarding local tax collection

The PFD project is supporting the Ministry of Finance with the development of innovative new forms of local taxation. A comparative study looked at local taxation in other countries in the region and in the EU. Based on the recommendations of the study, the Ministry of Finance (with the support of an expert provided by PFD) developed amendments for the Law on Property Tax. For example, unused agricultural and municipal land can now be taxed in order to incentivise their use. Where two homes are registered to the same person within a local government area, a higher rate of property tax will now apply to the second home. There is ongoing discussion about a green tax initiative.

3.2.3. Performance equalisation fund

Another project, financed by UNDP and the Bureau for Regional Development, is helping the Ministry of Finance to reform tax redistribution amongst local governments through the establishment of a performance equalisation fund. This will ensure that all municipalities have the necessary funds to provide minimum services. In addition to this, local governments will receive performance grants based on the local rates of tax collection. Local governments with higher rates of local tax collection will receive more funding from central government in the form of performance grants. This is intended to incentivise higher rates of local tax collection.

⁶⁵ The interoperability portal, which is not yet in place, is being developed by the Government of the Republic of North Macedonia. It will connect all systems of every government institution with each other and will enable data to be exchanged between the different systems.

The PFD project provided consultancy support in developing the indicators for distribution of the funding from the performance fund. The financial indicators have been accepted by the Ministry of Finance and, since the beginning of January 2023, provide the basis for the distribution of the funding.

3.2.4. Audit of local government

There are two elements to this sub-component. Firstly the project is helping to develop the capacity of the State Audit Office to use new tools when auditing local government. This is being done by Slovak and MKD experts. Secondly, the project is developing the capacity of the State Audit Office to train local government civil servants to prepare financial documents in line with requirements to facilitate subsequent audit.

3.3. Component 3 – establishment of the Fiscal Council

Before the start of the PFD project, the Ministry of Finance developed a new budget law, which was adopted in September 2022. This provides for the establishment of the Fiscal Council to develop the national annual fiscal budget. The council will have 3 members and it is intended that this will widen the discussion on annual fiscal budgets and make the national budget more transparent. The new law will come into force on 01 January 2025.

The adoption of the law was delayed by one and half years due to a backlog in the Assembly (parliament). This means that the PFD project will not be able to support the Fiscal Council, although members of the project team have been invited to observe the election of the members of the Fiscal Council in the coming months. The unutilised budget has therefore been reallocated to a new activity, namely training of the State Audit Office on performance auditing of capital budgeting and SDG alignment.

4. RMF

4.1. Waste into Food

The Waste into Food project is a small rural project that emerged from EU-funded research on waste production. The research found that 50% of waste in a landfill in the Vardar region was organic. The CO initially approached a business that needed organic material to feed insects to produce animal feed, although ultimately this company is not involved and the organic waste is instead supplied to a new, local biogas plant.

The project is described by the CO as a public-private partnership (PPP) involving innovative funding and inter-municipal cooperation. The PPP involves the collection of organic waste by municipalities for delivery and sale to a nearby, privately-owned biogas plant – at this stage there appears to be no private sector investment in the provision of public services by, or on behalf of, the involved municipalities, and this does not seem to be envisaged. Rather, the term PPP here describes a mutually beneficial arrangement between municipalities and a private company, based on a new self-financed municipal activity, namely collection and delivery of organic waste to the private company. This reduces costs and generates additional income for municipalities, and provides raw material required by the private company. It is understood that inter-municipal cooperation was required for the study carried out in the first phase of the project, in order to develop a circular economy model on a scale large enough to interest private companies to invest in the region.

The project encompasses three rural communities. Although organic waste is separated, all three municipalities have been depositing it in landfill approximately 30km away.

The project has been implemented in 2 phases. During Phase 1, 2 national experts analysed local organic waste. An economic expert was later retained to develop a study on the sustainable use of organic waste. This emphasised cooperation between municipalities and the private sector. During Phase 2, a Slovak expert was contracted to make recommendations to mayors and municipal waste collection enterprises on how to separate organic waste (36 experts applied for this assignment). Mayors now have good data to share with the private sector.

A biogas plant has been constructed in 1 of the municipalities, and a second is under construction in another municipality. The 2 biogas plants are privately owned and have been developed independently of the Waste into Food project. The recently constructed plant is currently being tested and is using slurry and manure collected from pig and cattle farms in the district. Likewise, the application of the project's outputs is not limited to cooperation with biogas plants. The project has supported the planning of the collection of other organic waste, for example from community waste, the municipality itself (including leaves and grass clippings), schools, and vineyards (clippings). The CO notes that this model can also be applied to other materials, such as glass, plastic, paper, electronic equipment, and more.

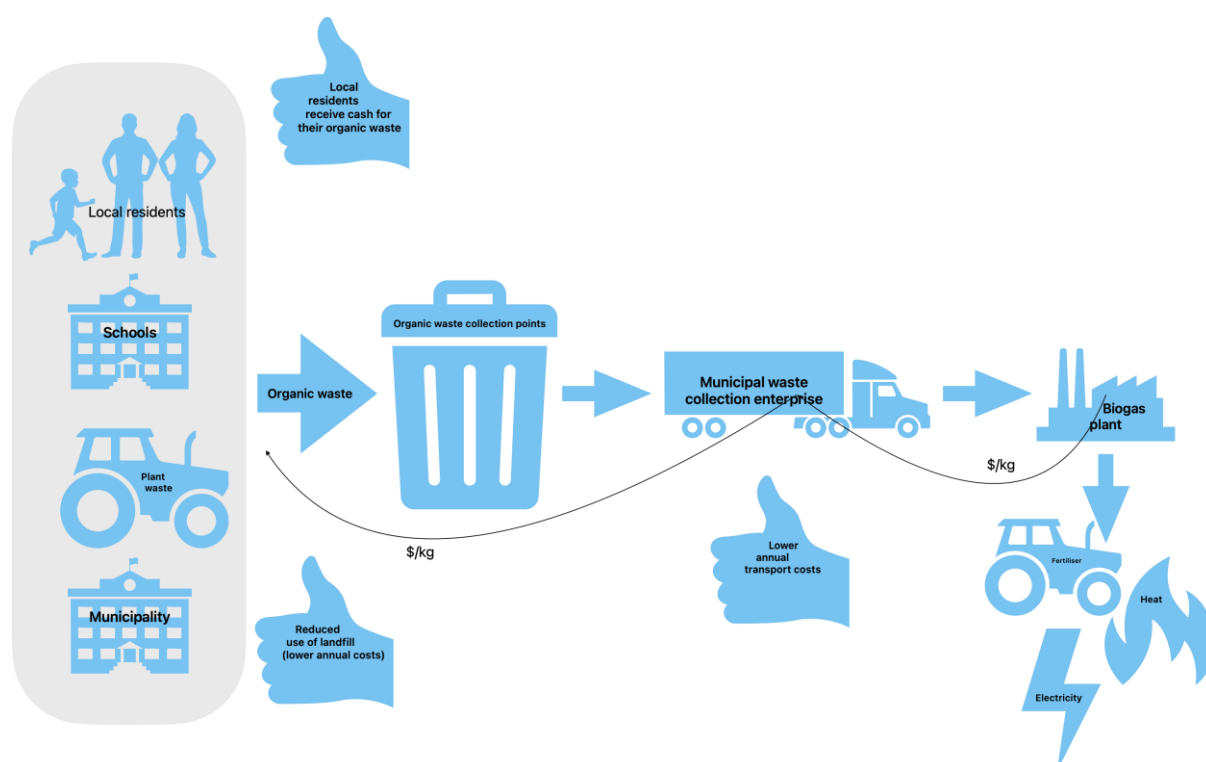
For their part, the municipalities have had to set up organic waste collection points. While this RMF project was completed in December 2022, the CO is now helping to find potential investors for the municipalities to procure equipment for related activities, for example, equipment to chip tree branches for sale to companies involved in the production of wood pellets.

At present, only 2 of the 3 municipalities are moving forward with this, while the other is reported to be observing developments before making a decision. The organic waste collection process was due to start in Lozovo in early 2023. The mayor reports that, as of early March, 70% of citizens were depositing organic matter at the collection points.

The community is paid by weight for the organic waste brought to their local organic waste collection point, and the municipal waste enterprise is paid by the biogas plant for the material delivered to the plant (see figure below). The biogas plant generates heat and electricity and the organic residue is sold as fertilizer. Currently the heat and electricity are used only by the biogas plant itself, although there has been discussion about using the heat in greenhouses and potentially selling heat and electricity to the municipality.

The municipality of Lozovo reports that it is being approached by other municipalities to learn about the project. It is now considering the creation of a new mini-composting plant for private users.

Graphic representation of the Waste into Food project model



The benefits of collecting and delivering organic waste to the biogas plant include:

- Lower annual transport costs for the municipal waste enterprises, as fewer loads have to be taken to landfill approximately 30km away – the biogas plants are located nearby;
- Reduction in heavy vehicles using roads to the landfill 30km away, reduced disruption to communities along the way, and reduced greenhouse gas emissions and diesel emissions;
- The municipalities will have lower annual landfill usage costs;
- The communities are paid for the organic waste they bring to the municipal collection points;
- Reduced emission of methane from decomposing organic waste in landfills;
- More sustainable, local production of fertilizer, heat, and electricity.

The CO is sharing the experience of this project internally with other projects. Another project, 'BioHack My World', which emerged from the Slovak-supported IRH City Experiment Fund, is working on a similar subject.⁶⁶

⁶⁶ 'BioHack My World' emerged from the Slovak-supported IRH City Experiment Fund. 'BioHack My World' was financed by UNDP HQ and generated global recognition. It focuses on organic waste collected in city areas, with an emphasis on analysis and development of new products that can be manufactured from orange peels and coffee residue from restaurants and bars. In the context of 'BioHack My World', a new city biohacking laboratory was opened in Skopje with the aim of making biotechnologies and science accessible to the general public. The initiative will focus on organic waste as a point of entry to create entrepreneurial opportunities for a greener future. The laboratory is a point of contact to private companies that have been targeted by the 'Waste Into Food' project, namely those interested in developing new products from organic waste.

4.2. Macedonian Model of E-municipality

The aim of this project is to develop a model for the digitisation of local government services and records in order to make local services more transparent and responsive to the needs of citizens.

The project is being implemented in 2 phases. During Phase 1 (in 2022), an e-readiness assessment was undertaken in a sample of municipalities to identify digital gaps, and based on this the methodology was developed. The model is being implemented in Phase 2 (2023). The City of Veles was selected to pilot the model based on the findings of the e-readiness assessment, and in view of its existing 'super administrator' role in the LoGeS e-municipality platform, which was developed in the context of another UNDP-supported project.⁶⁷

The City of Veles plans to provide 25 services online and has developed a modern website, which is a model for other municipalities. The services to be provided online respond to the citizens' needs, which were systematically analysed by the city.

Testing of several online services has been completed. Scholarship applications were done online for the first time in 2023, which saved a lot of time. Property taxes are also now online and other services will follow. All 25 services will be available online from the end of March 2023. E-services are hosted on the LoGeS e-municipality platform with costs shared among all municipalities. 18 other municipalities will also be connected to this platform at the same time as Veles.

The mayor of Veles identifies the following benefits of digitisation:

- Digitisation of vast amounts of paper documents, and elimination of the need to make multiple copies;
- Easy and instant electronic distribution of documents to addressees;
- No need for citizens to visit municipal offices in person;
- Fewer staff will be needed to manage the municipal archive;
- Simplified electronic signature of documents by the mayor.

The city has been investing in IT for a long time already, including from its own budget, and UNDP has provided it with €70,000 (partly from another project) to purchase hardware and software licences to add 3 new modules to upgrade an existing solution. Hardware is needed to integrate with the cloud platform and to transfer legacy databases to archives while ensuring they are still accessible. Hardware procurement is underway, and software procurement is to be announced in the very near future. These will be used by a platform already developed by another UNDP project.

Thus while the national e-readiness assessment and development of the national model are fully covered by the Slovak-funded RMF project, it cannot meet the entire needs of the City of Veles to implement the model – it will provide only 3 additional modules for the City of Veles to upgrade an existing solution, with other investments funded from other sources, including the city's own budget.

The overall system includes a digital information map that will give the city a clear picture of the needs of citizens in different locations, and it ensures the traceability of citizens' requests and enables the monitoring of response times. The mayor has a digital dashboard to monitor key performance indicators. There is an easy to search knowledge base for municipal civil servants.

⁶⁷ In the context of the development of the LoGeS platform, the City of Veles responded to a call launched by the CO for proposals to establish inter-municipal cooperation.

The challenge for the city is to get the e-services fully operational and accepted by citizens as quickly as possible. The idea of online services is well-accepted by most citizens, although it is not easy for all.

The City of Veles is ready to support other municipalities and has already had meetings with some other municipalities. As noted above, the e-municipality platform is a shared platform and the City of Veles has a 'super administrator' role, which enables it to provide services to smaller rural municipalities that do not have the IT resources to manage their own e-municipality services. Thus, as noted by the mayor of Veles, the e-municipality platform equalises service delivery for rural and urban citizens.

Annex 10. Results Framework

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UNITED NATIONS DEVELOPMENT PROGRAMME



IV. RESULTS FRAMEWORK

EXPECTED OUTPUTS	OUTPUT INDICATORS ¹⁰	DATA SOURCE	BASELINE		DATA COLLECTION METHODS & RISKS					
			Value	Year	Year 2020	Year 2021	Year 2022	Year 2023	FINAL	
Output 1 Enhanced public finance management practices in partner countries	1.1 Number of country specific initiatives launched	Submitted project documents	7	2019	8	1	1	1	18	Projects implementation monitoring Risk: Delays caused by the beneficiary organizations
	1.2 Number of policies / laws / recommendations / analyses related to public finance on national and/or local level developed for partners organizations	Submitted documents	0	2019	10	10	8	5	33	Events documentation (agendas, lists of participants), reports, participants feedback. Risk: Delays caused by other projects components development, delays caused by beneficiary organizations and absorption capacities.

¹⁰ It is recommended that projects use output indicators from the Strategic Plan IRRF, as relevant, in addition to project-specific results indicators. Indicators should be disaggregated by sex or for other targeted groups where relevant.

	1.3. % increase in knowledge and understanding of specific public finance issues by the public officials	Capacity building assessments	0	2019	< 50%	< 50%	< 50%	< 50%	51%	Contracts closed, reports, project implementation monitoring; feedback from beneficiary institutions captured in Performance Evaluation Forms. Risk: Delays caused by beneficiary organization, insufficient actual absorption capacities, political influences.
Output 2 Increased private sector engagement on development projects	2.1 Number of Slovak companies participating on IFIs and/or IGOs tenders (incl. those in consortia).	Companies engaged, Rozvojmajstri report	11	2018	5	5	2	2	25	Project implementation monitoring. Risks: limited interest from Slovak private companies; limited outreach to companies in beneficiary countries
	2.2 Number of solutions developed through RMF funding	RMF monitoring	8	2019	3	4	4	2	19	Project implementation monitoring. Risk: limited submitted projects by UNDP COs applicable for RMF support
	2.3 Number of projects where Slovak expertise has been applied	Project monitoring	4	2019	2	3	3	1	13	Project implementation monitoring. Risks: limited interest from Slovak private companies; limited outreach to companies in beneficiary countries

Output 3 Strengthen capacities of development professionals	3.1 Number of relevant capacity building plans / and participation of MFSR staff on development events and trainings	Reports, capacity building plans, self-assessment documents	6/ 12	2018	3 / 9	3 / 9	3 / 9	3 / 9	18/48	Reports, capacity building plans implementation monitoring Risks: high workload of MF SR officials may limit effects of learning activities
	3.2 Number of presentations of MFSR and project staff at national, regional and global fora's	documented presentations	2	2018	3	3	3	3	14	Collection of presentation. Risk: Not relevant fora, where MFSR expertise will be requested, high workload of MF SR officials
	3.3 Number of capacity building events responding to the capacity building needs identified together with Slovak national ODA stakeholders organized and/or supported by Project	events documentation, incl. agendas, and lists of participants	1	2019	1	1	1	1	5	Events agendas lists of participants. Risk: n/a

Annex 11. Tabular Summary of Findings

Finding 1	Output 1 produced or contributed to 48 outputs in the five partner countries during 2020 and 2021. The outputs were comprised of guidelines and methodologies, new and amended legislation, reports and analysis, and strategies and plans for public finance institutions
Finding 2	PPFD has funded nine new RMF projects in four of the five partner countries during the current cycle amounting to USD 1,355,266. These focus mainly on pre-investment support and development of innovative funding mechanisms for low carbon technologies and energy efficiency, and leveraging information technology at local government level
Finding 3	During 2020 and 2021 Output 3 delivered 10 training workshops for MF SVK development professionals and supported their participation in 5 high-profile development-related events. Training covered a range of topics in the areas of interpersonal and management skills, and more strategic development-related issues related to public finance
Finding 4	Slovakia's size and experience are highly relevant to the 5 partner countries
Finding 5	National stakeholders and UNDP country offices appreciate the flexibility of PPFD and the possibility of using it to address specific practical needs.
Finding 6	Slovak expertise has been used by all 5 PFD projects. Slovak expertise and experience are considered very useful. 1 UNDP country office has mobilised considerably more Slovak PFD experts than other country offices.
Finding 7	For the donor, UNDP COs provide local knowledge and links to national and sub-national authorities, and project management experience
Finding 8	PPFD sub-projects address Outputs listed in regional and country programme documents
Finding 9	PFD and RMF are well integrated into other UNDP CO work and well aligned with the priorities of national actors and the work of other international actors.
Finding 10	PFD and RMF projects address concrete needs, although objectives and expected outcomes presented in project documentation are generally unclear
Finding 11	The fit of Output 3 with the other two outputs remains problematic for the current implementation cycle, because the description of this output in the project document does not adequately reflect the overall purpose of activities covered by this output.
Finding 12	The revised PPFD project document does not reflect the current PPFD implementation cycle
Finding 13	The output indicators in the PPFD results framework are of limited use for assessing PPFD effectiveness
Finding 14	The future investment path for RMF projects is not always clear
Finding 15	PPFD clearly addresses Sustainable Development Goals 2, 7, 12, 13, and 16

Finding 16	The PPFD project document emphasises gender but none of the 14 PFD and RMF projects funded during the current cycle explicitly address gender and there are very few substantive references to gender in 145 project-related documents that have been analysed, including annual PPFD reports.
Finding 17	UNDP is focusing increasingly on SDG-related products and services but these may not always be sufficiently adapted to national and local contexts and capacities
Finding 18	PPFD management and coordination have improved significantly since the 2018 evaluation
Finding 19	RMF expectations/ scope/ parameters were not so clear for some COs
Finding 20	PPFD lacks adequate data management and monitoring systems
Finding 21	PPFD and donor visibility is generally limited and varies considerably between countries
Finding 22	Approximately 45% of the total USD 7.4 million available funds have been used during the period January 2020 to September 2022, leaving approximately 55% to be used in the final 15 months of the current PPFD implementation cycle
Finding 23	PPFD management costs (including 8% GMS) amount to 36% of total PPFD costs from January 2020 to September 2022
Finding 24	There is no data on how PPFD is influencing the performance or behaviour of target institutions, groups, or systems
Finding 25	Supported institutions are generally well engaged and make good use of the support provided
Finding 26	Several projects involve piloting new systems, tools, and approaches with demonstrable benefits and are being scaled up or are likely to be scaled up
Finding 27	National stakeholders express satisfaction with the support provided by PFD projects, and interviews provided examples of specific changes in the performance or behaviour of target institutions, groups, or systems
Finding 28	In Serbia, the PFD project continues previous work on the introduction of a new local development planning approach which has been endorsed by the central authorities and which municipalities are required by law to apply. Some interview feedback suggests that some local governments will struggle with this, due to financial and/ or personnel constraints. Interview feedback suggests that networking during Output 3 activities has been useful

Annex 12. Analysis of Regional and Country Programme Documents

Table 13 below analyses the correspondence of PPFD sub-projects to outputs in Regional and Country Programme Documents. The table lists only those outputs where they correspond to activities of one or more PPFD sub-projects. The following documents are included in this analysis:

- Regional programme document for Europe and the Commonwealth of Independent States (2022-2025)
- Country programme document for Bosnia and Herzegovina (2021-2025)
- Country programme document for Montenegro (2017-2021)
- Country programme document for Montenegro (2023-2027)
- Country programme document for the Republic of Moldova (2018-2022)
- Country programme document for the Republic of North Macedonia (2021–2025)
- Country programme document for Serbia (2021-2025)

Table 13: Analysis of Regional and Country Programme Documents

Output	BIH	MKD	MLD	MNE	SRB
Regional programme document for Europe and the Commonwealth of Independent States (2022-2025)					
Output 1.1: The 2030 Agenda, Paris Agreement and other intergovernmentally agreed frameworks integrated in national and local development plans, measures to accelerate progress put in place and budgets and progress assessed using data-driven solutions.	✓	✓	✓	✓	
Output 1.2: Responsive governance systems and local governance strengthened for socioeconomic opportunity, inclusive basic service delivery, community security and peacebuilding	✓	✓		✓	✓
Output 1.3: Transition to renewable energy accelerated capitalizing on technological gains, clean energy innovations and new financing mechanisms to support green recovery	✓			✓	
Output 1.4: Country-led measures implemented to achieve inclusive economies and to advance economic empowerment of women in all their diversity, including in crisis contexts					✓
Output 1.5: People and institutions equipped with strengthened digital capabilities and opportunities to contribute to and benefit from inclusive digital societies		✓		✓	
Output 1.7: Public and private financing for the achievement of the SDGs expanded at regional levels	✓		✓		
Output 3.1: Institutional systems to manage multidimensional risks and shocks strengthened at regional levels		✓			
Output 3.4: Natural resources protected and managed to enhance sustainable productivity and livelihoods		✓			

Output	BIH	MKD	MLD	MNE	SRB
Country programme document for Bosnia and Herzegovina (2021-2025)					
Output 1.2. Governments at all levels, particularly sub-national governments, implement climate change adaptation and mitigation measures for resilient and sustainable development	✓				
Output 1.3. Smart growth principles accelerate sustainable, resilient and inclusive economic development, contribute to decent work, and leverage development financing by the private sector	✓				
Output 2.2 Governments across all levels have enhanced capacities for transparent and effective policy and financial management, including digital capacity, which translate into accelerated development results, accountability and people-centred public services.	✓				
Country programme document for Montenegro (2017-2021)					
Output 1.2: Enhanced citizen participation in creation, monitoring and implementation of policies through innovative models for citizen engagement and open data use				✓	
Output 1.3: Access to and availability and delivery of state services enhanced through the use of ICT				✓	
Output 2.1: Climate change and environment targets integrated into national policies, strategies and planning				✓	
Output 4.2: National institutions have improved capacities to develop, implement and monitor policies and measures that help to generate jobs				✓	
Country programme document for Montenegro (2023-2027)					
Output 1.1: Policy and regulatory environment and financing mechanisms developed to enable mitigation and adaptation actions in support of green and inclusive transformation				✓	
Country programme document for the Republic of Moldova (2018-2022)					
OUTPUT 2.1. Public institutions and private entities have improved capacities to design and implement innovative policies for inclusive, resilient economic growth			✓		
Country programme document for the Republic of North Macedonia (2021–2025)					
Output 3.4. Capacities at central and local levels strengthened to identify multi-hazard risks and to plan, finance and implement effective disaster risk reduction (DRR)		✓			
Output 4.1. Strategic planning, regulatory, and oversight capacities strengthened for evidence-based, gender-responsive policy design and budgeting		✓			
Output 4.2. National and municipal capacities strengthened to improve decision-making and accountability, strengthen social cohesion, and deliver quality services		✓			

Output	BIH	MKD	MLD	MNE	SRB
Country programme document for Serbia (2021-2025)					
Output 2.1: Measures to improve local development strengthened					✓

Annex 13. Analysis of indicator on change in public officials' knowledge and understanding

The 2021 annual PPFD report indicates that public officials' knowledge and understanding increased by 36%-55%. However, there is no explanation of how this figure was calculated or what it means in practice. UNDP notes that the figure is based on focus group discussions and training evaluation forms. The latter includes a question that asks training and workshop participants '*By what percentage has your knowledge and skills increased?*'. Respondents can choose from the following options:

- Less than 15 percent
- Between 16 and 35 percent
- Between 36 and 55 percent
- Between 56 and 75 percent
- More than 75 percent

UNDP has not provided a quantitative summary of the responses (e.g. a spreadsheet) so it is unclear how many responses the figure in the annual report is based on, and how many from each of the 5 countries. It is also unclear how the figure of 36%-55% reported in the annual report has been calculated, unless all respondents selected the third option in the list above, which seems unlikely. No information is provided about the focus group discussions or how they influenced the figure provided in the annual report (36%-55%). For example, it would be useful to know how many focus group discussions were held, after which activities, how many people took part, and from which countries. It is assumed that there was a gender analysis of the responses provided in the training feedback forms but this is not indicated. The overall approach appears to address Levels 1 and 2 of the Kirkpatrick model for evaluating training effectiveness,⁶⁸ Levels 3 to a limited extent (Question 4 in the focus group guide), and Level 4 not at all.

⁶⁸ Kirkpatrick Partners (2022), '*The Kirkpatrick Model*', <https://www.kirkpatrickpartners.com/the-kirkpatrick-model/>