Evaluation of Slovenia's development cooperation in Montenegro 2013-2016 – Summary of final report

The evaluation that follows is concerned with the implementation of development cooperation between the Republic of Slovenia (RS) and Montenegro in the period 2013-2016. It is based on the guidelines of the Organisation for Economic Cooperation and Development (OECD). The objectives of the evaluation are to provide evidence of performance (i.e. to what extent does it achieve the objectives of development cooperation), to analyse the reasons for success and failure in performance, and to provide recommendations for formulating policies, programmes and projects in the future.

Whether development cooperation between RS in Montenegro achieved what it set out to achieve – i.e. its overall objective, purpose and specific goals – is in essence unclear. Due to a missing middle-level strategic document governing development cooperation in Montenegro, the programme lacks focused, clearly articulated and measurable goals, which hinders the ability to make a credible and reliable assessment of programme effectiveness. This in turn hampers the ability to fully assess programme efficiency, as resource spending can only be evaluated in terms of the goals they are trying to achieve. Notwithstanding, we prepared an assessment of programme effectiveness and efficiency with reference to the objectives, purposes and goals that could be discerned from strategic documents underlying development cooperation in Montenegro and from discussion with key stakeholders. The report thus finds that potential indirect impact of Slovenian development cooperation in Montenegro on the reduction of poverty is ensured through projects with a total value of €4.3 million, which represents 79% of all funding provided in the period observed. Furthermore, almost all projects (99.9% of funds in terms of value) can be categorized under one of the 14 goals stipulated in the Agreement between the Government of the Republic of Slovenia and the Government of Montenegro on Development Cooperation, one of the key documents underlying Slovene development cooperation in Montenegro.

Despite relatively low resources available for international development cooperation of Republic of Slovenia in Montenegro, Slovenia is considered to be an important donor in the recipient country. The Montenegrin counterparts mostly deem the implemented projects to be a success; they are especially satisfied with the efficiency of implementation and flexibility of Slovenian partners. An important added value of Slovene development assistance is also historical, linguistic, cultural and administrative proximity and relationship of the two countries, as well as responsiveness to local needs.

Montenegro recognises projects and other activities implemented within international development cooperation of the Republic of Slovenia to be very useful, their implementation efficient and the results relevant to the needs of final recipients. In the period 2013-2016, the Republic of Slovenia carried out 95 projects, for which it allocated €5.4 million of funds. The projects carried out fall under one of the following seven areas of cooperation: environmental protection and efficient energy use; tourism and leisure; building of administrative capacities and integration into the EU; security; public finance; gender equality and non-discrimination; and education. The majority of funds (63%) was allocated to projects in the areas of environmental protection, ecology and tourism, which is consistent with the needs and expectations of the recipient country. Its representatives furthermore consider bilateral technical assistance, aimed at assisting Montenegro in the EU pre-accession negotiations and harmonisation with the acquis, and funds covering scholarships and tuition fee waivers for Montenegrin students studying in Slovenia, to be especially effective.

The key shortcomings of international development cooperation are systemic in nature. They include weaknesses in the areas of management, monitoring and evaluation, programme planning, and project selection.

An unclear and inconsistent demarcation of responsibilities and obligations between different stakeholders, together with an inadequate programme- and strategic framework, impede the policyholder of international development cooperation – the Ministry of Foreign Affairs (MFA) – in ensuring effective strategic and financial management. The programme framework is therefore incomplete and not all projects and activities, despite their developmental orientation and foundation on local needs, contribute
to common goals, nor do they create complementarity or follow a common vision of development cooperation of RS in Montenegro. Public funds spent on (co)financing development projects in Montenegro thus independently achieve desired results, but do not achieve optimum impact at the programme or strategy levels.

The basic pre-requisite for a more strategic approach to the implementation of development cooperation is the appointment of the MFA as the central authority for the implementation of the program and strategic framework in Montenegro and, thereby, the elimination of a scattered approach to the identification of needs and definition of goals. This requires a clear definition and demarcation of competences between individual ministries (that is, separation of management tasks, under which fall both programme planning and monitoring, and implementation). It also requires setting out the tasks and obligations of the MFA that fall within development cooperation in internal rules and regulations of the ministry. This enhanced role of the MFA will require an assessment of additional human and financial resources.

In the scope of systemic improvements, it is also necessary to clearly define the programme planning process, as the current programme framework does not ensure well-defined or focused goals (some are general and very broad, others too specific), indicating a large gap in strategic programming. It is necessary to prepare a coherent strategy, which should include wider priority areas, goals and expected mid-term results, and based on this defined result indicators. The programme and strategic framework should serve as the foundation for project selection, which is why it ought to include all areas of development cooperation of Republic of Slovenia in Montenegro, i.e. not only those whose budget user is the MFA, but also projects that are the subject of other bilateral agreements. The bottom-up approach currently in place is in essence sound and should remain as the approach used when defining local needs and collecting project proposals in the recipient country as it ensures local ownership and feasibility. Nonetheless, the Republic of Slovenia should follow overall objectives of development cooperation, such as championing human rights, equal opportunity and rule of law, as well as empowering the non-governmental sector, which the local authorities do not always recognise as necessary – particularly evident is their reluctance to finance projects in the non-governmental sector. The bottom-up approach in the programming process should thus be supplemented by a strategic, top-down approach. This means that the programming process ought to include analyses of needs, feasibility and alignment with the overall objective with development cooperation, whereby each decision must be based on relevant studies. Goals must be based on a common Logframe approach, which ensures their focus and optimal resource allocation. Furthermore, responsibilities of all stakeholders must be clearly defined and the programme structure and alignment- and approval procedures (to include a systematic and fair inclusion of all stakeholders and interested parties) known and commonly understood. The programme must ensure complementarity, synergies and mutual reinforcement between activities with the aim of maximising the planned impact.

A suitable logical (programme) framework is also to serve as the basis for a common monitoring and evaluation system, founded on a hierarchy of needs, inputs, activities, objectives and goal-oriented indicators. Reporting by final recipients and evaluation of data on monitoring must be based on a comprehensive strategic document that concerns all stakeholders of RS’s development cooperation as well as on standardized reporting procedures. In this way, the workload related to the collection and processing of data can be as low as possible.

The programme-based project selection procedure is the basis for achieving the overall objective of development cooperation. For projects approved by providers directly, the project assessment and selection processes currently in place are fragmented, unclear and, in several aspects, non-transparent; they have neither a clearly defined role of the policyholder and national coordinator of development cooperation (MFA), nor common criteria for selection. The MFA has already invested significant effort into standardization of forms, however, this does not apply to all project funders. Both modes of selection – public tenders and direct project approvals – must thus be based on pre-defined conditions for participation, which include key selection criteria and tender rules. The MFA, as the custodian of the programme and its strategic documents, should be the competent authority in charge of final assessment and validation of all projects, irrespective of the chosen mode of selection. An exception to this are continued implementations of activities and tasks, such as granting scholarships, waiving tuition fees and
deploying defence advisors to Montenegro. The selection criteria should include all crosscutting objectives (human rights, gender equality), as well as eradication of poverty, reduction of inequality, promotion of sustainable development in partner countries and environmental protection. Additional sets of criteria to be included in the project selection procedure are level of inter-municipal or interregional participation, project sustainability, and minimal conditions for infrastructure projects (economic viability, impact on environment, maturity, feasibility, etc.). Particularly infrastructure projects must be supported by sound economic analyses, as some projects in the previous programme period have shown to have high excess capacity.

Project providers should incorporate in their projects different means for empowering final recipients and thereby ensuring long-term sustainability. An important tool for this is soft conditionality, through which project implementation can be conditioned upon the fulfilment of certain requirements by the recipient country or municipality, namely an adjustment of legal frameworks or the provision of sufficient resources or capacities for ensuring sustainability of projects after their completion. Doing so can further enhance the long-term impact and added value of Slovenian development cooperation in Montenegro.