

TERMS OF REFERENCE FOR THE EVALUATION OF SECTOR SUPPORT IN THE ENVIRONMENT

1. Background

1.1 *Sector wide approaches*

The sector-wide approach has been developed as a response to the criticism of development aid as inefficient and ineffective. The underlying principle is that donors jointly offer long-term support for the creation and implementation of policy for an entire sector or sub-sector, with the partner country taking the leading role. The aid is, moreover, embedded as much as possible in the partner country's own budgetary processes and administrative frameworks. Harmonisation and alignment are to be considered as the main activities to promote ownership by the aid recipient government. Most donors have committed themselves to increase harmonization and alignment of their assistance at the High-level Forum on Harmonisation held in Rome in February 2003 and reaffirmed during its second Forum in Paris in March 2005 during which a set of indicators was developed to track progress. In the international literature the most common definition of a sector programme is "all significant funding for the sector supports a single sector policy and expenditure programme, under government leadership, adopting common approaches across a sector, and progressing towards relying on government procedures to disburse and account for all funds."¹

According to OECD-DAC guidelines, ideally a SWAp also contains a road map towards harmonized systems and a mechanism for consulting clients and stakeholders. Donor support to SWAPs typically concern of capacity building, support to policy development, efforts to improve national fiduciary management, alignment of development assistance with county-partner development strategies, harmonisation of policies among donors as well as channelling part of the development assistance through national budgetary systems.

Sector Wide Approaches should not be equated with certain aid modalities, in particular budget support. In fact, a range of aid modalities can support SWAPs: Sector Budget Support, Structural Adjustment Loans, General Budget Support, basket funding, project aid, and technical assistance. However, as SWAPs route development efforts through the national government system and explicitly aim to avoid parallel structures, there is in several cases a convergence between SWAP's and Sector Budget Support and General Budget Support. A second point to be made is not to narrow SWAP's down to the creation of efficient government delivery systems. Keeping in mind that in many countries and in many sectors a large proportion of the services are provided by private enterprise, local organizations or civil society, the 'macro-micro linkages', or the effects that SWAPs have on actual local service delivery and poverty reduction by non-government stakeholders are as important as improving public sector management².

1.2 *Sector-Wide Approach in Dutch bilateral aid*

The Sector-Wide Approach made its appearance in the Dutch bilateral aid in 1998, when the then Minister for Development Cooperation announced that bilateral aid would be restructured. There were two major dimensions to the restructuring: selectivity and the sector-wide approach. Selectivity meant concentrating the bilateral program in a smaller number of low income countries, that displayed good policy and good governance. The reduction was also meant to make the bilateral program more manageable. The definition of a sectorwide approach that the Netherlands has used is: *a coherent set of activities at macro, meso and micro levels, within clearly defined institutional and budgetary frameworks*

¹ Foster.M. 2000, New approaches to development cooperation: What can we learn from experience with implementing sector-wide approaches? Centre for Aid and Public Expenditure, ODI, see also IOB evaluation report No. 301)

² See also E van Reesch (2007) 'Micro-meso-macro linkages in the context of sectoral approaches'.

for which the government has formulated a specific policy. The introduction of the SWAPs was to have a number of features: concentrating aid in the partner countries on a limited number of sectors; sector support to be 'demand-driven' and aligned with development plans of the country (such as Poverty Reduction Strategies); long-term aid commitment; civil society organisations to be actively involved in the policy dialogue; more harmonization with other donors; a strong preference to use non-earmarked aid instruments, such as budget support and program support; and a general phasing out of the project aid modality with the exception of projects that would prepare the grounds for the sector support through capacity building and policy development. With respect to environment mention was made of giving more attention within development partnerships to find solutions for cross-cutting themes.

SWAPs have remained high on the agenda, though the interpretation of the policy changed over time. In 1999-2002 there was much emphasis on the 'surgical' aspects of the new approach: reduction of partner countries, reduction of sectors and an urge to convert project aid in sector budget support. As the program moved on more emphasis was given to other elements of SWAPs: alignment, capacity building and harmonization. Also from 2003 'a mix of modalities' was advocated rather than an outright preference for budget support.

The progress achieved with these policy intentions has been reported in various documents: for example, the IOB evaluation of the sector-wide approaches "From Project Aid towards Sector Support" and "Results in Development". The sector-wide approach has contributed to improvements at the macro policy level as can be observed in increasing policy coherence and planning capacity, improved links of (sector) policies to budgets and the increased quality of public finance management. It has also been possible to greatly expand the provision of public services, particularly in education, though it is difficult to attribute this directly to the sector wide approach. Yet, despite progress made, these evaluations also point out that the *quality* of service delivery improved little and getting sector policy to focus more on the poor and on poverty reduction remains problematic. In response to the IOB report, the Minister for Development Cooperation states that that processes of structural sector reform take time to translate in improved outcomes at community level but has also acknowledged that improved service delivery at local level should become a key focus of sector support in the coming years. For the near future linking national level reform to institutional changes and dynamics at lower levels is considered to be one of the main challenges for sector support.

1.3 SWAPs and the Environment in Dutch bilateral aid.

There are 12 countries within the bilateral program that selected environment as a priority sector. Some of these countries had environment as a priority sector in the first round of prioritisation following the 1998 policy change. Others were so-called thematic countries, that were incorporated in the list of priority countries, finalized as part of the 2003 reassessment. A short characterization, based on the 'milieufiches' is given in table 1 below.

Table 1 Subsectors and short characterization environment sectors in partner countries

Country	Subsectors	Short characterization
Albania	Institutional strengthening Environmental awareness Chemical waste removal	Project financing, weak coordination by MoE, integrating environment in other sectors
Cape Verde	Policy development Capacity building Area management Waste water reuse Marine area conservation Energy	In 2003 70% SBS – in 2004 nil. In 2005-2006 SBS to support implementation by Environmental Plan Termination 1/1/2008 due to graduation to MIC
Colombia	Institutional strengthening Park management Solid waste disposal	In 2002 19% SBS – after that nil Recently new promising initiative for SWAp

Ghana	Capacity building and policy development Forestry Water supply and sanitation	Project financing, first steps to initiate SWAP
Guatemala	Capacity building Park management	Project financing to NGOs Weak governance
Mali	Policy development Institutional development Wetlands Village forestry	Project financing and program support Mix environment and 'sustainable economic devel.' Attempts to come to alignment and SWAP
Mongolia	Policy development Range management Forestry Energy Environmental technology IWRM	In 2004 65% SBS (I wonder if that is correct)
Pakistan	Capacity building MoE Policy development IWRM Industrial waste water	Project financing and financing of trust funds of ADB/ WB/ WWF
Senegal	Capacity building Forestry Park management Environmental regulation	In 2004 50% SBS 'Flanking projects with NGOs'
Sri Lanka	Coastal management Park management Capacity building private/ civil sector	In 2004 22% SBS Little discussion with fragmented government; in 2006 it was decided to phase out of the environment sector
Surinam	Urban/ rural environment Capacity building Forestry Park management Mining Waste management Energy	Project aid Support to sectoral policy
Vietnam	Capacity building Policy development Forestry Biodiversity Wetlands	In 2004 38% GBS ³

Source: Environmental 'fiches'

Across the bilateral program policy development and institutional strengthening are recurrent elements⁴. The main subsectors concern both the 'green' environment: forestry, park land management, rural energy as well – to a lesser extent – the 'brown' environment: waste water treatment, industrial waste and mining. In some countries water programs are also assumed under the environmental program, in particular waste water. Some piggy-back riding occurs with the inclusion of water supply and sanitation in the environmental program, in Ghana.

The next table shows the allocation for the environment for each individual country.

*Table 1 Expenditures of the Netherlands in the environment sector in partner-countries, * 2004 – 2006*

³ There appear to be some differences between the financial results reporting (see annex 1) and the 'fiches'.

⁴ In principle this would be elements that contribute very much to a SWAP, as defined in section 1 – the evaluation will probe into how these components relate to the management of the sector (see also analytical framework)

in partnercountries where environment has been selected for sector support. Source: FEZ, March 2007

Country	2004	2005	2006	Total
Albania	1.313.082	794.839	1.557.278	3.665.199
Cape Verde	2.503.878	7.550.835	6.600.000	16.654.713
Colombia	9.509.113	7.403.767	12.418.400	29.331.280
Ghana	6.150.720	2.823.349	4.655.648	13.629.717
Guatemala	4.872.222	5.821.714	4.617.661	15.311.597
Mali	3.623.737	2.249.531	4.210.380	10.083.648
Mongolia	6.581.859	4.233.248	5.674.449	16.489.556
Mozambique	3.235.805	1.432.315	1.525.863	6.193.983
Pakistan	2.215.728	2.129.399	3.055.976	7.401.103
Senegal	7.173.080	14.163.701	14.730.253	36.067.034
Sri Lanka	2.103.578	2.577.385	4.661.223	9.342.186
Surinam	2.605.702	4.777.441	3.806.731	11.189.874
Vietnam	3.349.992	5.551.717	6.117.274	15.018.983
Total	55.238.495	61.509.241	73.631.136	190.378.872

Source: FEZ. March 2007. (Mozambique has been included because till 2005 it was included in the list of countries with sector support to environment)

The general notion is that sector wide approaches have not developed in the environment sector, yet most probably the Dutch bilateral program has made more headway in supporting environmental SWAPs than other donors. Substantial part of the aid to Cape Verde, Senegal, Mongolia and Vietnam is in the shape of sector budget support and preparations for applying the principles of SWAPs have started in Colombia, Ghana and Mali.

1.4. SWAPs in environment: opportunities and threats

In general SWAPs in environment differ from SWAPs in other sectors, especially social sectors, because 'environment' is less easily defined as a 'sector' with clear institutional boundaries and strong central organization. In many countries 'environment' is an institutionally weak sector and the role of the State in environment is sometimes contested. The main environmental agencies are typically under-resourced and politically weak: they have limited implementation capacity, are sometimes not present at local level and are more regulatory in nature. The sector is fragmented and less easy to engage in a standardized approaches. The general impression is that for these reasons the use of Sector-Wide Approaches in environment has lagged behind that in sectors, such as Health or Education.

In international literature and discussions it is mentioned that SWAPs – and new aid modalities associated with SWAPs –, offer opportunities for promoting environmental management⁵, because:

- Especially when underpinned by policy dialogue⁶, they make it possible to systematically incorporate environment in national policy and budget decisions.
- Under the new aid modalities there is closer engagement with Planning and Finance Ministries. This gives entries to discuss environment related fiscal reforms – in particular the reduction of perverse incentives, that have negative impact on environment.
- SWAPs avoid a scatter of initiatives and approaches, which makes it possible to more systematically build capacity and create country control over the programs and reduce transaction costs. The use of Sector Working Groups can be helpful here
- SWAPs can also reduce transaction costs for possible donors to the environment – making it easier to commit substantial funds to a clearly defined framework and implementation mechanism.

⁵ DGIS (2006) 'Mainstreaming environment and water in Dutch development cooperation: discussion paper.'

⁶ The Court of Auditors report suggest that Strategic Environment Assessment may be very powerful in raising such policy issues.

- Budget support and program support can be used to address weaknesses in regulatory functions in the public sector. This is particular in important for improved environmental governance.
- Finally the new aid modalities may take the shape of new funding mechanisms – environmental trust funds, carbon credits or sustainable forestry funds.

On the other hand the move towards SWAPs and budget support, also places a number of potential threats to the promotion of environmental objectives:

- The importance of environment is not shared by all countries or donors – so under the new aid modalities environment may drop from the agenda. In the budget support programmes of the EU for instance there has been very limited attention to environment, according to the recent evaluation by the European Court of Auditors⁷. Of the twenty ACP countries that received general budget support the PRSP budget support program to Tanzania in 2003-2006 (Euro 117 Million) was the only program that included environmental objectives, i.e. the passing of environmental legislation, that materialized in 2005 with the Environmental Management Act.
- In principle budget support provides scope for policy engagement with powerful players such as Ministries of Planning and Finances. In reality there are constraints – for instance the total number of performance criteria, that can be accommodated a medium-term expenditure framework is limited, as a result no or very few environment criteria may be incorporated.
- Moreover, when environment criteria are part of Medium Term Expenditure Frameworks, budget support releases will be related to the achievement of the criteria. There may be an unwelcome side effect. Because of the link to budget releases, the criteria have to be fairly unambiguous and easy to monitor. As a result the criteria have a tendency to concern the announcement of policy or legislative initiatives – which can be easily measured. However, announcing a policy or a law is not necessarily the same as effective enforcement – this is particularly an issue in environmental governance
- In general it is more difficult to correlate environmental effects with budget support programs, as many environmental impact are location specific and will not show up in the generalized budget support programs.
- There may be a difficulty of addressing the details of policy formulation and implementation without a continuing donor presence at sector level. The EU Audit notices that at present the environmental expertise within the EU is only used to appraise and supervise environmental projects and not to review environmental impacts of other projects. This is compounded by the absence of an agreed screening procedure, as the concerned document has remained a draft only. Especially as a large portion of country programmes is spent on roads this is considered an important shortcoming
- Because SWAPs are often directed at government operations only, several options in managing environment, that rely on civil society (biodiversity protection) or private investments (park management, eco-labelling) are missed.

2. Objectives of the evaluation

The specific motivation for the proposed evaluation is to assess the experience and assess the scope for applying the sector-wide approach and the Paris Declaration in support of the environmental objectives of DGIS.

The objectives of the evaluation are as follows:

⁷ Court of Auditors (2006) ‘Special report 6/2006 concerning the environmental aspects of the Commission’s development cooperation, together with the Commission’s replies.

- a) *Accountability*: to obtain insight into the results of the Dutch support to the environment
- b) *Policy development*: to contribute to policy development intended to promote the application of the sector-wide approach in the environment.

3. Questions to be answered and analytical framework

3. The questions to be addressed

The central questions on accountability are:

1. What progress has been made with the implementation of the SWAP in the bilateral support for environment, and what factors account for this?
2. To what extent has the application of the SWAP in Dutch bilateral sector aid in these countries contributed to the effective (quantitative and qualitatively) achievement of the environmental and the associated poverty alleviation objectives that the Netherlands subscribes to?

The forward looking questions are:

3. What lessons can be learned from experiences so far and in what degree are SWAPs a useful approach within the bilateral aid to environment?
4. What actions/ improvements are required to improve the implementation of the SWAP in the environment sector and maximize the impact on policy achievement?

For the evaluation of progress the following definition will be used:

1. Contributions to the fulfillment of the conditions for SWAP in terms of policy formulation and operationalization towards the meso and micro levels, improved public-private partnership, institutional strengthening and streamlining of the project portfolio towards sector support.
2. Intensification of co-ordination with other donors towards harmonization and alignment.
3. Changes in aid modalities in terms of a decrease of project aid and a shift to basket funding, pooled funding and sectoral budget support.

The following framework will guide the analysis:

	Main Questions	No.	Key issues	Lessons to be learned
Country environmental context	1. What are the main environmental issues and how are they addressed?	1.a	Main environmental issues/ trends and scores on key (MDG) parameters such as forest cover, CO2 emissions, protected areas, energy	7.a What progress has been made with the implementation of the SWAP in the environmental program in the countries in the different subsectors and how do these efforts compare with progress in SWAp elsewhere? 7.b To what extent have the SWAPs in these countries contributed to the effective (quantitative and qualitatively) achievement of the environmental objectives that DGIS subscribes to? 7.c What lessons can be learned from experiences so far and to what extent are SWAPs as useful approach within the environmental program? 7.d What actions/ improvements are required to improve the implementation of the SWAP in the environment sector and maximize the impact on policy achievement and poverty reduction? 7.e What would this mean in terms of organization of DGIS/ missions – so that opportunities can be better developed or capitalized upon?
		1.b	Institutional landscape of the sector; actors and mandates	
		1.c	Place and role of sector vis-à-vis other sectors (incl mainstreaming)	
		1.d	Micro-macro linkages in the sector (services by local government, civil society, private sector, PPPs)	
Country Governance	2. In which way and to what extent are perspectives for the SWAp being influenced by general governance in the country?	2.a	General governance situation	
		2.b	Public Sector Reform (civil service reform)	
		2.c	Public finance management	
		2.d	Decentralization	
		2.e	PRSP	
		2.f	Special issues (fungibility etc)	
Specific Sector Management In the Country	3. To what extent are main conditions for SWAP in environment in place in the recipient country?	3.a	Existence of sector policy and status/ quality thereof	
		3.b	Status of operationalization of sector policy	
		3.c	Sector Investment Plan –including subsector budget and external funding.	
		3.d	Institutional framework and sub-sectoral and external coordination mechanisms and PAF	
		3.e	Scope, quantity and quality of Public-Private Partnerships	
		3.f	Summary assessment regarding conditions for SWAp in the recipient country	
Inputs donors	4. In which manner and to what extent does the Government of the Netherlands (GON) together with other donors apply the SWAp in the environment sector?	4.a	Overall Netherlands program contribution and modality mix	
		4.b	GON contribution as proportion of total	
		4.c	Focus on sub-sectoral or sectoral approach	
		4.d	GON contribution to harmonization/ coordination	
		4.e	GON contribution to alignment/ policy development and policy implementation	
		4.f	GoN contribution incapacity building for the sector	
		4.g	Resources and capacities used at RNE/ DGIS	
		4.h	Differences between GON and other donors	
		4.i	GoN interpretation and actions regarding opportunities and obstacles	
Output	5. How did progress in the implementation of the SWAp in the environment, with special reference to the Dutch contribution	5.a	Improved policy operationalization	
		5.b	Improved institutional development	
		5.c	Improved implementation capacity and (sub)sector management	
		5.d	Increased leadership and ownership of recipient country	
		5.e	Effect on non-state actors	
		5.g	Reduction of transaction costs	

	Main Questions	No.	Key issues	Lessons to be learned

Major research questions, verification criteria indicators and the approach to verification to answer the main questions will be elaborated. This detailed matrix will be further elaborated and improved during the evaluation exercise if need arises.

The evaluation questions will be answered as much as possible based upon the analysis of existing documentation with the active engagement of national consultants.

Poverty reduction has been a major feature in the new aid modalities with the SWAPs strongly linked to Poverty Reduction Strategy Papers and poverty reduction being one of the three objectives of the Paris Agenda (the others being growth and achieving MDGs). For that reason, with reference to question 6 a special effort will be made to make the link between the environmental sector program and poverty alleviation more visible – trying to make a comparison between the SWAP and non SWAP components of the environmental sector program. In order to evaluate bilateral support to the environment and its relation to poverty alleviation, insights into results achieved (outcomes as well as impact) is important, but the expectation is that because of the gestation period of SWAPs and attribution effects, direct poverty impact can not as yet be traced. Instead the country studies will review how poverty focussed or poverty blind the different programs are with poverty focus being defined as:

- Inclusion of clear poverty reduction pathways at planning level
- Inclusion of special poverty reduction measures in the actual implementation
- Inclusion of poverty impact in the results monitoring.

In tracing poverty focus a model/checklist will be used, based on a framework of the precursor to the Poverty Environment Partnership⁸, which for the purpose of this evaluation is recategorized into macro-meso-micro linkages. The purpose of this checklist is to see whether in the design of activities explicit linkages to poverty alleviation have been incorporated/

Schedule 2: Poverty focus framework

Macro linkages poverty-environment (policy design)

Integrate poverty–environment issues into national development frameworks
 Strengthen anti-corruption efforts to protect the environment and the poor
 Integrate poverty-environment issues into economic policy reforms;
 Increase the use of environmental valuation;
 Implement pro-poor environmental fiscal reform
 Improve international and industrialized-nations' trade policies;
 Make foreign direct investment more pro-poor and pro-environment;
 Enhance the contribution of multilateral environmental agreements to poverty reduction; and
 Encourage sustainable consumption and production

Meso linkages poverty-environment (stakeholder involvement)

Decentralize and deconcentrate environmental management
 Empower civil society, particularly the poor and marginalized groups
 Encourage appropriate private-sector involvement
 Reduce environment-related conflict

Micro linkages poverty-environment (access)

⁸ DFID, EC, UNDP, 2002. *Linking Poverty Reduction and Environmental Management. Policy Challenges and Opportunities*. The World Bank, Washington, D.C., USA.

Address gender dimensions of poverty–environment issues
Strengthen the rights of the poor to resources;
Enhance the capacity of the poor to manage the environment;
Expand access to environmentally sound and locally appropriate technology; and
Reduce the environmental vulnerability of the poor by strengthening participatory disaster preparedness, supporting coping strategies of vulnerable groups and expanding access to insurance and other risk management mechanisms

4. Set up of the evaluation

The evaluation will consist of three steps:

- General desk study
- Country case studies
- Synthesis and presentation

Step 1: General desk study

The desk study will prepare an overview of changes in development approaches and aid modalities as relevant for environment and will analyze DGIS policy and portfolio, as it developed since 1998. In particular:

The desk study will give a short discussion on general development in aid management and aid modalities, the changing trends therein and current experiences, particularly as it relates to addressing ‘cross-cutting’ issues. The overall experience in aid management trends vis-à-vis SWAPs will be described, making use of DGIS, OECD-DAC and SPA documentation. Stock will be taken as to how far SWAPs have taken off in different countries and sectors as well as – as far as possible – the actual results and costs involved (opportunity costs as well as transaction costs for recipients and donors). An overview of donor experiences with particular SWAPs in environment will be given (on basis of recent studies by SIDA, DFID and DANIDA). These experiences will be used to be able to put the bilateral program in context. A special effort will be made to derive a number of qualitative and quantitative benchmarks on the cost of introducing SWAP and the benefits.

The desk study will also describe overall trends in national environmental policies, discussing efforts to make environmental programs relevant to poverty reduction; the discussion on sector vis-à-vis mainstreaming approaches, the engagement of different stakeholders groups in environmental management (EPAs, different ministries, private sector, national and international NGOs). As much as possible these trends will be described in factual rather than conceptual terms – based on documentation and interviews. The purpose of this component is particularly to have a better understanding of the crosscutting nature and role of key stakeholders in the different subsectors in environment.

The desk study will describe the environmental policy, as it developed over the evaluation period, as can be deduced both from general policies (including MDGs, spending pledges⁹) and specific documents such as the different MvT’s and documents on subsectors such as Forestry, Protected Areas, Energy, Climate Change or Urban Environment. This will be compared with:

- Changes in the environmental portfolio over time for all ‘environmental sector’ countries (taking 2002 and 2007 as reference years) in terms of subsectors and in terms of aid modalities for the priority/ partnership countries

⁹ Such as the pledge to spend 0.1% of BNP on natural resource and environmental management.

- Institutional changes of special significance to the implementation of the bilateral environmental program (role of environmental sector, policy on concentrating priority countries and priority themes, position of bilateral program, changing responsibilities of embassies).
- Documented experiences with the SWAp and sector support in environment
This will be used to assess: the match between objectives for environment and the actual design of the bilateral program and the place of SWAPs therein.

The activities will consist of:

- Collection and review of key DGIS documents, such as general sectoral policy studies (including Mainstreaming Water and Environment, general documents on sector approach, documents from other sectors), case studies (documentation of Senegal program).
- Collection and review of documents on SWAPs in environment sector by other donors and organizations,
- Interviews with key staff within DGIS, especially from DEK and DMW
- Telephone interviews with selected embassy staff
- Analysis of current spending under different modalities in the environment sector in the different countries (building on annex 1)
- Finetune the analytical framework for country case studies (see below)
- Completion of status document – describing current status, policy initiatives, experiences on the different themes, financial status of SWAP and non SWAP support in the environment sector, where possible differentiated per country

Step 2: Country case studies

A number of country studies will be undertaken to support the evaluation. The country cases studies will be provide the necessary ‘groundtruthing’ and importantly also to assess the process and dynamics in managing the environmental programmes and introducing SWAPs.

It is proposed that five countries will be studied, three at case study level and two at desk study level: Senegal, Vietnam, Colombia, Ghana and Pakistan. Cape Verde was not selected because in the near future this country will not longer form part of the list of partner countries. Mongolia was not selected since most of Dutch aid to the sector in this country is channeled through UNDP. The reason for selecting the five specific countries are:

- Representing different stages in experience with SWAP
- Maintaining a geographical spread.

	Reason for selection	Level of study
Senegal	Experience with SWAP, GBS and SBS; high aid dependency	Case study
Vietnam	Experience with SWAP, GBS and SBS Support; low aid dependency	Case study
Colombia	SWAp under preparation; low aid dependency	Case study
Pakistan	No experience with SWAp, GBS and Sector Support but Structural Adjustment Loans in place; Largest country in Environmental Program	Desk study
Ghana	Experience with Strategic Environmental Assessment; efforts to introduce SWAPs	Desk study

These countries represent 53% of total expenditures (2004-06) in the environment sector in partner countries.

The country case studies will document the process of introducing SWAPs in the different countries – using a SWOT framework (main challenges in environmental management, opportunities and constraints in national policies and institutions, dynamics/mechanics of alignment and harmonization, transaction costs involved) and the impact and effectiveness of the SWAP, especially against the stated objectives of the SWAPs, such as country ownership, reduced transaction costs and avoidance of parallel structures. Where possible these impacts will be quantified and measured. This will also address one of the aims of the evaluation, i.e. to review to what extent country performances can be made measurable. The framework, will serve as the guidance for the country case studies. The country case studies will in addition also provide the opportunity to investigate themes that are hard to review other wise – such as the scope for private sector and civil society engagement in the environment sector under new aid modalities and the effect of SWAPs on such service provision.

The activities in the country case studies will consist of:

- Preliminary work (by national consultants) on country environmental context, country governance and country conditions – relating to questions 1-3 of analytical framework
- Prepare overview of financial status of SWAP and non SWAP support to the environment sector
- Review of MultiYear Strategic Plans and annual reports
- Discussion with staff of embassies and other donor organizations
- Discussion with national and subnational government staff – incl Ministries of Planning/ Finance.
- Discussion with selected civil society and private sector
- Process analysis on basis of meeting documents (minutes of coordination meetings) and procedures so as to assess indicatively transaction costs in developing and operating the SWAP as against overall volume of expenditures and estimate of impact)
- Assess qualitatively differences before SWAP/ after SWAP (as far as it is operational) through vantage points of staff of policy making, financing and implementing organizations.

Step 3: Synthesis report

The findings of the desk study and the case studies will form the basis for the production of the final report. The central focus of the final report will be on answering the main evaluation questions. The final document will be put together on the basis of an outline mutually agreed and will describe the current status, lessons learned and suggestions for way forward. The suggestion on the way forward will concern issues such as staffing, strategic orientations in the different countries, capacity building efforts

Care is taken to communicate the interim results – such as a presentation at the “Terugkeerdagen”, and other occasions mutually agreed. The draft document will be circulated for correction and comments. A briefing note will be prepared for wider circulation. The final document will be submitted to Parliament, thus becoming public.

5 . Scope remit

The evaluation will cover the period 1999-2007. Emphasis will be on the recent period (2002-2007), when new reporting systems were introduced. The evaluation will concern the various environmental themes – forestry, climate change, energy, protected areas. Water-related environmental themes are not covered, as these are covered by a parallel evaluation.

The evaluation concerns the bilateral program of the Netherlands, but reference will be made similar programs of like-minded donors¹⁰.

6. Organisation and execution

The evaluation has been requested by the Environment and Water Department (DMW) and the Department for Effectiveness and Quality (DEK), both of the Dutch Ministry of Foreign Affairs. It will be carried out by the Policy and Operations Evaluation Department (IOB) of that Ministry. The content will be supervised by a reference group led by the Director of IOB and will comprise two external experts and one representative each from the Environment and Water Department and the Department for Effectiveness and Quality.

The IOB inspector will be accountable for the execution of the research; the evaluation will be funded from the IOB budget.

The selection of the consultants for this study has been made via a European tendering. The study will be implemented by a contracted chief consultant (Meta Meta and Overseas Development Institute) and each country study will have a contracted country consultant. The chief consultant will be accountable for the preliminary study and for composing a working plan for the country studies. The chief consultant shall take part in at least two of the three country studies.

7. Planning

Preparation for the study will start in March 2007 and implementation will start in April 2007. The first draft of the final report is expected to be available in February 2008 (for details see annex 4).

8. Products and feed-back

The following products are foreseen

- a) Three country documents
- b) The publication of the evaluation report
- c) Roundtables with the direct stakeholders in each of the case study countries
- d) Presentation of the evaluation results in the "DMW terugkomdagen" in October

¹⁰ In particular DFID, Nordics and EC.