

PD-ABH-768
15N86247

FINAL REPORT

**EVALUATION OF THE CENTER FOR CLEAN
AIR POLICY SUB-PROJECT IN
THE CZECH REPUBLIC AND SLOVAKIA
(Project No. 180-0039)**

Cooperative Agreement No. EUR-0039-A-00-1073-00

Submitted to:

**ENI/EUR
Europe and New Independent States Bureau
U.S. Agency for International Development
Washington, D.C. 20523-0069**

Submitted by:

World Resources Institute

September 1993

September 9, 1993

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**Under the WORLD RESOURCES INSTITUTE
Cooperative Agreement No. LAC-5517-A-00-5077-00**

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ACKNOWLEDGMENTS

The authors wish to acknowledge the cooperation and assistance provided by AID and CCAP/SEEEP staff, both in Washington and in the Czech Republic and Slovakia, and by the World Resources Institute staff in Washington. Their willingness to rearrange schedules, their suggestions of useful lines of inquiry, and their help in obtaining copies of needed documents were essential to the conduct of our work.

Similar thanks are due to the more than fifty officials, citizens and environmental experts, both in the U.S. and in the Czech Republic and Slovakia, who made themselves available to us, and provided comprehensive and candid insights into their involvement with the CCAP/SEEEP program.

EXECUTIVE SUMMARY

Purpose and Scope of the CCAP/SEEEP Program

The Center for Clean Air Policy (CCAP) Program in the Czech and Slovak Republics is designed to help develop the human and institutional capacity, especially at the local and regional levels, to move toward policies which rely on market based and least-cost approaches to environmental compliance. (The CCAP Program is known by the acronym SEEEP [State Energy and Environment Exchange Program], and is so referenced below.) SEEEP's in-country program office is located in the Czech Republic capital, Prague. A field office staffed by a part-time administrative assistant has also been opened in the Slovak capital, Bratislava.

Evaluation Team and Approach

This evaluation was conducted for AID by Howard K. Gray and David B. Smith, as subcontractors to the World Resources Institute. Nearly three weeks were spent in the field by the evaluation team, interviewing CCAP/SEEEP staff as well as recipients and providers of the technical assistance. Further interviews were conducted in Washington, and by telephone in the U.S. Numerous documents were also reviewed. The purpose of the evaluation is to assist AID in deciding whether to approve CCAP's separate requests for:

- 1) a six-month no cost extension (to March 1994) of the current Cooperative Agreement; and
- 2) funding of a further two to three year program extension, at \$500,000 per year.

SEEEP Program Objectives and Geographic Focus

Three broad objectives are defined for the SEEEP program in an attachment to the original Cooperative Agreement between AID and CCAP: 1) Policy Analysis; 2) Management Training; and 3) Environmental Technical Assistance. In each case, SEEEP provides technical assistance on environmental management at the local (municipal), regional and republic levels, with three geographic areas of emphasis:

- 1) Regional Environmental Management in the Ostrava-Karvina region.
- 2) Regional Air Quality Management in Northern Bohemia.
- 3) River Basin Management in Slovakia.

SEEEP withdrew from the Ostrava-Karvina project in favor of greater involvement by U.S. EPA. However, a regional environmental management project was eventually undertaken in Central Bohemia. Technical activities have been initiated in the other two regions noted, namely Northern Bohemia and the Hornad River Basin in Slovakia.

SEEEP's program objectives and technical assistance approach fit well with both host country and AID policies and priorities. Within the Czech Republic and Slovakia, environmental protection is an important issue, but substantial investment of public funds in immediate clean-up activities is not a top priority. Rather, economic restructuring, government decentralization, privatization, and social safety net considerations occupy primary positions of importance.

Environmental issues do have strong and recognized linkages with these economic, political and social concerns. Economic restructuring will result in closer attention being paid to real costs of raw materials, especially in the energy sector, and lead to conservation and waste minimization, which will bring with them great environmental benefits.

Decentralization of government authority will create the need to develop administrative, technical, financial and political institutions for the development and environmental infrastructure and delivery of environmental goods and services. Privatization of government owned enterprises will require creation and strengthening of environmental regulatory and enforcement mechanisms. Finally, improvements in environmental planning and management will reduce threats to health, and improve the quality of life.

Project and Consultant Selection

Considerable effort was expended by SEEEP during year one in consultation with Czech and Slovak counterparts in order to identify and prioritize potential projects for SEEEP intervention. In general, the Czechs and Slovaks have been satisfied with SEEEP's project identification and definition procedures and results.

In most instances, the individual consultants that CCAP/SEEEP has selected have been highly regarded by the in-country recipients of that assistance, and the consultants also felt that the experience had been worthwhile. A principal criticism that was offered (particularly by individuals who were brought in for a single assignment) is that, as short term advisors, most individual consultants did not have sufficient time to obtain a full understanding of the problems and potential responses. Further, there is little opportunity to undertake effective follow-up activities.

SEEEP Outputs and Impacts

Review of SEEEP's planned and actual outputs is severely constrained by the lack of well-drafted PIPs and the sporadic nature of the program's progress reporting. It is difficult to follow the train of events and to determine why a given potential project (which might be mentioned in one PIP version, or in a given quarterly report) may have been eliminated from further consideration or discussion in a subsequent PIP or progress report. Further, while many of the activities undertaken by SEEEP do not lend themselves to quantitative measurement, this problem is exacerbated by the program management and record keeping practices of CCAP which have resulted in an almost total lack of activity-specific budget and expenditure data.

In future years, the resident SEEEP Program Manager should be required to maintain activity-specific records of hours and costs expended for individual projects and other activities. A review of this information should be included in quarterly progress reports, together with such quantifiable indicators of outputs and impacts as may be appropriate, as well as a narrative description of work undertaken and achievements realized.

Program Successes

The program has had some notable successes. The financing workshop in Bratislava was instrumental in changing the mind-set of key Slovak Ministry of Environment officials, and convincing them to support the creation of an Environmental Revolving Loan Fund to help finance needed environmental infrastructure projects. In Prague, the advice provided to the Wastewater Treatment Authority has allowed the Authority to develop a rational framework for evaluating competing proposals for a new treatment plant, and reportedly will result in a savings of a significant amount of money in the total project cost. In Northern and Central Bohemia, a process has been initiated that could lead to the development of a regional strategy and development of a regional institutional structure for addressing common environmental problems.

Overall, the SEEEP program has a net positive impact in terms of the good will engendered for U.S.-sponsored activities. SEEEP has laid the groundwork for future activities that have the potential to realize significant concrete benefits. However, the full positive impact is yet to be realized. Further support and technical assistance is needed in each project to assure full realization of the potential benefits, particularly in Northern and Central Bohemia.

Program Shortcomings

Individual projects have experienced problems, and internal relations with AID Mission and Headquarters staff have sometimes been strained. Key causes underlying these limiting factors include:

- CCAP is not an experienced AID contractor, and appears to have seriously underestimated the need for and value of effective grant management, including timely preparation of PIPs; the need for timely and complete quarterly reporting; and the need for other frequent communication with AID Mission and Headquarters staff. CCAP's lack of an effective grant management approach has led to unnecessary friction throughout the life of the program.
- SEEEP's initial Year I efforts appear to have been inadequately planned and supported from a logistical point of view, and overly ambitious from a substantive point of view. Project selection criteria were well conceived, but less well applied, resulting in the consideration of too many projects and a measure of indecision which impeded progress.

Principal Findings

Overall Importance of SEEEP Program Activities. Environmental technical assistance and institutional strengthening activities undertaken by SEEEP are important and valuable, and should be continued. If AID decides not to renew the CCAP/SEEEP program, then an alternative technical assistance provider should be identified and activated.

Strengths of the SEEEP Program. SEEEP is well considered by the individuals who have received SEEEP-sponsored technical assistance. In particular, the two in-country Program Managers, David Yaden and Manuel Stefanakis, have received uniformly positive marks for their willingness to consult with and listen to their local people, their ability to grasp and respond effectively to complex environmental issues, and their sensitivity to the needs of the host countries.

Problems in Execution of SEEEP Activities. The actual execution of SEEEP program activities in the field has on occasion been accompanied by indecisive action, poor communication with AID Mission and Headquarters staff, and occasional overlap with other AID-sponsored activities.

Recommendations

AID should approve CCAP's request for a no-cost extension of the SEEEP Program, provided CCAP/SEEEP will prepare a revised PIP to guide its efforts during this six-month period. No new program activities will be initiated, and the revised PIP should clearly demonstrate that the remaining funds are sufficient to accomplish the tasks set forth therein. The PIP should present a strategy for completing ongoing program activities during the extension period, or, as appropriate, should indicate which ongoing activities might be continued in the future, with or without CCAP involvement.

Two reasons underlie this recommendation. First, the ongoing activities are important and worthwhile, and deserve either to be completed in a rational and deliberate manner. Immediate cessation of SEEEP involvement would jeopardize these objectives. Second, the recipients of SEEEP assistance are expecting various workshops, seminars, expert visits, etc., to be carried out over coming months. To fail to deliver on those expectations would be unfair to the Czechs and Slovaks, and extremely embarrassing to both AID and CCAP.

AID should approve CCAP's request for additional funding for continuation of the technical assistance program for a period of at least two years, provided certain significant changes are made in the program's management structure and goals:

- SEEEP's program goals and geographic focus will be adjusted to complement the AID environmental program strategies for the Czech Republic and Slovakia.
- In further response to the above-noted re-allocation of program activities, SEEEP's in-country Program Management office should be relocated to Bratislava.
- Primary responsibility for program management should be vested in SEEEP's in-country Program Manager, and greater attention should be given to this task.
- The Program Manager should be supported by at least one and possibly two staff assistants. The two staff assistants should have reasonable language skills in the Czech or Slovak language, respectively.
- If possible (particularly in the Czech Republic) the newly-hired assistants should be hired as employees of, and their salaries co-funded by, the assisted municipalities or ministries, with the expectation that the entire cost will, within two to three years, be met without AID or SEEEP assistance.

A concerted effort should be made, in close consultation with both national-level and municipal/regional environmental administrators, to identify new technical assistance activities to be carried out in Slovakia. For example, some of the priority needs expressed to us would include such activities as developing environmental audit standards and procedures; assistance with the implementation of a national Environmental Impact Assessment (EIA) program; advice and assistance to NGOs in the development of effective channels for NGO participation in environmental policy formulation and decision making; advice on the review and evaluation of environmental infrastructure proposals, especially those proposed by foreign providers; and assistance to the Ministry of Environment with the identification and rank-ordering of national environmental priorities and technical assistance needs.

Conclusion

The experience gained by all parties--CCAP, SEEEP, AID, and the governments of the Czech Republic and Slovakia--has been achieved with difficulty, and has been accompanied at times by inefficient uses of resources. Yet the program has had some notable successes, and several key projects have progressed to a point where concrete results appear imminent, provided the momentum already achieved is maintained.

In order to carry forward effectively with these on-going projects, and to realize the future possibilities in Slovakia, a substantial reorganization and reorientation of the SEEEP program is required. Assuming CCAP is willing to undertake these changes, the SEEEP program can continue to play the important and innovative role that was initially envisioned. However, if the decision is made not to continue with the SEEEP program, USAID should identify an alternative provider of these services.

I. INTRODUCTION

In September 1991, the Agency for International Development (AID) entered into a two year, \$1 million Cooperative Agreement with the Center for Clean Air Policy (CCAP) in support of an environmental assistance program to be carried out in what was then the Czech and Slovak Federal Republic (CSFR). The CCAP Program is known by the acronym SEEPP (State Energy and Environment Exchange Program), and is so referenced in this report. SEEPP's in-country program office is located in Prague. Following the dissolution of the CSFR, a field office staffed by a part-time administrative assistant has also been opened in Bratislava.

In May 1993, CCAP requested a no-cost extension of the current Cooperative Agreement as well as a new three-year, \$1.5 million extension of the Cooperative Agreement in support of the program's continuation. As a consequence, AID asked the World Resources Institute's Center for International Development and Environment (WRI/CIDE) to undertake a comprehensive evaluation of the SEEPP program in the two Republics. WRI/CIDE subcontracted the work to two consultants, an evaluation specialist and an urban environment specialist.

The purpose of the evaluation was fourfold:

- document the effectiveness of the SEEPP program in the two countries.
- determine whether there is justification for extending the current program completion date.
- ascertain both whether there is an appropriate future role for SEEPP in the two Republics and, if so, whether there is justification for any additional AID funding beyond that currently available to the program.
- demonstrate WRI/CIDE's program outreach to eastern and central Europe and establish a basis for further collaboration between WRI/CIDE and AID.

The evaluation was conducted in July and early August 1993, and comprised a 3-1/2 week fact-finding phase (2-1/2 weeks spent in the Czech Republic and Slovakia, followed by a week spent in Washington) and a two week analysis and report preparation phase carried out in Boston.

A draft report was submitted in late August, and this final report in early September. The Statement of Work is set forth in ANNEX A.

II. EVALUATION APPROACH

II.1 PERSONS INTERVIEWED AND MATERIALS RECEIVED

Meetings (or, in lieu thereof in a few instances, telephone conference calls) were held with:

- Representatives of AID/Washington and AID Missions in Prague and Bratislava.
- Center for Clean Air Policy (CCAP) representatives in Washington, Prague, and Bratislava.
- Czech and Slovak officials and citizens representing both the central and municipal governments, the local NGO communities, and state enterprises.
- American technical experts representing various environmental disciplines, all of whom are or have been involved with CCAP/SEEEP projects.
- Resident Americans knowledgeable about political and economic affairs in the Czech Republic and Slovakia.

In addition to appointments in the two capital cities, Prague and Bratislava, we made visits to cities located in three SEEEP project venues: Usti, Decin and Most in Northern Bohemia; Kralupy in Central Bohemia; and Kosice and the neighboring Hornad River Basin in Eastern Slovakia. A complete listing of persons interviewed is set forth in ANNEX B.

Before each meeting, we agreed on its general objectives, the issues to be addressed, and which of us would take the lead in the ensuing discussions. An accumulating amount of documentation (reports, memoranda, letters, etc.) was made available to us by AID, CCAP, SEEEP, SEEEP subcontractors, and various Czech and Slovak sources. A list of key documents obtained and reviewed is contained in ANNEX C.

Given the September 1993 expiration date of CCAP/SEEEP's current Cooperative Agreement, AID/W requested that we submit our preliminary findings and recommendations regarding CCAP's no-cost extension request on or before July 20, 1993. This was done by fax on July 19th.

II.2 EVALUATION TEAM

Howard K. Gray and David B. Smith, the two consultants selected by World Resources Institute to carry out the SEEEP evaluation, represent complementary professional skills and experience. Mr. Gray's professional career combines twenty years in corporate banking with twenty years in international development. He is currently devoted to a consulting practice that focuses on organizational management and institution building; program design, implementation and evaluation; private sector development; and fiscal reform. Mr. Smith has degrees in both the law and urban planning; has over twenty years involvement in the design and management of environmental, architectural and urban design projects; and has amassed an extensive record of consulting assignments overseas involving various environmental issues.

III. DESCRIPTION OF SEEEP PROGRAM ACTIVITIES

III.1 CHRONOLOGY OF EVENTS

Based in Washington, the Center for Clean Air Policy was established in 1985 by the governors of several states as a 501(c)(3) organization "to contribute and foster, through research and consulting activities, the public debate on and understanding of various major national environmental issues." Of particular interest was the development of least-cost, practical, and market-based approaches to improving environmental quality, especially those related to air quality. Much of CCAP's professional expertise emanates from its member organizations that comprise state governments, public utilities, private corporations, and research institutions.

During a 1989 fact-finding mission to West Germany, a CCAP Board delegation was alerted by the German authorities to the critical environmental problems confronting Central Europe, especially related to air pollution. CCAP was encouraged to establish a technical assistance program in Czechoslovakia (*) because it was felt to have the best technical resources in the region to undertake an environmental program. The decision to do so followed a mid-1990 fact-finding mission to the country by former Wisconsin Governor Anthony Earl (CCAP's chairperson) and David Yaden (at the time, Director of the Oregon Department of Energy) and despite only modest assurances of support for the program from the Czech and Slovak authorities.

An unsolicited \$1-million proposal to fund a two-year environmental technical assistance and management training program in Czechoslovakia was submitted to AID/W in December 1990. What programmatic reservations the agency had about the proposal were set aside in the face of the specific endorsement of the SEEEP program that was included in the 1990 House and Senate Appropriations Committee reports reviewing AID's Foreign Assistance Program.

Responding to the advent in the CSFR of decentralized decision making in the environmental and energy fields, and recognizing the limited experience local officials have in making these decisions, CCAP's original 1990 proposal to AID/W indicated that SEEEP would focus on two broad program activities:

- (a) facilitating personnel exchanges and providing American technical assistance to effect improved energy and environmental decision making at the regional and local levels (especially that targeted at specific environmental projects), and
- (b) leveraging economic reform and investment to yield the greatest overall environmental benefit.

The former would occur through policy level exchanges, American technical experts working on assigned projects, training seminars; and specially designed study tours to the U.S. by Czech and Slovak environmental "technocrats." The latter would take place primarily through direct negotiation with private and public sector U.S. investors and with international lending institutions but also through American technical assistance and training seminars.

FOOTNOTE (*): In late 1990, the name "Czechoslovakia" was replaced by the "Czech and Slovak Federal Republic," or CSFR. Upon the separation of the Czech lands (Bohemia and Moravia) from Slovakia (effective 1/1/93), the two countries adopted their current names, "Czech Republic" and "Slovakia." We have tried to use the correct name(s) as of the dates involved.

In September 1991, AID/W entered into a two-year Cooperative Agreement with CCAP involving \$500,000 in obligated funds initially and an additional \$499,265 obligated in August 1992. In consideration, CCAP committed to cost-sharing in the amount of \$142,000 plus obtaining \$70,000 in additional in-kind contributions. The Cooperative Agreement expires in September 1993.

Also in September 1991, Mr. Yaden was appointed resident Program Manager in charge of the SEEEP program, and arrived in Prague to begin what turned out to be a one year tour of duty. Factors affecting his actions in behalf of SEEEP during its early months include the following:

- (a) a near-paralysis in government decision making caused by uncertainties over the outcome of parliamentary elections (scheduled for June 1992) as to who would be in power and what actions the new national assembly would take about the possible separation of the Czech Republic and Slovakia.
- (b) in the absence of significant assurances from the central government about its support for an environmental technical assistance program, the need to identify and establish working relationships with key Czech and Slovak environmental decision makers, both in and out of government. Additionally, considerable time and patience were required to learn indigenous cultural attitudes and "how things work."
- (c) the further need to coordinate the SEEEP Program with the activities of other American environmental organizations and the international development community.
- (d) four changes in AID/W Project Officers (Carl Mitchell, DeAndra Beck, Ron Greenberg [briefly], and Alexi Panehal) in the first twelve months, one result of which was "mixed signals" being received in the field as to both program direction and project identification and involvement.
- (e) limitations on the ability of the understaffed AID Missions in Prague and Bratislava, respectively, to provide active guidance and assistance to SEEEP during this formative period.
- (f) the difficulty in finding appropriately equipped and priced space in Prague to house the SEEEP office.

In commenting on the reasons for his departure after one year in the field, Mr. Yaden noted the above factors, as well as the receipt of what he considered to be inadequate logistical support from CCAP/Washington, and frequent interference, or "micro-managing" by AID/W staff. In October 1992, Mr. Yaden was succeeded by the current Program Manager, Manuel (Manny) Stefanakis, an independent consultant with twenty years experience in the environmental management and development field. Despite a series of back-to-back family crises that occurred within months of his arrival in Prague, Stefanakis has continued and extended the work begun by Yaden.

III.2 OVERALL SEEEP PROGRAM OBJECTIVES

Three objectives were defined for the SEEEP program in an attachment to the original Cooperative Agreement between AID and CCAP:

- 1) **Policy Analysis:** The recipient [i.e., CCAP/SEEEP] will use policy analysis to clarify governmental authorities in environmental management at the local (municipal), regional and republic levels.

- 2) **Management Training:** The recipient will coordinate environmental management training for officials in local (municipal), regional and republic governments.
- 3) **Technical Assistance:** The recipient will provide technical assistance on environmental management at the local (municipal), regional and republic levels.

Although SEEEP was expected to "conduct activities in all parts of the Czech and Slovak Republics", three geographic areas of emphasis were also identified:

- 1) Regional Environmental Management in the Ostrava-Karvina region.
- 2) Regional Air Quality Management in Northern Bohemia.
- 3) River Basin Management in Slovakia.

CCAP withdrew from the Ostrava-Karvina project in favor of greater involvement by U.S. EPA. However, a regional environmental management project was eventually undertaken in Central Bohemia. Technical activities have been initiated in the other two regions noted, namely Northern Bohemia and the Hornad River Basin in Slovakia.

Because of the impending decentralization of governmental authority for environmental management and infrastructure provision, SEEEP was intended to give primary focus to assisting municipal governments. Most SEEEP activities were directed at this level, although, particularly in Slovakia, there was scope for useful intervention at the Republic level as well, as evidenced by the well-received work on Environmental Revolving Loan Funds.

As the SEEEP program evolved, more effort has been devoted to the provision of technical assistance at the municipal (or multi-municipality) level, and less to policy analysis and training activities. In response to AID/W requests for clarification of SEEEP objectives, CCAP/SEEEP has submitted four Program Implementation Plans (PIPs), including several major revisions to the Year II PIP. (None of them, to our knowledge, has received final approval from AID/W, however, and this has been a continuing point of contention between AID and CCAP.)

Nevertheless, the revised PIPs reflect the gradual (and, in our opinion, desirable) evolution of the SEEEP program from one dominated by general topical seminars and U.S. study tours, to one increasingly focused on project specific technical assistance and on more specialized workshops that address specific needs identified in the course of that technical assistance.

III.3 RELATIONSHIP TO HOST COUNTRY AND AID POLICIES AND PRIORITIES

SEEEP's program objectives and technical assistance approach fit well with both host country and AID policies and priorities, to the extent that they have been articulated. Within the Czech Republic and Slovakia, it is fair to say, environment protection is an important issue, but substantial investment of public funds in immediate clean-up activities and infrastructure development is not a top priority. Rather, economic restructuring, government decentralization, privatization, and social safety net considerations occupy primary positions of importance.

Environmental issues do have strong and recognized linkages with these economic, political and social concerns. Economic restructuring will result in closer attention

being paid to the real costs of raw materials, especially in the energy sector, and lead to conservation and waste minimization, which will bring with it great environmental benefits. Decentralization of government authority will create the need to develop administrative, technical, financial and political institutions for the development and environmental infrastructure and delivery of environmental goods and services. Privatization of government owned enterprises will require creation and strengthening of environmental regulatory and enforcement mechanisms. Finally, improvements in environmental planning and management will reduce threats to health, and improve the quality of life.

These relationships are widely recognized and appreciated by most government and donor representatives, and are reflected in official action plans and strategy papers. Some of the environmental policy themes which arise most frequently in documents published by AID and the Czech and Slovak governments include:

- **Need to overhaul inefficient industrial and energy production processes, and to encourage waste minimization and fuel conservation measures, both to conserve the resource base and to reduce problems associated with the treatment and/or disposal of residual wastes and emissions.**
- **Need to improve cost accountability in the environmental field ("polluter, or user, pays") by more closely relating charges and fines to the actual cost of providing an environmental good or service, and the actual cost of preventing or remediating environmental damages.**
- **Need to decentralize environmental decision making, where feasible, from the national to the local and/or regional levels, so that local elected officials, NGOs, private enterprises, and community residents can become more directly involved in policy making and program execution.**
- **Need to strengthen institutional capacity, both within and outside government, to undertake environmental infrastructure investments, environmental regulation and enforcement, and environmental planning and management activities.**
- **Need to be highly selective in identifying problems and geographic areas in order to achieve the greatest impact with the least expenditure of funds. In terms of program areas, this means attention to problems which have been identified by and received a commitment of support from appropriate public officials. In terms of potential solutions, this means that particular efforts must be made to identify "least cost" techniques, conservation approaches, and cost recovery strategies when considering alternative courses of action. In terms of location, this means attention to "hot spots" such as Northern Bohemia, the Ostrava region in Northern Moravia, and the Nitra/Hron River valleys and the Kosice region in Central and Eastern Slovakia, where serious environmental degradation has taken place.**

SEEEP's program objectives have matched well with these priority themes, and they have been reflected in the detailed activities which have been carried out in the course of individual technical assistance projects.

III.4 PROGRAM COMPONENTS

Each major program activity is summarized in the following sections.

III.4.a Workshops

In the twenty-two months since SEEEP was launched, CCAP has organized a total of six workshops in the Czech Republic and Slovakia. All of them have assisted local, regional and state leaders, in both the public and private sectors, in at least partially rectifying their lack of knowledge of and professional experience in environmental and energy-related decision making. Thus, the workshops are consistent with the program objectives set forth in the 1990 proposal. Each workshop is summarized hereafter.

- (1) As recommended by members of a January 1992 U.S. study tour pertaining to modernizing and expanding the Prague Wastewater Treatment Plant, twin workshops were held in June 1992 in Prague and Bratislava, attended by a total of over 300 participants, on the financial aspects of environmental infrastructure projects in a market economy. Subjects covered included financing options, tax consequences, and investment policies. Participants included officials from the federal ministries of agriculture, environment, finance and privatization, as well as local officials primarily from municipal governments. Based on an enhanced understanding of such financing mechanisms, the intended impact of the workshops was to motivate the federal officials in seeking to include these mechanisms in new tax laws then being debated by the national assembly and to prompt the local officials in drawing up more realistic plans for financing locally initiated environmental infrastructure projects.
- (2) In a follow up effort, in December 1992, a one day workshop was held in Bratislava for representatives of the Slovak Ministry of Environment and its Environmental Fund, the Slovak Investment Bank, University faculty members, representatives of WASH and the Urban Institute, as well as several Members of the Slovak Parliament, on the applicability of an Environmental Revolving Loan Fund. Presentations by three U.S. experts included those of William Penn and Kristin DeKuiper, who subsequently provided valuable technical assistance to the Ministry of Environment as it conceptualized an Environmental Revolving Loan Fund in Slovakia.
- (3) In April 1993, a workshop on conflict resolution was held in Usti nad Labem (Northern Bohemia) for some 50 Czech local officials and NGO leaders. Presentations by three American experts on the U.S. experience in developing cooperative relationships among groups with diverse perspectives on environmental issues provided the basis for discussions among the participants on how that U.S. experience might be applied in developing coalitions in Northern Bohemia to promote air quality improvements projects, especially those on a regional level. A major impact of the workshop was to provide the impetus for the creation of a regional air quality management district in Northern Bohemia. Also, the workshop set the stage for the planned June 1993 follow-on workshop on near-term and low cost financing options for improving air quality in the region.
- (4) In late June 1993, a workshop on market-based tools in air quality management was held in Usti nad Labem for some 50 Czech municipal officials, local NGO representatives, local representatives of state environmental and energy agencies, and industry representatives. Presentations by both Czech and American experts on

regional strategies to improve energy efficiency, air quality management, economic incentives, and financing and cogeneration provided the basis for discussions that, among other accomplishments, reached a preliminary consensus on the need for a regional air quality management district in Northern Bohemia. An informal working group was identified and follow-up with them is underway.

- (5) Following up on the June 1992 twin workshops on infrastructure financing, a more narrowly focused workshop on financial needs assessments, business plans and legislative reforms was held in Bratislava in July 1993 for the benefit of approximately 30 Slovak municipal authorities and state governmental representatives. Most sessions were chaired by the newly appointed director of the Slovak Environmental Revolving Loan Fund and featured presentations by the two American experts (Ms. Kristin DeKuiper and Mr. William Penn) who had participated in the June 1992 workshop.

Only one of us (Howard Gray) had an opportunity to attend a workshop, namely the June 1993 workshop in Usti on market-based tools in air quality management. Overall, I was somewhat disappointed. In their relative superficiality as to subject matter and the "off the cuff" manner in which they were presented, several of the papers by the American experts did not, in my judgment, respond appropriately to the relative sophistication of the Czech audience involved. Mr. Stefanakis should have been a more active participant, perhaps spelling Mr. Helme in chairing the general sessions and discussion groups. The high regard in which he is held could have been brought to bear in creating a more collegial atmosphere, which I thought was somewhat lacking.

CCAP asserts that the workshop achieved its broader objective of reaching a consensus on the creation of a regional entity for air quality management and regarding energy and environmental projects to be undertaken in the region. I cannot confirm this because I did not attend the two discussion group sessions where air quality improvement and policy recommendations were developed. Neither did I attend a final dinner with key mayors in the region during which a commitment was apparently made to implement the recommendations of the workshop, and a new cogeneration plant near Decin was identified as a target for possible U.S.-based funding. A potentially important follow up to the workshop is the current visit to the United States of a high-level delegation from Northern Bohemia (discussed further in the following Section.)

III.4.b Technical Assistance Projects

SEEEP identified and began preliminary work on several technical assistance and training projects which were later abandoned, for various reasons. The following sections summarize only those technical assistance efforts which have involved a substantial level of activity by SEEEP.

Prague Wastewater Treatment Plant: The Prague Wastewater Treatment Plant assistance project was designed to provide advice to the City of Prague and the Prague Wastewater Treatment Authority on methods for incorporating engineering, environmental, and financial considerations into a project evaluation and selection format.

The assistance delivery was performed by SEEEP through two methods:

- Study tour to the U.S. for selected representatives of the City of Prague and the Ministry of Agriculture (who have responsibility for water resource management and wastewater treatment.)

- Follow-up expert consultation by two individuals from the U.S. (Prof. Paul Levy of MIT, and Gerald Novotny of the Wisconsin Department of Natural Resources) who are recognized experts in wastewater treatment infrastructure development.

The assistance was delivered in a relatively short period of time (January to April, 1992); was deemed to be well organized, highly useful, and successful on technical grounds (interviews with Ing. J. Plechaty and Ing. A. Neustupa of the Ministry of Agriculture and the Water Resources Development and Construction Authority, respectively); and was reported to have had a significant positive impact insofar as yielding a significant benefit in terms of cost savings to the project (interview with J. Bednar, USAID/Prague.) The cost saving was estimated to have been on the order of several millions of dollars (Bednar).

According to Prof. Levy (telephone interview), the estimated savings are reasonable in amount, and would be realized at the time of initial investment, which is likely to occur within the next five to ten years, if not sooner. Prof. Levy also noted, in response to a specific comment made on the draft version of this report, that industrial pretreatment issues were raised only in passing by the Czech counterparts, and no mention at all was made of heavy metal extraction problems. It was his assumption, therefore, that this is not a pressing issue with the Czech counterparts at this point in time, and thus no input was provided in this respect by the experts' report.

Despite the success of this project, it was suggested to us that the effort was not generally replicable or transferable to other localities in the Czech Republic and Slovakia, since many of the issues raised were quite specific to the peculiar site conditions and needs of the City of Prague. We disagree, however. Even though many of the issues were site-specific, we feel that this kind of "hands on" assistance in improving project evaluation and decision processes will be particularly useful to other agencies struggling with infrastructure investment analyses in the future, especially with the strong emphasis contained in the Environmental Action Program (EAP) to identify bankable investment projects.

Northern Bohemia Regional Air Quality Management District: As a result of a forty year development policy pursued by successive communist regimes of exploiting the brown coal reserves in Northern Bohemia by placing energy-intensive heavy industries in close proximity to the mines, the region's air is among the most polluted in Eastern Europe. Sulphur dioxide emissions represent a major threat to public health and the environment, especially during wintertime temperature inversions when SO₂ concentrations occasionally reach levels that are more than eight times the limits permitted in the U.S. for the protection of public health. In the face of this and the low priority the central government has assigned to environmental improvement programs, the Northern Bohemia Economic and Social Council (a voluntary association of local, municipal and industry officials formed to coordinate efforts to develop the region) has identified the restoration of the region's environment as one of its major undertakings.

Although a 1991 federal clean air act established a national framework for addressing air pollution problems in the Czech Republic, implementing the law's provisions has passed more or less by default to district and local authorities. These authorities, however, lack both the decision making experience and the capacity to develop and manage comprehensive environmental improvement programs. Given this, the Council has been sponsoring the creation of a regional air quality management district. Its mission will be to facilitate:

- (a) reductions in the use of brown coal, principally by conversion to natural gas.
- (b) replacement of coal-fired industrial boilers, principally through industrial cogeneration projects.
- (c) promotion of energy conservation measures by local citizens.
- (d) development of a regional air quality management system.

At the behest of the Czech Ministry of Environment, SEEPP first became involved with the region's attempts to address its air pollution problem in January 1992. Its objective from the beginning has been to help provide those involved with the requisite knowledge and professional skills to go forward with a regional air quality management district. This has involved three complementary activities:

- 1) information dissemination principally through workshops (e.g., introducing flexible market-based approaches to air pollution improvement).
- 2) technical assistance by U.S. experts in response to specific issues (e.g., the need to strengthen the Czech legal code related to the creation and operation of regional authorities).
- 3) brokering, at no fee, possible financing arrangements for local environmental infrastructure projects (e.g., CCAP/Washington's efforts to arrange financing for a new cogeneration plant near Decin).

While acknowledging the value of this assistance, the fact is that the regional district has yet to get beyond the initial working group stage. And, from attitudes evidenced by several municipal leaders with whom we spoke, some skepticism exists as to whether the district will ever come to pass. Nevertheless, it should be noted that:

- the municipal authorities of the three major cities in the region (Usti, Decin and Most) are supportive in concept of a regional air quality management district,
- a new regional administrative structure for the country, now under consideration by the Czech National Assembly, should not pose a potential jurisdictional conflict with a regional air quality management district as to emission enforcement powers.
- under certain conditions, the Ministry of Environment has indicated its willingness to assign its emission enforcement powers to the regional district.
- individual initiative and outspoken advocacy in behalf of air pollution improvement efforts are in evidence in a society that until recent years discouraged, and occasionally brutally repressed, such behavior.

There are signs that a modest break-through in creating the district may be at hand. As a follow up to the June 1993 workshop, a CCAP/SEEPP-sponsored delegation from Northern Bohemia (including the Mayor of Decin and the Advisor to the Minister of Environment) is currently in the United States. One of the delegation's main objectives has been to finalize a work plan for formally organizing a regional air quality management district. A major goal is to put in place an institutional capacity capable of developing and implementing air quality management programs in Northern Bohemia (see discussion at Section V.2.b).

Technical assistance provided by CCAP-selected experts is and will continue to be critical in the success of this endeavor. Given the two year cutoff date of all AID programs in the Czech Republic, the question is: will the district be "up and running" by then to such an extent that SEEEP assistance will no longer be needed. Provided there is on-going monitoring (through, perhaps, a resident SEEEP-supported advisor), augmented by assistance provided by the Usti-based Foundation North Project, we believe this goal is attainable.

Czech and Slovak Environmental Revolving Loan Funds: Both Republics have environmental funds into which are paid fees for discharges and fines for emission violations, and from which are made grants for financing environmental infrastructure projects. Reflecting decentralized decision making in the two countries related to environmental affairs, at SEEEP's twin June 1992 workshops on infrastructure financing, the concept was introduced of using loans rather than grants to finance municipal and regional environmental infrastructure projects, drawing on funds set aside for the purpose by the two environmental funds. Assuming prudent credit standards are applied in the loan approval process, adequate loan servicing procedures are used in maintaining high repayment rates, and the interest income generated is sufficient to cover administrative costs and bad loan writeoffs, the pool of funds provided for such an infrastructure loan program can eventually become self-sustaining (i.e., "revolving").

Not lost on the workshop participants were the advantages of such a loan program:

- Being able to reduce the reliance on unpredictable levels of fee and fine payments to provide the resources for funding grant-making infrastructure projects.
- motivating municipal and regional authorities to be more cost conscious in the environmental infrastructure projects they plan (because the money they borrow to finance them has to be paid back).
- possibly increasing significantly the total resources available for project loan financing programs through leveraging schemes (not available under grant-making programs).

A result of the workshops was that SEEEP received expressions of interest from officials in both governments about setting up revolving loan funds. Since those initial inquiries, while there has been progress in creating a Slovak revolving loan fund, virtually nothing has happened in behalf of a Czech revolving loan fund. Changes in Ministry of Environment personnel and demands elsewhere on SEEEP staff time are cited as the reasons for the latter.

In the case of the former, although the Slovak parliament has taken official action to support the creation of an Environmental Revolving Loan Fund, difficulties in sorting out certain bureaucratic formalities have delayed its formal launching until early 1994. For the current fiscal year the Slovak government is budgeting approximately \$15 million equivalent to be split between the existing environmental fund and the planned Environmental Revolving Loan Fund. However, the respective allocations have yet to be made. In the meantime, EC/PHARE has committed substantial technical assistance funds for the design of, and an enabling contribution of 10 million ECUs to, the Environmental Revolving Loan Fund. Thus, it is reasonable to expect that the Fund's initial reserves should be substantial.

It should be noted that several Ministry of Environment officials (notably State Secretary L. Zimanova and Deputy Director D. Kobeticova of the State Fund for the Environment) expressed to us their appreciation for the valuable technical assistance provided by two American experts, Ms. Kristin DeKuiper and Mr. William Penn. Presentations made by Ms. DeKuiper and Mr. Penn at the December 1992 workshop helped crystallize interest in establishing the Fund, and their subsequent help in drafting business plans for the new Fund has been cited as being particularly useful. Although the Slovak officials are close to assuming full responsibility for the Fund, periodic requests for continued assistance by such SEEEP-supported experts to assist fund staff are to be expected, and would be desirable in the early months of the loan fund's operations.

Central Bohemia Environmental Management Project: The Central Bohemia Project (CENBOH) was initially conceived as a regional environmental management project, designed to help create an Environmental Management Center (EMC) serving the Melnick District of Central Bohemia, and to address a series of priority environmental problems in the District's major towns, Melnik, Kralupy, Neratovice, Roudnice and Steti. The list of priority problems included:

- Water quality problems in the Vlatava River and some of its tributaries, due to untreated and/or poorly treated industrial and domestic wastewater.
- Groundwater contamination of drinking water supplies.
- Air quality problems due to domestic, industrial and traffic-related emissions.
- Disposal of solid wastes, including proper closure of existing landfill disposal sites and the identification of new ones for future use.

During the first visit of the SEEEP Expert Advisor (in February 1993), a series of potential strategies to address these problems was discussed with municipal officials, including waste minimization and recycling to reduce wastes, energy conservation and fuel restrictions to reduce air emissions, and the like. In addition, these environmental strategies were considered in the context of administrative, social and political factors, such as the need for institutional restructuring of local government authorities, the desirability of citizen and NGO participation in environmental decision making, and the importance of developing a broad-based political consensus in favor of environmental innovation.

However, following the initial visit of the Expert Advisor, the Town of Kralupy decided not to support the creation of the multi-jurisdictional, privately-managed EMC, which would have taken over the Town's existing municipal data center. This decision was apparently based on a number of factors, including the confidential nature of some data, and the desire to internalize the revenue stream that could be produced from the sale of other data.

Thus, while sincere interest and support remains for the eventual development of a regional environmental management strategy, the project's immediate goals have been redefined to focus on the Town of Kralupy as a pilot, or demonstration, city within the Melnik regional context.

While this may appear on the surface to be a backward step, the narrowing of the project's goals is in fact a positive development insofar as they can now be much more

realistically achieved and, once achieved, can provide both a model for other cities to emulate, and basis for fashioning a regional environmental management capability.

Several key factors account for the project's success to date. First and foremost, the municipal officials in Kralupy (and in the other cities in the Melnik region) are extremely competent and committed to environmental improvement. As such, they have been able to clearly identify specific problem areas where advisory input will be readily absorbed and immediately utilized. These include, among others, assistance with the development of Geographic Information System (GIS) capability, advice on the proper closure of landfill sites, various industrial process modifications, land use control alternatives, and the like. Methods of information transfer include visits by the Expert Advisor, and brief study trips to the U.S. by local officials and environmental officers.

A more challenging task, and one which may be difficult to achieve within the FY 1995 end date for AID activity in the Czech Republic, would be the creation of a regional institutional structure for environmental management. As in the case of Northern Bohemia, such an initiative would require greater continuity on the part of the SEEEP, possibly involving the assignment of a part-time project coordinator with responsibility for providing technical and administrative support during the start-up of the regional entity. In any event, the time does not yet seem "ripe" for the creation of such a body, and SEEEP's efforts can more productively be utilized to support the continuation of the on-going programs in Kralupy.

Hornad River Basin Study: The Hornad River Basin project has been the most frustrating and least successful of SEEEP's technical assistance efforts. The genesis of the project lies in the Slovak government's decision to decentralize many water supply and wastewater treatment responsibilities from the national government level to the local municipal level, while simultaneously seeking ways to privatize some of the management and operational functions.

The project's intended goal was to serve as a model for other river basins to follow as the decentralization of water supply and wastewater functions to financially autonomous, locally managed authorities proceeds. Instead, it better serves as a model of how not to proceed with technical assistance activities.

(In fairness to SEEEP, it should be noted that an initial decision was reached by SEEEP not to proceed with the Hornad River Basin Study "due to the complexity of the relationships among donor organizations and the time required to sort out the role most appropriate for the Center" (Year I PIP, page 14.) According to past and present CCAP and SEEEP staff, the Hornad project was only reinstated as an active project at the subsequent insistence of AID.)

While all parties in the project can rightly shoulder partial responsibility for the project's failings, several key missteps seem most critical:

- The two Ministries at the national government level having the most involvement in the project--the Ministry of Environment and the Ministry of Soil Protection--appear to have been more concerned with the preservation of their power bases than with the divestiture of power. The situation thus does not appear "ripe" for intervention by a group such as SEEEP, notwithstanding the importance of the matters at hand.
- Involvement of local officials appears to have been negligible and involvement of local citizens groups non-existent, both prior to and during the study. (A steering

committee, which was apparently intended to allow effective input to be made by all participants in the context of an open forum, was not created as planned.)

- The Terms of Reference (TOR) which were jointly developed by the Slovak government, USAID, SEEEP and WASH (a second AID-funded technical assistance provider, specializing in water resource and related infrastructure investment issues) did not clearly define the scope and purpose of the study. (Was it to be a water resources planning and management study, or an analysis of alternatives for decentralization of operational and management responsibilities for water supply and wastewater infrastructure?)
- The project did not have a designated Project Director, and no one appears to have assumed responsibility for coordinating and managing the study in such a way as to maximize the technical contributions of the various participants. The TOR do not clearly delineate the responsibilities of the two AID-funded participants (SEEEP and WASH), nor do they spell out how SEEEP and WASH are to interact with the Slovak participants.

SEEEP's Expert Advisor for institutional analysis, who was present in Slovakia in late January/early February of 1993, appears to have been caught in this crossfire of competing objectives. Moreover, the Expert Advisor contends that he was not properly briefed prior to his departure, nor was adequate groundwork provided on site to help him fully understand the policy positions and constraints which were in play. For instance, the Expert Advisor claims he was not made aware of the role of the Hornad and Bodrog River Basin Authority, one of the key participants in the issue, until the final days of his visit to Kosice.

Both SEEEP and the Slovak Ministry of Environment staff disagree strongly with the Expert Advisor's interpretation of events, and at this point in time it is difficult, and perhaps unproductive, to attempt to judge where the precise truth lies. Several additional comments are warranted, however.

From a review of the Expert Advisor's Consulting Agreement, and in particular the attached Appendix A, Schedule and Listing of Services to be Provided, it does appear that the Expert Advisor's first trip was designed as primarily an introductory fact-finding and organizational exercise. (For instance, the Expert Advisor was to "review progress" on the TOR work apparently being conducted by others; to "coordinate" with other AID contractors; to "hold [a] meeting of the [apparently non-existent] steering committee"; to "set schedules," establish a "plan of activity", and "maintain contact" with other participants, etc.) The first substantive product was not scheduled to be submitted until Trip #2, when the Expert Advisor was to prepare an outline of a report analyzing the issues to be addressed in connection with the development of a management strategy for the river basin. While one could argue that this statement of work is not sufficiently "results oriented," the responsibility for failing to draft a more demanding work plan properly lies with CCAP/SEEEP.

Given the vagueness of this statement of work, the criticisms since levied both by SEEEP and by the Ministry of Environment representative that the Expert Advisor's report was incomplete and not sufficiently detailed seem to miss the mark. The absence of any functioning steering committee mechanism and the lack of a framework for public participation, lend further credence to the claim of the Expert Advisor that proper groundwork had not been laid for his first visit.

Creation of a mechanism for effective public participation was to have been a key element of CCAP/SEEEP's involvement in the Hornad project. Such a mechanism clearly could not be created by an outside consultant in the course of an initial three week field visit, and it is questionable whether the timing of the mission was appropriate in its absence. (Moreover, it must be pointed out that no formal steering committee or other forum for public participation was created subsequently. It may or may not, in fact, have been advisable to abandon this concept, but this does not appear to have been a decision reached after open discussion and deliberation by the parties involved. As the party that sponsored the concept, SEEEP should have taken the initiative to raise this issue for reconsideration by the other study participants.)

In any event, given the breakdown in communication between the Expert Advisor and his Slovak counterparts, and their loss of all confidence in the Expert Advisor's suggestions, CCAP/SEEEP's decision to terminate his involvement in the project was sound.

In our opinion, more significant to our evaluation is the lack of any clear, affirmative response on the part of SEEEP to the difficult situation which had developed by late March, 1993. In an internal memo dated 30 March 1993, Mr. Stefanakis assesses the situation with the Hornad Study, and presents a series of recommendations for action, including (in addition to termination of the Expert Advisor's involvement):

- retaining other experts to address various aspects of the institutional development issues.
- sponsoring a series of "hands-on" workshops to address the institutional issues.
- greater participation on the part of CCAP and SEEEP in the technical direction of the project, including substantial personal participation by Mr. Stefanakis himself.

Based on our interviews and document reviews, only two tangible responses have been realized to date (i.e., preparation of the background papers on French and British water management systems, dated May 17 and July 9 respectively). These occurred well after the emergence of the project's problems, and do nothing to cure the root problems. Nowhere did we find evidence of a concerted effort on the part of SEEEP to bring together the project participants (the several Slovak counterparts, SEEEP's local consultant, WASH, AID/Bratislava, etc.) in order to review the project's goals and status and to develop a "damage control" plan which could put it back into forward motion.

We consider the failure to initiate an immediate and pro-active response to the project's problems to be a serious oversight on the part of SEEEP, and the failure to call for such measures to be an equally serious oversight on the part of each of the other participants.

III.5 PROJECT SELECTION CRITERIA AND PROCEDURES

CCAP outlined seven project selection criteria in its Year I PIP for SEEEP:

- 1) Does the project address a substantial environmental concern?
- 2) Is a project idea for one location generalizable to the rest of the Republic or the nation as a whole?

- 3) Are the Czechs or Slovaks prepared and committed to acting on the problem?
- 4) Have the Czechs or Slovaks identified the components of the issue where they [most] need the Center's assistance?
- 5) Is any other foreign assistance project or donor organization working on the issue already? Would the project proposal duplicate or complement those efforts?
- 6) Is it possible to identify near and long term impacts which could be achieved as a result of the Center's intervention on this issue?
- 7) Does the [SEEEP] program have the resources to offer the assistance requested?

Collectively, these selection criteria seek to define the appropriateness or "ripeness" of a problem for effective intervention by SEEEP. They address the appropriateness of the intervention (Criteria # 1, 5 & 7); its likely effectiveness (Criterion # 3); its impacts (Criterion # 6); sustainability (Criterion # 3); relevance (Criteria # 1 & 4); and replicability (Criterion # 2).

In selecting individual projects for action, SEEEP appears to have applied these criteria unevenly. In all cases, Criteria # 1, 2 & 5 seem to have been satisfied.

Criteria # 3 & 4, may not have been thoroughly considered, especially in the case of the Hornad River Basin Study, although, in the case of a potential project in Pilsen, the lack of an appropriate governmental consensus on how to proceed did lead SEEEP to decline to become involved.

Criterion # 6 was not fully applied by SEEEP, with the result that impact measures have not been well defined, and monitoring of the programs progress and effectiveness has been severely hampered.

Finally, Criterion # 7 has not been well applied. Several of the projects requiring substantial project coordination and long term support (such as the Hornad and Northern Bohemia projects) would have benefited greatly from a more intensive and continuous application of assistance from SEEEP. The fact that SEEEP has underspent its budget for Years 1 and 2 indicates that sufficient resources for such additional support were available, and might have been utilized to support ongoing project activities.

Considerable effort was expended by SEEEP during year one in consultation with Czech and Slovak counterparts as well as with other U.S.-funded resident Environmental Advisors (Sandy Hale and Jim Scherer) in order to identify and prioritize potential projects for SEEEP intervention. In general, the Czechs and Slovaks that we interviewed were satisfied with SEEEP's project identification and definition procedures and results. However, while these efforts do appear to have been productive and successful on an individual basis, there was less success in obtaining a clear statement of institutional environmental priorities and related technical assistance needs from appropriate governmental environmental agencies.

There have on occasion been conflicts between SEEEP and AID (both at the Mission level as well as with AID/W) regarding the selection of projects. With respect to the Hornad River Basin Study, for example (as discussed above in Section III.b.4), CCAP/SEEEP recommended not proceeding with the project because of concerns with

its lack of "ripeness," but eventually yielded to AID's express request. Similarly, SEEEP proposed to undertake an air quality management project in Prague, similar in scope to the Northern Bohemia project, but this was vetoed by AID, in part because of AID's concern with the disproportionate level of assistance being provided to the Czech Republic in general, and to the Prague region in particular.

In the future, and particularly in Slovakia, a worthwhile technical assistance project would involve assistance to the Ministry of Environment in deriving a rank-order listing of programs and projects, based on a more rigorous assessment of environmental and cross-cutting policies, and a clear appreciation of financial and administrative capabilities. It is understood that the Ministry would welcome such assistance, as a means of providing a basis for more effective policy dialogue with AID and other donor agencies (interviews with State Secretary L. Zimanova, and with Department Director I. Zavadsky, both of the MoE.) Rank order listing of investment priorities would facilitate financing of bankable priority projects under the new (1993) Environmental Action Program (EAP).

Additional areas where one or more interviewees have identified a need for technical assistance are presented later in this report (see Section V.4.)

III.6 CONSULTANT/EXPERT SELECTION

The individual consultants that CCAP/SEEEP has selected to provide expert advice, participate in workshops, and to organize the delivery of technical assistance have generally been highly regarded by the in-country recipients of that assistance. As discussed above, the difficulties experienced by SEEEP's Hornad River Basin institutional expert appear to be due to the lack of clear direction and the absence of an adequate project framework for his involvement, rather than to a lack of professional competence or commitment.

CCAP/SEEEP's expert consultants are drawn from two pools: public sector environmental agency employees, and private sector individual or corporate environmental consultants. The former tend to work without compensation from SEEEP (other than reimbursement of travel, subsistence and other out-of-pocket expenses.) The latter are generally compensated at rates well below their normal billing levels. In each case, SEEEP is able to leverage highly qualified expert input at minimum cost to its program budget (and thus to AID). These cost savings can be recognized as elements of SEEEP's non-federal cost sharing contribution requirement.

With the exception of the Hornad River Basin institutional expert, who maintains that he was not adequately briefed concerning the expectations and policy positions of the local counterparts and that his fee was unilaterally reduced by CCAP/SEEEP, the consultants interviewed were uniformly pleased with the opportunity to assist with the program, and felt that the experience had been worthwhile.

The principal criticism that was offered (particularly by individuals who were brought in for a single assignment) is that, as short term advisors, most individual consultants did not have sufficient time, either prior to coming or during their time in country, to obtain a full understanding of the problems and potential responses. Further, there is little opportunity for follow-up activities to take place at the conclusion of an assignment. The Central Bohemia and Environmental Revolving Loan Fund experts, however, who have each returned for repeat visits, did feel that their continuity of involvement

resulted in a more reasonable opportunity to follow through on initial discussions, and thereby to provide more effective assistance to their local counterparts.

SEEEP has also moved to provide more consistent and sustained involvement of short term consultants in Northern Bohemia, where representatives of the Wisconsin Department of Natural Resources and the New York State Energy Office are committed to providing repeat visits and technical input over the coming 18 months.

As discussed further in Section V of this report, future SEEEP activities should include greater use of repeat and/or long term technical advisors in order to overcome the "quick in/quick out" problem. Where short term advisors are used for one-time assignments, preference should be given to selecting those with prior Czech, Slovak, or other Central European experience.

Where possible, local hiring and co-funding of SEEEP advisors is also advisable, as recommended later in Section V.3.a of this report. Willingness to hire and pay for the technical assistance received would be an excellent measure of its value in the eyes of the Czech or Slovak counterparts, and a clear indication of the potential for sustainability.

IV. PROGRAM EFFECTIVENESS

IV.1 PLANNED AND ACTUAL OUTPUTS

The review of SEEEP's planned and actual outputs is severely constrained by the lack of a well-drafted PIP, on the one hand, and the intermittent progress reports on the other hand. It is difficult to follow the train of events and to determine why a given potential project (which might be mentioned in one PIP version, or in a given quarterly report) may have been eliminated from further consideration or discussion in a subsequent PIP or progress report.

In addition, the near total lack of task or project level budget and cost data have rendered fruitless any attempt to develop a quantitative assessment of the cost-effectiveness of the SEEEP program.

SEEEP budgets are prepared by and SEEEP accounting records are maintained at CCAP/Washington; the latter by category and not by program activity. Although the resident Program Manager in Prague is held accountable for adherence to SEEEP annual budgets (and thus the timely expenditure of AID funds), the input he is asked to provide in their preparation is minimal. Further, he is not able to monitor spending rates because he is not provided with interim budget reports on a timely or consistent basis. No budgetary information was available to us for review at the Prague office.

One result of this is that it has been impossible for us to determine the cost-effectiveness of individual SEEEP projects. However, CCAP/Washington was able to calculate and to provide us with the following statistics:

- U.S. study tours; cost per visitor:
 - from the Northern Bohemia project: \$2,992 each x 7 participants
 - from the Hornad River Basin project: \$2,981 each x 7 participants
- Participant workshops in the Czech Republic and Slovakia:
 - large scale (June/92; 200 participants x \$100/participant = \$20,000 total)
 - small scale (June/93; 15 participants x \$500/participant = \$7,500 total)
- number of U.S. participant days on assistance provided on a pro bono basis:
 - 152.25 participant days (does not include Hornad River study group and work by Wisconsin and New York state government experts)

Further we were advised that, as of September 9, 1993:

- total AID funds expended were \$793,658, of which
- total amount expended by the Prague office was \$243,722
- value of cost sharing and in-kind contributions: \$174,414

Notwithstanding the availability of quantitative data to support an analytic review, there does seem to be a reasonably good match of planned and actual outputs. As discussed

earlier in Section III.2 of this Report, the overall programmatic objectives of SEEP, whether considered in a thematic or a geographic context, do appear to have been accomplished.

IV.2 MEASURABLE IMPACTS

As in the case of outputs, the assessment of SEEP's measurable impacts is also clouded by the lack of clearly defined indicators in the several draft PIPs. Furthermore, many of the activities undertaken by SEEEP do not lend themselves to quantitative measurement in terms of impacts.

Nevertheless, the project has had some notable successes, as assessed by the individuals we have interviewed. The financing workshop in Bratislava was instrumental in changing the mindset of key Ministry of Environment officials, and convincing them to support the creation of an Environmental Revolving Loan Fund to help finance needed environmental infrastructure projects (Interview with Mme. Zimanova, MoE State Secretary.)

In Prague, the advice provided to the Wastewater Treatment Authority has allowed the Authority to develop a rational framework for evaluating competing proposals for a new treatment plant, and reportedly will result in a savings of a significant amount of money in the total project cost. (Interview with J. Bednar, AID/Prague.) Presumably, while many of the technical issues are unique to the Prague situation, the general approach and the evaluation process can be applied elsewhere.

In Northern and Central Bohemia, a process has been initiated that could lead to the development of a regional strategy and development of a regional institutional structure for addressing common environmental problems. However, it is fair to say, in each case, the full positive impact is yet to be realized. Further support and technical assistance is needed in each project to assure full realization of the possible benefits.

Overall, the SEEEP program has a net positive impact in terms of the good will engendered for U.S.-sponsored activities. Although more could have, and perhaps should have, been accomplished in the past two years, SEEEP has laid the groundwork for future activities which, if they are properly planned and managed, have the potential to realize significant concrete benefits both in the Czech Republic and in Slovakia.

IV.3 SUSTAINABILITY OF SEEEP PROGRAM ACTIVITIES

If the SEEEP Program were terminated at this point in time, it is unlikely that either the Czech or the Slovak government would institute a comparable technical assistance program using its own funds. Neither Ministry of Environment has sufficient political power to obtain a significant level of funding for the kinds of assistance being provided through SEEEP. It is more likely that the Ministries (or other governmental units) would seek funding assistance from other international donors, probably on a case-by-case basis as opportunities arise to "piggy back" a technical assistance grant with an investment loan for a major infrastructure development project. As two examples, a power sector investment might be accompanied by a technical assistance grant to encourage various kinds of energy conservation activities, or a solid waste incineration project might sponsor the development of a companion recycling or other waste minimization program.

Individual projects within the SEEEP portfolio have a better chance for continued funding and administrative support. In particular, the Slovak government is committed to the implementation of an Environmental Revolving Loan Fund, and will soon reach a point

where further SEEPP support is no longer needed. In Central Bohemia, the town of Kralupy is proceeding with a number of the programs which have been outlined in concert with the SEEPP Expert Consultant. In various localities within the Northern Bohemia region, there is a strong likelihood that various energy conservation and air quality improvements will be undertaken by the municipal governments.

Less likely to continue without at least some additional outside support are projects where new institutional arrangements are contemplated, such as the Northern Bohemia and Hornad River Basin projects, as well as the regional elements of the Central Bohemia project. In these cases, funding of regional programs would have to be assumed either by a lower (municipal) or higher (national) government level. In the current context of government budget shortfalls, major funding support is not likely.

Despite the success of individual SEEPP interventions, the apparent lack of government interest in funding a continuation of these programs indicates a failure on the part of SEEPP to create lasting institutional vehicles for carrying forward with the initial progress achieved.

IV.4 MANAGEMENT AND MONITORING OF SEEPP PROGRAM ACTIVITIES

IV.4.a SEEPP/Prague's Role and Responsibilities

SEEPP staff totals six, as follows:

- in Prague: Mr. Stefanakis, a full time administrative assistant, and a part-time messenger (plus the occasional summer intern),
- in Bratislava: a part-time administrative assistant and part-time environmental engineer consultant,
- at CCAP/Washington: a full time program coordinator.

As Program Director based in Prague, Mr. Stefanakis is responsible for coordinating all SEEPP activities in both Republics. These include:

- (in collaboration with ministry and municipal officials) developing and prioritizing environmental and energy-related assistance projects.
- identifying appropriate Czech and Slovak officials to participate in U.S. study tour and exchange programs.
- building solid working relationships with government officials and non-government environmental decision makers in order to promote SEEPP and CCAP.
- coordinating the work of CCAP/SEEPP with that of other U.S. federal agencies and NGOs with environmental programs in the two countries.

In addition, he oversees the administrative duties of the Prague office, including the preparation of quarterly progress reports and other documentation required by AID. Fulfilling these responsibilities is difficult, given:

- the approximate 200 miles separating the two capitals, and the frequent breakdown of telecommunications linkages.

- the widely dispersed locations of the two most demanding SEEEP projects (Northern Bohemia Regional Air Quality Management District and the Hornad River Basin) and the need to visit them regularly.
- the frequent and lengthy exchanges Mr. Stefanakis properly finds it necessary to have with his Czech and Slovak contacts.
- the care and attention he must give to AID's reporting requirements (i.e., PIP preparation and quarterly progress reporting).

The administrative assistants in both capitals and the part-time environmental engineer consultant in Bratislava provide valuable support regarding routine administrative and programming tasks. But, with few exceptions, decisions require Mr. Stefanakis' personal involvement and often his physical presence.

IV.4.b CCAP/Washington's Role and Responsibilities

The Program Coordinator at CCAP/Washington, Ms. Terri Kelly, provides backup program, administrative and budgetary support for Mr. Stefanakis, especially representing SEEEP's interests with both AID/W and CCAP senior management. The latter is critical since CCAP/Washington prepares SEEEP's budgets, selects the American experts for SEEEP technical assistance assignments and for presentations at SEEEP workshops, and has on occasion chosen to intercede with both AID/W senior officials and Members of the Congress regarding SEEEP.

IV.4.c CCAP Board's Role and Responsibilities

Providing overall direction to CCAP is the organization's twenty-person board of directors. Former Wisconsin Governor Anthony Earl, Chairperson, and former North Carolina Governor James Martin, Vice-Chairperson, comprise the Executive Committee. In consultation with Ned Helme, Executive Director and CEO, they make most board-required administrative and financial decisions on behalf of the full board. Although historically the board has been dominated by current and past governors, in recent years the professional base has been broadened significantly to include representatives of the scientific and business communities.

Attendance at formal board meetings is augmented by the individual contributions made by certain directors in behalf of CCAP's programs. This is particularly the case with Governor Earl and his active involvement with the SEEEP program. If board meeting agendas are not dominated by SEEEP matters, discussions proceed in the context that the program is an interdependent extension of the organization's domestic activities. Thus, we have been assured that SEEEP receives its fair share of board attention, including the guidance given to Mr. Helme regarding it.

Based on CCAP's latest fiscal year-end audit report (as of June 30, 1992), SEEEP constitutes 36% of total income and 35% of direct program expenses. Had AID funding been utilized fully and in a timely fashion, those percentages would have been even higher. Thus, from a financial point of view, SEEEP represents an important component of CCAP's total operations, funding for which would be difficult to replace, at least in the short term, should AID support be terminated. From comments made to us, it is not clear what fall-back funding plans Mr. Helme has in mind to propose to his board should the current AID Cooperative Agreement not be renewed.

IV.4.d USAID/Washington's Role and Responsibilities

Consistent with its standard program monitoring responsibilities but prompted undoubtedly by the agency's initial skepticism about SEEEP, AID/W has been overseeing the program actively from its outset. To the degree that involvement might be characterized as "micro-managing," the agency asserts that it is the result primarily of inadequate specificity by CCAP in setting program objectives; of not focusing early enough on discrete project activities; and of failing to document, to AID/W's satisfaction, program impact. That said, the guidance provided by successive AID/W project officers, while not deliberately so, has been at times conflicting. Two examples of this are the mixed signals given Mr. Yaden (a) on the amount of time AID/W thought was appropriate initially to complete his initial needs assessment and become established with his network of environmental decision makers and (b) on SEEEP's involvement with the Hornad River Basin project.

IV.4.e USAID/Missions' Roles and Responsibilities

The two AID missions have provided valuable guidance to the two SEEEP Program Directors: in the case of Prague, through James Bednar, Program Officer for Environment and Energy; in the case of Bratislava principally through Sandy Hale, the Resident Advisor on Energy and Environment. Their advice and counsel related to project identification and strategy, government relations, and collaboration with other American environmental organizations with programs in the two countries have helped to define and refine a programming "niche" for SEEEP.

It should be noted that these discussions have taken place in the context of the planned phaseout of the entire AID program in the Czech Republic by the end of fiscal year 1996 and, conversely, of the likelihood of a modest build-up of the AID program in Slovakia, especially in the energy and environmental fields.

IV.5 COST-EFFECTIVENESS ASSESSMENT

Aside from the difficulties of measuring the success (effectiveness) of SEEEP's interventions, the lack of project-specific budgets and cost accounting data makes it impossible to reach quantifiable conclusions as to cost-effectiveness of the SEEEP's program activities.

In future years, the resident Program Manager should be required to maintain project specific records of hours and costs expended for individual projects and other activities. This information should be included in quarterly progress reports, together with such quantifiable indicators of outputs and impacts as may be appropriate, as well as a narrative description of work undertaken and achievements realized.

IV.6 COORDINATION WITH OTHER ENVIRONMENTAL ASSISTANCE PROGRAMS

Although SEEEP was one of the first U.S.-sponsored environmental groups to "hit the ground" in Central and Eastern Europe, it is now only one of several environmental technical assistance projects active in the Czech Republic and Slovakia. AID-funded projects are grouped into the following four main categories:

- (1) **Environmental Initiatives:** Designed to improve indigenous capacity to address environmental planning and management issues, with particular attention to policy and price reforms, environmental efficiency and pollution prevention in the

private sector, and air and water quality. Contractors active in the Czech Republic and Slovakia include: the World Environmental Center and the Harvard Institute for International Development.

- (2) **Improved Public Sector Environmental Services:** Designed to provide technical assistance and training to improve environmental quality and public sector environmental quality. Areas of primary focus include institutional development, mitigation in critical "hot spots", development of public/private partnerships in environmental management, and encouragement of regional cooperation, such as in the Danube River basin. Contractors active in the Czech Republic and Slovakia include, in addition to SEEEP: the WASH Team (Water and Sanitation for Health), World Wildlife Fund, and various projects under the direction of the U.S. EPA, U.S. National Park Service, and the U.S. Department of Agriculture.
- (3) **Environmental Training:** Designed to improve long-term capacity in environmental economics, finance and private sector development; public participation and private voluntary organizations; environmental policy, planning and management; and university strengthening and linkages. Contractors active in the Czech Republic and Slovakia include: Consortia organized by the University of Minnesota and Duke University.
- (4) **Capital Development Initiatives:** Designed to promote transfer of environmental technology through private sector investments. Technical assistance and cost-sharing of feasibility funds is provided. Contractors active in the Czech Republic and Slovakia include: Sanders Associates.

The presence of a resident Program Manager (as opposed to individual resident technical experts) distinguishes the SEEEP involvement from that of the other AID-assisted environmental technical assistance providers. (However, now that the CSFR has split into the Czech Republic and Slovakia, it will be important to increase the level of SEEEP Program presence in Bratislava, as recommended repeatedly in this report. Nevertheless, in electing to place its main office in Prague in 1991, CCAP/SEEEP cannot be faulted for having failed to foresee the coming of the Velvet Divorce.)

AID has also funded a \$15-million environmental grant to the Czech and Slovak Republics to support projects to reduce or clean up environmental pollution, and to create a regulatory atmosphere that encourages environmental protection. AID's Energy and Housing Offices also provide assistance for various projects having economic and social as well as environmental benefits.

The Peace Corps has placed a number of volunteers in country, some of whom are involved in teaching, training and field research activities with environmental content.

The Regional Environment Center, headquartered in Budapest and funded in large part by the U.S., provides a variety of environmental assistance and support in the Czech Republic and Slovakia.

A variety of other donor programs are active in the two Republics, such as EC/PHARE, the EBRD, World Bank, and various bi-lateral aid organizations. None of these programs has had a major impact in the environmental technical assistance arena, however, and such aid as is provided tends to be closely tied to related investment and development projects.

IV.7 AVOIDANCE OF CONFLICTS

Several of the Czech and Slovak government representatives who were interviewed noted the confusion and inefficiency which often arises as a result of the overlap and occasional competition between the technical assistance programs offered by various donor agencies. At a minimum, it was suggested that AID (preferably acting through the in-country Mission staffs) should at least attempt to assure that U.S.-sponsored environmental (and related) technical assistance is more carefully coordinated.

Although we understand that periodic meetings with assistance providers are held in both Missions, it would appear that a more frequent and rigorous effort could be made to convene meetings where the several providers can discuss possible areas of positive collaboration, as well as alert one another to possible overlaps or conflicts. In Slovakia, for instance, the Mission has initiated an "Environmental, Local Government and Housing Working Group," chaired by Environmental Advisor Sandy Hale and consisting of representatives from various technical assistance providers, to achieve these coordination objectives.

The broad scope of SEEEP's mandate has in fact led to a number of situations where potential conflicts with other assistance providers could have arisen. Most of these potential conflicts appear to have been satisfactorily resolved in due course. For instance, in Ostrava, SEEEP deferred to the EPA, while in the infrastructure financing area (i.e., the Environmental Revolving Loan Funds), the Urban Institute staff assumed a support role, while SEEEP took the lead in organizing the several workshops.

In the Hornad River Basin Study, however, the collaborative effort between SEEEP and WASH failed to work well, largely because neither group was clearly put in charge of the technical assistance effort and, further, the roles of each participant were poorly defined and delineated to begin with.

V. RECOMMENDATIONS AND LESSONS LEARNED

V.1 PRINCIPAL FINDINGS AND LESSONS LEARNED

Our recommendations are based on the results of our field interviews and document review. Principal findings and "lessons learned" of the evaluation study are summarized below.

- **Overall Importance of the SEEEP Program Activities.** In principle, we believe that the environmental technical assistance and institutional strengthening activities undertaken by SEEEP are important and valuable, and should be continued. There appears to be strong support for continuation of such activities both among the recipients of technical assistance, as well as among the AID Mission staff whom we interviewed.
- **Strengths of the SEEEP Program.** SEEEP is generally well considered by the individuals who have received SEEEP-sponsored technical assistance. In particular, the two in-country Program Managers, David Yaden and Manuel Stefanakis, have received uniformly positive marks from the persons we interviewed for their willingness to consult with and listen to their local people, their ability to grasp and respond effectively to complex environmental issues, and their sensitivity to the needs of the host countries.
- **Problems in Execution of SEEEP Activities.** The actual execution of SEEEP program activities in the field has on occasion been accompanied by indecisive action, poor communication with AID Mission and Headquarters staff, and overlap with other AID-sponsored activities.

Some of the causes of these problems include matters beyond the direct control of CCAP/SEEEP, such as the confusion engendered by dissolution of the Federal Republic, the priority given by the national governments to privatization and economic development activities as opposed to the financing of environmental facility developments, and the fact that the AID Missions and programs in the Czech Republic and Slovakia underwent a process of rapid evolution and change over the past two years. (It should be noted, however, that other Aid-funded contractors and AID itself were also confronted with these events, and forced to adjust accordingly.)

Other causes were (or should have been) within the control of CCAP/SEEEP. These include lengthy delays in preparing the annual PIPs; the lack of clear articulation of program goals and related measures of success in the draft PIPs; a slowdown in program activities during the changeover of in-country Program Managers; and the relatively low priority given to the development and maintenance of adequate lines of communication with AID Mission and Headquarters offices.

- **Alternatives to SEEEP.** Although we feel strongly that the activities undertaken by SEEEP merit continuation, the SEEEP Program is not the only vehicle potentially available to accomplish this goal. Another option would involve drawing upon one or more of the other AID or EPA-funded technical assistance contractors already active in the region (see discussion at Section IV.6). We have been requested to assess whether any of these contractors might be better able than CCAP/SEEEP to carry out the activities which we have identified as desirable. However, since we have not had the opportunity to evaluate the programs and effectiveness of these alternative programs in detail, we are not in a position to judge whether they might be more or less effective than SEEEP.

We do believe that any alternative provider of environmental technical assistance will have to spend at least some amount of time reaching the level of awareness and acceptability that SEEPP has now achieved, and therefore, provided substantive changes are made to SEEPP's program management practices as outlined below, SEEPP is the most logical candidate to continue with these activities.

Moreover, as a general principle, we believe the quality of the individuals directly in charge of managing the technical assistance delivery is more critical to the success of the effort than the quality of the institution those individuals are employed by.

The following recommendations reflect our appreciation of the above factors.

V.2 RECOMMENDATION # 1: THE NO-COST EXTENSION

We recommend that AID approve CCAP's request for a no-cost extension of the SEEPP Program. We understand that sufficient funds remain to continue ongoing program activities for an additional several months. The conditions under which this extension should be granted, as well as the reasons underlying our recommendation are as follows:

V.2.a Conditions of the No-cost Extension Approval.

The no-cost extension should be granted subject to agreement by CCAP to the following express conditions:

- The granting of a no-cost extension does not in any way require or preclude favorable action on CCAP's pending request for additional funding from AID.
- The no-cost extension will run not more than six months.
- CCAP/SEEPP will prepare a revised PIP to guide its efforts during this period. No new program activities will be initiated, and the revised PIP should clearly demonstrate that the remaining funds are sufficient to accomplish the tasks set forth therein. The PIP should present a strategy for completing ongoing program activities during the extension period, or, as appropriate, should indicate which ongoing activities might be continued in the future, with or without CCAP involvement.
- To assure management continuity, the in-country Program Manager, Manuel Stefanakis, must agree to remain in place during the extension period.
- Concurrence in the no-cost extension will be obtained from both AID/Prague and AID/Bratislava.

V.2.b Reasons for the Recommendation.

During the proposed six month no-cost extension period (September 1993 to March 1994), CCAP/SEEPP will restrict its program activities to three on-going projects: Northern Bohemia Regional Air Quality Management District, Central Bohemia Environmental Management, and the Slovak Environmental Revolving Loan Fund. In our judgment, the continuing top priority in all three, especially in Northern Bohemia, should be to put in place an institutional structure in some form, however preliminary it may prove to be. Commendably, there seems to be progress in this regard with both the Northern Bohemia and Slovak Environmental Revolving Loan Fund projects.

As this evaluation report "goes to press," we have been supplied with a six month work plan covering the same period as CCAP/SEEEP's proposed six month no-cost extension period and agreed by the Northern Bohemia delegation currently in the U.S. The plan assigns as its first task "building an organization or organizations to press for air quality improvements and greater regional autonomy in managing air quality." Rather than creating an entirely new regional organization, the work plan (sensibly, in our judgment) provides for building up the capacity of the Foundation Project North, the Usti-based environmental NGO that has been collaborating with CCAP/SEEEP in providing technical assistance to the Northern Bohemia project. To that end, the work plan calls for groundwork to be laid for the formation and monthly convening of a regional steering committee; and for developing, first, information on and, then, the political strategy for enacting the federal legislation necessary to establish regional level of government and the required financing authority.

In like manner, during the no-cost extension period, SEEEP consultants (presumably Mr. Penn and Ms. DeKuiper) will assist in the formation of a multi-ministerial, multi-sectoral working group to establish the Slovak Environmental Revolving Loan Fund, to market a business plan for attracting potential sources of outside (i.e., non-government) funding, and to identify a core staff of trained project analysts.

As regards the Central Bohemia Environmental Management Project, during the no-cost extension period, the SEEEP consultant will continue to work with Kralupy officials in developing and implementing a comprehensive environmental strategy for the city and region. It does not seek to establish a regional coordinating task force for this purpose. To us, this is unfortunate because it defers for six months a process to wean the city away from further CCAP/SEEEP assistance in anticipation of the day (FY 1995) when it will no longer be available.

The foregoing represents to us on-going programmatic activities that are consistent with CCAP/SEEEP goals, that build on accomplishments achieved to date, and that respond to concerns raised by both the Missions and AID/W. As a result, we re-affirm our July 29, 1993 recommendation that AID/W approve the six month no cost extension.

The reasons underlying our earlier recommendation in support of a no-cost extension also remain valid. First, we believe that the ongoing activities are important and worthwhile. They deserve either to be completed in a rational and deliberate manner, or to be continued in the future, whether under CCAP/SEEEP direction or otherwise. Immediate cessation of SEEEP involvement would jeopardize these objectives.

Second, the recipients of SEEEP assistance are expecting various workshops, seminars, expert visits, etc., to be carried out over coming months. To fail to deliver on those expectations would be unfair to the Czechs and Slovaks, and extremely embarrassing to both AID and CCAP.

V.3 RECOMMENDATION # 2: REQUEST FOR PROGRAM CONTINUATION

We recommend that AID approve CCAP's request for additional funding for continuation of the technical assistance program for a period of at least two years, but only if certain significant changes, outlined below, are made in the program's management structure and goals. The conditions under which this extension should be granted, as well as the reasons underlying our recommendation are as follows:

V.3.a Conditions of the Program Continuation Approval.

The program extension should be granted subject to agreement by CCAP to the following conditions:

- SEEEP's program goals and geographic focus will be adjusted to complement the AID environmental strategies for the Czech Republic and Slovakia. In broad outline, this would entail a reduction and eventual phase-out (probably by the end of fiscal year 1995) of all SEEEP activities in the Czech Republic, in keeping with AID's evolving policy position, and an increase in the scale and number of assistance projects in Slovakia, in response to that nation's need for and interest in additional environmental technical assistance.
- In further response to the above-noted re-allocation of program activities, SEEEP's in-country Program Management office should be relocated to Bratislava.
- Primary responsibility for program management should be vested in SEEEP's in-country Program Manager, and greater attention should be given to this set of tasks. This would include timely development of the program PIPs; identification and design of individual assistance projects; preparation and control of program and project budgets; preparation of periodic progress reports; closer coordination with other AID and donor technical assistance providers; and closer communication with AID Mission and Headquarters staff. Conversely, the management responsibilities of the CCAP's Washington office should be seen as a "backstop" function, focussing more on the overall "quality control" of program activities, and to providing needed technical and administrative support to the in-country Program Manager.
- In order to allow the Program Manager sufficient time to carry out an increased agenda of program management and administration tasks, and also to provide greater continuity in the delivery of technical assistance, the Program Manager should be supported by at least one and possibly two staff assistants. One of the newly-hired assistants should be assigned to monitor and support the Czech projects and be resident in Northern Bohemia, and the second to the Slovak projects, and resident in Bratislava. To be successful, projects such as the Northern Bohemia Regional Air Quality Management District and the Hornad River Basin Study require continuous, long-term involvement by an experienced project coordinator, rather than intermittent input from individual experts. The two staff assistants should have reasonable language skills in the Czech or Slovak language, respectively.
- If possible (particularly in the Czech Republic) the newly-hired assistants should be hired as employees of, and their salaries co-funded by, the assisted municipalities or ministries, with the expectation that the entire cost will eventually (within two to three years) be met without AID or SEEEP assistance. Willingness to co-fund and "institutionalize" these positions would be both a test of and a measure of the sustainability of the intervention.
- A concerted effort should be made by the Program Manager, in close consultation with both national-level and municipal/regional environmental administrators, as well as with environmental NGOs, to identify new technical assistance activities to be carried out in Slovakia. For example, some of the priority needs expressed to us would include such activities as developing environmental audit standards and procedures; assistance with the implementation of a national Environmental Impact Assessment (EIA) program; advice and assistance to NGOs in the development of

effective channels for NGO participation in environmental policy formulation and decision making; advice on the review and evaluation of environmental infrastructure proposals, especially those proposed by foreign providers; and assistance to the Ministry of Environment with the identification and rank-ordering of national environmental priorities.

- Concurrence in the continuation of SEEEP program activities should be obtained from both AID/Prague and AID/Bratislava.

V.3.b Reasons for the Recommendation.

As noted earlier, the kinds of activities that SEEEP has undertaken in the Czech Republic and Slovakia are important and useful, and should be continued (whether by SEEEP or by others). These activities include, in broad terms, technology and skills transfers, coalition building, institutional strengthening/building, and capacity building.

SEEEP's program goals and activities are generally consistent with the approaches and programmatic strategies set forth in the **Czech and Slovak Federal Republic Joint Environmental Study** (January 1992, a joint report of the Governments of Czechoslovakia, the Czech and Slovak Republics, the European Community, the United States Government, and the World Bank) as well as USAID's **Environment Strategy** (June 1992), the **Environment Strategy for Central and Eastern Europe** (Draft, January 1993), and the recently published **United States SEED Act Assistance Strategy for the Czech Republic** (July 1993).

Although each of the above documents restates USAID's environmental objectives in somewhat differing terms, broadly speaking, AID's program goals for environmental assistance in Central and Eastern Europe include:

- **Encourage Institutional Development and Strengthening (including decentralization of management responsibility to local and regional government entities).**
- **Focus on Identified Pollution "Hot Spots" (such as Northern Bohemia, Central Bohemia, Kosice, etc.)**
- **Create Public/Private Partnerships, and increased NGO and citizen participation.**
- **Increase Environmental Efficiency and Pollution Prevention, through the use of least cost techniques.**
- **Develop successful Pilot Projects to test new approaches, and to provide models for replication in other localities.**
- **Prioritize and develop bankable investment proposals consistent with the Environmental Action Program (EAP).**
- **Produce sustainable results that can survive after AID assistance is terminated.**

V.4 NEED FOR "DEMAND DRIVEN" TECHNICAL ASSISTANCE

Repeatedly, individuals in the field whom we interviewed noted that a high level of conventional technical and environmental engineering expertise already exists in

the Czech Republic and Slovakia, but that assistance is needed in developing technical skills in a related cluster of "softer" areas. Interviewees expressed the hope that SEEEP (or a successor group) would continue to provide advice and assistance in:

- **Project management techniques, including budgeting, scheduling, and measurement of concrete achievements.**
- **How to identify, characterize and evaluate environmental issues, and to prioritize them relative to each other and to social, political and economic development objectives, as an adjunct to policy formulation and project identification activities consistent with the Environmental Action Program (EAP) framework.**
- **Introduction of an interdisciplinary team approach to environmental planning and design projects.**
- **How to develop implementable project planning and development techniques, incorporating the much-admired American "can do" attitude, which balance competing interests and achieve consensus of appropriate decision-makers in favor of needed improvements.**
- **Design of management and monitoring systems which can track the progress of individual projects, enable feedback, and encourage interactive thinking.**
- **Assistance in the development of specific environmental programs, and related institutional and human resource capabilities, in such areas as environmental auditing, environmental impact assessment (EIA), and regulatory compliance monitoring and enforcement.**
- **Strengthening of environmental NGOs and Citizens Groups at all levels, to encourage greater levels of effective public participation in policy formulation, project planning, design and development, and impact monitoring.**

Each of the above has been identified by one or more interviewees as an area where technical assistance is needed. In our opinion, these are topics which are appropriate for intervention by AID, provided suitable project vehicles can be identified, whether carried out by SEEEP or a successor organization.

Provision of assistance in the above areas would result in the creation of a "demand driven" rather than "supply driven" program. During the course of our field work, SEEEP was frequently (but not universally) given high marks for adopting a "demand driven" strategy to the delivery of technical assistance.

V.5 IMPORTANCE OF THE RESIDENT PROGRAM MANAGER

As an NGO having exceptional technical experience in the environmental field generally (and in the air quality field in particular), SEEEP is especially qualified to assist in the above areas. As institutions, both CCAP and its SEEEP Program enjoy a high degree of credibility with the individuals we interviewed.

In the final analysis, however, the quality of the resident Program Manager is the essential element underlying the successes of SEEEP's (and similar) technical assistance programs. The resident Program Manager is the most prominent and visible spokesperson for the program, and must be skilled and experienced in the arts of diplomacy, as well as having excellent technical and administrative credentials.

The SEEEP program has been most fortunate in having had two Program Managers who meet these exacting standards of qualification (although it must be noted that the program suffered a definite loss of momentum during the transition period between Managers.)

The SEEEP program depends for its success on the ability of the resident Program Manager to gain the confidence and support of local government officials and community leaders, to identify needed and worthwhile projects based on an "on-the-ground" base of information, to commit the resources of CCAP/SEEEP to carry out such projects (within the framework of an approved PIP), to monitor the ongoing progress of the program, and to deal with unexpected problems that may arise.

Primary responsibility for decision making and program management should thus be vested in the resident Program Manager to the greatest extent possible, and the CCAP home office should be a backstop for both substantive technical and administrative matters, with the clear understanding that the resident Program Manager's actions are to be consistent with the approved PIP, and his/her performance subject to ultimate review by the CCAP Executive Director and Board.

V.6 FACTORS LIMITING SEEEP'S SUCCESS

Although SEEEP has achieved a consistently high level of praise from recipients of its technical assistance for its overall activities, individual projects have experienced problems, and internal relations with AID Mission and Headquarters staff have sometimes been strained. Causes underlying these limiting factors include:

- CCAP is not an experienced AID contractor, nor a large organization, and the program has suffered from this lack of experience. CCAP appears to have seriously underestimated the need for and value of effective grant management, including timely preparation of PIPs (with clear and measurable targets for assessing progress); the need for timely and complete quarterly reporting of program activities; and the need for other frequent communication with AID Mission and Headquarters staff, etc. Lack of an effective grant management approach has led to unnecessary friction throughout the life of the program.
- SEEEP's initial Year I efforts appear to have been inadequately planned and supported from a logistical point of view, and overly ambitious from a substantive point of view, leading to an inefficient use of time and other resources on the part of the resident Program Manager. Project selection criteria were well conceived, but less well applied, resulting in the consideration of too many projects and a measure of indecision which impeded progress.
- In our draft report, we stated that CCAP appears to suffer from lack of institutional vision for SEEEP, notwithstanding the fact that the organization has had experience in international affairs (*), and that the AID-funded program now constitutes a significant portion of the overall CCAP annual budget.

FOOTNOTE (*): As a primary example of its involvement in international programs, CCAP receives financial support from the German Marshall Fund of the U.S. (GMF) for two international environmental policy exchange programs between European and U.S. Environmental officials. One involves high and mid-level environmental officials from the German, Dutch and Swiss governments. The other, in conjunction with the Institute for European Environmental Policy in Bonn, Germany, operates the GMF Environmental Fellowship Exchange Program.

After further conversation with Mr. Helme and the board Chairperson, Governor Earl, we now recognize the attention that the board has given to SEEPP over the past two years. However, we do continue to feel that CCAP, however unconsciously it does so, may be viewing SEEPP as simply a Central European-based branch of an American-headquartered institution, rather than a Central European entity with a life and an organizational character of its own. If true, we believe the board may be giving inadequate recognition to the constraints under which SEEPP staff functions. To the degree it proceeds on the basis that the Prague office can achieve American standards of performance on a consistent basis, CCAP may be creating for the SEEPP staff managerial and programmatic conflicts that could be adversely affecting overall performance.

Some of the limiting factors were not entirely within the control of CCAP/SEEPP, however. Some of these outside forces which most constrained the program's success are noted below.

- AID's Central and Eastern Europe assistance strategies and program goals were evolving rapidly, and staff involved in monitoring and assisting the SEEPP program were frequently reassigned, both in Washington and in the field. Mission staff were unable to commit sufficient time to remain in close contact with SEEPP activities, but were also unwilling to give it free rein. The resulting "push/pull" forces added to the program's management and communication burden.
- More significantly, the "shock waves" that resulted from the Velvet Revolution and, more recently, from the breakup of the Federal Republic, greatly impeded the ability of CCAP/SEEPP to identify and organize effective assistance projects, and to secure the government support needed to carry them out. A number of interviewees noted that conditions within the government were frequently not ripe for absorption of SEEPP assistance, even though the need might have been clear. (Primary responsibility for correctly assessing the degree of "ripeness" remains, of course, with CCAP/SEEPP, not the recipient.)

V.7 LESSONS FOR OTHER NGOs

Through its status as a not-for-profit NGO, CCAP/SEEPP appears to have garnered widespread trust and credibility among both the government and private sector groups we interviewed. As a non-governmental organization, SEEPP is seen to be free of many of the political (and to some degree, bureaucratic) constraints that government employees must contend with. As a not-for-profit organization, SEEPP is seen to be an objective and disinterested participant in the environmental management process.

It is our opinion that these traits are not only perceived, but actual, and that this has allowed SEEPP to gain access to and the effective cooperation of its Czech and Slovak counterparts. (**) Moreover, CCAP has chosen well in selecting the two resident Program Managers, David Yaden and Manuel Stefanakis. Each has approached his assignment with dedication and creativity, and has been culturally sensitive to the needs and desires of his counterparts.

FOOTNOTE (**): Since both members of the evaluation team are employed as profit-making consultants, we are well aware that most for-profit consulting organizations have equally high professional standards and aspirations.

As a small NGO relatively inexperienced in the international arena, CCAP's head office in Washington has been both too much involved (in substantive decision making) and too little involved (in providing sound management direction and logistical support) in the SEEEP field activities. This has contributed to the problems that SEEEP has sometimes experienced with program implementation, and has exacerbated its relationship with the various AID offices to which it reports.

Other NGOs would be well advised to bear these observations in mind when organizing and conducting programs similar to SEEEP.

V.8 PROSPECTS FOR THE FUTURE

The experience gained by all parties--CCAP, SEEEP, AID, and the governments of the Czech Republic and Slovakia--has been achieved with difficulty, and has been accompanied at times by an inefficient use of resources. Yet the program has had some notable successes as well--in both quantifiable and non-quantifiable, but equally important, terms.

At present, several key projects have progressed to a point where concrete results appear imminent, provided the momentum already achieved is not allowed to falter. These projects include the Northern Bohemia Regional Air Quality Management District project, the Central Bohemia Environmental Management project, and the Slovak Environmental Revolving Loan Fund. In addition, CCAP/SEEEP has achieved a high level of credibility with the Slovak Ministry of Environment, and is in a position to provide needed and desired assistance to that Ministry as it continues to address pressing environmental issues throughout the nation.

In order to carry forward effectively with these on-going projects, and to realize the future possibilities in Slovakia, a substantial reorganization and reorientation of the SEEEP program is required. Assuming the Board and Executive Management is willing to undertake these changes, we believe the SEEEP program in the Czech Republic and Slovakia can continue to play the important and innovative role that was initially envisioned.

However, if CCAP does not continue with the SEEEP program, we strongly suggest that USAID identify an alternative provider of these services for the benefit of the future environment in the Czech Republic and Slovakia.

ANNEX A: STATEMENT OF WORK

**Statement of Work
Evaluation of Center for Clean Air Policy Program
in the Czech and Slovak Republics**

I. Objective:

The objective of this EUR/DR/ENR add-on to the World Resources Institute (WRI) cooperative agreement (LAC-5517-A-00-5077-00) is to support an objective, comprehensive, independent evaluation of the effectiveness of the separate Center for Clean Air Policy (CCAP) environmental assistance program in the Czech and Slovak Republics. The evaluation will examine the role that U.S. non-governmental organizations such as the CCAP can play in working with host country institutions in Central and Eastern Europe to improve environmental management at the municipal, regional and national levels. This collaborative effort with WRI will enhance and expand WRI's Environmental Planning and Management program outreach to Eastern and Central Europe, assist them in identifying appropriate roles U.S. and regional NGOs can play in the development process, and will assist EUR/DR/ENR in determining the appropriate future role for CCAP and similar U.S. NGO cooperative assistance programs in the region.

The proposed evaluation will draw on the experience of WRI's Center for International Development and Environment (WRI/CIDE) in examining participatory planning processes and the role that NGOs can play in policy formulation and program implementation. It will also build on policy research that WRI has conducted on pollution and energy issues in advanced developing countries. Finally, it will rely on the worldwide expertise WRI/CIDE has developed in addressing environmental issues.

II. Background: In September 1991, EUR/DR/ENR, responding to an unsolicited proposal, entered into a cooperative agreement with the Center for Clean Air Policy (CCAP) to provide them with a \$1 million grant. The purpose of this cooperative agreement was to support a two year program of technical assistance and training in the Czech and Slovak Republics (then Czechoslovakia). The cooperative agreement outlined three program components that would be supported:

- 1) policy analysis to clarify government authorities in environmental management at the municipal, regional and republic levels;
- 2) management training; and
- 3) technical assistance.

ANNEX A: STATEMENT OF WORK

Both CCAP and AID management issues warrant evaluation of the CCAP program at this time. CCAP has raised the question whether the original project completion date should be extended. Because of programmatic and personnel changes, project implementation and expenditure rates have been slower than originally anticipated.

Second, given CCAP field staff changes in 1992 and the completion of CCAP's YR II workplan in 1993, now is an appropriate juncture to strategically assess what CCAP has accomplished to date, the adequacy of the current workplan to address perceived host country needs by an objective evaluator and the relationship of the CCAP program to other AID and donor-financed initiatives related to municipal management.

Third, in regard to AID management issues, AID financed programs for Eastern Europe have matured significantly over the last year, in response to the increased sophistication of our counterparts and AID's more structured program management. This includes increased staff for AID offices in Prague and Bratislava and an expanded AID field role in project monitoring.

Finally, given the overall potential for proliferation of projects, the State Coordinator's Office, AID and the country team are interested programmatic and managerially, in consolidation of the overall AID-managed project portfolio. In the case of the Czech Republic, the recommendation of the country team in 1993 is to phase down assistance to the Czech Republic, including all environmental assistance, by the end of FY 1995.

In summary, the purpose of this evaluation is to: (1) document the effectiveness of the CCAP program in addressing identified needs in the Czech and Slovak Republics; (2) determine whether there is justification for extending the current project completion date; (3) recommend whether there is an appropriate future role for CCAP in the Czech and Slovak Republics, given other AID sponsored and other donors' activities, if there is such a role, justify any needed additional funding for CCAP beyond that currently available to them; and (4) demonstrate WRI/CIDE program outreach to Eastern and Central Europe and establish a firm basis for further EUR/DR/ENR collaboration with WRI's Environmental Planning and Management Program in areas that serve mutual interests.

III. Scope of Work

a. Project Description

1. Describe the activities already completed by the CCAP program and those on-going. Describe how activities were selected by CCAP, the extent of host country consultation in the project selection process, the relevance of CCAP activities to addressing recipient country issues/concerns/host country priorities.

ANNEX A: STATEMENT OF WORK

2. Describe the kind of assistance CCAP provided to address the identified needs. Assess whether the contractors CCAP provided were technically qualified to provide the assistance. Describe how CCAP assistance did or did not help resolve the problems.
- b. Program effectiveness
1. What were the planned and actual outputs of the assistance (number of people on study tours, number of people trained, number of workshops held, days of technical assistance provided)?
 2. Evaluate whether there was any impact, measurable (change in legislation, change in procedures, capital resources saved) or qualitative (behavioral changes, attitudinal changes) as a result of the assistance CCAP provided. If so, describe these impacts in detail.
 3. Assess whether there is host country interest in continuing the activities initiated by CCAP with their own resources once CCAP funds are exhausted.
 4. Are there current activities of CCAP that would not be sustainable if CCAP assistance ended in September 1993?
 5. Evaluate the effectiveness of CCAP, AID Washington and AID and CCAP field staff's management and monitoring.
- c. Cost effectiveness
1. Calculate or assess the average cost per activity, e.g. cost per study tour participant, cost per participant trained, cost per day of technical assistance, including attribution of management costs to all outputs.
 2. Identify all activities which CCAP has financed with AID resources, by task, e.g., Prague Wastewater Treatment assistance, and estimate the amount of funds spent per task.
- d. Coordination with other USG and donor-financed assistance in the sector
1. Briefly describe the fundamental components of existing and planned programs of other ENR contractors (RTI, EPA, ETP, Duke, Danube); other DR programs (PRE/H, DPI) and other major donors in municipal and environmental management. Include any relevant NGO activities that are related to municipal/environmental management. Summarize

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ANNEX A: STATEMENT OF WORK

the degree to which CCAPs programs are being coordinated with these efforts and determine if there are current areas of overlap.

e. Recommendations

1. Make recommendations on how to improve the delivery of services, under the current cooperative agreement, through CCAP's planned project completion date of September 1993.
2. Recommend how CCAP could improve coordination with other ENR, AID and other donors' programs.
3. Recommend whether a no-cost extension to the planned project completion date should be considered, justify a reasonable time for any no-cost extension, and assess what additional program benefits would result by approving a no-cost extension.
4. Recommend whether a cost extension of the CCAP program, based on the results of the existing program and the outline of the proposed program appears warranted.
5. Recommend ways program management and monitoring could be improved.
6. Identify "lessons learned" from the CCAP experience in providing assistance to Eastern European counterparts that may be generalized and incorporated into subsequent work with U.S. and local NGOs active in the region. Make recommendations on lessons that can be generalized to specific country conditions (institutional development status, legal framework in place, etc.)
7. Draft Project Evaluation Summary sheet will be prepared by the consultant team and given to EUR/PDP/PA on Word Perfect disk for finalization.

IV. Methodology

In the process of conducting this evaluation, WRI/CIDE is expected to review program documentation available from AID, CCAP and AID and CCAP field offices, including the current draft evaluation of local government and housing programs and past evaluation of environmental activities. WRI/CIDE will also need to interview the following contacts:

- AID Environmental and Natural Resources staff in Washington
- AID Office of Housing and other Development Resource staff in Washington, other donors' staff in Washington
- AID/EUR/PDP/PA staff that manage the evaluation system
- AID staff in Prague and Bratislava and Science Attache in

ANNEX A: STATEMENT OF WORK

- Prague Embassy, Environmental and Natural Resource resident advisors for Slovakia and the Czech Republic
- CCAP consultants who provided short term technical assistance to host country recipients, current and previous CCAP resident advisors, CCAP Washington staff
 - Host country recipients of CCAP long and short term technical assistance and training, Host country officials at the Ministries of Environment and Economy

The evaluation will involve approximately 3 weeks in the field evaluating the CCAP programs. WRI/CIDE will brief AID Representatives in Prague and Bratislava prior to conducting the evaluation in the field and debrief the same prior to departure.

V. Timetable and Reports

1. WRI/CIDE has the existing expertise in both evaluations, urban environmental issues and the role that NGOs can play in development to undertake this evaluation. WRI/CIDE will identify appropriate staff and/or consultants, in cooperation with EUR/DR/ENR, to conduct this evaluation.
2. WRI/CIDE will develop a proposed level of effort for EUR/DR/ENR to accomplish the tasks outlined in Part III.
3. WRI/CIDE will produce a draft report for review and comment by the following: CCAP Washington, CCAP resident advisors (past and present), AID offices in Prague and Bratislava, AID Washington (Office of Development Resources, Environment and Natural Resources Division), AID Washington (Bureau for Europe, Project Development Office), AID Washington (Bureau for Europe, Program Analysis Division), AID senior environment advisor for Slovakia. Comments will be provided to the Environment and Natural Resources Division by the reviewers within five working days of receipt of the report. The Environment and Natural Resources Division will consolidate these comments on the basis of an in-house review meeting and forward them to WRI within five working days.
4. WRI/CIDE will produce the final report (40 copies) which should include an executive summary of 2-3 pages and should not exceed 25 pages, not including relevant annexes. Forty copies of the final report will be provided to EUR/PDP/PA which will handle all distribution, including to CDIE.
5. WRI/CIDE will prepare and present an oral presentation of evaluation findings and conclusions to AID and CCAP staff within one week of completion of final evaluation report.

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ANNEX B: INTERVIEWS CONDUCTED

TOPIC	DATE	INDIVIDUAL AND AFFILIATION
General Background on SEEEP Program	4, 11 & 18 July	Manuel STEFANAKIS (SEEEP Resident Advisor, Prague)
	5 July	Sandy HALE (AID Advisor, discussion by phone, from Bratislava)
	7 July	Mary ARNDTSEN (ELI Lawyer, Advisor to MoE, Bratislava)
	7 July	JUDr. Monika KRIZEK (Advisor to the National Bank of Slovakia, Bratislava)
	27 July	Ned HELME and Terri KELLY (CCAP Executive Director and SEEEP Project Coordinator, Washington)
	27 July	Ron GREENBERG, Alexi PANEHAL, Debbie PRINDLE, Dennis McGOWAN, Maria RENDON, Suk LEE, Patrick RADER, Mary HUNTINGTON, (AID/Washington)
	29 July	Robert ICHORD (AID Energy Office, Washington)
	29 July	Marianne Lais GINSBURG (Program Officer, German Marshall Fund, Washington)
	29 July	David YADEN (Lake Oswego, Oregon, Former Resident SEEEP Program Director in Prague, by telephone from Washington)
	30 July	Don CRANE (W.R. Grace & Co., Member, CCAP Board of Directors, Washington) Interviewed by H. Gray only.
	3 August	Jim SCHERER (Denver CO, former EPA/WEC Environmental Coordinator in Prague, by telephone from Boston)
	3 September	Governor Tony EARL (Quarles & Brady, Member, CCAP Board of Directors, Washington) Telephone interview by H. Gray only.
	SEEEP Program in Slovakia	6 & 7 July
6 July		JUDr. Lubomira ZIMANOVA (State Secretary, MoE, Bratislava)
Slovak Environmental Revolving Loan Fund	6 July	Ing. Jan SMOLEN (Director, Ecological Projects, MoE, Bratislava)
	6 July	Josef MYJAVEC (Director, Division of Economic Instruments, MoE, Bratislava)
	7 July	RNDr. Daniela KOBETICOVA (Deputy Director, State Fund for the Environment, Bratislava)

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TOPIC	DATE	INDIVIDUAL AND AFFILIATION
	15 July	William PENN (Executive Director, Rhode Island Clean Water Protection Finance Agency, Consultant to SEEPP, Prague)
	15 July	Kristin DeKUIPER (Lawyer, Consultant to SEEPP, Prague)
	27 July	George PETERSON (Urban Institute, Washington)
	29 July	Brad JOHNSON (Lawyer, Hawkins, Delafield & Wood, Washington)
Hornad River Basin Study	6 July	Ing. Milan MATUSKA (Director, Water Protection Department, MoE, Bratislava)
	6 July	Ing. Ivan ZAVADSKY (Director, Division of Water and Air Protection, MoE, Bratislava)
	8 July	Ing. Bretislav HAMBEK (Director, Bureau of River Basins, Ministry of Soil Management, Bratislava)
	8 July	Ing. Dusan PALKO (Director, Bureau of Water Management, MoSM, Bratislava)
	9 July	Ing. Ales MAZAC and staff (Director, Hornad River Basin Authority, Kosice)
	9 July	Jaroslav DRAKO and Vladimir STASTNY (Consultants to SEEPP, Kosice)
	29 July	Craig HAFNER (Deputy Project Director, WASH Project, Arlington)
	2 August	James GUTENSOHN (Environmental Consultant, Boston)
SEEPP Program in the Czech Republic	14 July	James BEDNAR (Program Officer, AID/Prague)
North Bohemia Regional Air Quality Management District	11 July	Lubomir PAROHA and Vaclav CERVENKA (Foundation Project North, Usti n/L)
	12 July	Leopold KUKACKA (Deputy Mayor, Usti n/L)
	12 July	Ing. Borek VALVODA (Mayor of Most)
	12 July	Ing. Frantisek PRACNY (Deputy Director, Power/Heating Plant, Most)
	12 July	Dr. Eva RYCHLIKOVA (Public Health Service Officer, Usti n/L)
	12 July	Ing. Oldrich PIXAN (Municipal Engineer, Usti n/L)
	12 July	Jaroslav ZAHALKA (Director, Economic and Social Committee, Usti n/L)
	13 July	Ing. Miroslav HARCINIK (Deputy Mayor, Usti n/L)
	13 July	Ing. Zdenek KROPACEK (Mayor, Decin)
	13 July	Ing. Jiri SYKORA (Deputy Director, Municipal Heating Plant, Decin)
	13 July	Ing. Josef HOLUB (Member of Czech Parliament, from Decin)

TOPIC	DATE	INDIVIDUAL AND AFFILIATION
	14 July 29 July	Ing. Vladimir NOVOTNY (Deputy Minister, MoE) Philip HARTER (Lawyer and Environmental Mediator, Washington)
Central Bohemia Regional Environ- mental Project	14 July	Ing. Karl SKRBK (Manager, Team Technologies, Prague)
	16 July	Ing. Petr KAPLAN and Mr. HOLECEK (Deputy Mayors, Kralupy)
	2 August	Steven DAVIS (Environmental Consultant, Boston)
Prague Wastewater Treatment Plant	15 July	Ing. Jan PLECHATY (Director, Department of Water Management, Ministry of Agriculture, Prague)
	15 July	Dipl.-Ing. Ales NEUSTUPA (Manager of Investment, Water Resources Development and Construction, Prague)
	3 September	Prof. Paul LEVY (MIT, Cambridge, MA) Telephone interview by David Smith only.

ANNEX C: PRINCIPAL DOCUMENTS REVIEWED

Alliance to Save Energy. **Business Opportunities in Eastern Europe for Energy-Efficient Industrial Products.** January 1992.

Andrews, Richard, Lubomir Paroha, Jan Vozab and Petr Sauer. **Decentralized Environmental Management in the Formerly Communist States: A Case Study of Decin, Czech Republic.** Accepted for publication in the Environmental Impact Assessment Review, 1993.

Center for Clean Air Policy. **Documents Related to the State Energy and Environment Exchange Program (SEEEP):**

A. Cooperative Agreement--

- 1) **Letter.** Letter requesting formal approval of the proposed No-Cost Extension and Year Three of SEEEP, from Ned Helme to Mark Walther, USAID Contract Specialist. July 26, 1993.
- 2) **Project-Specific Workplan for CCAP No-Cost Extension and Year Three of SEEEP.** June 7, 1993.
- 3) **Proposal for Program Extension.** April 1993.
- 4) **Cooperative Agreement No. EUR-0039-A-00-1073-00.** September 9, 1991.

B. Program Implementation Plans--

- 1) **Year Two Program Implementation Plan—Revised Edition.** Memorandum from Terri Kelly to Alexi Panehal, USAID. June 29, 1993.
- 2) **Program Accomplishments Summary.** May 1993.
- 3) **Examples of Measurable Impacts for Project Tracking.** Memorandum from Alexi Panehal, USAID/W to Terri Kelly. May 4, 1993.
- 4) **Information Request re Program Accomplishments to Date.** Memorandum from Terri Kelly to Alexi Panehal, USAID. April 1, 1993.
- 5) **Revised Second Year Budget.** March 10, 1993.
- 6) **Program Implementation Plan—Year 2 (Revised Draft).** February 1993.
- 7) **Program Implementation Plan—Year 2 (Draft).** January 1993.
- 8) **Supplement to the Year One Program Implementation Plan.** Letter from Ned Helme to Alexi Panehal, USAID. April 24, 1992.
- 9) **Year One Program Implementation Plan.** January 8, 1992.

C. Quarterly Progress Reports--

- 1) **Quarterly Progress Report.** Prepared by Manuel Stefanakis and Terri Kelly; submitted to Alexi Panehal, USAID/W. June 15, 1993.
- 2) **Quarterly Progress Report.** Prepared by Manuel Stefanakis and Terri Kelly; submitted to Alexi Panehal, USAID/W. March 15, 1993.
- 3) **Quarterly Progress Report.** Prepared by David Yaden; submitted to Alexi Panehal, USAID/W. March 6, 1992.
- 4) **Quarterly Progress Report.** Prepared by David Yaden; submitted to Carl Mitchell, USAID/W. December 4, 1991.

D. Northern Bohemia Project--

- 1) **Northern Bohemia Air Quality/Energy Project, 6 Month Scope of Work (Sept. 9, 1993-March 9, 1994)** CCAP Memorandum. Undated.
- 2) **Materials to be Translated for the NORBOH Workshop.** Memorandum from Terri Kelly to Manuel Stefanakis. June 24, 1993.
- 3) **Clearing the Air: Developing Local Energy and Environmental Projects and Policy Capacity in Northern Bohemia.** June 1993.
- 4) **Consulting Agreement with Foundation Project North, in support of the Northern Bohemia Project.** January 25, 1993.

E. Environmental Revolving Loan Fund Projects--

- 1) **Draft Business Plan for the Slovak Environmental Revolving Investment Fund.** Prepared by Kristin DeKuiper and William Penn. July 21, 1992.
- 2) **Environmental Revolving Investment Fund.** Presentation materials prepared for use at the Workshop in Bratislava by: Kristin DeKuiper and William Penn. July 14, 1992.
- 3) **Slovak Environmental Revolving Loan Fund.** Draft White Paper. May 4, 1993.
- 4) **Summary of Workshop on Establishing an Environmental Revolving Loan Fund in Slovakia.** January 5, 1993.
- 5) **Environmental Revolving Loan Fund Workshop, Bratislava.** December 2, 1992.
- 6) **Financing Environmental Infrastructure.** Presentation materials prepared for use at workshops in Prague and Bratislava by: Jack Kendrick, Paul Levy, David MacKenzie, William Penn, and Roger Wagner. June 1992.

F. Hornad River Basin Project--

- 1) **British Water Institutions.** Prepared for CCAP by David Kinnersley. July 9, 1993.
- 2) **French Water Management Model: An Institutional Analysis for the Ministry of Environment, Bratislava (Draft).** May 17, 1993.
- 3) **Hornad River Basin Institutional Study.** Memorandum from Manuel Stefanakis to Terri Kelly. March 30, 1993.
- 4) **Institutional Considerations in Restructuring of Water Supply and Waste Water Authorities in Slovakia.** Draft memorandum prepared by J. McCullough of WASH. March 2, 1993.
- 5) **Hornad River Basin Institutional Study.** Memorandum from J. Drako to J. Gutensohn. February 9, 1993.
- 6) **Consulting Agreement with Sverdrup Corporation (James Gutensohn), in support of the Hornad River Basin Project.** January 15, 1993.
- 7) **Hornad River Basin Study. (Draft Terms of Reference, 4th Draft).** August 31, 1992.
- 8) **Hornad River Basin Study.** Excerpts from CCAP's Task I and Task II Reports. (No date).

G. Other Memoranda and Correspondence--

- 1) **Information Memorandum for the Acting Assistant Administrator, Bureau for Europe, re: Meeting with Governor Tony Earl, Chairman, CCAP.** Memorandum from C. Ross Anthony, USAID/W. May 4, 1993.

- 2) **Comments on CCAP Draft Slovakia Work Plan.** Memorandum from Sandy Hale to Manny Stefanakis. April 7, 1993.
- 3) **Letter.** Letter from Jim Bednar, USAID/Prague to David Yaden. August 17, 1992.
- 4) **Letter.** Letter from David Yaden to Jim Bednar, USAID/Prague. August 13, 1992.
- 5) **Status Update on CCAP Environmental Exchange Project with Czechoslovakia.** Memorandum from Ned Helme to Alex Echols. February 19, 1992.
- 6) **Summary of Discussion on CCAP.** Memorandum from Alexi Panehal, USAID/W to Ned Helme and Terri Kelly. February 5, 1992.
- 7) **Additional Information on Czech Trip.** Memorandum from Ned Helme to Carl Mitchell, USAID/W. September 6, 1991.
- 8) **Visit of Governor Thompson and CCAP Delegation.** Memoranda from David Yaden to Dr. P. Hacker, U.S. Consulate/Bratislava, and Dr. E. Kostelkova, USAID/ Prague. August 6, 1991.
- 9) **Letter.** Letter of Grant Approval from Diane Miller, USAID/W to Ned Helme. June 10, 1991.
- 10) **Center Trip to Czechoslovakia.** Memorandum from Ned Helme to Governor Tommy Thompson. May 22, 1991.
- 11) **Letter.** Letter and enclosed Unsolicited Proposal for the CCAP/SEEEP Program from Ned Helme to Don Pressley, USAID/W. December 28, 1990.

H. Miscellaneous Documentation--

- 1) **Financial Statements for the Year Ended June 30, 1992.** Prepared for the Center for Clean Air Policy by Councilor, Buchanan & Mitchell, P.C. October 2, 1992.
- 2) **International Perspectives.** SEEEP Quarterly Newsletter, Vol. 1, No. 1. Fall 1992.
- 3) **CCAP Personnel Manual.** June 1991.
- 4) **Job Description for the CCAP/SEEEP Program Representative.** (No date).
- 5) **Descriptive Brochure of CCAP Programs, Activities, and Staff.** (No date).

Czech Republic, Ministry of the Environment. **Environmental Laws of the Czech Republic.** Three Volumes. June, 1993.

_____ and Czechoslovak Academy of Sciences. **Environment of the Czech Republic.** Two Volumes. 1991.

Davis, Steven. **Memoranda regarding the Central Bohemia Project.** April 5, 1993; June 23, 1993; July 22, 1993.

Environmental Action Programme for Central and Eastern Europe, Executive Summary (Fourth Draft). April 27, 1993.

Gawdiak, Ihor. **Czechoslovakia, a Country Study.** Federal Research Division, Library of Congress. August 1987.

German Marshall Fund. **The Environmental Partnership for Central Europe.** (No date).

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- Gutensohn, Jim. **Hornad River Basin Institutional Study.** Memorandum to Manuel Stefanakis. February 19, 1993.
- Harter, Philip J. **The Potential for Negotiating Solutions to Environmental Matters in North Bohemia.** Xeroxed memorandum, ten pages. May 6, 1993.
- Johnson, Brad. **Elements of Environmental Project Finance.** Prepared for the Workshop on Market-Based Tools for Air Quality Management. June 30, 1993.
- _____. **Follow-up Memorandum on the Workshop on Market-Based Tools for Air Quality Management.** Xeroxed memorandum, six pages. July, 1993.
- Levy, Paul, Gerald Novotony and David Yaden, **Review of Prague Wastewater Management.** Xeroxed memorandum, nine pages. March 27, 1992.
- Resource Management Associates. **Progress Report, Recommendation for the Design of an Air Quality Management Region for Northern Bohemia—NORBOHM.** March 27, 1992.
- _____. **Summary Report and Observations, Workshop on Regional Air Quality Management in Northern Bohemia.** January 23, 1992.
- U.S. AID. **Environment Strategy.** June 1992.
- _____, Europe Bureau. **Environment Strategy, Central and Eastern Europe (Draft).** January 1993.
- _____, Europe Bureau. **Freedom, Fresh Air, and Free Enterprise, U.S. Environmental Assistance to Central and Eastern Europe.** October 1992.
- _____, Office of Evaluation. **Procedures Guidebook for Conducting CDIE Evaluations.** June 1992.
- _____, Office of External Affairs. **Striking a Balance, Development and the Environment.** May 1992.
- _____, Prague. **United States SEED Act Assistance Strategy for the Czech Republic, 1993-1995.** July 21, 1993.
- _____, Slovakia. **Slovakia Country Strategy Paper, 1993-1995.** June 15, 1993.
- Water and Sanitation for Health (WASH) Project. **Water Quality Pre-Investment Studies in Four Danube River Tributary Basins, Summary Report.** July 1993.
- _____. **Point Source Pollution in the Danube Basin, Summary.** July 1992.
- _____. **Point Source Pollution in the Danube Basin, Institutional Studies in Bulgaria, the CSFR, Hungary and Romania.** July 1992.
- World Bank, et al. **Czech and Slovak Federal Republic Joint Environmental Study. (Two Volumes)** January 22, 1992.
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