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Staatssekretariat für Wirtschaft SECO
Infrastrukturfinanzierung

External Evaluation of the Municipal Energy Efficiency Management Project Serbia And the Smart Energy Municipalities Project (SEMP) in Albania SECO Management Response

1. General Assessment

SECO commissioned SKAT led consortium in the frame of its mandate for expert advisory services, to carry out an end-of-phase evaluations for two projects: the Smart Energy Municipalities Project (SEMP) in Albania and the Municipal Energy Efficiency and Management Project (MEEMP) in Serbia. Both SECO funded initiatives aim to support local energy transition efforts through capacity development, strategic planning, and investment in public infrastructure.

The **primary purpose** of the evaluation was to generate lessons learned and recommendations to inform the design of future EEA-related projects, and to contribute to accountability through an external assessment of the quality and sustainability of the results achieved under MEEMP and SEMP. The evaluation focuses on project processes, outputs, and outcomes; it does not include a technical verification of infrastructure works. However, it does assess the adequacy of the financing mechanisms used.

Based on the findings of this evaluation, SECO will determine whether and how to proceed with a possible second phase of MEEMP in Serbia and has determined to continue with a second phase of SEMP in Albania.

The scope of the evaluation covered four of the six OECD-DAC evaluation criteria: **Relevance, Effectiveness, Efficiency, and Sustainability** guided by nine evaluation questions for Serbia respectively ten evaluation questions for Albania. The criteria of **Coherence** and **Impact** were excluded from this assessment for the following reasons:

- *Coherence* is best assessed by SECO’s Swiss Cooperation Office in Serbia respectively Albania, which has a comprehensive view of all SECO-funded and related initiatives in the energy sector.
- *Impact* may be evaluated at a later stage through a dedicated ex-post assessment, once longer-term effects can be reasonably observed.

The **evaluation team for Serbia** was led by Mirco Keller, a senior SKAT energy efficiency and evaluation expert, he was joined by a senior Serbian energy expert, Lena Bratic. They did an excellent job, both, in terms of managing the evaluation process and reporting.

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The **evaluation team for Albania** was led by Dr. Hedi Feibel, a senior SKAT energy and evaluation expert, who was supported by Micro Keller and Blendi Bushati, the latter an experienced local expert in Albania. The team did a good job as well. However, they did not fully comprehend all project and context specificities, which deducted a bit from the quality of the evaluation.

The **evaluation process for both evaluations was comprehensive** including extensive briefings with SECO and the Swiss Embassies in Serbia and Albania for the evaluation team, semi-structured interviews with the main project stakeholders, a week long field visits to all four beneficiary cities in Serbia and four pilot municipalities (Berat, Përmet, Korça and Shkodra) as well as Tirana in Albania and discussion of the final report with SECO and the Swiss Embassies.

For Serbia, SECO is **fully satisfied with the evaluation report**. The analysis is to the point and assessments clearly derived and substantiated with data and information. The evaluation findings are conclusive and recommendations useful to inform a next project phase.

WEIN fully concurs with the assessment of the evaluation criteria. The project is **rated highly relevant** in light of the infrastructure needs and capacity gaps at municipal level. The project is rated **effective at the level of outputs** but does not provide sufficient data to assess the outcome level. **Efficiency is mixed** partially due to central procurement which resulted in serious delays. **Sustainability is considered a challenge** in face of the limited interest of MoME to institutionalize EEA.

For Albania, SECO is satisfied with the evaluation report. The assessment is clear and comprehensible on most points; however, the evaluation team and SECO differed somewhat in their views on the appropriate scope and expectations of the pilot project. Nevertheless, the majority of the recommendations will be valuable for the design and development of a second project phase.

WEIN partially concurs with the assessment of the evaluation criteria. The project was rated as **highly relevant**, particularly for the four pilot municipalities. At the national level, delays in policy processes hindered the project's overall effectiveness. However, due to its **high effectiveness at the local level**, the project received an overall rating of "**satisfactory**." **Efficiency was considered highly satisfactory**, reflecting the effective use of available time, funds, and staff. **Sustainability was assessed as only moderately satisfactory**, as capacity-building measures were not sufficiently embedded in existing structures to ensure durability and scalability. WEIN argues that some of the activities criticized for being omitted were intentionally excluded to not overload the project, as this pilot project was designed to be built upon in a second phase.Forward going, the table below presents WEIN's response to the recommendations which will feed in the design mission for an upcoming follow up phase of MEEMP and SEMP. Since the conclusions and lessons learnt overlap widely with the recommendations, we refrain from commenting them.

2. SECO Management Response to the Recommendations of the Evaluation for MEEMP

Strategic Recommendations	SECO Response	Follow Up/Deadline
1. Institutionalize the EEA Framework Nationally ***(MoME, with support from SECO)*** • Establish a dedicated EEA coordination unit within the Department for Energy Efficiency at MoME to oversee implementation, quality assurance, and national rollout. • Integrate EEA principles into national energy and climate planning and reporting frameworks. • Define clear procedures, responsibilities, and support structures for municipal re-certification and engagement. • Formally recognize and certify national EEA advisors and establish a national training program, as highlighted in the final report (2022).	Disagree. MoME is not ready to institutionalize the EEA framework nationally. SECO therefore is in discussion with MoME on an adjusted approach which will strengthen the municipal energy planning and management capacities.	Design mission for new programme planned for Q1, 2026, integrating the lessons learnt, conclusions and recommendations of this evaluation in the TOR for the consultants.
2. Develop a Scalable Capacity Development Model ***(MoME and Implementing Partner, with initial support from SECO)*** • Partner with universities and vocational training centres to establish a national Training of Trainers (ToT) model, where international/na-	Agreed. Capacity development needs to be better anchored in relevant vocational training entities. The Standing Conference of Municipalities and Towns has been a natural partner for this objective but could only partially fulfill expectations because of limited	Dito.

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tional experts train local trainers who deliver ongoing certified programs for EE advisors and energy managers. • Integrate EE into relevant curricula to build long-term capacity across technical and administrative levels. • Develop practical, legislation-aligned toolkits to support EMIS and EEA processes in municipalities. • Reinforce recommendations from the final report regarding institutionalizing municipal energy teams and embedding continuous learning.	capacities. A next phase should consider to make use of the synergies with SDC vocational training projects and call for leadership by MoME.	
3. Align Investment Planning with Clear Incentives *(SECO and MoME)* • Link co-financing or access to new grants with performance metrics, such as EEA certification or EMIS compliance. • Establish transparent eligibility criteria and reward municipalities that demonstrate sustained EE progress. 25 • Consider financial mechanisms similar to those in Switzerland and Luxembourg, where EEA performance is directly linked to funding support, as recommended in the final report (2022).	Agreed. SECO will go a step further and propose to support municipalities with capacity building for improved public investment and asset management. On top, we consider installing a project preparation facility to promote the implementation of catalytic pilot investments making sure that planning follows action.	Dito
4. Empower and Institutionalize the Role of Municipal Energy Managers *(MoME and Municipalities)* • Define the role of municipal energy managers through standardized job descriptions and align it with national energy and climate policy mandates.	Agreed. This is an important recommendation which also feeds into SECO's subnational public financial management support. To be noted that the general trend of the Government is currently to increase centralization and to weaken the subnational level, in particular on green topics which is a challenge for WEIN projects in Serbia.	Dito

• Include energy managers in municipal staffing frameworks and budget planning processes to ensure continuity and institutional account-ability. • Establish a national certification and training program for energy managers, possibly linked to EEA or EMIS competencies, in collaboration with accredited training institutions. • Create opportunities for peer learning and professional develop-ment to reinforce motivation, retention, and cross-municipal knowledge exchange.		
5. Plan for Integration Across Components from the Start *(SECO and Implementing Partner)* • Future projects should include a coherent Theory of Change that defines expected synergies between investment, capacity building, and in-stitutional change. • Develop component-specific SMART indicators and establish cross-cutting feedback mechanisms to support learning and adaptive management • Ensure that project design explicitly links C1 (EEA) with C2 (in-vestment), addressing gaps identified during MEEMP implementation.	Fully agreed.	Dito
Operational Recommendations	**SECO Response**	**Follow Up/Deadline**
6. Ensure Better Communication and Visibility *(Implementing Partner and MoME)* • Allocate specific budgets for communication activities including signage, media outreach, and success story documentation. • Promote tangible results through national peer exchanges and knowledge events.	Agree partially. The project was visible with its own website and outreach events. We agree in particular with the last two recommendations on the recognition of certified municipalities and broad public marketing of EEA.	Dito

• Address the lack of visibility for EEA achievements, such as missing signage at town entrances, which limited recognition of certified municipalities. • Reinforce final report (2022) recommendations on broad public marketing of the EEA award.		
7. Decentralize Procurement Where Feasible *(MoME and Implementing Partner)* • Delegate procurement responsibilities to municipalities under a grant agreement model, using national legislation. • Implement light-touch oversight such as technical quality reviews, milestone audits, and independent spot-checks. • Ensure clearer assignment of roles and responsibilities, as recommended in the final report (2022).	Agreed. We consider to promote the European standard for procurement in line with accession requirement integrating social, environmental and quality criterion.	Dito
8. Target Municipalities Strategically for Scale-Up *(MoME and SECO)* • Apply transparent selection criteria that consider EE needs, implementation capacity, and regional equity. • Prioritize underserved or high-potential municipalities for inclusion in follow-up initiatives. • Explore cost-effective models for EEA roll-out, including EEA-inspired systems adapted to Serbian legal and fiscal context.	Agreed. The coverage of underserved and high-potential municipalities will be part of the implementation strategy of a new programme. Champion municipalities respectively success stories should play an important role to trigger demand of other municipalities and for the roll out strategy, possibly with backing of SCTM and/or MoME.	Dito
9. Define Exit Strategies and Institutional Handover from the beginning *(Implementing Partner and MoME)*	Fully agreed. The efforts for institutionalization have been pursued by the project jointly with SCTM.	Dito

• Embed exit strategies and institutional transition plans from the outset, including responsibilities for sustaining tools, platforms, and advisory systems. • Ensure handover of digital tools (e.g., EMIS), training systems, and methodologies to national institutions. • Document and transfer all key project deliverables to national partners, ensuring long-term public accessibility. • Align efforts with SCTM and other national institutions to reinforce institutional continuity.		

4. SECO Management Response to the Recommendations of the Evaluation for SEMP

Strategic Recommendations	SECO Response	Follow Up/Deadline
1. Planning of a Second Phase Based on the evaluation results, it is highly recommended to plan a second phase, because the SEMP initiated an important process with regards to the integration of energy efficiency activities at municipal level. Since there is an increased attention towards Energy Efficiency driven by EU requirements and contributions as well as national interest, this momentum shall be used to properly anchor the topic in existing structures (including the education system, municipal level administration and maybe also the financing sector).	Agreed and currently in process	Tender for Design Study for second Phase including implementation as options to be launched in January 2026. Lessons learnt from SEMP Phase I are included in ToRs.
2. Apply a Stepwise Approach to plan and implement SEMP Phase II • Given the number of 61 municipalities and the multitude of different sectors, where EE plays a role and the still ongoing dynamic changes in the legal framework, the project might have to apply a **stepwise approach**: • *Firstly:* Consider further actors / intermediaries to reach out to all municipalities, such as the Local Government Minister or Agency or Association of Municipalities, (as additional partner besides AEE to reach them all). *Secondly:* Wait for the approval of relevant laws at national level before further pushing the drafted secondary legislation. Once the legal framework is approved, also follow closely the sectorial agenda, focus on the aspects of the Central Government EE agenda related to LGUs and strengthen AEE as a delivery agent.	Agreed, the Albanian Agency of Energy Efficiency (AEE) is to be further supported and strengthened in SEMP Phase II. The new law on EE will be approved in Q2/2026 and the implementing AEE of SEMP Phase I has already provided input to the law. SEMP Phase II will likely focus on supporting development, strengthening and implementation of some of the bylaws related to the new EE law.	Dito.
3. Strengthen the Albanian Energy Efficiency Agency **AEE** can be (in theory) a stronger player related to capacity building and investment management, although the Agency is not yet there. Other pro-	Agreed, support to the Albanian Agency of Energy Efficiency is included in the ToRs for SEMP Phase II as well as to assess ways on how to use the counter-	Dito

posed actors (see (2)) have not been "tested" yet. If there is a strong wish (from GoA and SECO) to continue working with the AEE, this should be conditioned under a **clear commitment and realistic action plan from the Ministry of Infrastructure and Energy for institutional development, funding and staffing of the AEE**. Only then, AEE can take the role to **coordinate between municipalities and MoIE** (and also other relevant ministries) to increase the municipalities' chance to access funds from national level. In any case, municipalities need to keep their **autonomy to select, design, and procure energy projects** — rather than being locked into top-down or pre-structured solutions. Furthermore, AEE should also become a link between municipalities and the State Agency of Strategic Programming and Aid Coordination SASPAC; meaning AEE should support municipalities in being informed in a timely and comprehensive manner about possible EE financing options. The **counterpart funds** could be an important instrument to ensure some level of funding available to municipalities for EE interventions and could place SECO in a position to contribute to the establishment of an efficient and transparent EE fund. This needs to be explored in close cooperation with the Government counterparts before starting phase 2	part funds. Their effective use will however have to be discussed with the Albanian Ministry of Finance and the Ministry of Infrastructure and Energy.	
4. Strengthen other Actors For any planning of a next phase a stronger **involvement of various Albanian stakeholders** with their respective experience and points of view is recommended (during a scoping phase). Such other national actors include: • Albanian Development Fund (ADF) – which is a very strong project management organisation with a track record on municipal investments (€200+ million invested per year, around 200 people, full familiarity with donor funding and government budget, very good project management skills and a lot of experience in retrofitting, public buildings, mobility etc. ADF could play a role in managing investments and is especially relevant for project-based support to municipalities.	Partially agreed. We recognize the need to strengthen and involve other actors for the scale up of SEMP. However, we do not agree with all actors listed by the evaluators, since this is not feasible and in line with the SEMP objective and scope of work. A selected number of relevant actors is included in the ToR's for the Design Study and subsequent implementation for SEMP Phase II, and support to some of these actors will likely be in scope of SEMP Phase II.	Dito

• **Minister of State for Local Government** and **its Agency for Support of Local Government**: The Minister has the mandate to be the intermediary between central and local governments while the Agency of Support has a 10-year track record working on a daily basis with the municipalities. • **Association of Municipalities** – Although it is not as strong as other associations in the region it could help in discussions, advocacy for the energy efficiency topic and depending on future support, maybe also become a training delivery agent etc. • Establishment of **Local Government Academy** (which is supported by the SDC project "Strong Municipalities") as a specialized training body for local government; once established, it might be used as a training delivery agent. A draft government decree (on this "Academy") will be presented in Sept 2025. Contrary to the Academy, the Albanian School of Public Administration (ASPA) addresses civil employees, mostly at central level. The **private sector actors** will have to play an important role with regards to planning, design and implementation of EE measures. Therefore, their needs, e.g. with regards to capacity building, shall also be taken into account during the preparation of a next phase. A scoping of e.g. associations representing architects, engineers, town planners, craftsmen etc. shall be a first important step.		
5. Municipality Focus It is considered crucial to keep the focus on municipalities, while a good balance needs to be found between 1) bigger cities with the highest emissions where the impact will be bigger and the likelihood of at least some financial resources is ensured but also 2) smaller cities which struggle with outmigration and need to become more attractive for their population (to avoid the enormous concentration on Tirana as well as external migration). In general, it will be important to highlight the potential of EE activities (and capacity building) for the local labour market. Especially the construction sector which is rather labour-intense can benefit a lot, secure local jobs and counteract emigration.	Partially agreed. The municipality focus is important to be kept on during SEMP Phase II, but national actors require support as well in order to scale up energy efficiency considerations to a nationwide effort. Hence, SEMP Phase II will not only support municipalities, but also relevant actors in the energy efficiency sector at national level to contribute to the national scale-up of SEMP.	Dito

6. Increase coordination with other donors To ensure stronger cooperation and achievement of synergies, the frequency of meetings for **donor coordination and policy dialogue**, in particular with EU Delegation and EBRD need to be increased; also consult AFD which seem to be interested in the EE topic. Here MoIE, supported by SASPAC and AEE, should play an important role. Since EU institutions are generally worried to overlap with various other ongoing activities, MoIE in cooperation with AEE needs to develop a clear overview on ongoing projects and future requirements in the various sectors. In that regard, the database (also required at national level) will be very helpful also for a quantitative assessment for baselines as well as achieved results.	Partially agree, donor cooperation around Energy Efficiency support to Albania already happens through the Swiss Embassy and the MoIE. For the Design Study of SEMP Phase II, the donor coordination will be intensified to analyze complementary initiatives, and realize further synergies, but in general SEMP Phase I was already well positioned in this regard.	
Operational Recommendations	**SECO Response**	**Follow Up/Deadline**
7. Capacity Building It is recommended to do a rough (general countrywide) assessment of capacities and expertise at different levels (from technicians / craftsmen up to engineers) on EE-related topics to evaluate the need to strengthen capacities at the levels where deficits are highest (planning, detailed design, implementation, rehabilitation of more complex cultural heritage buildings etc.). From the feedback received, it is concluded that there is a significant lack in “fast medium-level training”, technical courses (online and practical in-person components) and dual training with companies. In general, a strict ToT strategy shall be applied to make sure that the required know-how in all concerned sectors will continuously be anchored in the local institutions, which can include (the strengthened) AEE, Academy of Local Government (to be created), Albanian School of Public Administration ASPA, or Association of Municipalities, universities, vocational schools, etc. Furthermore, institutional partnerships between Swiss universities / institutes (incl. Swiss Federal University for Vocational Education and Training (SFUVET) and Albanian institutions can be an option.	Disagree, training of staff in the energy efficiency sector was not part of the project. The capacity building of Energy Coaches was part of SEMP Phase I including a Train of the Trainer approach and can potentially be further strengthened in SEMP Phase II. SEMP Phase II will further foresee the support of training and certification for EE auditors, but does not foresee a systemic capacity building and vocational training element per se for the whole energy efficiency sector.	Dito
8. Know-how management of municipalities	Agreed and included in SEMP Phase II	Dito

Municipalities have a vested interest in fulfilling their obligations e.g. with regards to the EE Law and other laws already in force. This includes reporting on EE to AEE, but also implementation of EE projects in public buildings, public lighting, mobility etc. which all require funding. The need to invest in public buildings is huge and opportunities to reduce the municipality's energy bill are (now) well understood. Although other sectors such as mobility, waste, water supply are also important. Consequently, building municipalities' know-how is of crucial importance, but should remain focused on a limited number of topics as not to overburden them.		
7. Involvement of pilot municipalities in SEMP Phase II The involvement of the four pilot municipalities with their experience and good understanding of processes, tools, lessons learned etc. in any roll-out activities shall be self-evident. They can communicate very credibly why and how they went through the process of establishing an EMS, what are aspects to be considered. The conditions for concrete implementation need to be discussed with them to consider their specific limitations (time / financial constraints).	Agreed and included in SEMP Phase II, since this is a feasible recommendation where four pilot municipalities could share their gained expertise and experience in peer-to-peer learning events with the other new municipalities.	Dito
9. Financial support of MEMU's The SEMP nicely embedded the EMS into formal governance structures by establishing MEMUs at municipality level. However, the **integration of EE into local budget cycles and urban planning** might still need more support and maybe also a stronger (also legal) empowerment of MEMUs. The following **funding options** can be considered: • Wait for the **EE Fund of the Government** and then decide (end of 2026); • Consider the **performance-based grants** (co-financed by Swiss SDC and Sweden through Strong Municipalities) as a possible tool (e.g. linking funding tranches to completion of audits, plans, or verified EE savings). It is already anchored in the Budget Law; a joint guidance from the Minister of Finance and Minister of Local Government needs to be signed. The	Agreed and included in SEMP Phase II, given that the National EE Fund (NEEF) of the Government is foreseen to be set up, SEMP Phase II will support municipalities in accessing this fund, and support the fund structuring for enhancement of favorable, competitive and transparent investment conditions in line with good governance principles.	Dito

volume of financing is around €2.6 million from donors and €2 million from the Government. It will also be repeated in 2026 with the aim of Central Government taking over. The principle is that based on the performance of the LGUs in some areas (that might change every year depending on the government priorities), the better-performing municipalities will be re-warded with grant funds on top of their budget. Municipalities will have full discretion on where to use these funds (except for salaries and similar). This year, a large percentage is on the LGUs preparing plans for different areas of activities but also financial performance-related indicators. • Instruments like a **revolving fund** (at municipality level or national level), blended finance, energy service companies (ESCO) models etc. can be considered. • **Project-based financing**: Consider other delivery agents such as the ADF and co-finance the design and implementation of interventions with them. It could be that they prove themselves a better actor than AEE even in embedding and financing these practices. (10) An additional option could be to also **involve local banks** which have high liquidity but lack suitable loan programs. By training them on oppor-tunities in the field of energy efficiency, assessment of internal rate of re-turns (IRR) of EE measures, management of risk etc. will help to develop attractive financing products (which can also be combined with subsidy components).		

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