

Sessions 6: case studies

During the second day, participants divided themselves into two groups to undertake case studies and apply the 7 steps to go from analysis to action presented during the previous day.

- Parliamentary assistance (Serbia and Albania)
- Nature conservation (Macedonia)

Macedonia case study

1. Problem Definition

The case study examined how SDC could support both nature conservation and sustainable, inclusive socio-economic development in the Bregalnica region of North Macedonia. It was based on data from 2016, which SDC had used to design its current Nature Conservation Project. Stanislava Dodeva, SDC North Macedonia NPO, responsible for the project, played a crucial role during the case study: she both provided information/clarification on the context and also explained what SDC North Macedonia had actually done.

Following an initial discussion of the project, the group defined the main problem it wanted to tackle through the PEA exercise as: **“lack of institutional interest and ownership and capacity to establish a protected natural area (at local, regional and national levels)”**.

2. Foundational/Structural Factors

The group then discussed what were the main political economy factors in the country/region/sector which are the most relevant for the problem they were analysing:

- a. What are the most important structural / foundational factors in the country?
- b. What are the most important institutions for the problem you are analysing? Make sure you discuss the distinction between formal and informal institutions.
- c. What is the nature of the political settlement (elite bargain) in the country and region?
- d. What are some sources of economic rents, and who secures them, and how?
- e. What is the role of socio-economic characteristics (e.g. gender, age, class, language, religion, geography etc) in influencing the ways that power is exercised?

They considered what impact this political settlement has on the likelihood that the government will act in pro-developmental ways – the broad changes in incentives that are likely to induce elites to act more or less pro-developmentally

The group discussed some of the general structural factors facing North Macedonia. The following specific factors were identified as relevant to explain the problem facing the establishment of the protected area:

- The region is of little national interest to politicians. It has few voters – it is a Macedonian area of little interest to Albanian politicians (the Minister in charge is Albanian and is not interested in any of the municipalities).

A seven-step framework to go from analysis to action



- Competing economic interests in the region; some “dirty” business (e.g. mines) would be threatened by stricter environmental rules (e.g. paying concessions).
- A strong incentive, so influential that it can be described as structural, is North Macedonia’s interest in showing progress towards EU integration (acquis) in this case as applied in the area of nature protection.
- Poverty encourages short term thinking which acts against understanding the potential benefits of protection.

3. Rules of the game/institutions

The group also discussed both the formal and informal rules that might be constraining the establishment of the protected area. Some of the ones identified included:

- Unclear institutional responsibilities between line ministries and other institutions responsible for nature protection in the country and the region (example of formal rules).
- Corrupt practices within institutions responsible for nature protection such as the forestry agency (example of the incentives that guide how institutions actually operate rather than how they should).
- Lack of shared awareness of the importance of nature protection and a fear that new rules would lead to a loss of livelihoods (example of norms and values, and the impact of rules’ interpretation on incentives).

4. Actors and Agents

The group undertook a stakeholder analysis of the most important actors that have a stake in the problem to examine the various interests at play, and the influence of the different actors (see quadrant below). They asked themselves the following to understand individual level incentives:

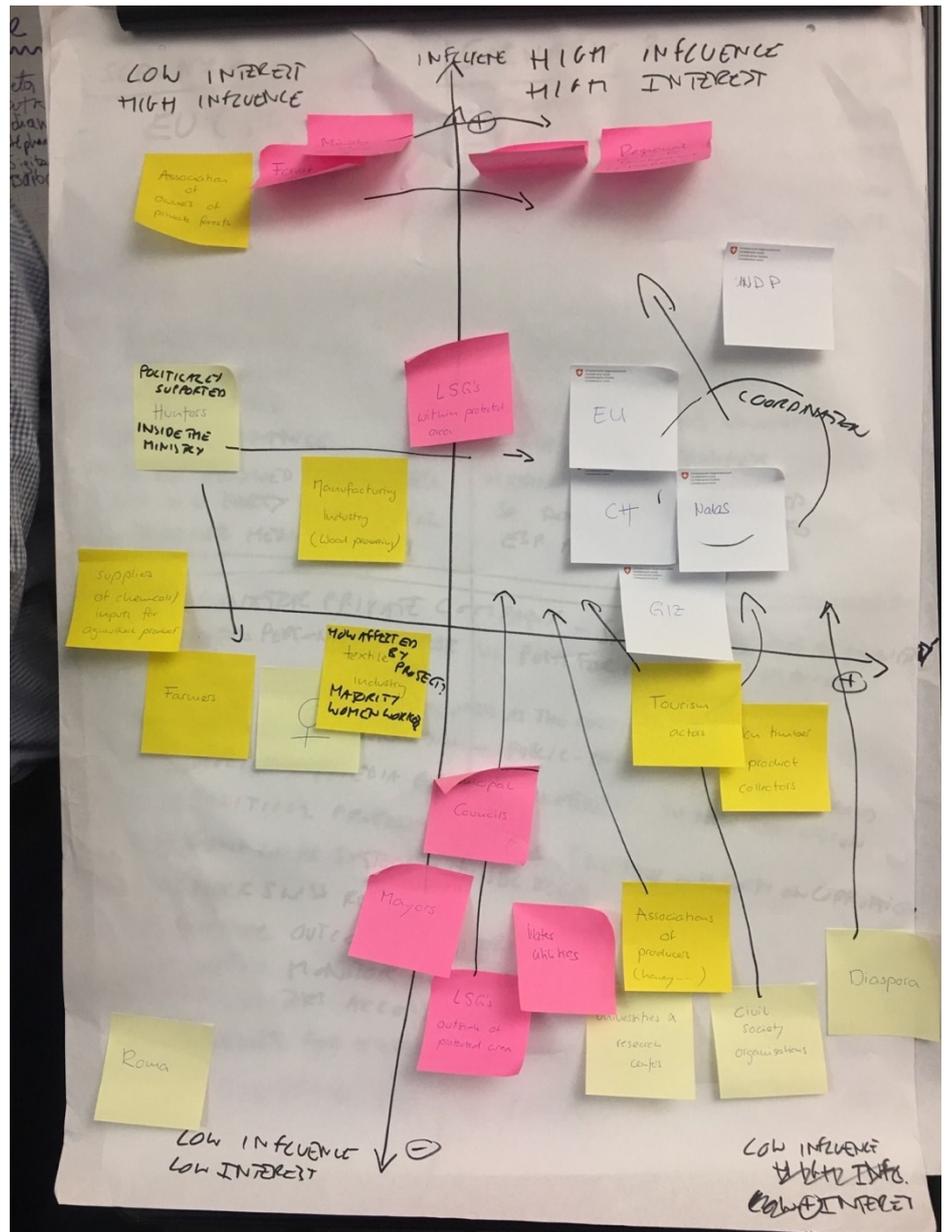
- a. Who’s in charge?
- b. What’s in it for me?
- c. Who wins? Who loses?
- d. Are there alliances that could support developmental solutions?

High interest, high influence: Regional Centre for Development; association of producers, development partners (UNDP, EU, CH, GIZ, Nala?, some LGS within the protected area

High influence, low interest: association of owners of private forests; forest public utility; Ministry of Agriculture and Forestry; Ministry of the Environment; (politically supported) hunters; manufacturing industry; suppliers of chemicals/inputs for farming; some LGS within the protected area

Low influence, high interest: tourism actors; non-timber product collectors; diaspora; civil society organisations, universities and research centres; water utilities; LSGs outside the protected areas; some mayors; some municipal councils

Low influence, low interest: farmers; women; textile industry (majority are women workers); the local Roma population; some mayors; some municipal councils



Following the analysis, the group tried to identify different strategies that might incentivise change (and bring more actors into the high influence/high interest quadrants – see arrows on the flipchart photo).

5. Pathways/Theories of Change

To test these different strategies, the group discussed two scenarios which might be faced by the project, and how structural, institutional or individual incentives might be different under both scenarios.

Scenario 1: Under a reformist state scenario, the Macedonian government is interested in regional integration, removing obstacles to doing business and in tackling unemployment. Agreement is reached with Greece on the country's name, and the process of EU integration deepens. The government prioritises economic development and needs to show it is interested in protecting the environment (because of the EU environmental acquis requirements). Local and national stakeholders are able to collaborate. They agree how to

both protect a large part of the Bregalnica River Basin and create sustainable local jobs. Under the first scenario (positive), change is incentivised by:

- EU accession
- Prospects for future rents from the nature reserve
- The ruling party at the centre is aligned to the local level
- General greater awareness of the environment among the population
- Climate crisis
- Increase in regional tourism
- CSOs are able to organise
- Social media and youth

Scenario 2: Under the authoritarian state scenario, a nationalist and populist government is primarily interested in protecting the ruling elite's economic interests. There is no agreement with Greece on the country's name. Nepotism and clientelism deepen. Decentralisation is reversed; municipalities have fewer powers and less funding; and the Centre for Development of the East Planning Region is undermined. The economic downturn leads to growing irregularities; corruption becomes pervasive. There is no national or local support to protect new areas in the Bregalnica River Basin. Migration to EU countries increases. Under a second more negative scenario, the following could apply:

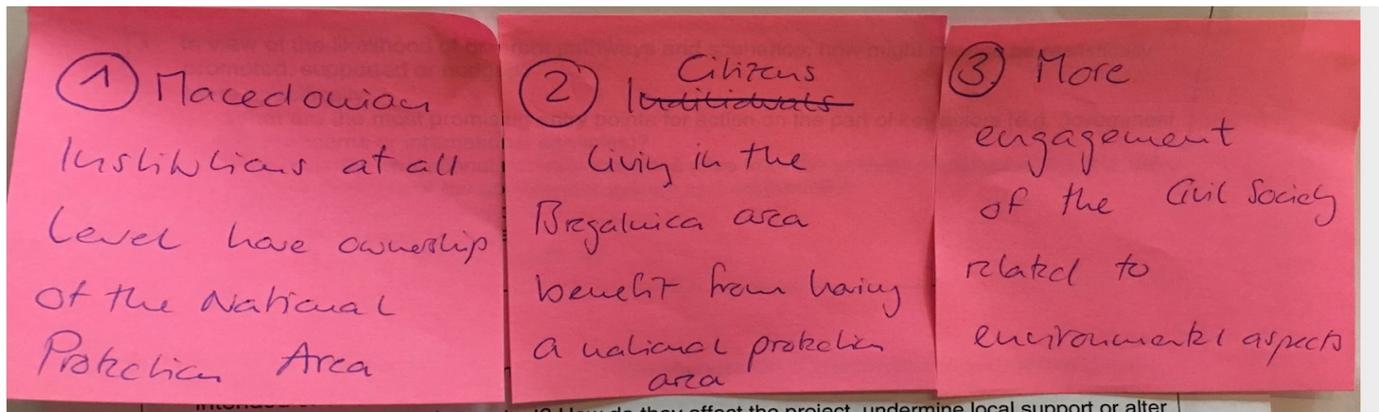
- A "green Hitler" emerges in response to the climate crisis
- Right wing European parties influence Macedonian politics (not interested in environment protection)
- Water is used to generate energy (economic rent)
- Migration out of the region could have different effects: fewer people in the region could mean less resistance to change but also fewer persons active in support of the reserve
- The environment could become more difficult for independent CSOs to operate and easier for government controlled CSOs
- Government-controlled media would make it harder to communicate messages information, especially at the local level

6. Implications for governments, official development agencies and other actors

The group was then asked to identify steps SDC could take to make scenario 1 more likely and the scenario 2 less likely.

- a. Set out the main features of a policy dialogue, strategy and/or programme that SDC could consider that would make the positive scenario more likely and negative scenario less likely (e.g. underlying principles, major components, partnerships, etc).
- b. How would SDC be working politically with the different stakeholders (i.e. influence their behaviour by considering various incentives?)
- c. How could you make sure your programme is flexible and adaptive (i.e. what management arrangements, MEL system, risk management, etc)?

The group suggested designing a program with the following three objectives:



Some of the strategies they recommended to make progress towards those objectives included:

- **Political incentives/peer pressure:** How to get the Minister to support the initiative: e.g. peer pressure between countries and regions; study tour to a country with good practice; Prime Minister to instruct the Minister to collaborate, Make the Ministry a champion in implementing the strategy; improve cooperation between ministries (invitation of Ministers by the Swiss Ambassador, Prime Minister inter-ministerial order, technical level working groups; peer pressures among ministries of the environment in the region; study tours of Mayors to CH and Bulgaria; peer exchange NMU-SRTS among association of forest producers
- **Tourism and industry:** link the protected areas to tourism; evidence produces new knowledge on the value of a biosphere label which increases the value of agricultural products; support the mining industry to take adaptive measures; more favourable conditions to invest in the region; organise the diaspora to invest in the region;
- **Advocacy and awareness:** public awareness campaigns by strengthening CSO and public education; show citizens the long-term interest in having a protected area; produce evidence so hunters are shown that they can still hunt in surrounding areas; longer term strategy through the education system to educate children
- **External influence:** improve donor coordination
- **Gender dimension:** we agreed we did not have enough data on how women's interests would be affected; and differences between women/men (apart from the fact that the textile industry employs mostly women, and that hunters, resisting change, are mostly men).

The group discussed how such a project could be managed – and how SDC North Macedonia had actually managed it.

- A private sector company has been acting as the coordinator. With the same background as the Minister, they both had access and could draw on personal interests
- After the political change (elections bringing a new party to power in most municipalities), 10 new Mayors accepted the new protected area as the only offer
- Some challenges remain: grand corruption, polluters do not pay taxes, no new concessions
- The media have been mobilised and used to communicate
- The project has been using local systems while respecting SDC rules to enhance local ownership
- The project uses formal outcome monitoring to assess progress; there is also a budget for external reviews
- The NPO has played a crucial role in understanding incentives of local partners

- The Minister has been accessible to SDC
- Participants felt there could be more synergies with similar SDC projects across the Balkans

7. New challenge

The case study had included a new “challenge” during implementation, to test how adaptive and flexible the original design by the group was. The group discussed what SDC would do in case of a large Swiss investment in hydropower (which has happened in other countries in the region). It reflected on how likely it was that such an investment would seek to undermine national environmental norms, how Switzerland’s reputation would be affected, and how the Swiss Ambassador / Swiss diplomatic resources could be brought to bear on the situation.

Serbia and Albania case studies



The two groups sought to combine their similar problems in one big group for large parts of the day. The two case studies revolved around their efforts to strengthen the parliament and the problems faced by the SDC projects in both countries.

In **Serbia**, the principal problem is the domination of the governing

party in most parts of the state, and the marginal role played by parliament in holding government to account. The previous iteration of the parliamentary support project had been mostly technical, run by the UNDP, but there was now a desire to develop a project that sought to increase cross-party dialogue, dealt more with the practices in the parliament and aimed to improve the performance of MPs themselves. However, the looming threat of a parliamentary boycott meant that there would be no opposition with whom to work and could undermine the operation of the programme.

In **Albania**, efforts to strengthen parliament had been focused on three fronts, namely increasing the capacity of the parliamentary administration, improving oversight and accountability, and improving citizen engagement. Whereas in Serbia parliamentary boycotts are relatively rare, they are a frequent occurrence in Albania, and means that parliament is currently operating without a recognised opposition party. The absence of any opposition has further eroded trust in the political system which currently sits at around 19%. The project could operate solely as a technical, capacity building exercise for the administration, but in this context, there is little evidence that this would mean that parliament would then fulfil its constitutional roles more effectively.

The groups undertook the various stages of the PEA.

1. Problem Definition

The two groups worked together initially on a common problem definition, seeking to draw out the common elements from both projects.

Wide-ranging discussion over the politics of both countries which started with the principal manifestations of the problem. In conclusion, the group came up with a brief problem definition, which seemed applicable to both groups:

- One party domination
- No incentive for the ruling party or the opposition to change the current situation
- As a result, there was a limited role for, and limited function of, parliament

2. Foundational/Structural Factors

The groups also sought to identify some common foundational and structural factors that underpinned the current position. The principal factors were:

- Recent and long-term history which meant there is an absence of institutional culture which limits the ability of institutions to operate collectively.
- Limited experience of democracy means that the main tenets of democratic culture are not deeply embedded.
- Geopolitical factors, not least the physical position of the countries involved, pinned between the EU and Russia, shaped many attitudes and political arguments.
- The limited natural resources mean that most rents come from the public sector, meaning that control of government offers opportunities for patronage, corruption and clientelism.
- Alongside that, a culture of corruption is rife.
- Limited economic opportunities and poverty further shape public attitudes to politics and to the country, and are a significant factor in high levels of migration, especially amongst younger people.
- Politics and political institutions are offering little by way of vision or hope for that younger generation in particular.

3. Rules of the game/institutions

In Serbia, the absence of dialogue was a fundamental problem and MPs only felt accountability towards their party leaders. That party accountability was similar in Albania and was exacerbated by a project which was highly technical in nature, and which did not tackle the core problems. In both countries there was an incentive for the governments to keep parliaments weak, there was little public engagement or understanding of parliament's role and political battles revolved around the power games of the parties.

The discussion also took in some of the reasons behind the current state of affairs, such as the obscurity about political parties' sources of funding, the impact of closed party lists on that accountability, and the ability of governing parties to either ignore or manipulate the rules in order to get their way. They did though see some scope for working through parliamentary committees where politicians had scope to develop policy expertise, and work on a cross-party basis, in contrast to the plenary which was mainly used for 'political marketing'.

4. Actors and Agents

The groups split into their country groups to undertake a mapping of the key actors and agents. This turned into a rather complex and convoluted exercise. Both groups produced a wide-ranging mapping exercise, across two axes 'interest in' and 'influence over' the process of change. The analysis was conducted at the highest possible level, and both groups seemed intent on trying to include all possible actors, but also in grouping them in very ambiguous categories such as 'media', 'business', and 'citizens and CSOs'. **At such a high**

level it is difficult to identify how to engage with such groups, or to identify what their interest/incentive is given that each of these groups will contain a variety of opinions and incentives to promote or object to change.

The groups therefore went through a refining exercise with a more specific mapping, identifying the figures that have a direct influence and interest over the problem, and with whom the project could engage in order to facilitate that process of change. In order to bring some clarity to the exercise we divided those actors into internal and external stakeholders. Internal stakeholders included the Speaker, Deputy Speakers, General Secretary, committees, parties, women's caucuses and MPs in general. The external stakeholders tended to return to general categories such as citizens and the media. With more time, we would have been able to identify more specific individuals to engage with and how to engage with them.

5. Pathways/Theories of Change: & 6. Implications for governments, official development agencies and other actors

Due to the overrun of the previous session, stages 5 and 6 merged with each other, and produced the following broad outcomes.

Both projects highlighted the need for technical support. The absence of capacity and resources was hampering the ability of the parliament to perform more effectively. The high turnover of MPs, meaning few MPs with experience, exacerbates the problem. However, technical support may not address the problem effectively. The influence of the dominant political parties on administrative recruitment risks entrenching political advantage.

Both projects needed greater political engagement to achieve their objectives, improving dialogue and enabling the parliaments to function. The boycott of political institutions by opposition parties though undermines those objectives.

The projects need to work with both governing and opposition parties, using the most obvious sources of leverage – such as the requirements of EU accession and pressure from civil – as well as identifying specific entry-points to find common interest – such as parliamentary committees and interest from individual MPs or party officials – whom might act as vehicles for and advocates of the project's objectives.

In Albania, the project will seek to find those entry-points, whilst in Serbia, should the threat of the boycott materialise, the project will revert to technical support to the parliament until the situation stabilises.