KfW Development Bank

Ex-post evaluation
Promotion of the energy sector IV and V, Kosovo

Title	Promotion of the energy sector IV and V - Improvement of the transmission grid, Kosovo		
Sector and CRS code	Power transmission, distribution & storage, 23630		
Project number	Phase V 2012 66 097, Phase IV 2011 65 604, 2020 61 026 and 2020 61 448 (EU grant funds)		
Commissioned by	BMZ		
Recipient/Programme executing agency	Republic of Kosovo, represented by the Ministry of Finance / KOSTT, state transmission company		
Project volume/ Financing instrument	Phase IV: EUR 13.5 million, mixed financing, Phase V: EUR 9.9 million		
Project duration	2013-2016		
Year of report	2024	**Year of random sample**	2020

Objectives and project outline

The objective at outcome level was to contribute to the reduction of technical electricity losses in the transmission grid, to the cost-effective and sustainable improvement of electricity supply security and to the integration of the Kosovar grid into the European electricity market. At the impact level, the aim was to promote the economic and social improvement of living conditions in Kosovo as well as climate and environmental protection.

The target group of the project is all consumers connected to the electricity grid in Kosovo, who will benefit from the increased electricity supply security. In order to achieve these objectives, rehabilitation, extension and modernisation works were carried out on the Kosovo transmission network, in particular at the 110 kV level. With the exception of the predominantly Serb areas, these measures were implemented as planned.

Key findings

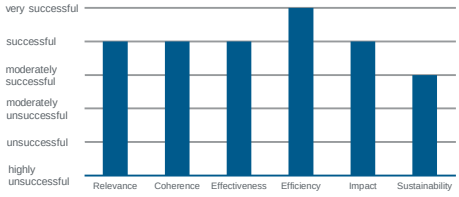
The project is considereds successful, since it was able to fulfil its objectives and is effective in terms of development policy. However, sustainability is threatened by the political environment.

- Various international donors, such as USAID or the EBRD, have implemented comparable measures. At the same time, the measures evaluated here were strongly integrated into German development cooperation, so that coherence can be rated as successful.

- There were no delays in the implementation of the project, and the scope of the measures was increased compared to the design due to efficient tendering. The efficiency of the project is therefore rated as very good.

- The sustainability of the programme is limited due to the still difficult political environment between Serbia and Kosovo. Therefore, the programme is rated as having limited success.

Overall rating:
Successful



Conclusions

– A strong executing agency justifies projects that are perceived to have a lower potential for impact because they are more likely to succeed.

– A phased, longer-term portfolio approach promotes synergies and thus strengthens the positive effects of individual measures to improve energy supply.

– The impact of political risks on economic viability should be mitigated through the development of concrete measures by the promoter.

Ex-post evaluation - assessment according to OECD DAC criteria

Overview of the rating per criterion:

Relevance	2
Coherence	2
Effectiveness	2
Efficiency	1
Impact	2
Sustainability	3
Overall rating:	**2**

List of abbreviations:

BMZ	Federal Ministry for Economic Cooperation and Development
DAC	Development Assistance Committee
DC	Development cooperation
EBRD	European Bank for Reconstruction and Development ECA
	Export Credit Agency
EU	European Union
EUR	Euro
FC E	FC Evaluation
FC	Financial cooperation
GDP	Gross Domestic Product
HDI	Human Development Index
kW	kilowatt
MWh	Megawatt hour
PA	Project Appraisal
PAR	Project appraisal report
PCR	Project completion report
PP	Project proposal
SDG	Sustainable Development Goal
TC	Technical cooperation
USAID	United States Agency for International Development USD
	US Dollar

General conditions and classification of the project

The evaluated project is part of the FC programme "Promotion of the Energy Sector in Kosovo", which has been running since 2005. The phase "Improvement of the Transmission System" (Phase IV of the programme) drawn in the sample 2022 cannot be distinguished from Phase V of the project in terms of content and financing, so that they were bundled for the evaluation and evaluated together.

Phases I and II, which have already been completed, included the construction of a new substation (Peja 3)[1] and improvements to the district heating systems, with the aim of replacing electricity with district heating for heating purposes in an energy-efficient manner using combined heat and power generation. Phase III comprised the rehabilitation and extension of the district heating system in Prishtina.

The investments to improve the transmission grid will be continued in Phase VII. In addition, the FC cooperation has now been extended to support the expansion of renewable energy generation capacities (in the form of a solar park and a solar thermal plant).

Brief description of the project

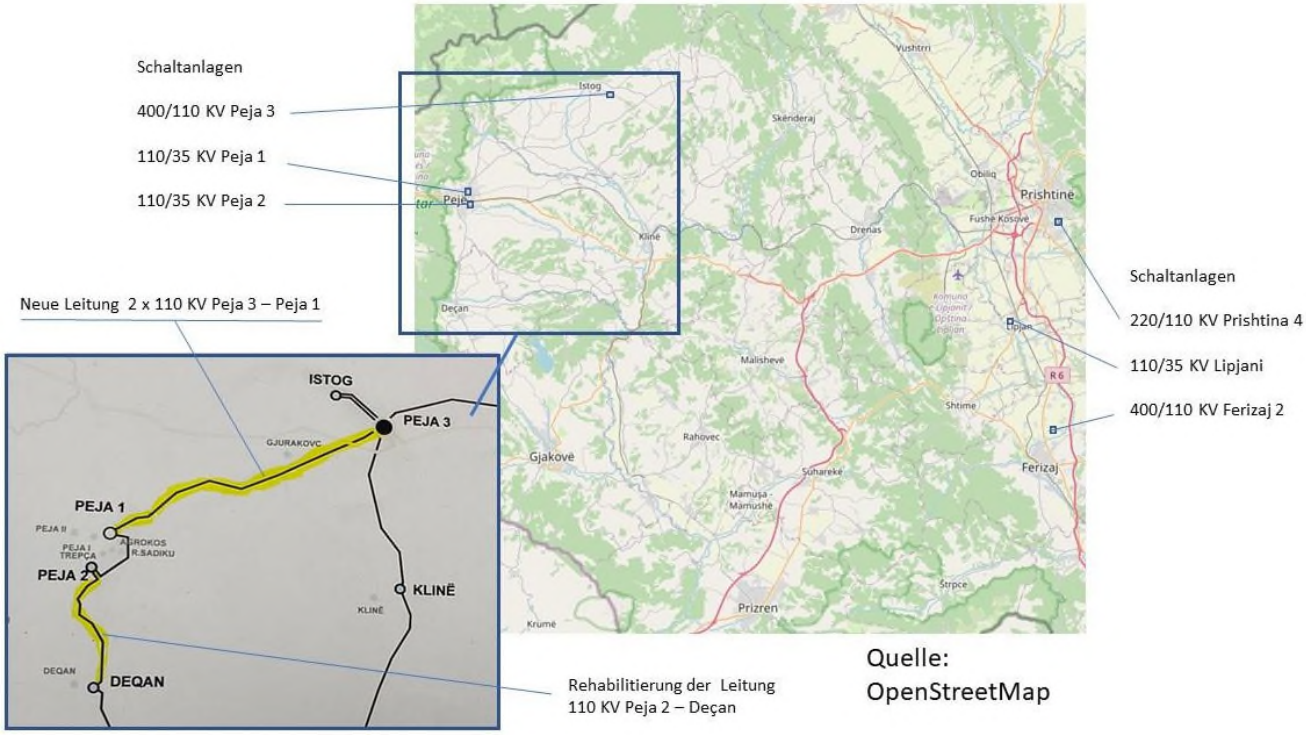
The project comprised various rehabilitation, expansion and modernisation measures in the Kosovan transmission grid at the 110 kilowatt (kV) level. Specifically, this included

- Modernisation of switchgear by replacing high-voltage equipment, installing additional power transformers, billing meters and instrument transformers.
- Installation of additional and updating of existing station control technology as well as delivery and installation of new in-house systems in a total of 20 switchgears.
- Rehabilitation of the 110kV power transmission line 'Peja 2 - Decan' and the construction of a new 110kV power transmission line 'Peja 3 - Peja 1'.
- In several power transmission lines, the lightning protection cables were replaced by optical earth conductors (fibre optic cables).

The objective of the project was to contribute to reducing electricity losses, to improving the security of electricity supply in Kosovo in a cost-effective and sustainable manner and to integrating the Kosovar grid into the European grid and the European electricity market. By achieving the overall objective, the project was expected to contribute to the economic and social improvement of the living conditions of the population in Kosovo as well as to climate and environmental protection at the development impact level. The target group of the project are all consumers connected to the electricity grid in Kosovo who benefit from the increased security of supply.

[1] Evaluated in 2019 with an overall grade of 2.

Map of the project country incl. project areas



Breakdown of total costs

The project is financed by FC loans with Export Credit Agency (ECA) cover and investment grants from the BMZ and the European Union (EU). The Kosovan side also provided a contribution of EUR 2 million to finance additional components.

		Phase IV and V: (plan)	Phase IV and V: (actual)
Total costs	**EUR million**	**31,0**	**32,8**
Own contribution	EUR million	0	2,1
External financing	EUR million	Phase IV: 17.0 Phase V: 14.0	Phase IV: 17.0 Phase V: 13.9
of which budget funds (BMZ)	*EUR million*	Phase IV: 13.5 Phase V: 10.0	Phase IV: 13.5 Phase V: 9.9

Rating according to OECD DAC criteria

Relevance

1. Alignment with policies and priorities

At project appraisal in 2012, unreliable electricity supply was one of the main constraints to economic development in Kosovo and the project region. Both at the time of the project design and today, the project was highly consistent with the policies and priorities of the partner country. The measures are in line with the "Transmission Development Plan 2012 - 2021" approved by the Kosovar regulatory authority, which in turn is derived from the Kosovar government's energy strategy. The current strategy covers the period 2022-2031 and has the following strategic objectives: (i) improving system reliability, (ii) decarbonisation and promotion of renewable energy, (iii) energy efficiency, (iv) strengthening regional cooperation and market functioning, and (v) consumer protection and empowerment. It is in line with the objectives of the European Energy Community, which Kosovo joined in 2005. Accession to the European electricity network ENTSO-E has therefore been a priority of Kosovo's energy policy. The improvement of the transmission network - in addition to the improvement of the distribution network (which is not addressed by the project) - is an indispensable step for Kosovo to integrate into the regional and European electricity network and thus create a framework for reliable electricity supply and stable economic growth.

The objectives of the programme correspond to the former and current objectives of the BMZ in the sector and in the region. From the perspective of the time, the FC measures contributed to achieving the then Millennium Development Goals and the current Sustainable Development Goals SDG 7 ("Ensure access to affordable, reliable, sustainable and modern energy for all"), SDG 13 ("Climate action") and the Paris Climate Agreement.

However, the project objectives underestimated the balance of power in the Serb-majority northern regions, or were too optimistic about their development. The risks were mentioned in the project proposal, but no mitigating measures were proposed.

2. Alignment with the needs and capacities of the beneficiaries and stakeholders

To ensure security of supply for the Kosovan population, all three components of the electricity system need to be improved: Expansion of the currently ailing and inadequate generation capacity, improvement of the transmission grid and modernisation of the distribution grid.

At the time of the project appraisal, the state monopoly KEK, which bundled all functions in the electricity sector, was in the process of *unbundling*. The inefficient and dysfunctional distribution division was to be spun off, privatised and then rebuilt. In the meantime, the private distribution company KEDS has emerged. The transmission company KOSTT had already been set up as a separate state-owned company. At the time, it was therefore the only capable project partner for FC that had the capacity to implement an investment project. Ultimately, the core problem was correctly identified at the time and the right solution was chosen for Financial Coperation. In the meantime, Financial Cooperation with Kosovo has been expanded to include investments in electricity generation from renewable energies (solar power plant), which addresses the problem of outdated and inadequate generation capacities. No solutions have yet been found for the privatised electricity distribution sector.

The target group was correctly defined as all consumers connected to the electricity grid, in line with the project's objective of improving the electricity supply throughout Kosovo. As electricity transmission is a so-called measure that is distant from the target group and does not have a clearly defined user group, no gender impact potentials were identified. Further potential through other conceptual designs is also not discernible ex-post.

3. Appropriateness of design

The design of the measure was appropriate and suitable to contribute to solving the identified core problem. However, the target system had to be adjusted because it originally contained impact assumptions that could not be addressed by the measures implemented and because the core problem had been defined too broadly. The reason for the measures is that electricity losses in Kosovo's overall grid occur primarily on the distribution level. These losses are both technical and commercial, such as electricity theft or inadequate billing. Measures to re-

duce transmission losses are therefore only of limited use in reducing overall electricity losses. At the time of the project appraisal, there were no alternative FC options because the structure of the Kosovar electricity sector had not yet been completely unbundled. At the time, investments in the transmission network promised the greatest long-term impact, as the institutional structures for modernising power generation and distribution were still being developed or did not yet exist.

The individual measures were well described, but in some cases the impacts were not clearly derived. In principle, however, the assumptions are also plausible ex-post if the following causal relationships are assumed:

- Rehabilitation/expansion of the transmission grid (overhead lines, circuit breakers, transformers) leads to fewer interruptions in electricity transmission and more efficient electricity transmission -> electricity demand can be met to a greater extent -> private consumers have a higher quality of life+ Productive consumers have better production conditions and save costs by reducing the use of diesel generators.

- Simultaneous saving of CO2 emissions by reducing the use of emergency power generators and more efficient utilisation of the electricity fed into the grid.

This results chain is plausible, as an improvement in the electricity supply in the project region is a necessary condition for a positive contribution to the economic and social development of the country. At the same time, the detailed analysis of the measures is difficult. While the interruptions in the power grid are easy to measure, the shutdown of diesel generators is difficult to verify empirically. However, it can be assumed that they will not be used as soon as the electricity grid offers the necessary security of supply.

4. Adaptability- response to change

At a conceptual level, there was no need for adjustments during the course of the project. However, changes were made during implementation (see efficiency criterion).

Rating summary

By improving the transmission network in Kosovo, the project will help to increase the country's security of supply and bring it closer to integration into the European electricity network. It is in line with the priorities of the partner country and the objectives of German development cooperation.

The assumed results chain was and is logical, but the original objective had defined the core problem too broadly and had to be adjusted. In addition, the design and formulation of the objectives did not take into account that a lack of cooperation from the Serb-populated part of Kosovo would limit the success of the programme. These risks lie outside the sphere of influence of the FC programme and affect only some of the objectives, so that the overall sub-rating is 2.

Relevance: 2 (both phases)

Coherence

5. Internal coherence

The two projects "Promotion of the Energy Sector IV and V" are modules of a programme within the framework of commitments made by the German government. The integrated FC programme can be seen as the successor with the goal to promote the Kosovan energy sector. Previous phases of the commitments from Fiscal Cooperation included the financing of a further transformer station (Peja 3) (BMZ No.: 2005 66 166) and a 400 kV transmission line between Kosovo and Albania (BMZ No.: 2008 65 196). Both programmes also improved the conditions for integration into the European electricity market and the security of electricity supply and increased income through cross-border electricity transfers. The programme evaluated here also complements the project "Promotion of the Energy Sector III - Improvement of District Heating Systems", which aims to replace electricity with district heating for heating purposes using combined heat and power generation. In addition to the FC module "Strengthening the Kosovar transmission grid" (BMZ No. 2005 66 166), the programme to promote the Kosovar energy sector included a complementary measure (BMZ No. 2005 70 382) to strengthen the institutional capacity of the project implementing agency KOSTT. The complementary measure supported project-related moni-

toring of the project implementing agency KOSTT and thus familiarised the responsible KOSTT personnel with the professional management of large-scale projects. The capacities for managing comparable investment programmes were thus strengthened, as were the prerequisites for the sustainable operation of the programme investments. Follow-up projects, such as the one evaluated here, were able to build on this.

There are synergies in the sector with Technical Cooperation (TC). On behalf of the German government, TC is involved in regional projects in the Western Balkans, both in the area of energy efficiency in buildings and in improving the regulatory framework in the electricity sector in the region. One example of this is the "Open Regional Fund for South Eastern Europe - Energy, Transport and Climate Protection", which is jointly financed by the BMZ and the EU. The aim is to build capacity to plan and implement decarbonisation measures in the energy, climate and transport sectors.

6. External coherence

The financing of the project supported the partner's own efforts to modernise the energy sector. The financed measures originate from an extensive investment plan defined by KOSTT, which the project partner supported with its own funds to complete the measures. The EU is participating in the FC project with grant funds totalling EUR 7.5 million to promote the country's integration into the European network.

The concept and its implementation complement the activities of other donors well: while USAID and the World Bank support institutional unbundling in the sector, the European Bank for Reconstruction and Development (EBRD) provides funds for further investments in the transmission network, benefiting from the experience of the project implementing agency KOSTT from its cooperation with FC, e.g. in international tenders. At the same time, the support provided by EBRD to KOSTT in the area of environmental and social management also benefits the FC projects.

International environmental and social standards were applied during implementation.

Rating summary

The programme is a useful addition to both German government commitments and the activities of other donors in both the investment and regulatory areas in the sector. As a result coherence is classified as successful.

Coherence: 2 (both phases)

Effectiveness

7. Achievement of the (intended) objectives

The objective at outcome level, which was adapted as part of the EPE, was to contribute to the cost-effective and sustainable improvement of electricity supply security in Kosovo by reducing technical electricity losses in the transmission grid and to the integration of the Kosovar electricity market into the European electricity market (ENTSO-E connection).

The achievement of the objective at outcome level can be summarised as follows:

Indicator	Status at PA	Target value acc. PA/EPE	Actual value at PCR (optional)	Actual value at EPE
Indicator 1: a) Losses in the transmission grid have remained the same or decreased in proportion to the amount of electricity transmitted	1,32 %	n.a.	1,42 %	Fulfilled 1.33%

b) Annual reduction in electricity transmission losses from individual components by 7,400 (in MWh/year)	n.a.	7,400 MWh/a	8,400 MWh/a	Fulfilled for the transmission line. Loss reductions for transformers are not expected until 2025. See appendix for the calculation.
Indicator 2: The downtimes of the transformers in the two substations 'Peja 3' and 'Ferizaj 2' have been reduced by 15 hours per year in each case	20h	Reduction by 15h (75%)	Reduction by 20h	Fulfilled Reduction by 20h
Indicator 3: Total annual duration of outages of the transmission lines 'Peja 3-Peja 1' and 'Peja 2-Deçan' is reduced	Average of the years 2011-2015: 'Peja 3 - Peja 1': 36h 52min Peja 2 - Deçan': 47h 16min	Reduction by 80 %, i.e. less than 17h 30 min in total	n.a.	Fulfilled on average Average for the years 2018-2021: 'Peja 3 - Peja 1': 9h 01min Peja 2 - Deçan': 6h 24min
Indicator 4: Integration of the Kosovar network into the European network or the European electricity market according to ENTSO-E criteria	ENTSO-E Criteria not fulfilled	ENTSO-E Criteria fulfilled	ENTSO-E Criteria largely fulfilled	ENTSO-E criteria largely fulfilled

8. Contribution to the achievement of objectives

Indicator 1:

Electricity losses are measured using two sub-indicators summarised under indicator 1.

a) Transmission losses have remained the same or decreased in proportion to the amount of electricity transmitted: these losses were 1.32 per cent at project appraisal and almost the same at 1.33 per cent at the time of the EPE. This can be considered a success in the sense that the peak load demand in the Kosovar energy sector has increased from 1,150 MW at peak in 2011 to 1,398 MW at peak in 2021. Without changes to the infrastructure, the absolute losses normally increase automatically as electricity transmission increases. Here, the stability of the transmission grid has been increased and, despite the increase in transmission capacity, transmission losses have remained more or less the same.

b) Electricity losses from individual components have been reduced (in MWh/year): A target value of 7,400 MWh/year was set at project appraisal in 2011. At the time of the final inspection, the value was already 8,400 MWh/year and savings of over 7,400 MWh/year were also measured during the EPE. The indicator was therefore met.

In the overall view of the two sub-indicators, it is assumed that the project was able to reduce electricity losses in the corresponding transmission line.

Indicator 2:

The objective was to reduce the outage of the transformers in the two substations 'Peja 3' and 'Ferizaj 2' by a total of 15 hours (from the original 20 hours to 5 hours). This indicator was more than achieved and ultimately there were no more outages at all at the time of the EPE.

Indicator 3:

The third indicator measures the reduction in annual breakdowns on the transmission lines between 'Peja 3- Peja 1' and 'Peja 2- Deçan'. This indicator provides a concrete insight into project implementation. The overall objective was to reduce outages by 80%. In the end, they were reduced by 83% at the time of the EPE, from 84h 08 min in 2011 to 15h 25 min in 2023. This indicator was therefore fully met.

Indicator 4:

The connection to the European electricity network ENTSO-E is largely in place. KOSTT has had a connection agreement with ENTSO-E since the end of 2020, which has since been extended twice for two years each time. KOSTT therefore meets the technical requirements of ENTSO-E. At the same time, however, the Serbian side is still refusing to make the necessary changes on its side that are required for final integration. Overall, therefore, despite technical developments on the Kosovan side, the indicator is only largely met, as the existing political tensions between Kosovo and Serbia stand in the way of full integration. Since the beginning of 2024, the supply in the predominantly Serb-dominated north of Kosovo has normalised and irregular electricity withdrawals have decreased.

9. Quality of implementation

The project-executing agency of the FC module is the electricity transmission company KOSTT. KOSTT is a state-owned company, wholly owned by the Republic of Kosovo. It was established in October 2005 when the electricity transmission business was separated from the electricity company KEK. Since its separation from KEK, KOSTT has rapidly built up a competent workforce and consolidated its institutional structures.
KOSTT has also been a partner in German FC projects in the past and has developed in the implementation of its own projects (see Coherence). The quality of the implementation of this measure is rated as good by the project-executing agency. The support provided by the implementation consultant is also rated as good.

10. Unintended effects (positive or negative)

No unintended effects (positive or negative) were identified as a result of the project.

Rating summary

The achievement of the intended objectives at outcome level is rated as very successful based on the defined indicators. The quality of the implementation can also be rated as successful.

Nevertheless, the non-implementation of the necessary installations to establish secure data exchange influences the effectiveness of the measure. Ultimately, the measure is rated as successful overall, but not very successful.

Effectiveness: 2 (both phases)

Efficiency

11. Production efficiency

In terms of production efficiency, the programme investments were implemented efficiently. This is reflected in the costs of EUR 32.7 million, which are reasonable by regional standards. They are also comparable with similar programmes of other donors in the region. The distribution of costs for the various programme inputs (investment costs in relation to consultancy costs, training costs, etc.) was appropriate. Due to the good technical quality, maintenance and repair costs are low or within the usual range.
Implementation was largely on schedule. Adjustments were made during implementation as various components could not be installed in the Serb majority areas and were used in alternative locations.

In total, ten changes were made to the scope of supply and services. Supplies and services were removed from the lots and replaced by other supplies and services in coordination with KfW in accordance with the requirements that arose. Overall, the changes to the scope of supply and services were cost neutral.

Additional components were included for installation in accessible areas when unexpectedly favourable supply offers freed up funds. In order to bring the scope of the additional components to a reasonable level, the project partner significantly increased its own contribution.

The costs assumed at the design stage were undercut by the international bidding process after the contract was awarded. The high counterpart contribution of the project-executing agency, which was added in the course of the measures in order to increase the scope of the investments, also speaks in favour of an efficient use of funds.

12. Allocation efficiency
The measures were appropriate to achieve the adjusted target and resources were allocated efficiently. Interventions in the distribution network or in generation would have been inappropriate given the institutional framework and would not have been more efficient. Investments in distribution networks are, by their very nature, small-scale and require a great deal of study and planning. It is also difficult to monitor the success of individual measures. Achieving the same effects in the distribution network would certainly require much more funding.

Rating summary

The costs of achieving the objectives are considered reasonable in terms of both production and allocation efficiency. As the scope of the measures was increased after the concept was adapted and the funds that became available due to more favourable tender results were increased by a significant contribution from the partner, the overall efficiency is rated as very successful.

Efficiency: 1 (both phases)

Impact

13. Overarching (intended) developmental changes

Once the programme objective had been achieved, the project was to promote the economic and social improvement of the living conditions of the population in Kosovo as well as climate and environmental protection at the overarching developmental level (impact).

No indicators were defined for this purpose, nor were any subsequently introduced.

A reliable electricity supply with fewer power cuts (outcome) is a necessary condition for economic growth, even if the contribution cannot be clearly quantified. The contribution of a reliable electricity supply to social development is even more difficult to measure. From EPE's perspective, however, it is plausible that a demonstrably more stable power supply and integration into the European power grid (both from a technical perspective and as a political signal) will lead to better living and production conditions in Kosovo.

It seems plausible that the project will make an effective contribution to climate change mitigation. The reliable power supply via the transmission network leads to an overall significant reduction in power cuts (bottlenecks in the distribution network remain for the time being). This will reduce the use of the ubiquitous diesel emergency generators, which are comparatively uneconomical. Replacing them with grid electricity will reduce CO2 emissions. In addition, renewable electricity imported from Albania via the more efficient lines replaces generation capacity at the ailing Kosovo B coal-fired power plant, although it is not possible to quantify how large this contribution is in relation to total emissions in Kosovo. In addition to importing electricity from neighboring countries, investments in climate-friendly power generation are likely to make a significant contribution to CO2 savings.

14. Contribution to overarching (intended) developmental changes

It can be assumed that the actions are generally achieving the intended developmental impact, although this is difficult to quantify and depends on many other factors.

The programme is contributing to the achievement of the objectives at the level of the intended beneficiaries. Even in the Serb-dominated areas, people are benefiting from the electricity supply, even if the connection could not be realised as planned due to their own operations.

The positive effects of this programme are being reinforced by additional measures from development cooperation and other donors.

15. Contribution to overarching (unintended) developmental changes

According to the project executing agency, the situation in the Serb-majority areas, which are supplied with electricity but cannot be billed for it and receive it de facto for free, has led to the establishment of many electricity-intensive IT companies (e.g. companies producing cryptocurrencies) in the region. These statements by the Kosovar partners are confirmed by a USAID report, which shows a significant increase in electricity consumption in the period 2010-2019. This is attributed in part to "free" (unpaid) electricity in Serb-dominated areas and the associated increase in the establishment of electricity-intensive industries. This leads to job creation in these regions, but also to inefficient consumption incentives and increased emissions.

Rating summary

The contribution to the impact is rated as successful due to the now (for the time being) more stable framework conditions for economic and social activities. The same applies to the contribution to climate protection - with the restriction of any unintended effects in the Serbian-populated areas. In addition, the programme is complemented by further FC and other donor measures that reinforce these impacts and create framework conditions for the expansion of renewable energies, for example, which will strengthen the positive climate impacts in the future. The impact of the programme is therefore rated as successful overall.

Impact: 2 (both phases)

Sustainability

16. Capacities of the beneficiaries and stakeholders

The operation and maintenance of the systems is currently carried out by the highly qualified staff of the promoter at a high professional level. A high level of motivation and ownership of the project could be observed in the executing agency. Staff were open to incorporating EPE findings into technical improvements to the systems.

However, both at the time of the final review and the EPE, it became apparent that KOSTT employees are leaving the company more often than expected. On the one hand, this may be due to salary losses as a result of salary adjustments (due to the requirements of the regulator and the poor economic situation of KOSTT) and, on the other hand, to high emigration rates of qualified specialists (competent, long-serving and highly experienced staff are very difficult to replace with junior staff when they retire). So far, operations and maintenance have not suffered, but the outlook for is bleak. This could have a negative impact on the sustainability of the measures in the long term.

17. Contribution to supporting sustainable capacities

The existing staff have received sufficient training and instruction in the operation of the modern systems. This has enabled personnel capacities to be built up. It is now important that they can pass on their experience to new staff (see above).

18. Durability of impacts over time

The unstable political situation and tensions with Serbia and in the Serb-dominated areas are placing heavy economic burdens on the project executing agency. As a result, electricity tariffs cannot be collected continuously because the Kosovar state is unable to exercise its authority in the de facto independent North Kosovo and therefore cannot perform basic functions such as billing electricity tariffs. This problem is a consequence of Kosovo's declaration of independence in 2008, which was supported by the NATO mission and is not recognised by Serbia, which regards Kosovo as a Serbian province. However, it is politically desirable for consumers in this region to remain connected to the grid. At the same time, the electricity consumed there cannot be billed elsewhere because of a court ruling that the cost of electricity consumed in these areas cannot be passed on to the general public. This situation threatens the long-term economic viability of KOSTT and the power generation company KEK. KOSTT can expect support from the Kosovo government and the EU in this financially challenging situation.

Rating summary

The overall assessment of the sustainability of the measure at the level of the project-executing agency is successful. At the same time, the political situation limits the economic viability of the operations, which jeopardises the sustainability of the impacts. So far, this has been largely compensated for by the goodwill of the Kosovar government and the EU, but this will not necessarily be the case forever. Overall, we assess the sustainability of the project as limited.

Sustainability: 3 (both phases)

Overall rating: 2

The programme was rated as successful in the sub-criteria of relevance, coherence, effectiveness and impact, and even as very successful in the criterion of effectiveness, while sustainability must be rated as limited due to the external framework conditions. In the overall evaluation, we therefore classify the programme as successful.

Overall rating: 2 (both phases)

Contributions to the 2030 Agenda

A positive contribution of the project to the implementation of the principles of the 2030 Agenda for Sustainable Development can be derived from the sub-criteria presented above. The project's contribution to the national implementation of the 2030 Agenda relates to SDG 7 (affordable and clean energy) and SDG 13 (climate action), which specifically refer to access to affordable, reliable, sustainable and modern energy for all and combating global climate change by reducing greenhouse gas emissions.

By modernising the electricity transmission system, the energy supply for the population of Kosovo will become more reliable, more affordable (by dispensing with diesel generators) and ultimately cleaner. In addition to reducing CO2 emissions, which benefits the global population as a whole, the project also contributes to modernising the electricity supply and sustainably increasing economic growth in Kosovo.

Project-specific strengths/weaknesses and general conclusions/lessons learned

The strengths and weaknesses of the project include: lar

Strengths:

- A qualified and committed project partner with a high level of ownership, a good technical basis and a willingness to learn and improve the overall system.
- The meaningful integration of FC measures and projects of other donors, which further enhance the impact of the respective projects.

Weaknesses:

- The political framework conditions in the country as a whole, but also in the sector (inefficient generation system and distribution grid, lack of access to Serbian-populated areas), can hardly be influenced within the framework of the project, but have a major influence on the success of the measures.

Conclusions and lessons learned:

- A strong executing agency justifies projects with supposedly lower impact potential through high prospects of success.
- A phase-based, longer-term portfolio approach promotes synergies and thus strengthens the positive effects of individual measures to improve the energy supply.
- The consequences of political risks for economic viability should be mitigated by the development of concrete measures on the part of the project organiser.

Evaluation approach and methods

Methodology of the ex-post evaluation

The ex-post evaluation follows the methodology of a rapid appraisal, i.e. a data-supported, qualitative contribution analysis and represents an expert judgement. This involves attributing impacts to the project through plausibility considerations based on the careful analysis of documents, data, facts and impressions. Where possible, this also includes the use of digital data sources and modern techniques (e.g. satellite data, online surveys, geocoding). Causes of any contradictory information are investigated, attempts are made to eliminate them and the assessment is based on statements that are - if possible - confirmed by several sources of information (triangulation).

Documents:
Internal project documents, documentation from the project executing agency, secondary specialist literature, strategy papers, context, country and sector analyses, comparable evaluations from the region and media reports were used.

Data sources and analysis tools:
Data collection on site, monitoring data from the partner.

Interview partner:
Various representatives of the project organiser KOSTT, indirectly: KEDS (distribution company)

The analysis of impacts is based on assumed interdependencies, documented in the impact matrix developed during the project appraisal and, if necessary, updated during the ex-post evaluation. The evaluation report presents arguments as to why which influencing factors were identified for the identified results and why the analysed project presumably made which contribution (contribution analysis). The context of the development project is taken into account with regard to its influence on the results. The conclusions are set in relation to the availability and quality of the data basis. An evaluation design is the reference framework for the evaluation.

For project evaluations, the method offers a - on average - balanced cost-benefit ratio, in which the knowledge gained and the evaluation effort are in equilibrium, and allows a systematic assessment of the effectiveness of FC projects across all project evaluations. The individual ex-post evaluation can therefore not fulfil the requirements of a scientific assessment in the sense of a clear causal analysis.

The following aspects limited the evaluation:
Partly incomplete data situation at the project executing agency, lack of access to the northern (Serb-dominated) regions and their institutional representatives.

Methodology of the performance evaluation

A six-point scale is used to assess the programme according to the OECD DAC criteria. The scale values are assigned as follows:

Level 1 Very successful: result significantly above expectations

Level 2 Successful: result fully in line with expectations, without significant deficiencies

Level 3 Moderately successful: below expectations, but positive results dominate

Level 4 Moderately unsuccessful: clearly below expectations and negative results dominate despite recognisable positive results

Level5 Unsuccessful: despite some positive partial results, the negative results clearly dominate

Level 6 Highly unsuccessful: the project is useless or the situation has worsened

The overall rating on the six-point scale is based on a project-specific weighting of the six individual criteria. Levels 1-3 of the overall rating indicate a "successful" project, while levels 4-6 indicate an "unsuccessful" project. It should be noted that a project can generally only be considered developmentally "successful" if the achievement of the project objective ("effectiveness") and the impact on the overall objective (" impact") as well as the sustainability are rated as at least "Moderately successful" (rating 3).

The annex to this report is available upon request (German only).

Imprint

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