

United Nations Development Programme - Kosovo



*Empowered lives.
Resilient nations.*

Project: Capacity Development Facility (CDF)

Annual Report

Narrative and Financial

Donor Agencies:

Government of Norway; KFOS

Implementing Partners:

Kosova Foundation for Open Society (KFOS)

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Prepared by:

Marta Gazideda, CDF Project Manager

Cleared by:

Governance Programme

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I. EXECUTIVE SUMMARY

CDF maintains a responsive approach by addressing the needs and priorities identified by Kosovo institutions, at individual, organizational and institutional level; it takes stock and adapts to rapid political changes and transitional state of Kosovo situation. This approach is demonstrated by addressing, simultaneously, short and long term demands and exhibiting sensitivity to the Kosovo cultural context.

Through demand-driven support, and linked to government priorities, the CDF Project has contributed to the following issues during 2011:

- **Business processes:** contributed to rationalising structures, simplifying procedure, more effective utilisation of human and financial resources;
- **Institutionalising processes:** including knowledge sharing and communication;
- **Impact on organisational culture:** by improving information sharing, within the Ministry, with other ministries and external stakeholders;
- **Impact on individual level:** includes increased staff knowledge and confidence, promoting professionalism and a culture of accountability, introducing changes in attitude and/or behaviour.

In line with the UN Eight Point Agenda – SC 1325 specifically point 7 - Transform Government to Deliver for Women and Gender Equality Strategy area II – the CDF Project has provided equal opportunities to female and male civil servants to apply for CDF support.

The same approach is used for all applying experts resulting in placement of 15 women experts with government counterparts, or 30%. In terms of beneficiaries/clients, out of 50, 7 were women (14%). CDF support for the Agency for Gender Equality, and the Women PM's Group has resulted in the preparation of the "Kosovo Action Plan on the Economic Empowerment of Women". Thus, CDF's support at the policy development level has a greater impact (although it may be difficult to quantify the effect on women) than can be ascertained from the number of women advisors and beneficiaries.

Under the auspices of the Deputy Prime Minister Hajredin Kuçi, November 9 - 10 marked the technical conference and high level meeting on "Kosovo Government Priorities and Capacity Development Needs: The Future Role of the Capacity Development Facility – CDF Project".

The conference was planned as a substantive meeting in which advisors and beneficiaries would share experiences. It entailed not just highlighting of success, but also a critical review and sharing of lessons learned and encountered obstacles. The key message from the conference was the agreement that the CDF Project "paved the way for integrating capacity development in the overall actions and the resulting tangible results of government agencies", and emphasized the "need for continuous capacity development support to further develop the proficiency of public administration in Kosovo", as noted by the DPM Kuçi.

II. SITUATION ANALYSIS

Since its establishment in 2004 the CDF Project continues to prove itself as an effective mechanism in supporting the consolidation of the Kosovar public administration. In the newly created environment and the newest stage of state-building process, CDF's proven success makes it an important partner for the Government in further consolidation of human resources that lead and drive entrenchment of democratic and European standards within the governance system in Kosovo.

CDF maintains a responsive approach by addressing the needs and priorities identified by Kosovo institutions, at individual, organizational and institutional level; it takes stock and adapts to rapid political changes and the transitional state of Kosovo's situation. This approach is demonstrated by addressing, simultaneously, short and long term demands and exhibiting sensitivity to the Kosovo cultural context.

The public administration and civil service continue to suffer from high levels of staff turnover, and from the lack of sufficiently qualified human resources. From a gender perspective the number of women in mid to senior level positions is very low. Equally, the number of women experts working for the Project is quite low.

CDF acknowledges that capacity development as a concept has multiple understandings, is multidimensional, takes place in a dynamic context, and by necessity is a fluid process. Initially, CDF targeted *leadership and management* skills, and expanded to include issues of leadership and management in the context of *organizational development* or *public policy making and execution*.

CDF has come to recognize that while the focus of the capacity development assistance should remain the civil servants, in both senior and middle management level, an effective and efficient public administration cannot be achieved if the capacities of the political wing of the state institutions are not being addressed. Since 2009, a significant number of CDF advisors have been placed at the ministerial level, including the Prime Minister's Cabinet, and Office of the President. The CDF concept and services have also expanded from the central and local, executive, level to the legislative branch, where CDF advisors are assisting a number of Kosovo Parliament Commissions.

In close cooperation with the Office of the Prime Minister, the CDF Project has addressed capacity development needs and has concentrated on advancing *core capacity issues* (institutional arrangements, leadership, knowledge and accountability) as well as *technical and functional issues* (stakeholder engagement, capacity to develop a vision and mandate, formulate strategies and policies, budget management and implementation of policies and evaluation) in a gender balanced manner.

In 2011 the CDF Project assigned 51 advisors of which 15 advisors were women (29%). Out of 51 clients/beneficiaries 7 were women (14%).

III. INTENDED OUTPUTS, ACTIVITIES and MAIN ACHIEVEMENTS

During 2011 the CDF Project's board reviewed 85 requests of which it approved 71 and rejected 14. Through demand-driven support and linking to government priorities, the CDF Project has contributed in:

- **Business processes:** contributed to rationalising structures, simplifying procedure, more effective utilisation of human and financial resources;
- **Institutionalising processes:** including knowledge sharing and communication;
- **Impact on organisational culture:** by improving information sharing, within the Ministry, with other ministries and external stakeholders;
- **Impact on individual level:** includes increased staff knowledge and confidence, promoting professionalism and a culture of accountability, introducing changes in attitude and/or behaviour.

As the end of 2011 marked the end of the tri-partite agreement between KFOS, UNDP, and the Government of Norway, the CDF Project organised two workshops and a working lunch with CDF advisors (July 2011 and October 2011) to better understand key success elements, its comparative advantages, the draw-backs, and identify how to improve on them.

Under the auspices of the Deputy Prime Minister Hajredin Kuçi, November 9 - 10 marked the technical conference and high level meeting on "Kosovo Government Priorities and Capacity Development Needs: The Future Role of the Capacity Development Facility – CDF Project".

The conference was planned as a substantive meeting in which advisors and beneficiaries would share experiences. It entailed not just highlighting of success, but also a critical review and sharing of lessons learned and encountered obstacles. The key message from the conference was the agreement that the CDF Project "*paved the way for integrating capacity development in the overall actions and the resulting tangible results of government agencies*", and emphasized the "*need for continuous capacity development support to further develop the proficiency of public administration in Kosovo*", as noted by the DPM Kuçi.

The conference gathered high level representatives from the Government of Norway and other development agencies, including the EC Liaison Office, the World Bank, the Department For International Development (DFID), the Swedish International Development Agency (SIDA), the Japan International Cooperation Agency (JICA), the Swiss Agency for Development and Cooperation (SDC), USAID as well as representatives from Germany, France and Netherlands.

The Project, in cooperation with government counterparts, managed to produce a number of results which have a wider, national character, and others which are limited to line ministries, but with an overall effect for the society.

The most notable achievements for 2011 are listed below:

Ministry of Local Government Administration:

- Secretary General's Office: drafted the "Techniques for Drafting Legal Acts for Municipalities" and drafted a legal, explanatory document for municipal civil servants elected as members of Kosovo Parliament;

Ministry of Public Administration:

- Department of Civil Service Administration: approval (through the working group) of the draft regulations for the probation period for civil servants; termination, suspension and ending of a working contract in the civil service; draft regulation for the evaluation of work results.
- Department of e-Governance/IT: advance the procedures for the implementation of Data Centre for Kosovo (funded by the World Bank);

Kosova Council for Cultural Heritage:

- Drafted the *Action Plan for Programme Implementation: Proposal and Guidance*;
- Drafted the *Recommendations for an Improved Management of the Operational Unit*;

Ministry of Environment and Spatial Planning:

- Department of Housing and Construction: Drafter the "Guidelines for Drafting of Municipal Housing Programmes based on the Law no.03/L-164"

Ministry of Culture, Youth and Sports

- **Department of Youth:** identification of key activities from the Action Plan 2010-2012 in which the CDF advisor contributed with the results being:
 - a) Input to three major projects: i) *a two-year project for the implementation of the Strategy for Youth financed through UNDP*; ii) *Swiss Office project on Youth Employment*; iii) *a UNICEF Youth Empowerment Project*;
 - b) Establishment of insitutional cooperation with municipalities resulting in:
 - a) *implementation of legislation at municipal level*; b) *constitution of Youth Centres; Municipal Youth Action Councils, and drafting of Muncipal Action Plans for Youth.*

Ministry of Finance:

- **Department of Central Administration:** support for the Director and the team of DCA in complying with duties and responsibilities derived from the Strategic Development Plan 2011-2014 through:
 - a) Drafting of the Internal Regulation and Systemizing of Positions in MoF including drafting of terms of reference for all positions in the Ministry;
 - b) Support in drafting the secondary legislation pertinent to regulating administrative activities;
 - c) Improved administration through drafting of rules for the ministry's protocol and archive, and in creating a physical and electronic archiving system for the HR;

- **Department of Property Tax:**
 - a) drafting of three administrative instructions which support the implementation of the Law on Expropriation No. 03/I-13: i) *Administrative Instruction for the approval of methods and technical criteria for estimation of the cost of expropriation and evaluation of the damages for immovable property*; ii) *Decision (proposed) “For the procedures and deadlines for communication between public authorities during the expropriation of immovable property”*; iii) *Decision (proposed) “For the approval of the model for Evaluation to be approved by the Office for Evaluation of immovable Property in the Department of Property Tax during the expropriation process”*;
 - b) capacity development of parties with vested interest and involved in the expropriation process, at both central and municipal level, resulting in improved legal commenting, implementation of the law and respect for individual property rights;
 - c) Support in organising and functionalising of the Office for Evaluation of Immovable Property through drafting (proposing) of organisational structure, responsibilities and terms of reference.

Ministry for European Integration:

- **Secretary General’s Office:** the CDF support contributed to strengthening of human resource capacities through the following (main) outputs:
 - a) Assessment Report on the functioning of institutional structures in charge of EU integration in different central government institutions detailing the main issues for follow-up and improvement;
 - b) Assessment Report on the status of local government structures’ involvement in EU integration process; main issues for improvement were identified and job description prepared for the position of the “EU Integration Official at Municipal level”;
 - c) Preparative documents for the plenary meeting on the Stabilisation Association Process Dialogue were finalised according to the recommendations of European Commission Liaison Office in Kosovo;
 - d) Facilitate the preparation of the Second UN Survey on effectiveness and coherence of international co-operation and Paris Declaration.

Ministry for Returns and Communities: focus on increasing the efficiency of internal and external communication aimed at showing the ministry’s work on returns and the reintegration of returnees in Kosovar society, primary objective is to monitor and influence public opinion about the rights of all communities living in Kosovo. Key achievements are:

- establishing a media archive;
- initiating publications on sustainable returns and reintegration;
- the establishment of a database – network of local and international contacts and projects;
- increased level of relations with the media and external partners, improved efficiency in the ministry’s relations with the public, greater efficiency in the work of advisors.

Ministry of Justice: focus on establishing and strengthening of cooperation between the Ministry of Justice and EU institutions, combined with legal advice and assistance in drafting laws. Key achievements are:

- technical support to the Legal Department in finalising the Criminal Code;

- supported the departments of European Integration and Policy Coordination, and the Department for Legal International Cooperation to comply with the EPAP, and to prepare quality documents respectively;
- technical support to the MoJ resulting in the successful conclusion of several international legal agreements.

Agency for Gender Equality: focus on the implementation of the “Action Plan for the Economic Empowerment of Kosovo Women 2011-2013 (drafted by the CDF advisor in 2010). Key achievements are:

- increasing the awareness and implementation capacities among gender officers in line ministries and municipalities on the “Kosovo Action Plan on the Economic Empowerment of Women”;
- support the improvement of institutional mechanisms (coordination, information sharing, reporting) that increase effectiveness and facilitate the implementation of the Action Plan.

IV. GENDER MAINSTREAMING

In line with the UN Eight Point Agenda – SC 1325 specifically point 7 - *Transform Government to Deliver for Women and Gender Equality Strategy area II* – the CDF Project has provided equal opportunities to female and male civil servants to apply for CDF support.

The same approach is used for all applying experts resulting in placement of 15 women experts with government counterparts, or 30%. In terms of beneficiaries/clients, out of 50, 7 were women (14%).

While the CDF Project has not conducted research to measure its impact on women and men, an underlying element of the CDF support, amongst many, is empowerment and improved personal performance of beneficiaries; in majority of cases the positive effect will impact the team as well, regardless of gender. There is little that the CDF Project can do to change the gender structure of the mid to senior level civil servants, who are the primary beneficiaries. Equally the Project has never budgeted for gender mainstreaming as it is impossible to predict if applicants for CDF support are men or women.

It must be noted however that CDF support for the Agency for Gender Equality, and the Caucus Group has resulted in the preparation of the “*Kosovo Action Plan on the Economic Empowerment of Women*” (including support in improving institutional mechanism that increase and facilitate the effectiveness of the implementation of the Action Plan) and supporting the drafting and review of laws from the gender perspective, respectively. Thus, CDF’s support at policy development level has a greater impact (although it may be difficult to quantify the effect on women) than can be ascertained from the number of women advisors and beneficiaries.

V. RISK MANAGEMENT

Working very closely with the government, be it at civil service level or political one, and when the beneficiary is the government there is always inherent risk. Despite the evident progress the civil service is still influenced by politics, reform agenda/s are undefined or very slow, organisational structures do not necessarily support effective and efficient work, there are unclear and/or overlapping mandates, a lack of defined priorities (an *ad hoc* and re-active approach), etc., which increases the level of risk for any project.

Predominantly, the identified risks are external:

- Political: political instability, or even changes in the government through regular elections, will have an impact on the Project. Changes in the GoK during late 2010 and early 2011 meant that the Project terminated four (4) assignments directly supporting political appointees. It must be noted however that the earlier practice of changing senior civil servants with every change of the political leadership is no longer as predominant.

As noted in the earlier sections of the report the Project was unable to implement fully and as per AWP Output 1 and was unable to implement Output 2. The risk was identified as early as 2010 Q2 that there was insufficient willingness from the political level to initiate a government-led capacity development. The number of assessments and reviews that had taken place had put a strain on the civil service, and on the political leadership, who viewed such initiatives as not very relevant. The approach was changed and adapted but the risk remained high and eventually the Project had to concede that the first two outputs would not be achieved.

- Operational: Multiple donors working on individual capacity development initiatives, lack of willingness to coordinate between various international organisations (and in some cases compete), including low leadership from the government meant that the risk of overlap or even contradiction is high. The Project overcomes these situations by keeping abreast of other projects/initiatives and avoids involvement in departments/units/areas where another project is active.
- In terms of internal risk, officially identified during the July 2011 workshop, is the lack of sufficient number of project staff. The CDF Project operates with a Project Manager and a Project Officer overseeing USD 1,000,000.00 per year, with over 65 assignments. By any account this is overstretching and overburdening of the staff. Unfortunately no changes have been made in this respect since the 2009 agreement between the Government of Norway, KFOS, and UNDP, which ended on the 31st of December 2012.

VI. PARTNERSHIPS

The successful partnership of KFOS and UNDP, through the CDF Project, has resulted in a strategic partnership between UNDP Kosovo and the Government of Norway, who actively support and fund the CDF Project since 2004.

KFOS works closely with the national aid partners, to bring sustainable solutions to address identified needs in Kosovo. The strengthening of strategic partnerships with the Government, international donor community, Office of the Prime Minister, line ministries, and other stakeholders was key to the success of the Project.

The partnership with the government is forged through the Board of the Project, which is headed by the Deputy Prime Minister Kuci while the Minister of the Ministry of Public Administration is a member of the Board. In addition, the Project worked closely with the Office of the Prime Minister, Ministry of Public Administration, and Ministry of Finance (formerly Ministry of Economy and Finance)

The CDF also cooperated with Public Administration International (PAI), a DfID funded project, through coordination of activities in the Ministry of Public Administration, namely the Department for Administration of Civil Service and the Legal Department.

VII. CHALLENGES, RESPONSES AND LESSONS LEARNED

- The CDF Project provides critical and immediate capacity development interventions in policy, management, leadership, and institutional reform. The support is timely, demand-driven and linked to the Government of Kosovo priorities.
- The CDF support is based on UNDP's concept of *capacity development*, requiring time and resources to achieve results. Thus, a reoccurring theme, and a challenge to a degree, remains the fact that capacity development requires long-term commitment and results are rarely instant. Coaches and advisors often are required to provide their clients with varying degrees of professional and technical knowledge. Therefore, the time limit on assistance (maximum 12 months, with a few exceptions) presents a challenge for clients and coaches/advisors. While we can report on overall achievements, it is very difficult to report on the capacity development per se.
- One of the key challenges persistent in this type of intervention is the difficulty in measuring progress at individual and organisational levels. As such, much of capacity does not (always) link the three levels of capacity development (individual, organizational, and environmental).
- A high level of professional preparedness by the beneficiaries ensures that CDF support is provided in a more sustainable manner, while in ministries and/or departments where staff and budgets are minimal, the potential for capacity substitution is a risk.
- From client feedback, the greatest impact the project has is at individual level and in the area of organizational/core issues; most of the capacity development in this area was informal however.
- Any positive developments which have occurred may be difficult to sustain if the organisations (i.e. the Ministries) do not have in place a system which supports the individual. Furthermore, ministries are very much constrained by the environment in which they operate, be it legislation, institutional and inter-institutional arrangements, policies, or international factors.
- In terms of business processes, assistance is deemed to have contributed to rationalizing structures, simplifying procedures, and promoting the effective utilization of human and financial resources. Advisors have also contributed to less-tangible results, including increased staff confidence and promoted professionalism (e.g. in verbal and written communication). Nevertheless, there is a considerable increase in institutional capacity across areas such as strategic planning, budgeting, and management, as well as in core areas such as human resources management, leadership, internal business processes, and other institutional arrangements.

VIII. CONCLUSIONS AND WAYS FORWARD

The Project's success depends on *responsiveness, evolvement, flexibility and commitment*.

CDF maintains a responsive approach by responding to the needs and priorities identified by Kosovo institutions, at individual, organizational and institutional level. The Project remains responsive by taking stock and adapting to the political changes and transitional state of Kosovo. Its responsive approach is manifested by addressing simultaneously short and long term demands and exhibiting sensitivity to the Kosovo cultural context. It also incorporates the fundamental features of a modern public administration, namely, ownership, transparency and accountability.

CDF acknowledges that capacity development as a concept is multidimensional, takes place in a dynamic context, and by necessity is a fluid process. CDF's concept has evolved from *capacity building*, implying that no capacity exists, to *capacity development*, recognizing that capacities exist and ought to be strengthened and developed in an interconnected and holistic manner.

CDF has come to recognise that while the focus of the capacity development assistance should remain the mid to senior level civil service, an effective and efficient public administration cannot be achieved if the capacities of the political wing of the state institutions are not being addressed. This realisation has meant that the Project also provided support for ministers, deputy ministers, the Prime Minister's Cabinet, and Office of the President.

The CDF concept and support have expanded: from the central executive level of the government and local level to the legislative branch, where the first line of CDF advisors assisted a number of Kosovo Parliamentary Commissions.

To keep abreast with the needs of the government, the profile of advisors has been an evolving subject matter as well. Once Kosovo embraced the European Integration Agenda, CDF promptly added into CDF advisors profile the EU Integration expertise and has successfully managed to respond to the ever changing Kosovo reality.

IX. ANNEXES:

1. Financial Report
2. Annual Work Plan for 2012