United Nations Development Programme in Kosovo
Programme Document

SIGNATURE PAGE

Expected Outcomes: Creating an enabling environment for attainment of the Millennium Development Goals (MDGs) by 2015 and advancement of Social Inclusion with the Assembly of Kosovo, the Private Sector and Development Partners

Expected Outputs:

1- Engagement of the *Assembly of Kosovo* in all eight MDGs (and Social Inclusion) through concrete policy dialogue, development-oriented research, legislative acts and project activities

2- Engagement of the *Private Sector* in the MDGs through advocacy and policy dialogue, business-partnership initiatives and mainstreaming of corporate social responsibility principles (and Social Inclusion)

3- Engagement of *Development Partners* in the MDGs through integrating MDG targets as part of project appraisal criteria and through instilling MDG accountability mechanisms for aid delivery (and Social Inclusion)

Main Programme Partners Assembly of Kosovo, Agency for Coordination of Development and European Integration, Ministry of Local Governance and Administration, Ministry of Economy and Finance, Ministry of Trade and Industry, Chambers of Commerce and Business Associations, private sector and civil society organizations, UN agencies, funds and programmes in Kosovo

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Brief Description

In 2000, 189 heads of state agreed to tackle human development challenges globally through a set of time-bound goals by 2015. These goals are known as the Millennium Development Goals (MDGs). This framework of development cooperation defines 8 global goals, 18 targets and 48 indicators for eradicating extreme poverty and hunger, improving education, increasing gender equality and empowering women, ameliorating child and maternal health, fighting HIV/AIDS and other major diseases, promoting environmentally sustainable development, and forging global partnerships between the developed and developing countries (see Annex I). Consequently, developed countries committed to increase the quantity of aid to reach a target of 0.7% of GNI until 2015, coupled with better aid delivery. These MDGs can and must be translated locally into concrete national human-centred development strategies.

According to the Second MDG Report, Kosovo scores poorly in being able to achieve all the eight MDGs by 2015, specifically MDG 1 (Eradicate Extreme Poverty and Hunger) and in terms of non-income dimensions of poverty.[1] Kosovo will need to step up efforts rapidly in accordance with its commitment made when the Assembly of Kosovo endorsed the Millennium Declaration on 17th of October 2008, thereby formally committing itself to work towards attainment of MDGs by 2015. It has also encouraged the government to take the necessary steps to incorporate the MDGs into its national development agendas - a challenge best tackled in partnership with the private sector, civil society organizations and the international community. A new momentum has been created, and Kosovo wide mobilization is now needed to turn commitments into action.

The attainment of the MDGs, as an overarching objective, is conditional upon the far-reaching involvement of three sets of key actors: the parliament, the private sector and civil society, and the international community. Progress toward attaining these MDG goals largely depends on the economic growth rate of the country driven by the private sector, the way in which policies are designed to actually tackle poverty reduction and shared growth, and the effective and efficient use of official development assistance in support of reaching the MDG targets. First, the role of the legislative branch of government is to ensure that it develops the necessary legislative framework within which the emerging consensus on tackling MDGs is translated into concrete policy action. Second, the private sector, as a key engine of economic growth, entrepreneurship and innovation, along with a vibrant civil society can act as an agent of social change. Third, in light of Kosovo's limited internal resources and challenged domestic capacity, international aid delivery must be streamlined and made more effective by channelling aid to critical areas of intervention, guided by well-recognized developmental goals, as enshrined in the MDG agenda.

Therefore, the three-year programme aims to build national capacities to avoid derailment in achieving the MDGs by 2015, namely i) through engaging the Assembly of Kosovo in all eight MDGs (and Social Inclusion) through concrete policy dialogue, research, legislative acts and project activities (Assembly of Kosovo & MDGs); ii) engaging the private sector in the MDGs through advocacy and policy dialogue, business-partnership initiatives and mainstreaming of corporate social responsibility principles (Private Sector & MDGs); iii) engaging Development Partners in the MDGs through integrating MDG targets as project appraisal criteria and instilling MDG accountability mechanisms for aid delivery (Development Partners & MDGs).

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[1] Taken from the Second Millennium Development Goals Report for Kosovo, UNDP, 2006. Non-income dimensions of poverty measures well-being not purely through a metric, income relation but also taking into account non-income indicators of poverty such as health, education, mortality rate, etc.

In view of these cross-linked and mutually reinforcing objectives, the United Nations Development Programme will focus on strengthening national institutions, governance capabilities, the private sector and citizen participation. This 'MDG Roadmap' Programme is planned for three years. However, as many of the programme components are at their initial stages, progress of the envisioned component outputs will be monitored closely. A report jointly undertaken with the Programme Board after 4 months of its inception will reflect progress made and may result in further programme adjustments. The budget enclosed in this programme will reflect the initial four months covered through UNDP funding and a separate sheet will represent the budget needed for the entire programme duration. The MDG Roadmap Programme is undertaken jointly with Kosovo institutions, in partnership with United Nations agencies, funds and programmes, media, civil society, the private sector and with the support of development partners.

SECTION A - PROGRAMME DESCRIPTION

PART I. SITUATION ANALYSIS

1.1 General context

On 17 October 2008, the Assembly of Kosovo (AoK) adopted a resolution to endorse the Millennium Declaration signalling that Kosovo authorities are committed to assume ownership and domestic responsibility to improve the well-being of all people in Kosovo. Ten year following the end of the conflict, it clearly demonstrates that Kosovo has moved away from humanitarian assistance towards embracing a human-centred development framework, the purpose of which is to promote equitable growth strategies and inclusion of all vulnerable groups into the development process in line with Kosovo's aspirations towards EU membership.

Likewise, the subsequent recognition of the development challenges, especially through the issuance of the White Paper on Kosovo Social Inclusion Challenges on 10 July 2009 embraces the formulation of a legislative framework more conducive to Social Inclusion. The White Paper maps out main exclusion issues and reinforces the link between MDGs and Social Inclusion in Kosovo. It responds to the Assembly's requests to scale up the integration and mainstreaming of the MDGs into the day-to-day work and overall strategy of the Kosovo Assembly; including the utilization of the EU processes on Social Inclusion to adopt a holistic approach to development in Kosovo. The document has helped to initiate discussions on the best approaches to improve the quality of life of Kosovans through a series of legislative measures and policies.

The attainment of the MDGs by 2015 does not only demand global partnerships for development, it requires genuine partnership between public institutions, civil society, the private sector and the International Community. Therefore, at the World Economic Forum in Davos in 1999, the UN has established a platform called Global Compact, in which the former UN Secretary-General encouraged world leaders to 'embrace and enact' on core business principles in the areas of Human Rights, Labour, Environment and Anti – Corruption standards (see Annex II). In Kosovo the business community as mobilized by UNDP to take their first concrete steps in support of the social inclusion agenda by joining the Global Compact Network Kosovo[1] in December 2008. Also UNDP's and IBLF flagship report "Business and the Millennium Development Goals: A Framework for Action" suggests concrete actions that can easily be translated in Kosovo for poverty alleviation through the development of inclusive markets.

With Kosovo's aspiration to joining the European Union, the Stabilization and Association Process Tracking Mechanism has been put in place steering Kosovo's reform and EU approximation process. These processes are captured in the European Partnership Action Plan (EPAP), outlining actions to be undertaken by Kosovo authorities toward the fulfilment of the Copenhagen criteria and acquis communautaire. Thus, the EU social inclusion agenda, as measured through the Laeken indicators (see Annex III), will inevitably drive Kosovo's adaptation of policy-making and planning processes but the desired development outcomes needs concerted efforts to address the multi-dimensional challenges. In order to accelerate the process of reaching the MDGs as well as meeting EU Social Inclusion Agenda requirements, social inclusion challenges need to be tackled through a human-rights based approach.[2]

1.2 Development challenges

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[1] The Global Compact Network is a strategic policy initiative for business aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption. It contributes to fostering partnerships and openness with businesses, civil society, government and the United Nations and catalyzing actions in support of the MDGs.

[2] Definition by Office of the United Nations High Commissioner for Human Rights: The Human-Rights Based Approach (HRBA) is a conceptual framework for the process of human development that is normatively based on international human rights standards and operationally directed to promoting and protecting human rights. It seeks to analyze inequalities which lie at the heart of development problems and redress discriminatory practices and unjust distributions of power that impede development progress. Under a HRBA, the plans, policies and processes of development are anchored in a system of rights and corresponding obligations established by international law. It aims at empowering people themselves – especially the most vulnerable – to participate in policy formulation and hold accountable those who have a duty to act.

Against this background, the momentum has been created to address the pressing development challenges in Kosovo. Kosovo's challenges are found not only in its relatively sluggish rate of economic growth in the post-war period, but also in its crumbling public infrastructure, relatively inefficient public administration, an underdeveloped private sector, a skyrocketing trade deficit, and rampant unemployment and poverty rates. Some of these challenges are best exemplified through these strikingly alarming human development indicators: 44% of the population is estimated to live in poverty and 14% in extreme poverty, affecting certain groups of the population disproportionately to others. The unemployment situation in Kosovo is particularly serious with an estimated 43.6% of the labour force without a job; this is much higher than average European figures and the worst in the Balkan region.[3] Especially the unemployment rate for women in the age group 15-24 stands at 76% with 90% unemployment rate for women Roma, Ashkali and Egyptian. While 60% of the unemployed is thought to be long-term unemployment, social welfare policies are almost non-existent: there are no unemployment benefits, no maternity allowance and no child benefits scheme. Only 10% of children with special needs have access to primary education (the majority of which are boys). One has to prove complete and permanent disability in order to collect €40/month. Only 8% of Roma hold higher decision-making position, none of which are women (out of 37 women MPs in the Assembly of Kosovo).

The Human Development Index, the aggregate indicator measuring life expectancy, literacy rate and GDP per capita, calculated for Kosovo in 2007 was at 0.745. This score puts Kosovo at the lower end of the global medium human development spectrum and at the lowest for the Western Balkan region. Needless to point out, quantum leaps need to be made in these areas to achieve the MDG targets with the pursuit of shared economic growth.

In summary, below are some indicators in relation to the MDG goals taken from the Second MDG Report:

- Eradicate Extreme Poverty and Reduce Relative Poverty. With 44% of the population living in poverty and 14% in extreme poverty Kosovo[4] is considered to be the poorest society in the Western Balkans.
- Achieve Universal Primary Education. Overall enrolment in primary education is 95% however there are differences with regard to ethnicities, this percentage for K-Albanians is 96%, for K-Serbs is 94% and for Roma, Ashkali and Egyptians 76%.
- Promote Gender Equality and Empower Women. The level of illiteracy among women remains high, 12.5% as compared to 4% among males.[5] Ratio of girls to boys in primary, secondary and higher education still remains high ratio of girls to boys in primary education (Grades 1-9) is 0.92, in secondary education (Grades 10-13) is 0.78 and in university 0.85.
- Reduce Child Mortality. Kosovo has one of the highest levels of infant mortality in Europe with 35 cases in 1.000 people.
- Reduce Maternal Mortality. There are no reliable data on maternal mortality rates in Kosovo; according to estimation made in 2003, there were 23 cases per thousand.
- Combat HIV/AIDS, Malaria and Other Diseases. In Kosovo this goal deals primarily with HIV/AIDS and Tuberculosis (TB). HIV/AIDS is low, but risk factors that contribute to HIV transmission remain high, such as the large portion of young population, illicit drug use particularly heroin, emerging sex industry with workers coming from countries with higher HIV/AIDS prevalence, adjunct with low level of knowledge on virus transmission routes. The TB incidence rate per 100.000 was 52 cases (in 2005) which is very high compared to neighbouring countries and EU.
- Ensure Environmental Sustainability. The Kosovo environment faces severe problems with regard to water quality, waste management, and air and soil pollution. Only around 70% of households have access to running clean water and around 60% to sewage network. The integration and alignment of national environmental standards to European Union (EU) standards are considered as one of the main challenges faced by the Kosovan society.
- Partnership for development. Calls for setting up global partnerships is crucial for attainment of MDGs. Developed countries play an important role in supporting developing and transitioning countries improve conditions for success in achieving the previous seven

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[3] According to the Labor Force Survey, Statistical Office of Kosovo, 2007

[4] Statistical Office of Kosovo (SOK), Household Budget Survey 2003-2004

[5] Literacy in Kosovo, SOK, February 2004.

MDGs. The role of the donor community was and still remains crucial in reconstruction and development (recommendations from the National MDG Report).

- Building good governance towards European Integration. Building good governance, including efficiency, justice and security institutions, independent media and an active civil society is considered a prerequisite for achieving MDGs, as well as for shaping a more secure path towards Kosovo's aspirations for European Integration.

A number of grave issues need to be addressed in a social inclusion agenda of policy-makers, to deliberately design inclusive mechanisms that ensure that the gains of growth are more equitably shared. Socio-economic indicators need to be disaggregated to find a social exclusion picture of society affecting the most vulnerable in society, may it be elder, women, IDPs, Roma, Ashkali and Egyptians, youth, children, people with disabilities, drug users and sexual minorities.

In light of this global crisis, Official Development Assistance needs to have a tangible impact on the lives of the poor and be instrumental in capacity development of the institutions invoking the policy and planning changes needed for a more inclusive development strategy. Government ownership to its development agenda and towards EU accession have set a positive sign away from aid dependency towards sustainable development. A rigorous diagnosis of what the government needs to accomplish with respect to fulfilling MDG targets will provide robust arguments for the government in negotiating future international aid delivery. Yet more efficient aid financing comes through better donor harmonization and coordination and should be a core objective to achieve results toward the MDGs and Social Inclusion.

MDGs are focused on long-term human development, but their targets and indicators constitute good governance and performance measurement tools that will enhance the government's capacity to chart its own course. To identify the tools at our disposal, one must contextualize it in its institutional bedding.

1.3 Institutional and normative frameworks

Normative Framework

Policy planning in Kosovo is partially guided by its compliance to international standards in line with the core human rights principles. These principles, are amongst others, equitable economic growth, access to productive employment and decent work for all, and realization of equality between men and women are some examples that are crucial for sustainable development and eradication of poverty.

The Kosovo Constitution sets out that basic human rights and fundamental freedoms should be guaranteed as per international agreements and instruments.[6] This means that Kosovo has grounded binding obligations to ensure that their own national legislation, policies or practices meet the requirements of the Human Rights Treaties. Human Rights Treaties are at the heart of achieving human development and sets together with the MDGs the normative context and obligations of the members of Parliament and institutions. It is a normative tool against which governments assume accountability to respect, protect and fulfil human rights and helps to crystallize strategies through addressing issues of discrimination and exclusion factors. Prevention of non-fulfilment of fundamental human rights occurs when capacities of rights-holders to claim these rights with institutions are built up and duty-bearers have full information and tools for evidence-based policy making to deliver those rights.

In line with the normative framework, the European Partnership Action Plan (EPAP) lists the measures required to move closer to the economic, political and European standards integral to the European accession process. Embedded there too are human rights, targets for good governance and reforms among the more than 1500 action points.

Institutional context

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[6] Enshrined in the Constitution are following: The Universal Declaration of Human Rights, the European Convention for the Protection of Human Rights and Fundamental Freedoms and its Protocols, International Covenant on Civil and Political Rights and its Protocols, Council of Europe Framework Convention for the Protection of National Minorities, Convention on the Elimination of All Forms of Racial Discrimination, Convention on the Elimination of All Forms of Discrimination Against Women, Convention on the Rights of the Child. It should be noted that the Constitution does not capturethe International Covenant on Economic, Social and Cultural Rights

It may be argued that a major policy shift is needed to attain the MDGs by 2015 taking into account structural dimensions. This requires a multi-dimensional and long-term approach, heralding change by creating an enabling environment in pursuit of filling these MDG gaps. Thus, it is necessary to reiterate the underpinning of the programme in that it does not aim at solving all social inclusion matters over night but to support Kosovo institutions to move closer to European Union accession in line with the EU's social inclusion agenda through the lens of human development thinking.

The Prime Minister of Kosovo, in a key address to the Assembly has laid out a programme for sustainable development through the three-year Medium-Term Expenditure Framework, approved by the government in July 2008, by in large reflecting the sectoral priorities also prescribed by the European Partnership Action Plan (EPAP). There is no strong Integrating Planning System in place linking the MTEF with the EPAP but the Ministry of Finance and Economy has recently initiated a fiscal committee to cost the action points envisioned in the EPAP. UNDP needs to take some of the recent developments in the government institutions into account while aiming at strengthening their interventions for pro-poor, MDG based planning.

Below are listed some of the key institutions that will be important partners during the implementation of this MDG programme:

-   The Assembly of Kosovo (AoK)

The Assembly of Kosovo is the legislative arm of Kosovo and can propose, pass legislations and make budgetary decisions. It has 120 members, 10 seats are reserved for the representatives of the Serbs, 4 for the Roma, Ashkali and Egyptians, 3 for the Bosniaks, 2 for the Turks and 1 for the Gorani. Out of the 120 members, 37 are women. With the adoption of the "Strategic Action Plan of the Assembly of Kosovo" in November 2008, its role of lawmaking and oversight has been strengthened even more. The Assembly of Kosovo has 13 Committees, amongst them one on Finance and Economy, Health, Education/Science/Technology, Labour/Social Welfare, Gender Equality and Committee of European Integration.

In addition, an ad-hoc working group has been established with members of some of the above Committees called the Development and Inclusion Group (DIG).

-   The Ministry of Trade and Industry (MTI)

It aims to achieve community, industry and government development goals by creating a competitive business environment, promoting and attracting investment and marketing Kosovo as a tourism destination. MTI has two main agencies that are seen as important to our work: *The Investment Promotion Agency of Kosovo (IPAK)* - It provides a one-stop shop service to both local and foreign investors seeking investment opportunities in Kosovo. *SME Support Agency of Kosova* - Its objective is to contribute to further realizing a market economy in Kosovo by helping to build and oversee the implementation of the SME Development Strategy.

-   The Agency for Coordination of Development and European Integration (ACDEI)

This Agency was established under an administrative directive in October 2008 under the aegis of the Prime Minsters' Office. It is mandated to coordinate government activities related to its development priorities, EU approximation, coordinating the elaboration and monitoring of the EPAP, also ensuring its consistency with the MTEF, and working closely with Development Partners to ensure that aid is better aligned to the government's priorities and policies. Following the principles of "Aid Coordination" presented at the Donor Conference in July 2008, this Agency is the only centrally placed body with responsibility for coordination of donor assistance with the goal to increase aid effectiveness. Currently around 24 staff members, its aim is to build up capacities to 34 by the end of the year, in especially through twinning. It has recently established sectoral working groups, including representatives of the permanent secretaries and the MFE.

-   The Ministry of Local Government Administration

The Ministry of Local Government Administration was established in December 2004 with the purpose of creating a sustainable system and effective local governance throughout Kosovo. It seeks to ensure the well-being for all citizens of Kosovo with special regards to the needs and concerns of the non-majority communities in Kosovo. It strives to be in compliance with the European Charter on Local Self-Government with the objective to build human and administrative capacities in order to exercise its responsibilities and provide qualitative services to its citizens. Its operational basis is grounded on the Decentralization Action Plan (2008-2011). One of the core functions of the MLGA is to assist the municipalities in the development of their own budgets and financial management systems, in particular now that the decentralization reform has taken roots. With the decentralization reform, more competencies are being delegated for managing their development process and mechanisms for coordination have been established (inter-ministerial and inter-municipal coordination). There are currently 30 municipalities (plus 3 pilot municipalities and 5 new ones currently being created). Each municipality has, among others, a Gender Officers to address gender inequalities and integrate a gender perspective in local governance policy-making and delivery of services, and a Municipal Official for European Integration crucial for aid programming at municipal level.

All these structures and institutions have been fairly recently set-up, therefore stepped up efforts need to be made for increased local and institutional capacities in order to avoid any post- EU accession hangover as the lessons from Romania and Bulgaria showed for the planning and absorption of the EU Structural and Cohesion Funds.

1.4 UNDP mandate

The Millennium Declaration and other summits have provided the global community with a solid set of values which also guide UNDPs work. Based on the UNDP's corporate strategic plan 2008 -2011 poverty reduction and MDG attainment have been identified as some of the key focus areas of UNDP's work. [7] As the UNDP strategic plan for 2008-2011 *highlights* there is an urgent need for additional efforts by the international community to make the achievement of the MDGs a reality by 2015 for all developing countries. It also *emphasizes* MDGs as principles for development effectiveness, national ownership, effective aid management and south-south cooperation for all efforts of UNDP to support programme countries to develop national and local capacities for human development and achievement of the MDGs.

The project envisages drawing from UNDPs global experiences and lessons learned with private sector engagement for the achievement of the MDGs, in donor aid coordination and MDGs policy mainstreaming to coordinate local efforts.

PART 2. PROGRAMME STRATEGIES

Operationalizing the MDGs

A key purpose of the "Roadmap for the Achievement of the MDGs in Kosovo" programme is to benchmark Kosovo's present situation and progress towards addressing socio-economic challenges to improve quality of life for Kosovans. Underlying this is a much broader agenda, one that requires, amongst others, streamlining progress indicators into the policy dialogue and policy planning mechanisms and tools and forging genuine partnerships with the government, the private sector and key international development partners. Evidence-based and informed decisions stem from rigorous studies and surveys that quantify the magnitude of development challenges and indicate the groups of people at higher risk of poverty traps or socio-economic exclusion. When we state that 14 % of the population in Kosovo live in extreme poverty, who are the people most affected and what interventions can be done to break the downward spiral of poverty? Where do we currently stand with regard to the MDG indicators and in what areas is there an increased need to scale up efforts?

The MDG programme does not seek to mould Kosovo's overall development policy planning into a one size fits all global MDG context. Rather, the MDG framework needs to be contextualized for a country situation to place human development and human rights at the centre of the development agenda and target these

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[7] UNDP Strategic Plan 2008-2011 is a key document that sets overall direction of UNDP support to programme countries.

MDG areas in which the countries are lagging behind. It requires a collective effort by developed as well as developing countries to reach the MDG targets in a given country and address inequalities in the society through pro-poor policies. It must also be recognized that social inclusion does not happen purely through policy development channels but also through well-established mechanisms for planning and monitoring that need to be done through the support of every citizen, non-governmental and governmental organizations, business communities, civil society and political parties, to name a few. It is thus essential to support institutional capacities to deliver on the commitments made in especially due to the manifold developmental challenges embedded in institutional capacity constraints, reform deficiencies in public administration and decentralization, and poor infrastructure and public services. These challenges are reflected in low economic and human development indicators that pose a serious challenge to achieving key MDG targets.

It must also be kept in mind that institutional space occurs at a number of levels, through participation in civic and cultural life, through lobbying elected representatives or being a member of a non-governmental organization, but what matters first and foremost is that means are provided in a society for inclusive participation. In all these components of this programme, it will be important to engage civil society and bring in the media, including government watchdog institutions and those overseeing good governance. Media are the catalyst for participatory processes and can help hold authorities to account through sharing information with the public, which would otherwise be kept uninformed. Civil society will be integrated in all the components and roundtables will be organized to encourage public debate to advocate and raise awareness from the perspective of the affected groups.

Programme strategy

This programme aims to build on the previous work of UNDP with Kosovo institutions to support the achievement of MDG targets set for 2015. It will do so by addressing legislative aspects coupled with coordination of international assistance to use ODA more efficiently and effectively to address sector and cross-sector specific needs. This programme is integrative, focused on inter-sectoral linkages and aimed at strengthening national institutions, governance capabilities and citizen participation with a strong component on pro-poor business models. It will be implemented in two phases. The first will serve as a preparatory phase to undertake a needs assessment in consultation with the main stakeholders. This will help to define concrete programme initiatives for Phase II of the programme.

2. 1 Programme objective

The overarching objective of this three year programme is to create an enabling environment for the attainment of the MDGs by 2015 and the advancement of Social Inclusion with the Assembly of Kosovo, the Private Sector and Development Partners.

2.2. Programme interventions

The Programme interventions have been devised on the basis of detailed research, surveys and scoping missions, amongst others, in order to assess the needs and analyze in detail the nature of the existing policies, institutions and their available resources. As a result, this comprehensive programme aims to build inclusive growth and achieve the MDGs will produce three tangible outputs and indicative activities by programme component throughout the three year period:

1) Engagement of the *Assembly of Kosovo* in all eight MDGs (and Social Inclusion) through concrete policy dialogue, development-oriented research, legislative acts and project activities – **AoK and MDGs**

- At least one high level advocacy event and policy dialogue organized on each of the eight MDGs
- At least one major research effort undertaken on each of the eight MDG areas
- At least one legislative initiative undertaken on each of the eight MDGs
- At least one specific and concrete and fully funded project initiative designed and implemented on each of the eight MDGs as a result of an initiative in the AoK.

2) Engagement of the *Private Sector* in the MDGs through advocacy and policy dialogue, business-partnership initiatives and mainstreaming of corporate social responsibility principles (and Social Inclusion) – **Private Sector and MDGs**

- At least two high level advocacy and policy dialogue organized per year
- At least one concrete pro-poor business partnership based activity designed and implemented per year
- At least three concrete corporate social responsibility initiatives designed, implemented and co-funded in partnership with the private sector per year

3) Engagement of *Development Partners* in the MDGs through integrating MDG targets as part of project appraisal criteria and through instilling MDG accountability mechanisms for aid delivery (and Social Inclusion) – **Development Partners and MDGs**

- A simplified but effective project appraisal system with regards to MDGs and Social Inclusion designed and systematically applied
- At least one municipality per year, with the support of the project, embarking on a MDG strategy as part of the Municipal Development Plan
- An effective, transparent and web-enabled Aid Information Management System installed allowing to monitor assistance to Kosovo from multiple perspectives, including the MDG and Social Inclusion perspective
- Operational and advisory support to the preparations of Annual Reports on donor activities and Aid Effectiveness with regards to the MDGs and follow-up policy dialogue through the high-level aid coordination forum

2.3 Methodology

All components under this programme will pursue a double set of objectives: One, to sensitize, raise awareness, facilitate dialogue and policy reform; two, aim for very concrete project interventions through demonstrating that action is possible and results can be achieved, and that these activities can be replicated and up-scaled.

2.3.1 Engaging the Kosovo Assembly for MDG mainstreaming

The MDGs themselves do not amount to a standalone development strategy but need to be firmly rooted within Kosovo's institutional structure. An important part of Kosovo's institutional structure is the legislative arm which has the authority to propose and pass legislations and allocate budgetary resources. This programme component will improve institutional capacity by contributing through the mobilization of policy and legislative expertise. It is expected to result in new initiatives in policy design through the engagement of leading Members of Parliament as well as civil society. Overall, this programme component will contribute to:

- Engagement of the *Assembly of Kosovo* in all eight MDGs (and Social Inclusion) through concrete policy dialogue, development-oriented research, legislative acts and project activities

The project will work with each of the Parliamentary Committees directly or indirectly responsible for the MDG and Social Inclusion agenda, as well as with the ad-hoc Parliamentary Development and Inclusion Group (DIG). MPs will be solicited to be MDG Champions and will be at the forefront of initiating research, use analysis for informed decision making, undertake legislative initiatives, present concrete action planning and resource mobilization. One of the main activities under this component will be to assist those MDG Champions to move their MDG initiatives forward.

A needs assessment has already been conducted to get a general sense of prospective draft laws. They were proposed by the MPs in the areas of: Poverty reduction, Education, Gender, Health, Employment, and Environment. However, there is a number of ongoing surveys as part of UNDP's current MDG engagement at the Assembly of Kosovo, which will lead to clearer indications on what MDG areas to more specifically target. These analytical tools will facilitate informed and evidence-based preparations of specific projects.

The Household Budget Survey (HBS) with 6000 respondents on social inclusion has been undertaken in order to set a baseline quantifying the social exclusion patterns formulated in the White Paper. The White Paper, the Household Budget Survey and the upcoming Human Development Report on Social Inclusion will contribute to the identification of critical development gaps and will serve to initiate a series of measures and draft laws by the MDG Champions. The members of the Committees will advocate and lobby for the draft laws to be brought to the floor.

Outcomes from the policy discussions and from the expected research will be presented through the AoK web-page for access by a wider audience and for ensuring transparency in the process. This outreach will be deployed with specific emphasis on the vulnerable and excluded groups (such as the poorest households, women, children, the elders, ethnic minority communities, displaced and returned persons) whose increased participation in Kosovo's central and local governance level will have a constructive impact on social inclusion. Inclusive participation will be ensured by establishing roundtables to incite public debate to advocate and raise awareness from the perspective of the affected groups contributing toward increased accountability on the part of the government of Kosovo regarding their needs. In the process of supporting the MPs, sharing of information from global experiences and best practices will be a key focus area supported by this programme.

2.3.2 Engaging the corporate sector in the MDGs

Partnerships are very crucial for the work of UNDP and for achieving the MDGs. The eighth MDG, "To develop a global partnership for development"[1] explicitly calls for partnerships, which are essential at all levels-local, national and global-for poverty reduction and the attainment of the other seven goals and the values and actions set out in the Millennium Declaration. More explicitly, target 16 and 18 of the MDGs call for the implementation of strategies for decent and productive work for youth and making available the benefits of new technologies, especially information and communications.

UNDP has developed a Private Sector Strategy whereby it promotes inclusive markets and business partnership initiatives with the government and civil society providing a framework for its private sector interventions at national level. As economic growth is a necessary but not sufficient condition for achieving MDG targets, more effective ways needs to be identified and pursued in order to ensure that economic growth is more inclusive. Crucial to this effort is the systematic engagement of Kosovo's private sector.

Thus, this programme component will contribute to:

- Engagement of the *Private Sector* in the MDGs through advocacy and policy dialogue, business-partnership initiatives and mainstreaming of corporate social responsibility principles (and Social Inclusion)

The level of awareness on CSR principles and business partnership initiatives between Kosovo institutions, private sector and civil society in Kosovo directed to support development priorities is still very limited. UNDP Kosovo organized the first national conference and published the first Baseline Study on CSR principles in July 2008. In December 2008, the national CSR platform called Global Compact Network Kosovo was established showing a significant interest by major corporations in Kosovo, such as Raiffeisen Bank, IPKO, TEB Bank, PTK, X-Ella, Grant Thorton, etc. As per its function, "*The Global Compact (GC) is an initiative that seeks to advance responsible corporate citizenship so that business can be part of the solution to the challenges of sustainable development*"[3]. Prior to this, there were no platforms that engaged private sector into policy dialogues and partnership initiatives around development issues. This is coupled with the lack of awareness about benefits of these types of partnerships.[2]

This programme component envisages private sector engagement and private sector development for poverty reduction and more equitable growth strategies. UNDP will facilitate private sector engagement through the

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[1] http://www.undp.org/mdg/undps_role.shtml
[3] http://www.unglobalcompact.org/docs/news_events/8.1/GC_brochure_FINAL.pdf
[2] For example only few companies that are mostly subsidiary of international companies are actually engaged in Corporate Social Responsibility type of activities (Baseline study on CSR Practices in Kosovo, 2008)

national platform the Global Compact (GC) and Corporate Social Responsibility (CSR) principles in support of the MDG targets.

This programme component will facilitate policy dialogue around development challenges, dissemination, and adoption of best practices of corporate social responsibility (see Annex II). It is expected that the platform of corporate social responsible actors will be further expanded by approaching foreign companies as well as domestic medium and large size companies. Formal mechanisms, such as a secretariat and a board, will be established to develop and implement strategies to build the capacity of local platform and provide the participants with useful toolkits and trainings.

Primary responsibility for achieving MDGs lies with the governments, in terms of good governance, rule of law, human rights and corruption. At the same time, however corporate sectors can accelerate these efforts by aligning their corporate strategies to seek greater social engagement, while creating value for society at large and thus also potentially increasing their reputation and competitiveness. Hence, public-private policy dialogue can help promote pro-poor business initiatives with the government and civil society, e.g addressing child labour, transparency and anti-corruption, vocational training opportunities, affirmative action policies, regional cooperation for private sector partnerships in regard to corporate social responsibility, etc. This is in line with the understanding that good corporate governance and human rights will contribute to growing inclusive markets, attracting foreign direct investments and better international market integration towards EU accession. After each dialogue, a *policy paper* will be produced and presented along with other successful experiences of countries in the Western Balkan region.

In addition, latest reports from the World Economic Forum show that despite the economic downturn, companies can find growth opportunities by adopting innovative strategies that benefit local communities.[6] This programme component provides thus an opportunity for innovative businesses to come up with new business models that increase the access of the poor local producers to markets, helping to meet the demand of the poor for affordable goods and services.[7] As highlighted in two flagship UNDP reports "Creating Value for All: Strategies for Doing Business with the Poor"[4] and "Business and the Millennium Development Goals: A Framework for Action"[5], private sector can prove very effective in providing better opportunities to the poor and fostering inclusive markets to reach the MDG targets.

Following the identification of key market sectors in Kosovo for promotion of pro-poor business models that proved successful in similar environments in other countries, the programme will identify the main constraints, and facilitate collective action for the development of inclusive markets. It will promote pro-poor business models and put emphasis on regional cooperation, knowledge-sharing and management as it will build country level awareness of inclusive markets business models and regional approaches. In a nutshell, private sector engagement and development will be key to achieving the MDGs within the global economy.

2.3.3. Engagement of Development Partners in MDGs

In Kosovo, efforts need to be undertaken to channel Official Development Assistance (ODA) through sectoral and cross-sectoral planning concomitant to an MDG and Social Inclusion agenda. This programme component will contribute to:

- Engagement of *Development Partners* in the MDGs through integrating MDG targets as part of project appraisal criteria and through instilling MDG accountability mechanisms for aid delivery (and Social Inclusion)

ODA alignment with government priorities has been lacking, especially at sectoral level. This has resulted in substantial lack of coordination on aid delivery that has subsequently lead to the duplication of activities, high transaction costs and an effective aid assistance that did not always target interventions in support of the

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[6] http://www.weforum.org/pdf/BSSFP/NextBillionsUnleashingBusinessPotentialUntappedMarkets.pdf and
http://www.weforum.org/pdf/BSSFP/NextBillionsBusinessStrategiesEnhanceFoodValueChains.pdf
[7] For example only few companies that are mostly subsidiary of international companies are actually engaged in CSR type of activities (Baseline study on CSR Practices in Kosovo, 2008)
[4] http://www.undp.org/publications/Report_growing_inclusive_markets.pdf , published in July 2008
[5] Published in 1990

government's development priorities. The inflow of resources can be leveraged and made more effective and less wasteful.

On the occasion of the Donor Conference on 11 July 2008, the Government committed to abide to guiding principles ensuring transparent and effective use of resources to address its sectoral priorities as identified in the MTEF and based on the principles of the 'Stabilization and Association Process'. With that, it expressed its intention of leading its own development process with the declared objectives of enhancing the standard of living of Kosovans, the fight against poverty and the pursuit of European Union integration. Consequently, the Government set the path for a restructured donor coordination body within the Office of the Prime Minister, known as the Agency for Coordination of Development and European Integration. The ACDEI, established in October 2008, has a primary role in the coordination of the donor aid in accordance with Government priorities. It is also the prime institution responsible for review, harmonisation and aligning of sectoral and crosscutting polices in line with the Kosovo development plans and EU integration priorities. This should now be strengthened through attempts to mainstream MDG's into donor coordination activities and the allocation of aid in terms of addressing the Kosovo specific MDGs for Kosovo and Social Inclusion Agenda for EU integration.

Therefore it is critical that this newly established agency benefits from assistance and advice on improving its capacity for more robust donor coordination and aid management as related to MDGs and Social Inclusion. This assistance is particularly important in light of the adoption by the Kosovo Assembly of the Resolution on MDGs, which requests the Government of Kosovo and other relevant institutions to work on the fulfilment of the MDGs. This programme component thus envisions the establishment of Project Appraisal Criteria for international cooperation linked to the MDGs within the ACDEI.

Aside from capacity development needs in the ACDEI, the decentralization process, empowering the 38 municipalities with a decentralized treasury system and increased authorities to manage their budget and aid flows, will require increased support by development partners for municipal aid management and coordination. Only when capacities are in place, will there be an effective tracking mechanism on aid flows through the collection of reliable data, resulting in easier and more reliable reporting. For the Aid Information Management System (AIMS) to be effective and to capture all aid flows, a single point of data entry should be established at the national level going through a single gateway in order to avoid information gaps. This is particularly important when municipalities submit their project proposal and address donors directly for financial resources. When implemented correctly, an Aid Information management System can become an important planning, monitoring and reporting tool for the government at central and local level as well as for the Development Partners. Government ownership of the AIMS, much like in other accountability-critical fields such as treasury or budget management, fosters a virtuous cycle: Emphasis on good aid management practices reinforces credibility and transparency, both internally within government and externally across government and donors. Mechanisms will help to validate these data and increase mutual accountabilities between institutions in the Government of Kosovo and Development Partners (e.g through high-level forums).

High-level forums are another effective venue to share-information and have an impact on Development Partners ex-ante programming. Sector working groups enables sectoral planning and harmonization and alignment to government priorities. UNDP will support the effective participation of civil society in these sectoral working groups. In consultation with civil society partners, participants to the sector working groups, municipal authorities, Ministry of Finance and Economy, ACDEI, Development Partners and other key partners, UNDP will contribute to the drafting of high-quality Annual Reports on Donor Activities and Aid Effectiveness with regards to MDGs.

2.4 Monitoring and Evaluation of Programme

The three Project Managers will jointly define a comprehensive scorecard to assess activities and its impact against herein described programme objectives. After four months, discussions on the scorecard will be taking place with the Programme Board. The Project Managers will bear responsibility for ongoing monitoring of programme implementation. The Results and Resources Framework (RRF) incorporated into this document after four months of the start of the programme will be the touchstone for performance monitoring and reporting. Further monitoring will be performed on the basis of work plans prepared by each

project manager, who will submit quarterly reports enabling stakeholders to benchmark and assess progress on rollout of activities.

At the same time, monitoring and annual reporting on the basis of research on the MDGs and Social exclusion will help to measure progress toward the achievements of the MDGs. The UNKT Statistics Theme Group will be a strong partner in maintaining the set of indicators and track its progression as set out in UNKT Strategic Plan. These indicators will be hosted within the Statistical Office of Kosovo for monitoring the attainment of MDGs with the support of civil society. The MDG indicators will be a measure of social progress similar to what Laeken criteria are in relation to EU's Social Inclusion agenda. They will help to identify MDG gaps for policy making and inform future policy design.

PART 3.MANAGEMENT ARRANGEMENTS

The MDG Programme will be executed by UNDP Kosovo through Direct Implementation under the overall coordination of the UNDP Kosovo Deputy Director in line with UNDP's results-based management approach. UNDP Kosovo will take full responsibility for the achievement of immediate objectives as well as for the administration of financial and human resources.

The management of allocated funds will be carried out according to UNDP financial rules and regulations, based on a three-year work plan (2009-12) with a detailed budget. UNDP Kosovo will be responsible for managing and reporting back to donors on the resources allocated to the work plan. The management structure of the programme will be as follows:

3.1. Programme Board

The Programme Board provides overall strategic guidance and oversight for the MDG Programme and is responsible for making consensus management decisions when guidance is required by the Project Managers, including recommending approval of project revisions. The Programme Board will be consulted by the Project Mangers for decisions when the project exceeds tolerances, normally in terms of time and budget; reviews will also be conducted at designated decision points during rollout. Moreover, the Programme Board will act as a coordination mechanism to ensure that discrete MDG Programme initiatives (with their own respective stakeholder) are harmonized and able to achieve the maximum level of complementarities and synergy. This body will present a unique opportunity to discuss various challenges and apply sustainable solutions with broad stakeholder support.

The Programme Board contains three roles:

- Executive (in this case, the UNDP Kosovo Director), representing project ownership to chair the group,
- Senior Supplier (in this case, the main bilateral partners), to provide guidance regarding the technical feasibility of the programme; and,
- Senior Beneficiary (in this case, representatives of the relevant institutional stakeholders as nominated by the Assembly of Kosovo, MLGA, ACDEI, Kosovo Chamber of Commerce, representative of the NGO coordination forum) to ensure realization of project benefits from the perspective of project beneficiaries.

Senior Partner Representatives will be included as *ex officio* members of the Programme Board. These may include representatives of UN agencies, funds and programmes in Kosovo, bilateral donors and other international and regional institutions with mandatory or programmatic roles in Kosovo. Senior Partner Representatives may also include those organizations entrusted with direct implementation of some programme activities. An additional *ex officio* member may be added to guarantee the representation of Kosovo's vulnerable communities.

3.2. Programme Assurance

The Programme Board will have a Programme Assurance role by carrying out objective and independent project oversight and monitoring functions. This role will ensure appropriate programme management milestones are designated and achieved. While programme assurance is, to some extent, the responsibility of each Programme Board member, in the case of the MDG Programme a contribution in this area will also be solicited from the UNDP Kosovo Deputy Director.

3.3. MDG Programme Team

In line with standard practice, the *MDG Roadmap Programme* will be guided and supported by UNDP's Kosovo Deputy Director. The UNDP Kosovo Deputy Director will have the authority to oversee programme implementation on a day-to-day basis on behalf of the Programme Board. The UNDP Kosovo Deputy Director may delegate authorities to the respective Heads of Programme Cluster in the UNDP Kosovo. Three Project Managers will be responsible for day-to-day management and decision-making for the programme component activities and will ensure that all three projects produce the results specified, to the required corporate standards and within the constraints of time and cost. The Project Managers will coordinate the work of their projects and they will report to and work under the guidance of the UNDP Kosovo Deputy Director the respective Heads of Cluster.

Each of the three Project Managers will take responsibility for her/his programme component and will contribute to the preparation of an overall progress report and Monitoring and Evaluation System for the entire Programme. In addition, each of the Project Managers will be available to assist each of the other Project Managers.

The UNDP Kosovo Deputy Director, assisted by the respective Heads of Cluster, will coordinate the respective Project Managers, and will convene monthly working-level meetings with each Project Manager to ensure effective horizontal collaboration. In addition, these meetings will help the overall Programme coordination with external actors (Kosovo authorities, international mandatory bodies, bilateral partners) so as to avoid confusion or overlap.

3.4. Programme Organization Structure
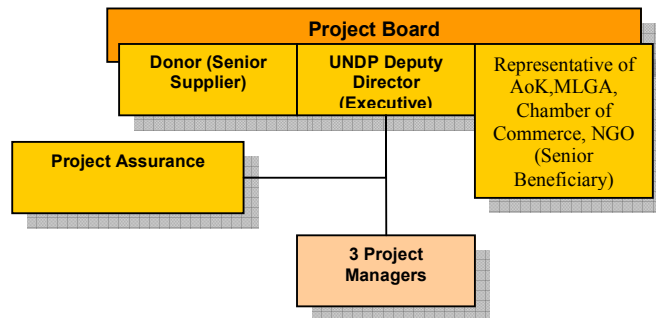
PART 4 – MONITORING AND EVALUATION FRAMEWORK

4.1. Internal Monitoring

A Monitoring Plan will be activated in UNDP Kosovo's ATLAS management information system. Quarterly progress reports tracking quantitative and qualitative indicators and communicating best practices and lessons learned will be submitted by the Programme Manager to the Programme Board, using the standard report format available in ATLAS.

ID	Deliverables	Description	Schedule
1	Quarterly Reports	Quarterly financial and narrative reports will be used to review progress and provide programme and policy guidance	Quarterly
2	Interim Review Reports	Mid-term evaluation to assess progress towards programme results articulated in the RRF[8] and provide recommendations	Annually
3	Final Review Report	Final project evaluation to assess achievement of programme results articulated in the RRF and document lessons learned	100% programme completion
4	Audit Reports	Annual internal or external audit in line with UNDP rules and regulations	As per UNDP Kosovo audit schedule

Furthermore, the following tools will assist programme monitoring:

- An Issue Log will be activated in ATLAS and updated by the Project Managers to facilitate tracking and resolution of potential problems or requests for change. The Project Managers will be responsible for updating this information.

- A Risk Log will be activated in ATLAS and regularly updated quarterly by reviewing the external environment that may affect the project implementation. The Project Managers will be responsible for updating this information.

- A Lessons Learned Log will be activated and regularly updated to ensure on-going learning and adaptation within the organization, and to facilitate the preparation of a Lessons Learned Report at the end of the Projects. The Project Managers will be responsible for updating this information.

- A Quality Log will record progress towards the completion of activities, using the ATLAS Activity Definition page. The Project Managers will be responsible for updating this information.

4.2. External Evaluation and Reporting

In addition to the monitoring mechanism internal to the programme and auditing of activities, independent evaluation will be conducted under the supervision of the Programme Board, and lessons learned will be continuously incorporated into programme implementation. Annual Interim Review Reports will focus on the extent to which progress has been made towards programme objectives and outcomes. Donor and stakeholder involvement in this process will be encouraged.

The Interim Review Reports will be produced during the fourth quarter of each year as a basis for assessing the performance of the project. This review will involve all key project stakeholders and focus on the extent to which progress is being made towards outputs, and that these remain aligned to appropriate outcomes; it will also include a mid-point reassessment of programme objectives. The review will be structured by a set of common standards, and will be subject to spot external quality assurance assessments. At the conclusion of the programme, UNDP Kosovo will initiate a full external evaluation to be incorporated into the Final Review Report, utilizing the baseline indicators as the principal means of assessing accomplishment of programme goals.

This Programme will be subject to the internal and external auditing procedures provided for in the financial regulations, rules and directives of UNDP Kosovo. Should an Audit Report of the Board of Auditors of UNDP to its governing body contain observations relevant to the programme's financial contributions, such information shall be made available to donors.

4.3. Project Revision

This three year programme starts with an initial 4 months phase during which recommendations for the full three year programme will be developed and discussed with the partners. At the beginning of the fourth month, the Project Managers will prepare a comprehensive workplan for the entire three years, including a

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[8] Detailed RRF to be developed after four months of programme start

detailed Results and Resources Framework. These proposals will be discussed with all stakeholders and partners and, if approved, set the agenda for the entire three year programme.

The Project Managers will also reach out to donor partners and mobilize additional resources, specifically to increase the implementation of concrete project activities with high impact. Each successful resource mobilization will lead to a project revision.

4. 4. Legal Context

UNDP Kosovo programme activities shall be carried out in accordance with applicable UNDP regulations, rules, policies and procedures.

The following types of revisions may be made to this programme document with the signature of the UNDP Kosovo Director only, provided s/he is assured that the other signatories of the programme document have no objections to the proposed changes:

- Revisions in, or addition to, any of the annexes of the programme document
- Revisions which do not involve significant changes in the immediate objectives, outputs or activities of the programme, but which are caused by the rearrangements of inputs already agreed to or by cost increases due to inflation

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SECTION B – RISKS AND MITIGATION STRATEGY

SEE ANNEX IV

SECTION C – PROGRAMME BUDGET (FOR THE INITIAL FOUR MONTHS AND FOR THE ENTIRE DURATION OF THE PROGRAMME)

SEE ANNEX V

ANNEX I

GLOBAL MILLENNIUM DEVELOPMENT GOALS AND TARGETS

GOALS	TARGETS
1. **Eradicate poverty and hunger**	Target 1: Halve, between 1990 and 2015, the proportion of people whose income is less than one dollar a day Target 2: Halve, between 1990 and 2015, the proportion of people who suffer from hunger
2. **Achieve universal primary education**	Target 3: Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling
3. **Promote gender equality and empower women**	Target 4: Eliminate gender disparity in primary and secondary education preferably by 2005 and to all levels of education no later than 2015
4. **Reduce child mortality**	Target 5: Reduce by two-thirds, between 1990 and 2015, the under-five mortality rate
5. **Improve maternal health**	Target 6: Reduce by three-quarters, between 1990 and 2015, the maternal mortality ratio
6. **Combat HIV/AIDS, malaria and other diseases**	Target 7: Have halted by 2015 and begun to reverse the spread of HIV/AIDS Target 8: Have halted by 2015 and begun to reverse the incidence of malaria and other major diseases
7. **Ensure environmental sustainability**	Target 9: Integrate the principles of sustainable development into country policies and programs and reverse the loss of environmental resources Target 10: Halve, by 2015, the proportion of people without sustainable access to safe drinking water and basic sanitation Target 11: By 2020, to have achieved a significant improvement in the lives of at least 100 million slum dwellers
8. **Develop a global partnership for development**	Target 12: Develop further an open, rule-based, predictable, nondiscriminatory trading and financial system. Includes a commitment to good governance, development, and poverty reduction - both nationally and internationally Target 13: Address the special needs of the least developed countries. Includes: tariff and quota free access for least developed countries' exports; enhanced programme of debt relief for heavily indebted poor countries and cancellation of official bilateral debt; and more generous official development assistance for countries committed to poverty reduction Target 14: Address the special needs of landlocked countries and small island developing States (through the Programme of Action for the Sustainable Development of Small Island Developing States and the outcome of the twenty-second special session of the General Assembly) Target 15: Deal comprehensively with the debt Problems of developing countries (through national and international measures in order to make debt sustainable in the long term) Target 16: In co-operation with developing countries, develop and implement strategies for decent and productive work for youth Target 17: In co-operation with pharmaceutical companies, provide access to affordable, essential drugs in developing countries Target 18: In co-operation with the private sector, make available the benefits of new technologies, especially information and communications.

The Ten Principles of the United Nations Global Compact

The UN Global Compact asks companies to embrace, support and enact, within their sphere of influence, a set of core values in the areas of human rights, labour standards, the environment, and anti-corruption:

HUMAN RIGHTS

Principle 1   Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2   make sure that they are not complicit in human rights abuses.

LABOUR

Principle 3   Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4   the elimination of all forms of forced and compulsory labour;

Principle 5   the effective abolition of child labour; and

Principle 6   the elimination of discrimination in respect of employment and occupation.

ENVIRONMENT

Principle 7   Businesses are asked to support a precautionary approach to environmental challenges;

Principle 8   undertake initiatives to promote greater environmental responsibility; and

Principle 9   encourage the development and diffusion of environmentally friendly technologies.

ANTI-CORRUPTION

Principle 10   Businesses should work against corruption in all its forms, including extortion and bribery.

For more information, registration, sponsorship please check the website: www.unglobalcompact.org

ANNEX III – THE SOCIAL INCLUSION AND LAEKEN INDICATORS

The European Union has agreed a core set of social inclusion/exclusion indicators in the areas of financial poverty, employment, health and education which will allow monitoring in a comparable way of Member States' progress towards the agreed EU objectives. These 18 indicators were established at the European Council of December 2001 as part of the Lisbon Strategy.

BOX 2: SOCIAL INCLUSION CONCEPT

Social inclusion origins within the European tradition of thought. It emphasises the importance of social solidarity, community and equity. It is a relativistic and normative concept which places emphasis on the individual's right of "*having life associated with being a member of a community*". Social inclusion therefore defines the values of a society by recognising the "*duty to care*" of the government to provide all necessary means for every person to be part of the mainstream society with equal social, economic and/or political opportunities and to address all forms of within-country inequalities. Social inclusion is a response to institutional inefficiencies, which is a long-term process that requires changes in social attitudes and power relations. Furthermore, social inclusion has to respond to various discriminations such as gender, age, ethnicity or disability, etc.

Social exclusion is a process whereby certain individuals or social groups are pushed to the edge of society and prevented from participating fully by virtue of their poverty, or lack of basic competencies and lifelong learning opportunities, or as a result of discrimination. This distances them from job, income and education opportunities as well as social and community networks and activities. They have little access to power and decision making bodies and thus often feel powerless and unable to control over the decisions that affect their daily lives. Social exclusion results from intentional (systematic discrimination) or unintentional policies (failure to recognise differential impact on individuals or groups).

Differences between social inclusion and social integration go beyond semantics. Integration could be referred to as an outcome while inclusion is a process. Inclusion places higher value on the different characteristics and rights of individuals than integration.

Indicator 1a : At-risk-of-poverty rate by age and gender
Indicator 1b : At-risk-of-poverty rate by most frequent activity and gender
Indicator 1c : At-risk-of-poverty rate by household type
Indicator 1d : At-risk-of-poverty rate by tenure status
Indicator 1e : At-risk-of-poverty threshold (illustrative values)
Indicator 2 : Inequality of income distribution S80/S20 quintile share ratio
Indicator 3 : At-persistent-risk-of-poverty rate by gender (60% median)
Indicator 4 : Relative at-risk-of-poverty gap
Indicator 5 : Regional cohesion (dispersion of regional employment rates)
Indicator 6 : Long term unemployment rate
Indicator 7 : Persons living in jobless households
Indicator 8 : Early school leavers not in education or training
Indicator 9 : Life expectancy at birth
Indicator 10 : Self defined health status by income level
Indicator 11 : Dispersion around the at-risk-of-poverty threshold
Indicator 12 : At-risk-of-poverty rate anchored at a moment in time
Indicator 13 : At-risk-of-poverty rate before social transfers by gender
Indicator 14 : Inequality of income distribution Gini coefficient
Indicator 15 : At-persistent-risk-of-poverty rate by gender (50% median)
Indicator 16 : Long term unemployment share
Indicator 17 : Very long term unemployment rate
Indicator 18 : Persons with low educational attainment

Annex IV
SECTION B – RISKS AND MITIGATION STRATEGY

ID	Risk description	Impact/ Probability	Counter measures/ Mitigation response	Owner	Author	Date Identified	Last Update	Status
1	Insufficient capacities and political will for prioritising social issues	Stronger focus given to political issues, than development due to ad hoc political issues/daily politics in Kosovo P=3	Close contacts with stakeholders to place development agendas as an political opportunity towards strengthened leadership role and improved institutional performance	Project Manager (PM)	PM	26.07.09		
2	Lack of inter-institutional coordination	Due to miscommunication, activities may be overlapping or issues unaddressed P=3	Networking for communication and cooperation between stakeholders	PM	PM	26.07.09		
3	No long term vision	Stakeholders may not see medium and long term benefits for institutions and the society as whole P=3	Good examples and experiences from the region shared with stakeholders	PM	PM	26.07.09		
4	Low number of companies joining the network	The network will not get established and/or would not function. P = 2	Bilateral meetings Publications; Website; Public Promotion;	PM	PM	26.07.09		

#	Risk	Impact	Mitigation			Date
5	Low technical capacity of business to implement partnership projects	There will be no partnership projects initiated P=3	Technical capacity activities built for enterprises;	PM	PM	26.07.09
6	Low number of business and key stakeholder involvement in policy dialogue	There will be no agreement for specific policy measures to be taken P=3	The relevance of the policy promoted by the programme and the government	PM	PM	26.07.09
7	Impact of the Economic Crises into private companies & decrease of spending	Decrease in funds to be invested in the partnership projects P=3	Proper planning prior to the project initiation	PM	PM	26.07.09
8	Lack of engagement of private companies in North of Kosovo	No multi –ethnic composition of the GC Network Kosovo P=3	Regular de-briefs and meetings to convince them to join the GC Network Kosovo	PM	PM	26.07.09
9	Competing development agendas of donor community	Donors are not interested for prioritization and analysis of donor aid based on MDGs. P=4	Meetings with main donors to advocate for need of establishing the framework for donor aid based on international standards	PM	PA	26.07.09
10	Lack of sufficient staff in beneficiary organization to participate in the activities of the project	Delays in the implementation of advisory, coaching and training activities P=4	Needs assessment	PA	PA	26.07.09

ANNEX V: PROGRAMME BUDGET (FOR THE INITIAL FOUR MONTHS AND FOR THE ENTIRE DURATION OF THE PROGRAMME)
SECTION C

All costs are in USD	1 Sep– 31 Dec 2009	2010	2011	1 Jan– 31 Aug 2012	Total
MDGs in AoK (management costs)	6,000	24,000	24,000	16,000	70,000
Concrete project initiative (contractual services)	5,000	68,300	68,300	34,150	175,750
MDGs and Private sector (management costs)	9,000	24,000	24,000	16,000	73,000
Concrete project initiative (contractual services)	12,000	73,500	68,500	41,500	195,500
MDGs and Development Partners (management costs)	40,000	90,000	90,000	60,000	280,000
Concrete project initiative (contractual services)	15,000	80,000	79,000	51,000	225,000
TOTAL	87,000	359,800	353,800	218,650	1,019,250

To be mobilized: **$ 932,250**

Contractual Services means any costs for research, studies, scoping missions, etc which will be elaborated during programme formulation