

SIGNATURE PAGE

UNDP Kosovo

Expected CP Outcome(s): Effective and responsive civil service established at central and municipal levels

Expected Output(s): 1) A Vision for Capacity Development in Kosovo: strategy, modalities and national ownership; 2) Sectoral Analysis and CD Priority Identification; 3) Concrete Capacity Development Support Activities


Executing Entity: UNDP Kosovo


Implementing Partner: Kosovo Foundation for Open Society (KFOS)

Other Partners: Office of the Prime Minister; Kosovo Foundation for Open Society (KFOS); Ministry of Education Science and Technology; Ministry of Local Government Administration; Ministry of Public Services; Ministry of Finance and Economy

Programme Period: 2005-2009	Total resources required: \$3,000,000
Programme Component: Fostering Democratic Governance	Total allocated resources: - Regular: - Donor: KFOS : \$ 600,000 NOR: \$ 300,000 Total: \$ 900,000
Project Title: Kosovo Capacity development facility Atlas Award ID:	- Government: Unfunded budget: \$ 2,100,000
Project duration: 2009 - 2011	In-kind Contributions:
LPAC Meeting Date 04/08/2008	
Management Arrangement: DEX	

Agreed by UNDP:


 Tetsuo Kondo
 UNDP Kosovo Deputy Director


 Mr. Maurice Dewulf, Resident Representative a.i.



Kosovo

Project Title: Capacity Development Facility – CDF project

Proposed Duration: 3 years (2009 – 2011)

Proposing Agency: UNDP Kosovo

Implementing Partner: Kosovo Foundation for Open Society (KFOS)

Estimated total budget: USD 3,000,000

Geographical Location: Kosovo wide

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National Partners: Office of the Prime Minister (OPM)
Ministry of Education, Science and Technology (MEST)
Ministry of Local Government Administration (MLGA)
Ministry of Finance and Economy (MFE)

Executive Summary

The Capacity Development Facility project comprises of two interlinked components:

- 1) The formulation of a comprehensive *Kosovo Capacity Development Strategy*, and
- 2) *Capacity Development Assistance*.

The *Kosovo Capacity Development Strategy* will provide a framework for guiding and mobilising existing and new 'technical assistance' initiatives, squarely in support of sustainable national capacity development. The process for the formulation of the *Kosovo Capacity Development Strategy* places strong emphasis on the inclusive engagement of key stakeholder groups and partners, striving to achieve national ownership and a broad-based agreement. The process will be informed by, and fully integrate, the capacity assessment methodology and the definition of sectoral capacity development strategies. While the emphasis is on the development of a framework which addresses long-

term capacity development needs, the Programme's approach is flexible enough to take into account emerging and revised priorities. KFOS will act as a facilitator and convening agent and will contribute in sector/s where it has a competitive edge.

The *Capacity Development Assistance* component will provide critical and immediate capacity development interventions in policy, management, leadership, and institutional reform. Utilising national, regional, Diaspora and international experts, the emphasis is placed on short-term advisory missions, concentrating on individual capacity. This also includes the consolidation of the various capacity development and technical assistance initiatives that are on-going and planned for Kosovo into one cohesive platform for action, amongst which are: policy preparation and analytical skills development; "Brain Gain" initiative; and support to elements of public administration reform that impact on national capacity development.

The Programme has identified three priority outputs that provide capacity development support to the Government (short to medium term needs) while actively working towards a long-term approach to capacity development:

- A Vision for Capacity Development in Kosovo :strategy, modalities and national ownership
- Sectoral Analysis and CD Priority Identification
- Concrete Capacity Development Support Activities

SECTION A: PROJECT DESCRIPTION

PART 1. SITUATION ANALYSIS

1.1. General Background

Following the successful partnership established in 2004, the Kosovo Foundation for Open Society (KFOS) and the United Nations Development Program (UNDP) Kosovo, are committed to continue with implementation of the Capacity Development Facility (CDF) project for the next three year period. Since its establishment, CDF continued to prove itself as the most effective mechanism in driving 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 indispensable tool in further consolidation of human resources that lead and drive entrenchment of democratic and European standards within the governance system in Kosovo.

The unilateral declaration of independence by the Assembly of Kosovo on 17 February 2008 and the entry into force of the Constitution of Kosovo on 15 June 2008 have substantially changed the role and responsibilities of the national institutions. However, the currently existing institutions of Kosovo are recently established and lack the experience to implement the wide array of tasks and responsibilities they are facing. Following the unilateral declaration of independence a number of new ministries and institutions will be established and the existing institutions will take on far larger levels of responsibilities.

Notwithstanding the vast financial and human resources invested in Kosovo, progress in developing capacities and strengthening public institutions has been limited and often unsustainable. The capacity development assistance was not linked to a broader set of reforms. It had, mainly, a singular focus on individual skills without supporting the drivers of empowerment, leadership, public participation and institutional change. In addition, there has been little coordination amongst the donor community resulting in reduced effectiveness of assistance, which is exacerbated by the lack of a vision that defines long-term goals, priorities, expectations, and principles of cooperation. This is demonstrated by the public administration and civil service reform processes, which have been slow and have not addressed key impediments to developing a well performing and motivated public administration. The public administration and civil service continue to suffer from high level of staff turn-over, and from the lack of sufficiently qualified human resources. Furthermore, the legal framework is such that civil servants cannot be offered adequate career prospects or incentives.

Nevertheless, KFOS has noted 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. However, Kosovo is undergoing yet another transitional phase and an ever-growing challenge is to move from ad hoc, remedial action, and develop a strategy for an effective, sustainable civil service and institutions, that are able to respond to the needs of the society and deliver adequate services to the citizens.

The Capacity Development Facility project will assist in developing the "*Kosovo Capacity Development Strategy*"¹ whilst at the same time continuing the implementation of on-going capacity development assistance, and in exploring and developing innovative approaches to capacity development.

1.2. Policy Framework

The report presented by President Ahtisaari on 26 March 2007 has called explicitly for the international community to support the capacity development of Kosovo's institutions: "*While independence for Kosovo is the only realistic option, Kosovo's capacity to tackle the challenges of minority protection, democratic development, economic recovery and social reconciliation on its own is still limited. Kosovo's political and legal institutions must be further developed,*

¹ A national capacity development strategy helps to institutionalize a country's focus on and investments in capacity development and the activities to support it, within the framework of a PRS, national development strategy or sector plan. It provides an allocation of roles and responsibilities (who does what), resourcing and operational responsibilities that allow a country to carry the capacity development agenda forward in the long-term. (For detailed information, please refer to "Capacity Development Practice Note", UNDP, May 2008).

with international assistance and under international supervision ... Recognising Kosovo's current weaknesses, the international community 's intensive engagement should extend also to institutional capacity-building".

Kosovo is firmly committed to implement the provisions included in the Ahtisaari proposal and has, among others, requested assistance from the KFOS to assist with capacity development and the creation of facilities to develop a stronger and more stable civil service. The draft Medium-Term Expenditure Framework includes dedicated chapters to good governance and public administration reform as well as to the "Status Implementation".

It is also noteworthy that the European Commission in its annual progress reports continuously underlines the need and importance to further support development of Kosovo's institutional and administrative capacity.

1.3. KFOS Mandate

It is for this reason that capacity development is at the heart of Capacity Development Facility project. KFOS and UNDP have placed priority on strategies that create opportunities to develop and sustain capacity at national and local levels. These include institutional reform and incentives; scaling up leadership capacities; promoting education, training and learning; and enhancing accountability and broad engagement on achieving development results. Capacity development is the key to sustainable human development. Without an enabling environment, efficient organisations and a dynamic human resource base, countries lack the foundation to plan, implement and review their national and local development strategies and promote human development. Over the last decade, the development community has come to realize that it is impossible to work on policies without at the same time working on the capacities of people, organizations and the larger community. It is institutions that sustain policies, allowing policies to evolve from words into actions governing the development process. The development of the institution – at the grassroots level, at the community level, at the national level – is at the centre of the development challenge, be it about its human resource base, the systems or the environment in which it must function.

The central objective of the UNDP as the global development network of the United Nations is the achievement of the Millennium Development Goals. Although not explicitly included as one of the eight Goals, capacity development is a key pre-requisite tool to achieve them. UNDP defines capacity development as the process through which individuals, organisations and societies obtain, strengthen and maintain the capabilities to set and achieve their own development objectives. Working alongside governments, civil society and other partners in 166 countries, UNDP strives to promote human development by helping people to access the knowledge, experience and resources they need to build better lives. UNDP considers capacity development as its overarching contribution to development. Its main source of guidance for engaging with development partners, the Strategic Plan 2008-2011, stipulates that all of UNDP's 'policy advice, technical support, advocacy, and contributions to strengthening coherence in global development must [aim for] real improvements in people's lives and in the choices and opportunities open to them.'

The UNDP distinguishes between core issues² and technical and functional capacities³ that are being addressed at the levels of the enabling environment (policies, legislation, power relations, social norms), the organization (systems, procedures, institutional framework) and the individual (experience, knowledge and technical skills). UNDP's approach is driven by beneficiary ownership and moves beyond the training of individuals. As such, UNDP engages in institutional change, leadership, empowerment and public participation, all of which are being linked to broader reforms. The basis of each UNDP capacity development interventions is an in-depth capacity assessment ("capacity for why", "capacity for what" and "capacity for whom"), following an initial engagement with stakeholders on capacity development. After the formulation of a capacity development strategy⁴ and capacity development costing, UNDP provides the capacity development response and evaluates the assistance upon completion.

² Core issues are: institutional arrangements; leadership; knowledge; and accountability

³ Functional capacities are: management capacities required to formulate, implement and review policies, strategies, programmes and projects.

⁴ UNDP considers that there are four types of capacity development strategies: (1) Institutional Reform and Incentive Mechanisms; (2) Leadership Development; (3) Education, Training and Learning; (4) Accountability and Voice Mechanisms.

Since establishment of the European Integration program in 2006, the KFOS has committed itself to building and strengthening the capacities of Kosovar actors to respond to the integration requirements in the most efficient and knowledgeable manner. Building knowledge within the Kosovar administration to respond to the European Union's political criteria, the economic criteria, and the European standards has been the KFOS's primary focus since then.

Thus, KFOS considers UNDP to be the natural partner for the development of a "*Kosovo Capacity Development Strategy*" and to provide support to the implementation of this strategy. KFOS and UNDP Kosovo partnership has firmly established itself as a provider of capacity development assistance to the institutions of Kosovo, in full respect of national ownership of its activities. The recent experience of the *Capacity Building Facility* has demonstrated that there is a tremendous need and interest for supporting the technical and operational capacities of the national institutions. As such, both projects have jointly provided over 720 months worth of local, regional and international expertise since 2004.

PART 2. PROJECT STRATEGY

2.1. Project objective

The **Kosovo Capacity development facility** comprises of two interlinked components:

- 1) The *Kosovo Capacity Development Strategy*, and
- 2) *Capacity Development Assistance*.

The *Kosovo Capacity Development Strategy* will provide a framework for guiding and mobilising existing and new capacity development initiatives in order to ensure Kosovo's capacity to achieve its development goals and accession to the European Union. The process for the formulation of the Kosovo Capacity Development Strategy places strong emphasis on the inclusive engagement of key stakeholder groups and partners, striving to achieve a broad-based agreement. The process will be informed by, and fully integrate, the capacity assessment methodology and the definition of sectoral capacity development strategies. While the emphasis is on the development of a framework which addresses long-term capacity development needs, the Programme's approach is flexible enough to take into account emerging and revised priorities.

The *Capacity Development Assistance* component will provide critical and immediate capacity development interventions in policy, management, leadership, and institutional reform. Utilising national, regional, Diaspora and international experts, the emphasis is placed on short-term advisory missions, concentrating on individual capacity.

This also includes the consolidation of the various capacity development and technical assistance initiatives that are on-going and planned for Kosovo into one cohesive platform for action, amongst which are: policy preparation and analytical skills development; "Brain Gain" initiative; and support to public administration reform.

The Programme has identified three priority outputs that provide capacity development support to the Government (short to medium term needs) while actively working towards a long-term approach to capacity development:

- A Vision for Capacity Development in Kosovo :strategy, modalities and national ownership
- Sectoral Analysis and CD Priority Identification
- Concrete Capacity Development Support Activities

2.2. Expected outputs and activities

Output no. 1: A Vision for Capacity Development in Kosovo: strategy, modalities and national ownership

Indicative activities:

Establishment of the Kosovo Capacity Development Forum

The Kosovo Capacity Development Forum will be initiated as a series of regular round table dialogues in the preparation of the Kosovo Capacity Development Strategy. The Forum will include senior government representatives, KFOS, the UNDP, civil society representatives, representatives of the international community and donor agencies. The Project Management Unit will function as the Secretariat for the Kosovo Capacity Development Forum.

Steering Committee for Capacity Development Strategy

In the short term a Steering Committee will be established and will include one senior political advisor to the PM, one senior civil servant, KFOS Executive Director and the UNDP Resident Representative of Kosovo Director. The Steering Committee will provide the Programme with initial guidance in substantive and politically relevant matters. The Project Management Unit will function as the Secretariat of the Steering Committee.

Consensus-building on the guiding principles for Capacity Development

This first step of the process for the formulation of the Kosovo Capacity Development Strategy 2010 – 2015 includes extensive discussions on (1) the “guiding principles for capacity development” and (2) the initiation of a comprehensive process to formulate a long-term vision and strategy for the development of Kosovo’s capacities in the public and private sectors as well as the civil society.

Collection, review and analysis of existing documents on sectoral issues:

In order to document the current situation and identify challenges, it is imperative that existing sectoral development documents are reviewed and analysed. This will include an initial stock-taking exercise of existing capacity and needs assessment papers as well as of capacity development and technical assistance initiatives in Kosovo. What will follow is the development of “concept papers” to support the on-going dialogue with and between the Government and the donor community. In order to align the papers with the capacity development approach, the questions that will guide the drafting process will be: *capacity for whom, capacity for what and why capacity?* The Project proposes to make use of the Medium Term Expenditure Framework and European Partnership Action plan as guiding documents when selecting priority areas for review and analysis.

Launch of the discussions:

Following the initial consultation with the Government on the sectoral concept papers, the Kosovo Capacity Development Forum will mark the start of the discussion and consultation process. A high-level launching event plans to bring together the Government, UN Agencies, EC/EU representative, the civil society and other stakeholders engaged in capacity development activities. A direct result of the launch will be the creation of Working Groups. Such Working Groups will be established for each of the sectors that have been identified.

Consultations and review of the draft Capacity Development Paper "A Vision for Capacity Development in Kosovo":

Sectoral working groups will review the first draft of the Capacity Development Paper and provide their input. The strategy will incorporate key elements of capacity development: Capacity Development Responses, the Costing of Capacity Development and Evaluation Framework. The document shall be based on the following capacity development cycles: short/medium term (2009 - 2010) and long term (2011 - 2015). Once the final draft is agreed upon, it shall be submitted to the Kosovo Capacity Development Forum for review and approval.

Publication and launch of the Kosovo Capacity Development Vision

The Kosovo Capacity Development Vision will be launched by a high-visibility event in the presence of the Kosovo Capacity Development Forum, the Government of Kosovo, representatives of civil society and the private sector as well as international stakeholders and donor organisations.

Output no. 2. Sectoral Analysis and CD Priority Identification leading to the Kosovo Capacity Development Strategy

Indicative activities:

Selection and training of national consultants/organization to conduct capacity assessment:

Capacity assessment is a labour-intensive and time-consuming process. Given to the scope of the capacity assessments this activity will be outsourced to a local organisation, or individuals, with experience in conducting research activities. Following the selection and contracting of the entity/ies that will carry out the capacity assessment, KFOS will organise a training session on the capacity assessment methodology. The training will also be provided to the Government stakeholders that will participate in the assessments.

Adapting the self-assessment questionnaire and distributing it to participants:

The initial stage of the capacity assessment will be a self-assessment based on a questionnaire (adapted to cover relevant sectors and issues). The information captured at this stage will inevitably point at common issues across sectors, and enable the design of in-depth capacity-assessment interviews. All participants and self-assessors will be invited to attend a one-day workshop on the methodology and the purpose of the questionnaire. Following which they will have two weeks to complete the self-assessment.

Capacity Assessment interviews:

An in-depth analysis of identified issues during the self-assessment will provide additional, evidence based information on capacity assets and gaps, and common issues across sectors. This analysis will then allow the development of sector specific questionnaires on which each of the participating stakeholders will be interviewed. The resulting analysis of findings will be presented to Kosovo Capacity Development Forum.

Kosovo Capacity Development Strategy

Based on the analysis carried out, the Project will prepare a Kosovo Capacity Development Strategy that incorporates key elements of capacity development: Capacity Development Responses, the Costing of Capacity Development and Evaluation Framework. The Kosovo Capacity Development Strategy will follow the following capacity development cycles: short/medium term (2009 – 2010) and long-term (2011 – 2015). Once the final draft is agreed upon, it shall be submitted to the Kosovo Capacity Development Forum for review and approval.

Publication and launch of the Kosovo Capacity Development Strategy

The Kosovo Capacity Development Strategy will be launched in a high-visibility event in the presence of the Kosovo Capacity Development Forum, the Government of Kosovo, representatives of civil society, the private sector as well as international stakeholders and donor organisations.

Output no. 3. Concrete Capacity Development Support Activities

Indicative activities:

Advisory Missions:

Capacity development for middle and senior level civil servants through national, regional and Diaspora experts (coaches and advisors) in policy, management, leadership and institutional reform. In cases where no local or regional expertise is available, the mobilization of international experts will be considered. Experts will be deployed on demand-basis only, using a standardised request for assistance form (including a self-assessment questionnaire in order to allow for prioritisation of assistance);

Policy Preparation and Analytical Skills Development:

Support to analytical, planning and management capacities through the creation of a pool of highly educated, experienced Kosovars, who would be further trained to act as rapidly deployable “*problem identifiers*” and “*agents of change*” in urgent and politically important areas.

Support to Brain Gain

The project will support the development and implementation of the Government’s initiative on “Brain Gain”. In close cooperation with the Ministry of Education, Science and Technology, the project will provide expertise to complete the institutional arrangements required to engage on a well-founded and sound “Brain Gain” initiative. Besides, the project will in itself act as a braingain mechanism by attracting Diaspora Kosovars in the capacity of project coaches and advisors. During the last years of its implementation, CDF has demonstrated the ability to attract such capacities, as at any given time in average, 25 per cent of its assigned advisors and/or coaches were Diaspora Kosovars. In the forthcoming period, the CDF aims to increase the number of engaged diaspora Kosovars to a minimum of 50 per cent.

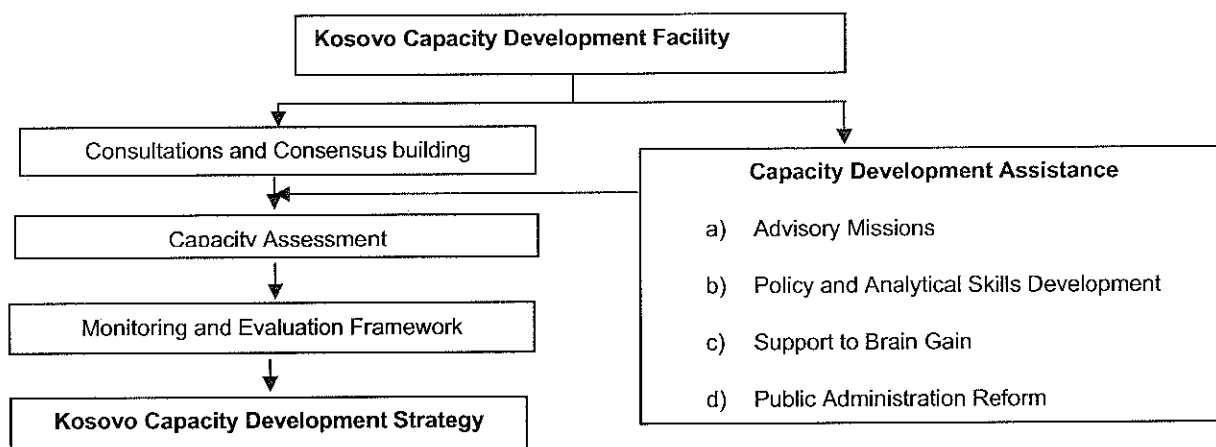
Support to selected elements of public administration reform

The project may, if so requested, provide support to selected components of Public Administration Review and Reform initiatives, addressing issues such as the analysis and establishment of recruitment criteria, incentive packages, performance-based budgetary allocations, monetary and non-monetary incentives with the aim of increase the attractiveness of Kosovo’s civil service and to increase staff retention.

2.3. Methodology

Kosovo Capacity development facility shall use a two-pronged approach to tackle the capacity development challenges faced by the Kosovo Government – acting as a facilitator in the process of drafting the Kosovo Capacity Development Strategy, and provide capacity development/technical assistance to the civil service.

The Project shall bring together the Government and donor community, by initiating the consultation process, to discuss, on a par, challenges and constraints faced by both sides. Each aspect of the Capacity Development Strategy will have an impact on the future programming of assistance, its sustainability and impact. The Project will aim to test the decisions arising from the consultation process in practice, and fine-tune the capacity development approach to correspond with Kosovo’s reality. A visual description of the relationship is included.



Kosovo Capacity development facility shall address capacity development and will concentrate 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).

2.4. Cross-cutting issues

In accordance with Kosovo Law on Gender Equality and Law against Discrimination, and the overall aim of mainstreaming gender and minority participation, the following actions shall be taken into account during Project implementation:

- During recruitment and selection process of the Project Team, every effort will be made to achieve a gender and minority balance;
- The Project will monitor gender and minority inclusion in capacity development interventions targeting civil servants.

▪ 2.5. Partnerships and co-ordination

KFOS and UNDP Kosovo has established strong partnership within the CDF project. The success of the project has also resulted with a strategic partnership between the UNDP Kosovo and the Government of Norway, who actively support and fund the Kosovo Capacity Development Facility.

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 will be the key to the success of the Kosovo Capacity Development Project. Its staff will work closely with all counterparts, especially the Office of the Prime Minister, Agency for Assistance Coordination and European Integration, Ministry of Public Services, Ministry of Finance and Economy, and Ministry of Education, Science and Technology. Coordination and partnership mechanisms will be established to ensure effective collaboration with the main international stakeholders such as the OSCE Mission in

Kosovo, DfID (as the donor agency for the on-going functional reviews), the European Commission, USAID, and other parties active in the capacity development area.

2.6. Duration and exit strategy

The work plan outlined in this project document illustrates CDF activities that will occur over a three-year period. However, it is clear from the extent of capacity development needs and the nature of interventions that civil service capacity development will not occur in full by the end of this period. For this reason, the terms of reference establishing the project will be revisited in the second year to identify which areas of the Project may require additional funding and duration.

The KFOS Program Manager will be responsible for development of a concrete exit strategy for Project -related activities 6 months after the commencement the contract, to be approved by the Project Board. The exit strategy will include a realistic assessment of the timeframe necessary to ensure achievement of long-term project goals, and will orient project execution toward sustainability.

PART 3. MANAGEMENT ARRANGEMENTS

UNDP and KFOS will jointly implement the Project, whereas the management of the funds will be carried out under the UNDP Direct Execution (DEX) through KFOS, in accordance with UNDP financial rules and regulations, and UNDP's results-based management approach.

The main counterparts within the Government are Office of the Prime Minister, Ministry of Economy and Finance, Ministry of Local Government Administration, and Ministry of Education, Science and Technology.

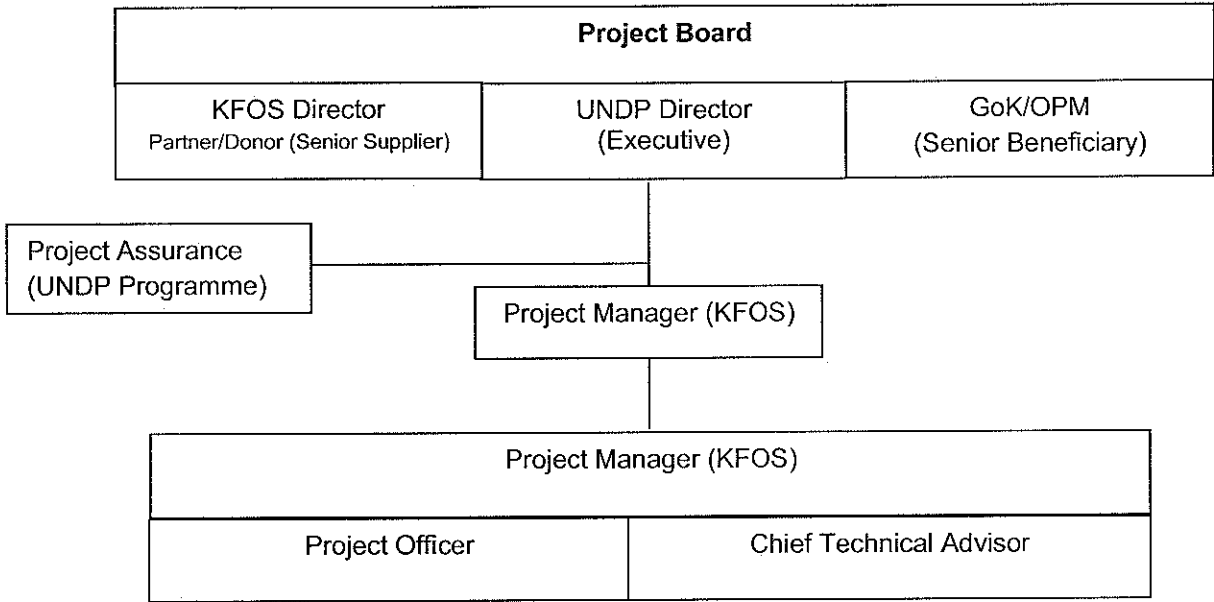
3.1 Project Board

The Project Board is responsible for making consensus management decisions for the Project when Project Manager requires guidance, including recommending approval of Project revisions. The Project Manager will consult the Board for decisions when the Project exceeds tolerances, in terms of time and budget; reviews will also be conducted at designated decision points during the rollout. The Project Board will decide on the Terms of Reference for each activity included in the Kosovo Capacity development facility as well as on the requests for advisory missions from the Government (on a rolling basis). Complete terms of reference for the Board will be devised subsequent to the Project Board's first meeting.

The Project 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 KFOS Director, the main donor, implementation partner, and grant receiver), to provide guidance regarding the technical feasibility of the project;
- Senior Beneficiary (in this case, a senior official appointed by the Office of the Prime Minister) to ensure realisation of project benefits from the perspective of project beneficiaries.

Representatives may be included as *ex officio* members of the Project Board. These may include representatives of the Agency for European Integration and Kosovo Institute of Public Administration (KIPA). An additional *ex officio* member may be added to ensure input from the civil society actors, and another to reflect the perspective of minority communities. In order to ensure UNDP Kosovo's ultimate accountability, final decision-making rests with the UNDP Kosovo Resident Representative in accordance with applicable regulations, rules, policies and procedures.



3.1. Project Team

KFOS will establish the Project Management Unit (PMU), which will implement and be responsible for the day-to-day management of Project activities, with the following, general responsibilities:

- I. The PMU will act as the secretariat of the Board, which is the ultimate decision making body. The PMU will prepare Terms of Reference for the Board, which will be presented to the Board for review and approval at the first meeting;
- II. The PMU will provide substantive input and support to the Government related to the Capacity Development Strategy, either directly or through sourcing of resource persons on capacity assessment, monitoring and evaluation, leadership, human resources, etc.;
- III. The PMU will serve as the Secretariat for the Kosovo Capacity Development Forum, including support to carrying out capacity assessments and the drafting of the Kosovo Capacity Development Strategy;
- IV. The PMU will cooperate with the Government in preparation of the requests for assistance and present them to the Board for approval. The PMU will monitor the progress of each assignment and report in the Board meetings on the progress made;
- V. All terms of reference for the Project and capacity development interventions will be submitted for *ex ante* approval by the Board

The PMU will consist of one Project Manager; one Project Officer and one Chief Technical Advisor. Additional local and international experts will be also engaged as necessary.

From its existing staff, UNDP will make available the Democratic Governance Programme Officer for overall guidance, support, and coordination with other donors/organisations involved in similar area.

3.2. Project Assurance

The Project Assurance role carries out objective and independent project oversight and monitoring functions, ensuring that appropriate project management milestones are managed and completed. Project Assurance is the responsibility of each Project Board member (KFOS, UNDP and the representative of the national authorities), or can be outsourced when necessary to other organisations, civil society, etc.

PART 4. MONITORING AND EVALUATION

KFOS will bear responsibility for ongoing monitoring of project implementation, in close cooperation with key stakeholders and partners. The Results and Resources Framework (RRF) incorporated into this document will be the touchstone for performance monitoring and reporting. Further monitoring will be performed on the basis of work plans prepared by the Project Team, which will submit quarterly reports to UNDP Kosovo and the Project Board, enabling stakeholders to benchmark and assess progress on rollout of activities.

4.1. Monitoring

A Monitoring Plan will be activated in line with requirement. Quarterly progress reports tracking quantitative and qualitative indicators and communicating best practices and lessons learned will be submitted by the Project Manager to the Project Board, using the report format, as to be agreed between the partners.

4.2. Evaluation

The Annual Review Report will be produced during the fourth quarter of the first 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. The review will be structured by a set of common standards, and will be subject to external quality assurance assessments. At the conclusion of the Project, KFOS will initiate a full external evaluation to be incorporated into the Final Review Report, utilising the capacity development monitoring and evaluation as the principal means of assessing accomplishment of Project goals.

4.3. Financial Reporting

The project will be subject to the internal and external auditing procedures provided for in the financial regulations, rules and directives of KFOS. Should an Audit Report of the Board of Auditors of UNDP to its governing body contain observations relevant to the project's financial contributions, such information shall be made available to donors. KFOS will prepare an un-audited financial statement of receipts, disbursements and fund balance, with respect to the project, and forward a copy to UNDP Kosovo at Project closure. In the event that donors request a financial statement audit to be performed by external auditors, the costs of such an audit, including the internal costs of KFOS with respect to such an audit, will be charged to the project budget. KFOS will provide UNDP Kosovo with a copy of the auditors' report.

PART 5. Risk Log

#	Description	Category	Impact & Probability	Countermeasures / Mngt response	Owner	Author	Date Identified	Last Update	Status
1	Insufficient involvement or cooperation from the national authorities in CD initiative	Operational Organisational	P = 2 I = 5	Open, consultative project development approach; close coordination with OPM and line Ministries; inclusion of senior national representation on Project Board	Project Board	UNDP Kosovo	Inception		
2	Multiple donors working on individual CD initiatives, and potential for weak coordination or competition between stakeholders	Operational Organisational	P = 4 I = 5	Effective coordination mechanisms at all points in project cycle enabling stakeholders to ensure coherence of their endeavors and efficient delivery; clear definition of roles	Project Manager	UNDP Kosovo	Inception		
3	Lack of cooperation with the project and the expert, by requesting	Operational Organisational	P = 2 I = 4	Address clearly in writing the duties and responsibilities of the counterpart for each assignment. Exercise pressure by the	Project Manager	UNDP Kosovo	Inception		

	parties			Steering Committee					
4	Lack of political will to implement changes recommended by the experts (line Ministries)	Political Organisational Operational	P = 3 I = 5	Work closely with respective Permanent Secretaries; Exercise pressure by the Steering Committee, including OPM	Project Board	UNDP Kosovo	Inception		
5	Beneficiary staff turnover	Operational Organisational	P = 5 I = 3	Ensure timely follow-up with new staff	Project Manager	UNDP Kosovo	Inception		
6	Political changes	Political	P = 3 I = 3	Ensure timely follow-up with new structures	Project Manager	UNDP Kosovo	Inception		

PART 6. LEGAL CONTEXT

Kosovo is currently administered by UNMIK, established under UN Security Council Resolution 1244. UNDP project activities in Kosovo are coordinated with UNMIK, pursuant to Resolution 1244, associated Security Council Resolutions, and administrative regulations promulgated thereunder. Upon replacement of Resolution 1244, UNDP project activities will be implemented in compliance with domestic legal framework.

UNDP project 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 project document with the signature of the UNDP Resident Representative only, provided s/he is assured that the other signatories of the project document have no objections to the proposed changes:

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

SECTION B: RESULTS AND RESOURCES FRAMEWORK

<p>Intended Outcome as stated in the Country Programme Results and Resource Framework: <i>An effective and responsive civil service; increasing transparency and efficiency of the administration</i></p>
<p>Outcome indicators as stated in the Country Programme Results and Resources Framework, including baseline and targets: <i>Indicator: Percentage of public satisfaction of government services (Baseline: Kosovo Mosaic, 2008)</i></p>
<p>Partnership Strategy: Adoption of open and consultative approach in project development, close coordination with key institutions, inclusion of senior beneficiary representation on Project Board; effective coordination mechanisms at all points in project cycle enabling stakeholders to ensure coherence of their endeavours and efficient delivery; clear definition of roles</p>
<p>Project title and ID (ATLAS Award ID): Kosovo Capacity Development Facility (CDF)</p>

INTENDED OUTPUTS	INDICATIVE ACTIVITIES	INPUTS
<p>Output no. 1: A Vision for Capacity Development in Kosovo :strategy, modalities and national ownership</p> <p>Target: To develop sectoral concept papers</p> <p>Timeline: Funded: Aug – Dec 2008</p> <p>Baseline: Lack of comprehensive analysis on capacity development needs</p> <p>Indicator: Sectoral Concept Papers prepared; launch of the discussions on capacity development needs through the Kosovo Capacity Development Forum</p>	<p>Activity 1: Establishment of the Kosovo Capacity Development Forum</p> <p>Action:</p> <ul style="list-style-type: none"> • The Forum will be initiated as a series of regular round tables and dialogues in preparation of the Kosovo Capacity Development Strategy • PMU acts as the secretariat to the Forum <p>Activity 2: Establish the Steering Committee for Capacity Development</p> <p>Action:</p> <ul style="list-style-type: none"> • Invite the Office of the Prime Minister to appoint two members to the SC; one representing the political level and the other the civil service <p>Activity 3: Consensus-building on the guiding principles for CD</p> <p>Action:</p> <ul style="list-style-type: none"> • Recruit a CTA • Recruit national consultants who will collect, review and present the initial concept papers; • Consultation with key officials on the need for a CD framework. 	<p>PMU, CTA, Bratislava Regional Centre;</p> <p>Associated costs (launch event, research consultants, DSA, travel, fee, facilities, interpreting costs, printing and publication, miscellaneous):</p>

	<p>Activity 4: Collection, review and analysis of existing documents on sectoral issues</p> <p>Action:</p> <ul style="list-style-type: none"> • Select the sectors and priority areas for review and analysis • Collect all relevant and existing reports/data • Compile notes on sectoral issues <p>Activity 5: Launch of discussion rounds</p> <p>Action:</p> <ul style="list-style-type: none"> • Invite relevant UN Agencies and donors to take the lead in drafting concept papers • Facilitate series of meetings with the Government, donor community and CD specialists, to explore key hindering/enabling elements affecting CD at sectoral level; • Define and prioritise CD challenges. <p>Activity 6: Consultations and review of the draft Capacity Development Paper “A Vision for Capacity Development in Kosovo”</p> <p>Action:</p> <ul style="list-style-type: none"> • Establishment of Sectoral Working Groups under the leadership of relevant line Ministries, supported by key donor/s • Consultation with central and municipal government, civil society and private sector on sectoral issues; • Presentation of findings to the Forum; • Consensus reached on the need for Capacity Assessment. <p>Activity 7: Publication and launch of the Kosovo Capacity Development Vision</p> <p>Action:</p> <ul style="list-style-type: none"> • Presentation of the consensus to the Forum 	
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<p>Output no. 2: Sectoral Analysis and CD Priority Identification</p> <p><u>Target:</u> To conduct sectoral capacity assessment to identify capacity assets and capacity gaps</p> <p><u>Timeline:</u> Pending funding: Feb – Sep 2009</p> <p><u>Baseline:</u> Lack of reliable data on capacity assets and gaps</p> <p><u>Indicator:</u> Capacity assessment conducted, results analysed and presented to the High Level Panel on CD</p>	<p>Activity 1: Selection and training of national consultant(s)/organisation to conduct capacity assessment</p> <p>Action:</p> <ul style="list-style-type: none"> • Develop ToRs for conducting capacity assessment; • Advertise for national consultant(s)/organisation and complete the selection process; • Train the consultant(s)/company on the capacity assessment methodology; • Define the scope and scale of the capacity assessment. <p>Activity 2: Adapt the self-assessment questionnaire</p> <p>Action:</p> <ul style="list-style-type: none"> • Invite donors to develop technical capacities questions for inclusion in the questionnaire; • Finalise the self-assessment questionnaire; • Define the sample of participants who will receive the questionnaire and send it to participants; • Collect questionnaires, analyse the data and prepare a follow-up questionnaire for CA interviews. <p>Activity 3: Capacity Assessment interviews</p> <p>Actions:</p> <ul style="list-style-type: none"> • Conduct the CA interviews; • Collect the data, identify capacity assets and gaps, common issues and present a draft report on the findings; <p>Recruit consultant(s) who will conduct the final analysis of the findings and present the draft to the Forum for review.</p> <p>Activity 4: Kosovo Capacity Development Strategy</p> <p>Actions:</p> <ul style="list-style-type: none"> • Drafting of a comprehensive document on capacity development incorporating: CD Responses, Costing of CD, and Evaluation 	<p>PMU, CTA, Bratislava Regional Centre; Advisors and Coaches</p> <p><i>Associated costs (contracting of experts, DSA, travel, fees, training venue and related costs, advertising, miscellaneous):</i></p>
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<p>Output no. 3: Concrete Capacity Development Support Activities</p> <p>Target: Provide CD assistance to government counterparts</p> <p>Timeline: Funded: 1st wave: Sep 08 – June 09; Pending funding: 2nd wave: Jul 09 – Jun 10 3rd wave: Jun 10 – Jun 11</p> <p>Baseline: n/a</p> <p>Indicators: functional Steering Committee (SC); SC defines areas of assistance; at least 15 requests reviewed and approved by the SC (Sep 08-June 09); establish the criteria for "Policy Preparation and Analytical Skills Development" candidates.</p>	<p>Framework;</p> <ul style="list-style-type: none"> • Consultations with Working Groups and donors on the draft; • Consensus on the draft Strategy; • Present the draft Strategy to the Forum for review and comments; <p>Activity 5: Publication and launch of the Kosovo Capacity Development Strategy</p> <p>Actions:</p> <ul style="list-style-type: none"> • Finalise and publish the Kosovo Capacity Development Strategy. <p>Activity 1: Advisory Missions</p> <p>Actions:</p> <ul style="list-style-type: none"> • Invite middle and senior civil servants to apply for assistance; • Introduce the McKinsey self-questionnaire; • Establish a monitoring and evaluation framework for all assignments to ensure compliance with capacity development approach; • Review and update the current eligibility criteria for inclusion in the Database of Experts; • Review and update the selection and recruitment process for applicants; • Update the database of national, regional, Diaspora and international experts that matches the demand of government institutions for CD and Technical Assistance (TA); • Open call to experts to apply; • Organise a training workshop for all CDF advisors with Bratislava Regional Centre on practical application of Capacity Development methodology; • Assign CDF advisors/coaches to requesting government counterparts. <p>Activity 2: Policy Preparation and Analytical Skills Development</p> <p>Actions:</p> <ul style="list-style-type: none"> • Identification of highly educated and experienced Kosovars who will support the analytical, planning and management capacities of 	
		<p>PMU, CTA, Bratislava Regional Centre; Project Board, Government, Advisors and Coaches</p> <p><i>Associated costs (contracting of experts, DSA, travel, fees, training venue and related costs, advertising, miscellaneous):</i></p>

the Government;

- Further professional development of selected individuals in European centres;
- Develop a "rapid deployment" system for experts, who will act as "agent of change and problem identifiers".

Activity 3: Support to Brain Gain

Actions:

- Needs assessment for the Ministry of Education, Science and Technology with regard to the launch of the Brain Gain initiative;
- Provision of technical expertise in the implementation of the initiative

Activity 4: Support to selected elements of public administration reform

Actions:

- If requested, provided support to selected components of public administration reform;
- This can take the form of feasibility studies and needs assessments as well as advice on the regulatory environment in relation to PAR

SECTION C: ANNUAL WORK PLAN AND BUDGET (ATTACHED)