KEK▲CDC
CONSULTANTS

Identification of New Decentralisation and Local Governance Programme

On behalf of:

Swiss Cooperation Office,
Kosovo

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List of Abbreviations

AAK	Alliance for the Future of Kosov
AKM	Association of Kosovo Municipalities
AKR	New Kosovo Alliance
CSO	Civil Society Organisation
DELOG	Decentralisation and Local Governance Programme
DSP	Democratic Society Promotion Project
EU	European Union
EULEX	European Union Rule of Law Mission in Kosovo
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
IMF	International Monetary Fund
IPA	Instrument for Pre-Accession Assistance
KCSF	Kosovar Civil Society Foundation
KIPA	Kosovo Institute of Public Administration
LDK	Democratic League of Kosovo
LOGOS	Swiss-Kosovo Local governance Support Project
MESP	Ministry of Environment and Spatial Planning
MLGA	Ministry of Local Government Administration
MoF	Ministry of Finance
OSCE	Organisation for Security and Cooperation in Europe
PDK	Democratic Party of Kosovo
SCO-K	Swiss Cooperation Office, Kosovo
SECO	State Secretariat for Economic Affairs
SIDA	Swedish International Development Cooperation Agency
SDC	Swiss Agency for Development and Cooperation
SLS	Independent Liberal Party
UNDP	United Nations Development Programme
UNMIK	United Nations Mission in Kosovo
USAID	United States Agency for International Development

Executive Summary

Background and methodology

In view of the development of a new programme on Decentralisation and Local Governance (DELOG), SDC has mandated KEK-CDC and a local consultant to assess the second phase of the LOGOS project and to "identify the main elements of a new programme […] as well as elements for one or two new projects complementing SDC's LDG portfolio".

The realisation of the mandate consisted mainly of briefings with SDC, desk studies, interviews with different actors in Kosovo, a validation workshop and a debriefing allowing for testing provisional findings and first ideas for the future programme's orientations.

Assessment of LOGOS phase II

Relevance

The LOGOS project provides relevant support. Governance is a most important topic in Kosovo, which is a very young state that will continue in a process of defining allocation of competencies and finances between its two state levels. The project's relevance also comes from its selection of (Serbian speaking majority and Albanian speaking majority) municipalities and from its approaches: both capacity building and capital investments are required, and their combination is an excellent means for strengthening both dimensions.

Effectiveness

The project's objectives and targeted outcomes were achieved to a very large extent: Citizens' satisfaction with the performance of municipal administration, with the municipalities' financial management and with their possibilities to participate in decision making has generally increased. It is also to be noted that LOGOS II was capable to swiftly implement the strategic adaptation decided at the end of the project's first phase, to cooperate with municipalities with Serbian and with Albanian speaking majorities respectively, with which close and trustful working relations were established.

At the level of outputs, the following results are to be mentioned: Citizens' satisfaction with public services has increased, strategic and urban development plans were established, properties were registered contributing to an increase in own sources revenues, laws on solid waste management and on publicly owned enterprises were amended thanks to inputs from the LOGOS partner municipalities, and a regulation for the cooperation between municipalities and villages was introduced country-wide.

These results can be assessed as relevant, effective and efficient: regulations were introduced on the central state level; improvements were achieved on the level of municipal governance (e.g. improved financial management, increased citizens' participation, combination of capacity building and capital investment projects); and an impact can be observed country-wide.

The sustainability of LOGOS' achievements is especially promising regarding the registration of property, solid waste management, and budget planning. Respective sustainability obviously depends on municipal actors, on their utilisation of the management and participation instruments introduced in the framework of the LOGOS project.

The two transversal themes gender equality and governance (minorities) are well anchored in the project. The most obvious successes concern the cooperation with minorities. Promoting gender equality proved to be more arduous.

The LOGOS project is also faced with challenges and shortcomings: The legal framework orienting municipal activities is not always coherent; there is a lack of capacity and motivation among municipal staff; mayors', assemblies' and administrations' accountability towards citizens is not their first concern; and the communication between local and central levels of the state is to be improved.

Implementation

LOGOS' main partners are the nine municipalities in south-eastern Kosovo, it cooperates also with ministries responsible for the topics addressed by the project, with the Association of Kosovo Municipalities, and with other donors. Civil society and its organisations were not a focal partner of the project.

Main lessons

− Effectiveness of cooperation requires ownership by local actors. Effectiveness might be increased by defining performance conditions for local partners.

− Flexibility is required when working with different types of municipalities: large and small entities, newly established and "old" municipalities, rather urban and rural contexts each require adapted approaches and support.

− The vertical dimension of the governance system – the working relations between local and central levels of the state – is to be

considered and promoted by interventions on each dimension of the system.

− Strategy development and implementation is a weakness of Kosovo actors at central and at local levels. Projects can support them in this respect.

− (Inter-municipal) cooperation and participation at different levels needs to be further improved: Partner municipalities of a project are to exchange experiences and lessons learnt, the understanding of the scope (and limitations) of inter-municipal cooperation is to be facilitated, and so are the relations between the official structures of municipalities and villages. And, finally, the assemblies' role in local governance is to be strengthened.

Good practices in view of a future DELOG programme

LOGOS II's experiences allow for identifying a series of good practices, which are to be integrated in the future Swiss support to Kosovo's decentralisation and the further development of good governance:

− Targeting the system level: Working on the governance system and in this system, never around it is crucial for the success of interventions and for their sustainability.

− Close working relations are to be established with partners at central and at municipal levels. This is to allow for working also on the vertical dimension (relation between municipalities and central government authorities), and for local actors to participate in policy dialogues and in national strategy making.

− All local level stakeholders (elected persons, administration, society) are to be involved in programmes' efforts to develop local governance.

− Capacity building and capital investments are to be combined and interlinked. Investment projects allow for realising relatively quick and visible changes. They are to be used as "cases" for introducing good practices in management and governance procedures of municipal actors.

− On-the-job capacity building for all actors of the local governance system is a necessity since no training system for municipal staff is in place and since there is an important need for capacity building. On-the-job training is also a means to deal appropriately with existing capacity building fatigue.

− Coordination with other donors is to take place not only on project level, but also regarding strategies and approaches, thus favouring increased impact on local governance and on overall strategy making.

Features of a new Decentralisation and Local Governance Programme

Context

Kosovo is a young and fragile state. Structures, procedures and human resources have only recently been put in place and still need to be developed. Kosovo is a decentralised state, which has been designed to a large degree, based on inputs and conditionalities of external actors. There is little domestic ownership of the current design of the decentralised state structure. Overall, only the municipalities and the Association of Kosovo Municipalities are strong advocates for decentralisation. However, the decentralisation process remains dynamic. Allocation of competencies and finances between the two state levels continue to be negotiated and the respective regulatory framework is still under construction. The vertical dimension of governance suffers from the absence of a common understanding of the roles of the two state levels. While civil society is not an important actor in Kosovo, political parties are crucial ones. While most parties formally support decentralisation, all of them have the ultimate aim to concentrate power at the centre and in their leadership.

Municipalities are faced with many challenges, including that of a mismatch between decentralised competencies and the resources allocated to realise municipal tasks. Municipal assemblies are compared to the mayor weak and the clear separation of powers is not always complied with. Municipal administrations' capacities need to be further developed. Participation of citizens and civil society organisations in the political sphere is weak, although there are provisions in place for their participation.

The Association of Kosovo Municipalities (AKM) plays a crucial role in the decentralisation process. It has access to the central government and advocates for the interest of the municipalities in the legislative process. AKM, though, has a potential to further improve its performance particularly in regard to the exchange between technical staff of municipalities.

Relevance

The decentralisation process is of high relevance for Kosovo, since it is a condition for the normalisation of the relationship with Serbia and achieving the status of an EU accession candidate. Good (local) governance is a condition for the successful operation of the young state. There are, however, deficiencies in the regulatory framework and the functioning of local governments, which need to be addressed. Since other important donors reduce their support to decentralisation and local

governance, a large space is left for Switzerland to step in and support Kosovo in this regard.

Coherence with strategic framework

In the Bill to Parliament regarding International Cooperation 2013-2016 it is mentioned that Switzerland is committed to support the transition process in the Western Balkans and particularly Kosovo. Switzerland aims at supporting decentralisation processes and strengthening political institutions. This is also taken up in the Swiss Cooperation Strategy for Kosovo 2013-2016. Since decentralisation is one of the main elements of the Ahtisaari Plan on which the state structure of Kosovo is built, it is both a priority of the government of Kosovo as well as of the major donors.

Objectives

The overall goal of the proposed Decentralisation and Local Governance Programme is oriented on the goal of the respective Swiss cooperation domain and is stated in the following manner: "Socially inclusive governance and quality service provision at local level contribute to Kosovo's democratic state-building process." The three specific objectives the programme shall contribute to are in the following: (i) "Municipalities provide improved public services, which respond better to citizens' priorities and needs"; (ii) "Municipalities observe and foster democratic processes and apply sound public policy and management processes; (iii) "The regulatory framework governing central state – municipal relationships as well as municipal functioning is improved".

Intervention Strategy

Four distinct but interrelated components are meant to contribute to achieving the above-mentioned objectives: (1) Municipal Governance Support Component consisting of on-the-job capacity development combined with capital investment grants and support to promotion of citizens' participation; (2) Support to Association of Kosovo Municipalities Component consisting of a core contribution to the association and backstopping / mentoring support; (3) Support to the Development of a Training System for Municipal Staff Component consisting preliminary of anchoring and developing such a system; (4) Support to Improving Central Government Regulations Component consisting of expert support in regard to the development of new legislations.

The general strategic approach shall be characterized by the programme working in and on the system and never around it. This means that the programme will work within the existing regulatory and institutional framework and also work on improving the current systems and structures in place. While working with both central government and local government actors the programme shall remain flexible and responsive to the changing environment.

In the support to municipalities, the programme shall conduct a paradigm shift and work fully within and simultaneously on the existing system. This entails among other things to work through the public management and public policy cycles and with all relevant actors of municipal governance. The municipal assemblies are to gain more importance in the programme and a shift should take place from weak to strong participation of citizens. Budget support should be provided fully on the system and linked to governance criteria and as a means to initiate governance reform processes. Capacity development shall be provided on-the job.

AKM shall continue to be supported by a core-contribution enabling it to effectively play its role to successfully advocate for the interests of municipalities and to professionally serve the needs of municipalities. Current backstopping / mentoring support for organisational development should be complemented with support to develop a strategy for decentralisation.

The programme shall explore ways of supporting the development of a training system for municipal staff. It would have to find out who, from a system perspective, would be the logic host organisation of such a training system. With this organisation it needs to explore how such a system could be developed. In doing so domestic and regional experience with training systems have to be taken into account.

Experiences and issues arising from direct work with municipalities and the support to AKM should serve as a basis to make a support offer to central state ministries to support them with expertise in developing or amending concrete laws or rules related to decentralisation and municipal governance. Support to ministries would be opportunity-based and time-bound. The programme would also explore the possibility of establishing a permanent central state – sub-national state government contact group to strengthen the general political dialogue between the two state levels.

Beneficiaries and Outreach

With three component (support to AKM, support to Kosovo regulations and support to developing a municipal training system) the programme will have a countrywide outreach. With the programme's horizontal focus and its direct support to selected municipalities it should also be attempted to have an outreach beyond its approximately 16 direct partner municipalities.

Partnership

The programme needs to take into consideration how to best work with the different drivers and restrainers of decentralisation and local governance reform. Furthermore, their power to influence the reform has to be taken into account. The main drivers with high interest and significant power are the municipalities and AKM. They will be the main partners of the programme. For the fourth component different ministries who respond to the Swiss support offer will be partners. While the interest of the EU and USAID in the decentralisation reform is decreasing other important actors to closely collaborate with will be GIZ and SIDA.

A number of potential synergies between DELOG and other Swiss projects in different domains have been identified. They should be made use of.

Since the four programme components are highly interlinked it is proposed that that a single organisation manages the whole programme.

Estimated Duration and Budget

It is envisaged that the programme would have three phases and a total duration of eleven years. Prior to the start of the first phase an inception phase will be required to elaborate the details of the programme. A very rough estimation arrives at an annual budget of CHF 3 – 3.5 Million.

Risk Assessment

There are inherent risks in a decentralisation and local governance programme implemented in a context, which is dynamic and in a young country, which is in a process of establishing its legal framework and consolidating its institutions. The opportunities for supporting the decentralisation process, however, outweigh these risks. Risks at the national level are considered to be generally low, as the major political parties are not opposed to the Ahtisaari Plan and its principles of a decentralised state.

The risks are considered to be high in regard to supporting the establishment of a municipal training system, since currently no such system exists on which the programme could build. High are also risks in regard to supporting different ministries in developing and amending legislations and rules, since there is very limited Swiss experience in Kosovo of doing so. Risks may also arise from working with different stakeholders and the interaction of programme components.

Open issues

Based on the findings of the identification mission, which are documented in this report, further steps have to be initiated before the new programme can get started. These steps range from developing of an entry proposal and launching a tender, to contracting of an organisation managing the programme, initiating of the inception phase to finally developing and approving of a credit proposal.

1 Background and Methodology

1.1 Background to the programme identification mission

During the first half of 2013, the Swiss Agency for Development and Cooperation (SDC) develops a new programme on decentralisation and local governance (DELOG). This programme is to be designed according to the strategic orientation set in the Swiss Cooperation Strategy for Kosovo 2013 to 2016. It will be part of SDC's domain called Democratic Governance and Decentralisation. An identification mission, including an assessment of the second phase of the Swiss-Kosovo Local Governance Support Project (LOGOS) project, is to provide elements for designing this new programme. This new programme is to support Kosovo's efforts in its further transition and state-building. In particular it is meant to support the decentralisation process the country has engaged in since its independence in 2008 and the development of local governance.

1.2 Objectives of the identification mission

The Terms of Reference (ToR) (see Annex 1) define the following objective for the identification mission: It "is to (i) identify the main elements of a new programme in local governance and decentralisation, as well as [...] (ii) elements for one or two new projects complementing SDCs LGD portfolio in Kosovo, adhering to the frame given by the new Cooperation Strategy 2013 to 2016".

The ToR also state that "SDC will use the findings and recommendations of this identification mission for the following purpose:

- To elaborate an Entry Proposal for the new local governance and decentralisation programme;
- To discuss and decide on a DLG domain portfolio development roadmap;
- For capitalisation and documentation of LOGOS phase II."

In order to provide SDC with a basis to develop a new DELOG programme and its Democratic Governance and Decentralisation domain portfolio, the mission had to answer questions grouped into six clusters:

Cluster 1: Political Economy Analysis

Cluster 2: Capitalisation of LOGOS, phase 2

Cluster 3: Geographical focus of the future intervention on municipal level

Cluster 4: Future funding mechanisms towards municipalities

Cluster 5: Future vertical dimension of the LGD portfolio

Cluster 6: Synergies with other Swiss funded projects/domains and DLG related interventions funded by other donors

1.3 Methodology of the identification mission

The realisation of the mandate consisted mainly of the following steps:

Clarification of mandate: The mission team discussed the understanding of the mandate, expectations and methodologies to be applied with persons in charge at SDC in Pristina and Bern as well as with SDC's regional senior governance advisor based in Belgrade.

Desk review of relevant documents: Documents provided by SDC and other documents obtained through own literature search were analysed. A list of consulted documents can be found in Annex 4.

Interviews: Jointly with the Swiss Cooperation Office in Kosovo (SCO-K) a list of relevant interview partners was developed. Interviews with relevant government officials, representatives of municipalities, donors and think tanks Individual were held (see Annex 3).

Interim- and debriefing with SCO-K: The main findings were discussed after the first week of the missing and the end of it with the management of the SCO-K. These meetings allowed for testing the consultants' hypotheses and provisional proposals and recommendations.

Validation workshop: At the end of the mission a workshops was organised with the objective to discuss the main findings with stakeholders in Kosovo's decentralisation process and validate preliminary ideas in regard to elements of the future DELOG programme (see list of participants in Annex 5).

Preparation of report: This report was prepared based the mission findings and the reflection with SCO-K and participants in the validation workshop.

The identification mission was realised by two Swiss consultants of KEK-CDC Consultants and a local experts, Besnik Tahiri. The present report also draws on two other reports: Engjellushë Morina prepared a mapping of donors; and a second Swiss team of consultants, Mirjam Strecker and Daniel Arn, assessed the collaboration with the Association of Kosovo Municipalities (AKM) and further issues in regard to the vertical dimension of the new DELOG programme. Their findings and recommendations have substantially contributed to the identification of elements for the future DELOG programme.

The part of the mission report dealing with the DELOG programme is structured according to the SDC template for Entry Proposals. This is to facilitate the further preparation of the programme by the SCO-K. The clusters of questions (see above, 1.2) are therefore not reflected in specific chapters (except for cluster 2 on LOGOS' second phase) of the mission report. Rather, they are integrated into different chapters and paragraphs in the following pages. This structuring of the report was agreed upon with the mandating organisation.

Acknowledgement

The consultants thank SDC, especially the SCO-K which organised the identification mission very well, including the contracting of local consultants and translators, and which provided most valuable services to the consultants during the mission, e.g, arranging meetings with local actors, inviting stakeholders and relevant actors of the

sector to the validation workshop, and transportation. The consultants are also grateful to Mirjam Strecker and Daniel Arn for their valuable inputs and constructive remarks to ideas reflected in this report.

2 Part I: Assessment of LOGOS Phase II

The following assessment of LOGOS phase II performance is based on the following elements: (i) a self- assessment realised by the project team in February 2013; (ii) the project's regular reporting; (iii) discussions with the LOGOS team; (iv) information gathered by the consultants during visits to LOGOS partner municipalities where meetings were held with mayors, staff of the municipal administration as well as with members of municipal assemblies and heads of village councils; (v) interviews with actors involved in supporting municipalities in Kosovo, including representatives of central government, the Association of Kosovo Municipalities, other donor agencies and think tanks, allowed for gathering also external views on the LOGOS project. The purpose of the assessment is to provide an additional basis for the provision of elements for a future Swiss DELOG programme.

2.1 Relevance

The relevance of the LOGOS project is uncontested. Governance is obviously a most important topic in Kosovo, a very young state, which – after a recent history of oppression and struggle, war, migration, remigration and reconstruction, international administration and an externally contested path towards independence – is only in the process of being established. Its institutions are assessed (by international actors, by Kosovo observers and by citizens) as being weak in many respects. Service delivery is to be improved and the country's reputation regarding corruption is poor. The Transparency International's "Corruption Perception Index 2012" ranks Kosovo 106th among 176 listed countries. Kosovo's recognition as a sovereign state is still limited (98 states have recognised Kosovo until the end of 2012). Furthermore, EULEX, which supervises Kosovo's rule of law, performs activities that will have to be integrated into Kosovo's institutions and organisations.

LOGOS' relevance also comes from the **decentralisation** process the young country has undergone in the past years, which defines additional responsibilities for municipalities. The project is thus **aligned with the agenda for Kosovo**, although the concept of decentralisation is perceived by many as being imposed on Kosovo (see paragraph 3.1 of the present report). There are newly established municipalities. Their structures are often staffed with comparably inexperienced personnel. Governance is an important issue at the local level of the state, not only for these new municipalities. Transparent procedures, accountability of public management, possibilities for citizens' participation and improved quality of public service delivery are to be further developed and sustainably anchored in all municipalities.

The topic of local governance is relevant and so are the approaches chosen by LOGOS to implement the programme. They include roughly capacity building for local government structures and funding of capital investment projects in municipalities. Capacity building is realised through on-the-job coaching, training, study tours and

through the exchange of experiences among municipalities. Capital investment projects realised with municipalities mainly concern basic infrastructure. Relevance could be improved if the capital investments realised in the framework of LOGOS were fully integrated in the municipalities' ordinary budgetary procedures.

Last but not least, another aspect of the project's relevance comes from LOGOS' strategic decision to work with **different types of municipalities** – some with a Serb speaking majority and others where the majority of the population are Albanian speakers.

2.2 Results achieved

2.2.1 Main results of LOGOS phase II

The project team assesses the achieved results very positively. Planned results were reached, or even exceeded. The indicators used to measure LOGOS' **outcome** are the satisfaction of citizens (see box and Annex 7). A survey was carried out by an external company, one in 2009 and one in 2012. The comparably lower figures of satisfaction in Serbian municipalities can partly be explained by the fact that some of those municipalities are newly established with relatively inexperienced administrative staff and with mayors who had not been in charge of similar tasks before. At the same time, in these Serbian municipalities a much more pronounced increase of positive assessment could be observed over the period of three years.

In addition, the following points are to be highlighted:

− The **strategic reorientation** of LOGOS phase II, as compared to phase I, was very successfully implemented. The fist phase focused initially on two, and later on three municipalities (Kamenica, Viti, Novo Brdo) as well as on the sub-municipal level and its relation to the municipality. The second phase of the project enlarged its cooperation to nine municipalities and also considered the vertical relations that link municipalities to central level authorities.

− The project was realised in **close and direct contact with partners** mainly on the level of the municipalities involved. The LOGOS team has established working relations based on mutual trust that are now the basis for future cooperation with Swiss projects.

Citizens' satisfaction

Outcome
Selected partner municipalities in South Eastern Kosovo are more accountable, equitable and effective in local gover-nance and able to deliver key services to satisfy all citizen groups.

Indicator 1: Increased satisfaction of citi-zens with the performance of municipal administration in all partner municipalities

Results	2009	2012
Albanian Municipalities	**70.4%**	**77.0%**
Serbian Municipalities	**40.0%**	**65.0%**

Indicator 2: Improved satisfaction of citi-zens with municipal financial management in all partner municipalities.

Results	2009	2012
Albanian Municipalities	**62.7%**	**81.8%**
Serbian Municipalities	**28.3%**	**52.4%**

Indicator 3: Improved satisfaction of citi-zens with participation in the decision ma-king process in all partner municipalities.

Results	2009	2012
Albanian Municipalities	**79.6%**	**80.6%**
Serbian Municipalities	**52.9%**	**69.6%**

Source: LOGOS

- LOGOS II was capable to cooperate both with **Albanian speaking majority municipalities** (Hani i Elezeit, Kaçanik, Kamenica, Viti) and with **Serbian speaking majority municipalities** (Klokot, Novo Brdo, Partesh, Ranilug, Shtrpce).

- The **coordination and cooperation** with other actors, both donors (USAID) and Kosovo authorities, was successful and allowed, inter alia, disseminating good practices tested in the framework of LOGOS II (e.g. the registration of property in view of the collection of the property taxes).
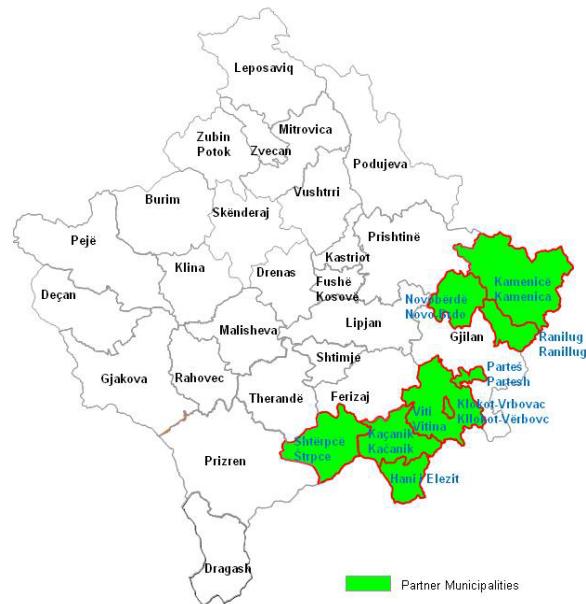
At the level of **outputs** results were assessed as being positive as well (see Annex 7). The targeted output level was (i) improved capacities for participatory planning, management and budgeting, (ii) improved service provision, and (iii) dissemination of experiences between municipalities and participation of municipalities in policy dialogue. The most relevant outputs achieved include the following:

- **Citizens' satisfaction** with public services has **increased** to some extent.

- 10 **strategic and urban development plans were developed** through a participatory procedure and in line with legal requirements.

- The number **of unregistered objects in view of increasing municipalities' own sources revenue** was **done in partner municipalities and** – through a cooperation with USAID and in a partnership with the MoF and the AKM – was **replicated Kosovo-wide**.

- The **law on solid waste management** and **the law on publicly owned enterprises** were amended and allow municipalities to establish municipal publicly owned enterprises.

- **Sub-municipal regulations** allowing villages to participate in budget planning were **adopted** in all partner municipalities. The **regulations are endorsed by the MLGA and disseminated** by this Ministry and the AKM.

The hierarchy of objectives of LOGOS II was defined in a very open manner, allowing the project's implementation to react flexibly to local conditions, opportunities and constraints.

2.2.2 Challenges and shortcomings

Kosovo is in the middle of a state building process in which institutions of newly established municipalities often started their activities from zero. The role of state authorities is still in the process of being defined, the internal working relations between and within state bodies have still to be improved, the division of tasks between central and local authorities is evolving, and the interface between State and society remains to be further organised. In such a context, municipalities require assistance to be effectively

and efficiently managed and well governed. Furthermore, support is required to help shape central state and sub-national state relationships.

The LOGOS project team identifies the following challenges and shortfalls of their endeavour:

Lack of capacity and motivation among the staff of the municipal executive. All the interview actors agreed on this point. Many observed, however, that there is some or even widespread fatigue among municipalities with the kind of capacity building that is currently offered by state institutions and donors, which is supply driven, hardly response the need of municipal staff, is of very short in duration and is thematically fragmented. The LOGOS project is therefore faced with the need to find ways to motivate partners to improve their capacities. The grants for capital investment projects are obviously the most important incentive it provides.

Lack of sufficient means of municipalities to deliver services on a basic level. The identified lack concerns financial resources and technical capacities, knowledge and know-how of the municipalities' executive power holders, the administration and the legislative (municipal assembly).

Lack of accountability of the political level towards citizens. Politics in Kosovo, as everywhere, is about organising society and defining frame conditions for the economy, but it is also about access to resources and controlling power. Accountability to the public is not the first concern of elected officials and public servants.

Incoherent legal framework. Kosovo has quickly developed its legislative system: laws and rules are drafted and adopted mainly at central level. At times, insufficient attention is paid to the coherence of sectorial laws with matrix laws leading to contradictions in legislations. This results in the need to further amend and harmonise existing laws. The LOGOS project and its partner municipalities deal with this issue by making use of their contacts with central decision makers and with the AKM, thus influencing law and policy making in view of more coherence.

Lack of proper communication between the local and the central state level structures. Municipalities can communicate their concerns and requests to central level authorities, both directly and through the AKM. To some extent, they are successful in influencing decisions taken at the central state level. Nevertheless, the needs and requests of municipalities are not systematically taken into account and the transmission of information often needs to be repeated to show effect.

Insufficient or even absent donor coordination. Donors are often busy managing their own projects and programmes and lack time or interest to coordinate their efforts with other international actors. They set aside only limited resources for coordinating with other actors involved in the general topic of decentralisation and local governance or working with specific projects in the same municipalities. Furthermore Kosovo authorities do not take the lead in donor coordination. An exception is their coordination in the water and solid waste management sector. A positive example of coordination at the level of donor projects is the one between LOGOS and the USAID Democratic Effective Municipalities Initiative Project (DEMI) in the field of property registration with which a joint approach was implemented and a nationwide rolling out of initial LOGOS methodology was made possible, resulting in increased registration of property relevant for municipalities' own sources revenues.

2.2.3 Relevance of the results achieved

The most relevant achievements of LOGOS at the **central state level** are the effects on laws directly touching the functioning of municipalities. Regarding the **municipal level**, the most relevant effects of LOGOS are in the fields of property registration, inclusive budgeting procedures, transparency, and the introduction of possibilities for citizens' participation in general. Municipalities welcome these innovations.

2.2.4 Effectiveness and efficiency of LOGOS' approach

The project's approach is both effective and efficient. In only four years, it has shown important positive results (see above) and faced only a few difficulties and deviations from the initial plans.

Effectiveness is achieved by interventions targeting the system of the municipalities' operations. LOGOS II did not introduce parallel mechanisms (for decision making, for organising citizens' participation, for realising capital investment); rather, it has tried to strengthen the governance procedures foreseen by Kosovo regulations. LOGOS' approach was effective also in its combination of grants for capital investment and capacity building: the first one providing welcomed possibilities to improve municipal infrastructures, the latter – although sometimes perceived as a "necessary condition" for accessing funds for investments – contributing to the municipalities capabilities to improve their governance.

The **efficiency** of LOGOS II is closely linked to its effectiveness. Again: The combination of capacity building and grants for capital investment is an important element of the project's efficiency. Furthermore, the participation of municipalities in capital investments through co-financing allowed for making efficient use of the LOGOS budget. Working through local structures and with local experts was an additional and crucial element for the project's efficiency. This increased local capacities and permitted to establish local ownership. Support to strategic municipal planning including spatial planning and planning for waste management, for instance, was realised by coaching municipal working groups. In some cases, local capacities were not sufficient, though, to guarantee the quality and the pace of completing planned activities. In such cases the project could not remain in the role of a facilitator. For instance in regard to property registration this could not be done by municipal staff exclusively and required hiring of external capacities. Another example is the organisation of municipal forums for citizens' participation. This activity required operational and financial support from the LOGOS project team. Whether it will be continued without external support depends very much on the mayors willingness to do so – and on citizens' request that forums become a regular part of municipal life. There are indications in some municipalities that continuity is planned even without external support, but a future programme – possibly even without funding the activitiy – is certainly to invite its partners in municipalities to continue respective activities and integrate them into ordinary municipal procedures.

2.2.5 Achievements and shortfalls regarding SDC's transversal themes

The two transversal themes gender equality and governance (minorities) are well anchored in the project. The most obvious successes concern the cooperation with minorities, promoting gender equality proved to be more arduous.

Gender equality: Where LOGOS could directly influence women's participation in the project's activities and strengthen their role for local governance (mainly study tours and

public meetings co-organised by LOGOS), this was systematically done. Also, gender responsive budgeting was introduced through training for partner municipalities and the OSCE gender focal points. The limitations of the approach are defined by the comparably small number of women working in important position of the municipal administration.

Governance (with special focus on minorities): The project's working with both Serbian and Albanian speaking populations is the most obvious sign of its focus on Kosovo's social situation: Of the nine partner municipalities, five have Serbian speaking majorities, four are have majorities of Albanian speakers. Within the municipalities, the inclusion of the respective minority was rather weak, despite the fact that important efforts had been undertaken. Beyond this minority focus, governance is obviously at the heart of the project's interventions.

2.2.6 Sustainability of results

The LOGOS project team is confident that its contributions to governance of municipalities have good chances for showing long-lasting effects. This is mainly due to the fact that the project's efforts target the governance system in place. The **registration of property**, for instance, will continue to generate revenues locally, and the municipalities do have the instruments to register new property – whether they use these instruments obviously depends on them. Important steps towards sustainability have also been made in the field of **solid waste management**: Conditions are conducive, since the regulatory framework is defined, and LOGOS has provided a methodology for planning the organisation and provision of respective services. In the **water sector**, competencies lie with central government (through the regional water companies), but municipalities continue to invest in this public infrastructure, and they participate in the boards of the regional water companies. This situation is not satisfactory and will require continued negotiations and rearrangements by Kosovo authorities at central and local level. The **budget planning** of municipalities was also supported with instruments (medium term strategic planning and projects planning). The promotion of **citizens' participation** in the field of transparent municipal finance only started in mid 2011. Its sustainability is therefore not assured yet. The meetings on the municipal budgets (two of them are compulsory per year) will have to be organised by municipalities themselves, i.e. without the project's support, and citizens are to take this opportunity to hold mayors and the administration accountable for their financial planning and the quality of service provision.

2.3 Implementation

Operating a **project office** in Kosovo staffed with local experts is a requirement. It allows LOGOS to be close to its partners – Municipalities in the first place, but also actors of the central level – to react quickly to changing contexts and to opportunities. **Cooperation with Ministries** always concerned the project's direct interventions: the Ministry of Finance was involved in LOGOS' dealing with property tax, the Ministry of Environment and Spatial Planning (MESP) in the project's support to municipalities for spatial planning and solid waste management. The MLGA was obviously an important project partner, since it oversees local governments regarding different aspects, including the legality of local public bodies. The **coordination and cooperation with other donors** concerned mainly USAID's DEMI project, through which the registration of property was rolled out nation wide. This coordination and cooperation took mainly place on project

level. It did not concern strategies and approaches or the understanding of how central state and sub-national state relations should be organised.

The **Association of Kosovo Municipalities** (AKM), a crucial actor of decentralisation and local governance, is also an important partner for LOGOS II: the association's office and the thematic collegia, for which the project provided expertise and know-how. **Civil society actors** have not been partners for the LOGOS project so far. This is due at least in part to the fact that in the project's partner municipalities, civil society is not or hardly structured in organisations that can be direct partners. Citizens' participation was promoted through the organisation of fora in which individuals speak up, participate in the definition of investment priorities and in the oversight of the municipalities' expenditures.

2.4 Main lessons

The LOGOS self-assessment identifies a series of lessons learnt. These lessons are reflected in the following list, they are briefly commented and grouped under headings introduced by the identification mission.

Effectiveness

The effectiveness of interventions would improve, if the project could increasingly make use of conditionality. The application of conditions (underperformance leading to reduced support) could strengthen the partner municipalities' motivation to actively participate in the project. Such an approach would require donor coordination: In municipalities where other foreign actors are as well present, municipalities could simply try to access support from other sources if only one single donor defines conditions for the support provided by that donor.

The effectiveness of the interventions would increase if municipal staff had more ownership. The administrative staff in municipalities is not well paid, there are hardly any incentives for them to work effectively and efficiently, and the competencies allocated to them and their decision making power are often very limited – mayors usually guarding decision making power for themselves.

Flexibility

Instead of offering all partner municipalities the same "package", the continuation of LOGOS' approach to provide tailor made support would best suit a future programme. This reflects the fact that partner municipalities are very diverse, they include big, well-established municipalities and newly created small municipalities.

Recently established Municipalities

There is need for continuous and more intensive support to increase technical capacities of newly established municipalities. The Municipalities established in 2008 are small ones, their staff has usually not had previous experiences of working in the public service, and their understanding of their roles and functions is to be further developed. While this may also apply to "old" municipalities, it is especially true for the municipalities that were created as a result of the ethno-political decentralisation process.

Central and Local Levels

There is need for increased cooperation between central and local level in terms of drafting and enforcing legislations and devolving future responsibilities. This is to be done in view of the institutionalisation of respective practices; competent bodies on central level still require support to become more effective and efficient in decentralising responsibilities (and resources) and in overseeing implementation and its legality on local level (see also next point). The vertical working relations need to be further developed. The Association of Kosovo Municipalities is another channel through which experiences and grievances can be communicated to central Kosovo authorities.

The transfer of competencies from central to local levels itself is to be realised more effectively and efficiently. The decentralisation process – viewed by many as the creation of new municipalities only and as accomplished by now – has not come to an end. Rather, it is an on-going process of reallocation of competences and resources and of negotiations, ideally allowing for reaching consensual solutions. The transfer of competencies is to be based on clear concepts of the division of tasks of the central and of local levels.

Transfers of competencies are to match the transfer of resources. If competencies are transferred, capacities and resources need to be put in place locally also. Projects supporting decentralisation and governance are to help national actors in complying with such principles.

Strategy Development and Implementation

There is need for an increased advisory role of LOGOS regarding decision making structures in the Association of Kosovo Municipalities and in the central government, especially regarding strategy making. Decisions appear to be taken often *ad hoc* and not based on data, the definition of strategies does not systematically include the knowledge about local conditions. This lesson identified by the LOGOS team is certainly true regarding the capacities of AKM and ministries for decision making and the definition of strategies. But LOGOS is to provide respective support in coordination and cooperation especially with other Swiss actors (the backstopper and the mentor for AKM, for instance), and also considering other (foreign) actors' support to the AKM and Kosovo ministries. And the availability of strategies is obviously not sufficient. Their implementation, the orientation of activities on the strategies is proof for the strategies' utility. Support should therefore also be provided for the monitoring of the strategies' implementation.

Need to improve the transfer of experiences between project partner municipalities and to others. The LOGOS project has allowed for identifying good practices and for accumulating rich experiences in all partner municipalities. The exchange between municipalities on these experiences can be further intensified and improved. AKM and ministries are to play an important role in this.

(Inter-municipal) Cooperation

Municipalities are to be facilitated in order to recognise the scope and the limitations of inter-municipal cooperation. Cooperation between municipalities will most probably not emerge spontaneously (municipalities proudly and somewhat jealously individually want to control all municipal tasks). A programme on local governance and decentralisation can provide support to municipalities in the exploration of possibilities for inter-municipal cooperation – by showing what advantages lie in such forms of jointly addressing issues and delivering services.

Participation

There is need to further promote and work on the cooperation between municipalities and the sub-municipal level. This need reflects the necessity to increase the involvement of citizens in public decision-making – in view of creating identification with the municipalities, of increasing the interest of citizens for the public sphere, and, very concretely, of influencing the quality of delivery of public services and of showing responsibility for public infrastructure. The forums introduced in the framework of the LOGOS project are a possible mechanism for increasing citizens' participation; other forms of participation can be used as well, i.e. participation in the maintenance of public infrastructure (cleaning a riverbanks), the increased accessibility of sessions of the municipal assemblies. The potential for further promoting and working on the cooperation between municipalities and villages (in the form of village councils) is to be carefully explored. These explorations then are to provide the basis for the planning of intra-municipal cooperation.

Municipal assemblies were not a priority entry point for promoting governance at the local level. The limited capacities of the project are the main reason why no specific support was rendered to strengthen the capacities of the municipal assembly. Future support to local governance can involve municipal assemblies more systematically.

2.5 Good practices to be considered for new programme/ up-scaling

The implementation of the LOGOS project has allowed for accumulating rich experiences on which Switzerland's future support to the development of decentralisation and local governance can and should build. The following paragraphs hint at important aspects which future Swiss support should consider.

Targeting the system and its operations / Working on the system and in the system. Good governance is to be promoted by addressing governance as a system, and by addressing not only this system's structural aspects, but also its operations. This also and especially applies to the municipal level: the municipal sub-system of governance is to be addressed in its entirety. When supporting capacities for the management of capital investment projects, for instance, the whole circle from planning, including budgeting, implementation, and foreseeing the maintenance is to be dealt with; and all relevant actors, i.e. the municipal executive including the administration, the legislative as well as citizens are to be involved. Furthermore, as much as possible, grants for capital investments are to be integrated into the ordinary municipal budget cycle.

Close working relations with partners at central and at municipal level. Close and trustful relations of the project or programme are to be established with the partner municipalities in order to successfully and sustainably implement activities. At the same time, working relations are also to be established with actors in the capital. Local governance cannot be improved without partners at central level government of Kosovo. These working relations are required to create acceptance for the project and to get support of central instances. They are also required to work on the vertical dimension and to guarantee the project's or the programme's anchoring in the governance system of Kosovo.

The vertical dimension. The cooperation of the future Swiss involvement in local governance is not only to work – separately – with partners at the two levels of Kosovo statehood, but also on the relation between them. The quality of the links between municipal and central government level are to be an object of interventions. The Association of Kosovo Municipalities is a possible respective entry point and so is the issue of working relations between Ministries (MoF, MLGA, line ministries) and municipalities.

Working with all stakeholders in local governance. The official municipal structures – the municipal assembly, the local executive power and the administration are to be obviously included into efforts to enhance the quality of local governance: weaknesses of any of these directly affect governance overall. In addition to these actors, citizens are the most important, stakeholders in governance. Citizenry and civil society and its emanations (organisations defending specific (economic, age or sex specific, thematic, etc.) interests) are also to be involved in the project or programme.

Flexibility. Within the framework defined for the future support provided to the improvement of local governance, the interventions are to be as flexible as possible, when necessary. It is advisable that not standard packages are proposed to municipalities, but that specific needs of partners are considered.

Combining capacity building and grants for capital investment projects. Investment projects allow for realising relatively quick and visible changes. They are attractive forms of cooperation, bringing about improvements for the population. At the same time, investment in municipal infrastructures, for instance, are to be used as "cases" for introducing good practices in procedures of single municipal actors and their cooperation.

Intense on the job capacity development support required in absence of a training system for municipal staff. Although KIPA, the Kosovo Institute for Public Administration does provide training for public servants also at municipal level, there is properly speaking no training system for municipal staff in place in Kosovo, and since training fatigue is diagnosed by many actors (many donors have provided many trainings, but they never coordinated their efforts) on the job capacity building is an important means for strengthening local management capacities.

All actors of a democratic system need capacity building to play their respective role (mayors, administration, municipal assemblies). Kosovo's recent history (Serb oppression, UNMIK management of the public sphere) has not allowed for establishing a tradition of good governance. Respective concepts and practices are only being put in place. At the same time, managerial and thematic knowledge and know-how is to be developed among the persons and institutions responsible for the effective and efficient operations of the democratic system and the administrations on central and on municipal levels.

Coordination with other donors needs to happen not only at project level but also at the level of donor strategies and approaches. So far, donors have mainly discussed matters when thematic or geographical overlapping of their respective activities was obvious. Such coordination sometimes resulted in cooperation on the operational level, but it never involved harmonisation of strategies and approaches.

LOGOS' Good Practice in View of the new SDC Programme on Decentralisation and Local Governance

The table below presents a synthesis of LOGOS' good practices identified in this paragraph, combined with an assessment of respective risks and the qualified potential for showing results. The "low risk – high results" practices are those, which shall necessarily be rolled out and scaled up by the new SDC programme on decentralisation and local governance. The good practices identified as highly risky (or difficult to implement) can then also be included in the new programme, with the assumption that they can further increase the intervention's impact.

Good practices to be considered for the new programme	Degree of Risks	Results to be Expected	Comments
Working with all sta-keholders in local go-vernance	low	high	The risks of including citizenry in the program-me's scope are low, they mainly consist of dis-appointments of citizens (due to little influence on municipal decision-making and the governan-ce of official structures in general) and of the programme staff (due to weak participation of citizens).
Targeting the system and its operations / Working on the system and in the system	low	high	LOGOS has already worked within the local governance systems, and at the same time tried to have an effect on municipal governance. Experience shows that it is possible, with attractive inputs (capital investment), to improve procedures for decision making. If such inputs are fully absorbed by partner municipalities, their governance can be sustainably improved. If citizens seize the offered opportunities for participation, local governance would be greatly improved. It is to be noted that resources and time to organise public participation will be substantial.
Flexibility	low	high	The flexible realisation of cooperation with municipalities, responding to their specific needs, will allow, as was the case in the LOGOS project, for promoting the municipalities' commitment and, and it is the basis for satisfaction of local programme partners.
Combining capacity building and grants for capital investment projects	low	high	The monitoring of capital investment projects by the programme allows for capacity building and is the best and most direct way to provide on the job capacity building (also see below).
Intense on the job capacity development support required in absence of a training system for municipal staff	low	high	The capital investment projects are one of the main means for the future programme for capacity building of municipal staff. The capacity building is not theoretic, it is provided in the form of coaching and mentoring, including through the introduction of instruments and thus does not create fatigue. Also, there is a good chance of the inputs' durable impact, since the capacities built during investment projects made possible by the future programme will also be fruitfully used for the municipalities' activities in general.
Coordination with other donors needs to happen not only at project level but also at the level of donor strategies	low	low	Donor coordination is to be a constant concern for the future programme (and it should be for all donors), and for Kosovo actors as well. The future programme's implementation and effects will not depend on donor coordination, but harmonised approaches to the development of Kosovo's governance systems can

and approaches.			obviously increase the impact of the promotion of good governance.
Close working relations with partners at central and at municipal level	high	high	While it is possible to establish trustful relations with municipal actors, given the sometimes critical (or even: absent) cooperation between these and central authorities. At the same time the establishment of good working relations with central authorities is more challenges. A further challenge is that the future programme will have to balance interests of the two levels, and has to appear impartial to both types of partners.
The vertical dimension	high	high	Working on the links between municipal and central level governance systems is very challenging, and a programme cannot guarantee successes since too many interests are at stake. Nevertheless, if changes can be introduced, they will certainly contribute to important improvements of Kosovo's overall governance system.
All actors of a democratic system receive capacity building to play their respective role (mayors, administration, municipal assemblies)	high	high	The clarity of roles of different actors in a governance system is crucial for its quality. But the clarification of roles is not easy to achieved, it is challenged by traditions of overstretching competencies by executive bodies, for instance. And the formal clarification of roles is not yet a guarantee for actors actually complying with the roles formally assigned to them. A risk also consists in lacking interest of actors to absorb inputs. Again: improvements are to be made "on the job" whenever possible.

3 Part II: Features of new Decentralisation and Local Governance Programme

3.1 Introduction

This part of the report follows the structure of the SDC Entry Proposals[1]. This structure was chosen with the agreement of SDC in order to provide a suitable basis for the further steps required to plan and prepare a new programme on Decentralisation and Local Governance (DELOG).

In this part possible features of a new decentralisation and local governance programme are outlined. Apart from continuing with initiatives at the municipal level and with the support to the Association of Kosovo Municipalities, two further programme components are suggested to be considered to complement the programme. Apart from these two new components, no further elements were identified, which could form part of new projects complementing SDC's Democratic Governance and Decentralisation Domain portfolio.

3.2 Context

3.2.1 General Context

Kosovo is a young and fragile state. Its structures, processes and human resources have only recently been put in place and they are still to be developed, improved, and strengthened. Kosovo is a decentralised state and structures and processes for democratic functioning are in place. There is division of power between the executive, the legislative and the judiciary. With only two distinct state levels and 38 municipalities the vertical steering is fairly manageable. Framework laws exist, defining the relation between the two state levels. These laws define (i) central state and municipal government competencies and (ii) the allocation of resources to the respective competencies.

A particular condition of Kosovo's governance system is the fact that it has been designed to a large degree, based on inputs of external actors. Kosovo's development to full statehood and independence, its bodies and institutions as well as its constitution are largely based on the Ahtisaari Plan. This is particularly true for the country's decentralised structure. Decentralisation is therefore generally perceived as the result of ethno-politics. It is often reduced to the act of creating new municipalities, Serbian speaking ones in the first place. The creation of new municipalities, proposed in the Ahtisaari Plan, was to stabilise the multi-lingual state and a condition for independence as well as for EU accession. Albanian speaking Kosovars view the creation of municipalities with Albanian speaking majorities and one with a Turkish speaking majority as an attempt to show that decentralisation is not only promoting the Serbian speaking minority. In the understanding of many Kosovars the decentralisation process is now completed. From this perception, the only issue to be solved is the case of the three municipalities with Serbian speaking majorities north of the Ibar River. With the implementation of the Ahtisari plan and the focus on the Pristina-Belgrade talks,

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[1] See SDC Guidelines for Entry Proposals

decentralisation is therefore – except for Northern Kosovo – currently an issue of minor importance for the Government of Kosovo. There is no drive or plan for further decentralisation, there are even tendencies for re-centralisation (e.g. in the water sector), and the importance of the Ministry for Local Government Administration, theoretically a motor for decentralisation, is questioned and its future is challenged.

The current design of the decentralised state structure has little domestic ownership. Neither political parties nor the broad public express satisfaction with the solutions. Only in the new municipalities, where new positions were created that were not available before, the new structures and bodies are welcomed. Overall, only the municipalities and their Association of Kosovo Municipalities advocate for decentralisation. However, the decentralisation process, despite the perception that it has come to its conclusion, is still dynamic. This can be seen in the fact, that allocation of competencies and financial resources between the two state levels continue to be negotiated and the respective regulatory framework is still under construction. Both tendencies are found, the one to centralise competencies (e.g. fire brigades and water supply) as well as the one to decentralise competencies (e.g. solid waste management). An important challenge lies in the risk that new competencies of municipalities are not matched with respective financial resources (e.g. current pressure to reduce the General Grant for municipalities from 10% to 8%). The framework in place is not always coherent and consistent, and sometimes local actors fulfil tasks for which they have no mandate (water supply), since they are under public pressure to provide basic services. An additional challenge for decentralisation resides in its perception as a means to weaken the central state level. Even in decentralised countries, the existence of a strong (not a big) central state with clear regulatory powers is important. This relationship is not always understood in Kosovo.

The understanding of the function of the state is not much developed in Kosovo. This concerns roles of the different actors, including central government and municipalities, and the allocation of competencies and resources to them. Citizens do not strongly identify with state structures. As a result, the interest of citizens of how the state is organised is weak. The vertical dimension of governance suffers from the absence of a common understanding of the roles of the two state levels. The quality of interaction between the two levels often depends on party membership of interlocutors. Where there are no party connections for direct communication, cooperation is often slow and inefficient.

Civil society is not an important actor in Kosovo. Its weakness is mainly due to the fact that there are few active civil society organisations influencing public debates, except for some in Pristina where a few organisations are vocal, their actual influence on government policies is debatable. Those civil society organisations who get involved are not membership based, but mainly depend on donor funding.

Political parties are crucial actors of Kosovo's public and political life. All of them are constituted along linguistic criteria, rather then with regard to their programmes. Their constituencies are urban (LDK, Vetevendosje) or rural and are linked to the (armed) struggle against Serb oppression and for independence (PDK, AAK). Their objective is to be in power, to control the state apparatus and to serve and service their constituencies in regard to the distribution of resources. Political parties are centralised around strong personalities in whom power is concentrated. All parties formally support decentralisation, with the exception of Vetenvendosje, that has developed from an urban and student movement and is opposing all innovation introduced by the Ahtisaari Plan.

The wider context in which Kosovo's statehood and governance evolves is very dynamic. Kosovo still expects additional countries to recognise its independence. The results of the dialogue between Pristina and Belgrade may further change Kosovo's set up. There is quite some hope that the three northern municipalities with Serbian speaking majorities will be fully integrated into the young state. Together with the whole region Kosovo is engaged in the process of preparing accession to the European Union. At the same time, the United States and Russia show interest in the region, especially in Kosovo. These at times diverging interests also determine the context for state building and governance in which the future Swiss programme will intervene.

3.2.2 Central government context

The perception that the decentralisation has been achieved and that this process has come to an end is also finds expression in the widespread opinion, that the Ministry for Local Government Administration and the Inter-Ministerial Working Group on Decentralisation have fulfilled their mandates and are not necessary anymore. Regardless of this opinion, central government authorities of course are to play a focal role in decentralisation. This is also true for the Ministry of Local Government Administration, which may currently over-exercise its function to control the legality of municipal governance. The Ministry of Finance, plays a crucial role in regard to decentralisation as it has a large say in regard to the control of municipal revenues and expenditures. It provides the largest part of municipal budget (80%). Line ministries are important partners of municipalities since the two state levels interact in different sectors. This comprises interaction on basic services such as health and education, as well as in agriculture and forestry, culture and infrastructure. Although central state authorities are important actors in the decentralisation process they are not necessarily promoters of decentralisation. They are rather interested in retaining power at their level.

3.2.3 Municipal level context

Municipalities are faced with many challenges, including that of a mismatch between decentralised competencies and the resources allocated to realise municipal tasks. Municipalities are to a large extent funded with grants from the central government (a general grant and one grant each for health and education). Only 20% of the municipal budget originates from own sources. Tasks and responsibilities of actors on central and local level are to be further clarified. Sometimes local actors fulfil tasks they are not competent for (water supply), but see the necessity to act. The central government does only insufficiently facilitate and support municipalities in the implementation and enforcement of new laws and regulation at the local level.

The following aspects are also to be considered when cooperating with actors of local governance:

- **Municipalities are organised adequately**, institutions are in place and their powers are regulated: they have an executive (mayor), a legislative (municipal assembly) and an administration. The administration provides basic services or oversees specialised bodies (schools, health posts and hospitals, etc.), which provide services. Within these structures, the mayor clearly has the most powerful role. Based on political considerations, he controls municipal staff and appoints heads of departments. The strong role of the mayor is founded in the Law on Local Self Government. His/her accountability has increased as compared to the time of UNMIK rule in Kosovo, since he/she is directly elected by the citizens of the

municipality. Municipal assemblies are comparably weak. The clear separation of powers, defined in the Law on Local Self Government, is not always complied with. Assemblies meet once a month, mainly to approve the decisions proposed to them by the municipal executive. The committees of the assembly are important bodies, but the impression is that they do not fully use the power and competencies they have.

- **Gender balance is not a concern of municipal politics**. There are no female mayors in Kosovo and appear to be underrepresented in the municipal administrations. Nevertheless, one third of municipal assemblies are to be constituted by women (General Election Law, Art. 111.6).

- **Serbian speaking majority municipalities** have enlarged competencies, especially in education, health, and culture. In those municipalities parallel municipal structures exist, i.e. authorities and administrations reporting to Belgrade, their political attitudes towards Kosovo being informed by Serbian structures, and staff receiving (additional) salaries from Serbia. This is obviously a major challenge for the integration and cohesion of Kosovo, and even for the municipalities themselves, the population being faced with two structures; and it is a challenge for the governance of these municipalities, and the countries governance system overall.

- **Municipal administrations** are characterised by the fact that heads of departments are politically appointed. The administrative staff depends on the mayors, and their capacities appear to still be in need of improvement. The identification mission could not look into this issue in detail, but it seems that, for instance, the management of capital investment projects – preparation, tendering, supervision (technical quality), planning of sustainability (planning of operational maintenance) – is clearly still a weakness of the local administrations. There is general consensus that there is need of capacity building for local administrations as for other actors on municipal level, including the mayors and assemblies. At the same time, there is a fatigue with capacity building and even frustration with the training offered by different donors.

- **Municipalities are not always capable to use all the financial resources available to them.** This lack of absorption capacity is to a large part due to weak capacities of municipalities and their administration to manage capital investments.

- Even if the features described above can be observed throughout Kosovo, **municipalities differ considerably from each other**. There are new and old municipalities, the new ones often without or with very few civil servants experienced in managing a municipality. The number of inhabitants also varies. There are municipalities with a few thousand inhabitants while the population of others amounts to tens or even hundreds of thousands. The differences in population show direct effects on the financial resources available. The transfer of funds from central government depends among other criteria on the number of inhabitants. Also, the chance for raising a respectable amount of own revenues is higher in municipalities with large populations. At the same time, the tasks of municipalities with large and small populations remain the same. Municipalities with large territories may have small numbers of inhabitants and in some cases large numbers of inhabitants are concentrated in dense urban areas.

- The first census since the Yugoslav times was conducted in 2012. It led to important changes in population numbers of different municipalities, compared to the previously estimated population size of municipalities. For Pristina, for instance, the population was previously estimated to be 400,000. The census indicates a population half that size. The recent census results are still being analysed and interpreted. It is, however, expected that Pristina, and possibly other municipalities,

will see the General Grant from the central government decrease due to the reduction of their population size.

- The number of inhabitants is also a political issue, especially when it comes to language and the issue of minorities. Many Serbian speakers do not recognise the state of Kosovo. As a result, they do not systematically participate in elections, a behaviour that may result in their underrepresentation in the municipal structures. Novo Brdo, a municipality with a Serbian-speaking majority for instance has an Albanian-speaking mayor, because Serbian speakers did not fully participate in the municipal elections. The existence of Serbian majority municipalities with a political majority that is not Serbian and the demographic evolution of the two linguistic groups might result, in the medium term, in a rearrangement of the set-up of municipalities. The existence of other **minorities**, mainly the Roma, is not even considered in the description above. Romas are often faced more directly with poverty, such as housing problems, than Kosovo's majority population. The returnees from European countries often add to the problems municipalities have to face as the, central government does not usually provide means for the integration of persons who have returned more or less voluntarily to Kosovo.

- **Participation of the citizenry and civil society organisations in the political sphere is weak.** Elections are the one major event when citizens express themselves politically. There are provisions in place designed to facilitate participation: twice a year municipal budgets are to be discussed publicly. Apart from this citizens have the right to make petitions and launch referenda and citizens initiatives. The meetings of municipal assemblies are open to the public. The relations between the municipality and sub-municipal levels are regulated. Nevertheless, public participation in decision-taking is weak. This is partly due to the practical absence of a structured civil society at municipal level. It is also due to the fact that political parties tend to monopolise discussions and decision-making – often even without consulting their base. Political parties having the political majority in a municipality are usually unchallenged, they control processes and decision making; actors not pertaining to the majority party do not seek and find ways to challenge this situation, they do not make themselves heard – except through elections.

3.2.4 Association of Kosovo Municipalities

AKM, together with the municipalities and the central government, is another focal actor in Kosovo's decentralisation process. The core contribution provided to AKM by SDC and the support for its organisational development in the form of mentoring and backstopping has allowed the association to evolve and to play an increasingly positive **advocacy** role for municipalities and and decentralisation. AKM does have access to the central government where it has a voice on behalf of the municipalities, defending their interests and explaining grievances. (For more detailed information on the AKM, see report of Mirjam Strecker and Daniel Arn, March 2013)

Providing support to Kosovo's decentralisation process does not work without AKM. The association has to be taken into consideration and an active cooperation is necessary. However, it is important to work with AKM without distracting the organisation from its general purpose. Distraction would come from burdening AKM with new tasks and considering the association to be an implementer of donor projects, even if that would be attractive for AKM. Working with AKM should strengthen its role as an advocate for municipalities and a facilitator of exchange between local government units.

Meanwhile, AKM has a potential to further improve its performance. AKM is often referred to as the "Association of Kosovo Mayors", a label that reflects the power vested in mayors. But the association also and importantly does organise the exchange between municipalities. That happens mainly through its Collegia, thematic bodies that allow the exchange between the directors of municipal departments and between heads of the municipal assemblies.

3.3 Relevance

The decentralisation process is of high relevance for Kosovo, since it is a condition for the normalisation of the relationship with Serbia. The normalisation of the relationship with Serbia is in turn a condition for the country being possibly granted the status of an EU accession candidate. Support to the decentralisation process therefore clearly supports Kosovo's European integration.

Good (local) governance is a condition for the successful operations of the young state. It is further a condition for central and sub-national state structures' and authorities' acceptance among the population. The preceding context analysis highlighted a number of governance deficiencies, which concern decentralisation and local governance. These deficiencies concern broadly two broad issues: Such regarding the regulatory framework defining allocation of competencies and resources between the central state and subnational governments and the regulatory framework, and such related to the functioning of local governments in regard to provision of public services, institutionalisation of democratic processes as well as in respect to public policy and management issues.

Important donors reduce their support to decentralisation and local governance. Donors' like the EU and USAID main priority is the normalisation of relationships between Serbia and Kosovo. Since for them decentralisation as outlined in the Ahtisaari Plan has been achieved (apart from the municipalities north of Ibar river), further support to decentralisation and local governance is of less importance to them. In the EU accession process, which is the major driving forces to improve governance in Kosovo, decentralisation is of no concern since it is left to each member state how to organised itself (i.e. centralised versus decentralised state). Therefore, previously strong supporters of decentralisation and local governance (EU and UASID) are retrieving from direct support leaving a large space for other donors to step in and support Kosovo in this regard.

Therefore, Swiss support to decentralisation and local governance is needed. It appears that Switzerland will be the only donor directly targeting decentralisation and local governance beyond 2013. Other actors will continue to cooperate with Kosovo municipalities but they will do so within a sector approach (water supply, solid waste management, other services). Switzerland will therefore probably remain the only donor with substantial support to decentralisation and municipal governance in the future, supporting to consolidate Kosovo's decentralisation process and establishing a sensible relationship between local and central state levels. The very good position of Swiss cooperation also derives from the fact that Switzerland has comparative advantages in supporting decentralisation and local governance. Experience in local governance from Switzerland can be mobilised – among them the following: Swiss training methods of municipal staff for instance, would be of special interest, inter-municipal cooperation (and its limitations) may also be a field where Kosovo municipalities can draw on Swiss

experiences, and the procedures of municipal assemblies and of thematic commissions in Switzerland can inspire the ways of working of their Kosovo counterparts. Inputs by Swiss representatives – for instance the team Arn and Strecker which is directly involved in the organisation of training for municipal staff, but which is also the backstopper for representatives of municipalities and / or of associations of municipalities – are the most efficient way of sharing experiences. Study tours of representatives of the future programme's partner municipalities, in which ideally also participate representatives of central government structures, are also to be considered as means for transferring experiences and good practices from Switzerland to Kosovo. Lessons learnt can also be made available from the support of decentralisation and governance to other countries in the region (and beyond). Furthermore, the municipal elections in late 2013 will allow the Swiss programme to work with actors that are to remain in office throughout its first phase.

3.4 Coherence with strategic framework

Switzerland is committed to support the transition process in the Western Balkans and particularly Kosovo, which is the least advanced country in that region. This is stated in the Bill to Parliament regarding International Cooperation 2013-2016 of February 2012. In this regard, Switzerland wants to contribute to stability as well as to changes in the political, economic and social systems. It views democratisation and rule of law as important topics in all Swiss supported countries in the Western Balkans. Switzerland aims at supporting democratisation and decentralisation processes and strengthening political institutions.

A decentralised state structure with strong local governments were conditions set out in the Ahtisaari Plan. These principles are expressed in Kosovo's constitution and are viewed as non-negotiable. Improved governance and strengthened rule of law in general are mentioned as one of the four priorities in the Government of Kosovo's Mid-Term Expenditure Framework 2013-2015. Strengthening state structures and democratic processes are of importance for Kosovo as these are pre-conditions for European integration, which is the driving force for Kosovo's transition towards a democratic society.

In its cooperation strategy for Kosovo 2013-2016, Switzerland states its commitment to support Kosovo in its transition process and particularly in regard to decentralisation and local governance. It views it as important to make decentralisation sustainable. Switzerland is committed to increase the number of its supported municipalities and strengthen their capacities. Apart from this horizontal dimension it will continue to work on the vertical dimension.

Swiss support to decentralisation and local governance in Kosovo is also in line with the development policy goals of other major donors. Among these, the USA and the European Union are the most important ones. Their aim is to secure stability in the region and support Kosovo in its political process. Decentralisation and local governance is an important topic for them. The reason being that this is one of the main elements of the Ahtisaari Plan on which the state structure of Kosovo is built. While these two donors will no longer have generic programmes supporting local governance, they will remain engaged in regard to support specific sectors or themes. SDC enjoys good working relationships with both donors.

3.5 Objectives

3.5.1 Overall goal of the programme

The Decentralisation and Local Governance Programme shall support Kosovo in its transition process towards a democratic, decentralised state in which municipalities provide effective services responding to citizens' priorities and needs.

The overall goal of the programme orients itself on the goal of the Swiss cooperation domain "Democratic Governance and Decentralisation:

> Socially inclusive governance and quality service provision at local level contribute to Kosovo's democratic state-building process.

Apart from ensuring a certain degree of autonomy for Kosovo minorities and political stability, the ultimate aim of democratisation and decentralisation in Kosovo has to be providing citizens with space to participate in decision-making and fostering efficiency of resource allocation. In view of different needs of citizens across the country, a functioning sub-national state level is generally in a better position to respond to specific priorities of the local population compared to the central state government.

3.5.2 Specific objectives of the programme

In order to contribute to the above stated development goal, the Programme shall pursue to contribute[2] to the following three objectives:

> 1) Municipalities provide improved public services, which respond better to citizens' priorities and needs.
>
> 2) Municipalities observe and foster democratic processes and apply sound public policy and management processes.
>
> 3) The regulatory framework governing central state - municipal relations as well as municipal functioning is improved.

Municipalities provide improved public services, which respond better to citizen's priorities and needs. This addresses the core aim of decentralised governance of allocating resources more effectively resulting in more appropriate and better quality public services. The Programme should not limit its support offer to improving specific public services but adjust its thematic support based on the expressed priorities of the municipalities. Specific attention should be paid to the issue of inclusiveness in public service delivery. This applies especially for municipalities with minorities.

Municipalities foster democratic processes and apply sound public policy and management processes. A vibrant democracy is a precondition that public policy-making and implementation is targeted towards the provision of equitable quality public services, which respond to citizens' needs. Functioning democratic processes at

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[2] It will be important that the success of this Programme is measured in regard to the contribution it makes to changes in the system (contribution logic). The organisation managing/facilitating the Programme's implementation cannot be held accountably for achieving changes in the governance system and typical governance outcomes. Instead, the organisation should be held accountable for contributing to actors in the system making (small) steps towards a better functioning system and improved governance.

municipal level will signify more than just articulating wishes. They are meant to ensure appropriate policies (e.g. strategic municipal plans) and operationalisation of those (e.g. annual budgets). Furthermore, they will ensure proper monitoring whether policies and plans have resulted in the expected improvement of public service delivery. Sound public policy and management processes are required to make sure that policy making, planning, implementation and monitoring takes place in an accountable and transparent way, that misuse of resources is prevented and operational efficiency is enhanced.

The regulatory framework governing central state - municipal relations as well as municipal functioning is improved. Democratic municipal governance capable of providing effective public services to citizens depends to a large extent on a conducive regulatory framework. This concerns on the one hand the national framework which regulates organisation and financing of the municipalities and their relation to the Central State (matrix legislation) and sectoral laws allocating tasks to municipalities. On the other hand this concerns municipalities' own regulatory framework like for instance the municipal statutes and other legal acts of the municipality (e.g. the assemblies' order of business).

3.6 Intervention Strategy

3.6.1 Overview of Programme Components

Four components are meant to contribute to achieving the above-mentioned objectives of the Programme.

Component 1: Municipal Governance Support consisting of on-the-job capacity development combined with capital investment grants and support to promotion of citizens' participation.

Component 2: Support to Association of Kosovo Municipalities consisting of a core contribution to the association and backstopping / mentoring support.

Component 3: Support to the development of a training system for municipal staff consisting preliminary of anchoring and developing such a system.

Component 4: Support to improving central government regulations regarding decentralisation and local governance, consisting of expert support in regard to the development of new regulations.

These four components will be explained in more detail in chapter 3.6.2 below. They are all inter-related. While each component will have a specific focus, they will all contribute to a larger or lesser extent to each of the three programme objectives.

Figure 1: Inter-linkages of programme components
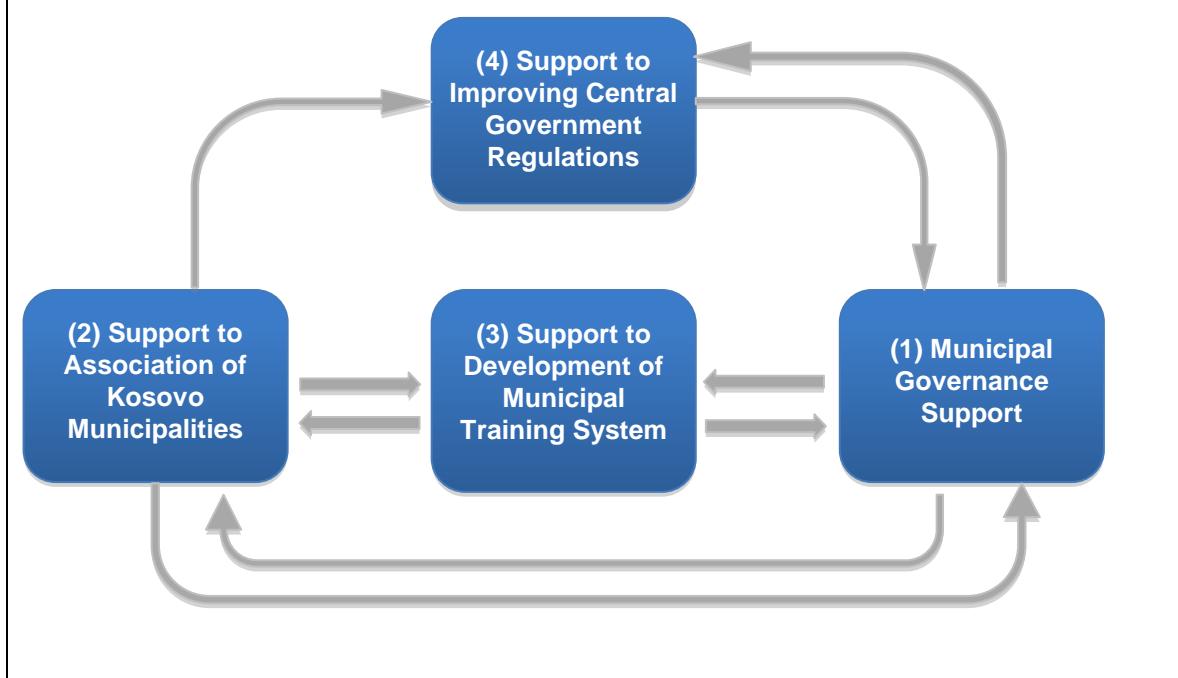
Direct support to municipalities (component 1) in the form of capacity development and grants for capital investment to improve their democratic processes, their public management and public policy functions will generate experiences in regard to regulatory issues which will need to be addressed at the central government level (component 4). Apart from the individual municipalities, Association of Kosovo Municipalities (AKM) is the legitimate body to advocate for such regulatory changes vis-à-vis the central government (component 2). The direct engagement with municipalities will also generate experiences, which will be relevant to consider while developing a training system for municipal staff (component 3).

The core contribution complemented by backstopping and mentoring support to AKM (component 2) will strengthen AKM's role as advocate for concerns identified by municipalities vis-à-vis the central government. The regulatory issues AKM wants to advocate for will also be the basis on which the programme will make a support offer to central government ministries (component 4). The support offer will comprise of expert support in defining or redefining central government regulations. The AKM Collegia are meant among other things to act as a knowledge exchange platform for municipalities. This exchange will generate issues to be addressed through capacity development in the municipalities (component 1) as well as by a municipal training system (component 3).

The support to the development of a training system for municipal staff (component 3) will have an exploratory character. It is meant to see whether a training system owned by AKM could be established to cater for the capacity development needs of municipal staff. In the process of rendering support to the development of such a system, AKM

(component 2) has to play the main role to define the main elements of such a system. Experiences from the AKM Collegia as well as from municipalities supported by the Programme (component 1) will feed into the development of such a system.

The direct support to improving central government regulations (component 4) will be based on issues which arise from working directly with municipalities (component 1) and from the advocacy priorities set by AKM (component 2). The expert support provided to central government ministries will not only generate improved regulations but will also yield insights which may be relevant for the direct support to municipalities (component 1) and the support to AKM (component 2).

3.6.2 Strategic approaches

General strategic approaches

Work in and on the system and never around it. The Programme shall be dedicated to work within the existing regulatory and institutional framework and avoid creating programme related parallel structures and processes. While respecting and working within the existing system, the Programme shall also work on the system, meaning to strive for improving the existing regulatory framework, the prevailing processes and institutional framework. Where systems are not yet in place, the Programme shall support the development of such systems.

Work with both central government and local government actors. The Programme shall engage directly with municipalities, their association and central government ministries. The rationale being that the successful functioning of a decentralised state depends on strong institutions at both levels which play their respective role and a conducive regulatory framework which needs to be shaped on the basis of the interaction between the different state levels. Focusing on one level alone would reduce the chances for sustainable effects. Targeting the also the central state level allows for working on the vertical dimension more effectively.

Flexibility and responsiveness to changing environment. The Programme will be operating in a dynamic context. Therefore, the Programme has to adopt a flexible approach. There needs to be a thematic flexibility since the regulatory framework is in a process of continuous rapid adaptation. Furthermore, the programme shall also be flexible in the sense of being able to respond to possibly arising opportunities to engage with Serb majority municipalities north of the Ibar river. Finally, the Programme needs to be flexible in regard to its partnerships with municipalities, AKM and central government ministries. In case there is a lack of commitment of the respective partner, the Programme shall be in a position to adjust its respective support or even terminate it.

Strategic approaches for component 1: Municipal Governance Support

Work directly with selected municipalities. The Municipal Governance Support component will include capacity development for the executive and the legislative branch of the municipalities combined with the provision of capital investment and the promotion of citizens' participation.

Conduct a paradigm shift and work fully within and simultaneously on the existing system. This will be the greatest innovation of this programme component, compared to

previous Swiss and other donor funded initiatives in Kosovo[3]. The rationale is that while working within the municipal system, the system as a whole can be impacted on and lasting changes in the practice and the design of the system can be achieved. In order to do so, it is crucial, to understand the relevant different systems existing at municipal level and find avenues how to work within them and impact those the best. This would also mean to refrain from introducing well-meaning "innovations" which are designed in a manner that cannot find entrance into the existing or evolving system. The municipal governance system (see Figure 2) consists of different actors like the mayor and her/his administration, the municipal assembly, the village councils and the citizens. They stand in particular relations to each other and have a specific role to play in the different municipal governance processes (see Figure 3). It will be important to respect the role of the different actors in the system and work with them in a manner to improve the existing processes.

Figure 2: Typical overall municipal governance system in Kosovo
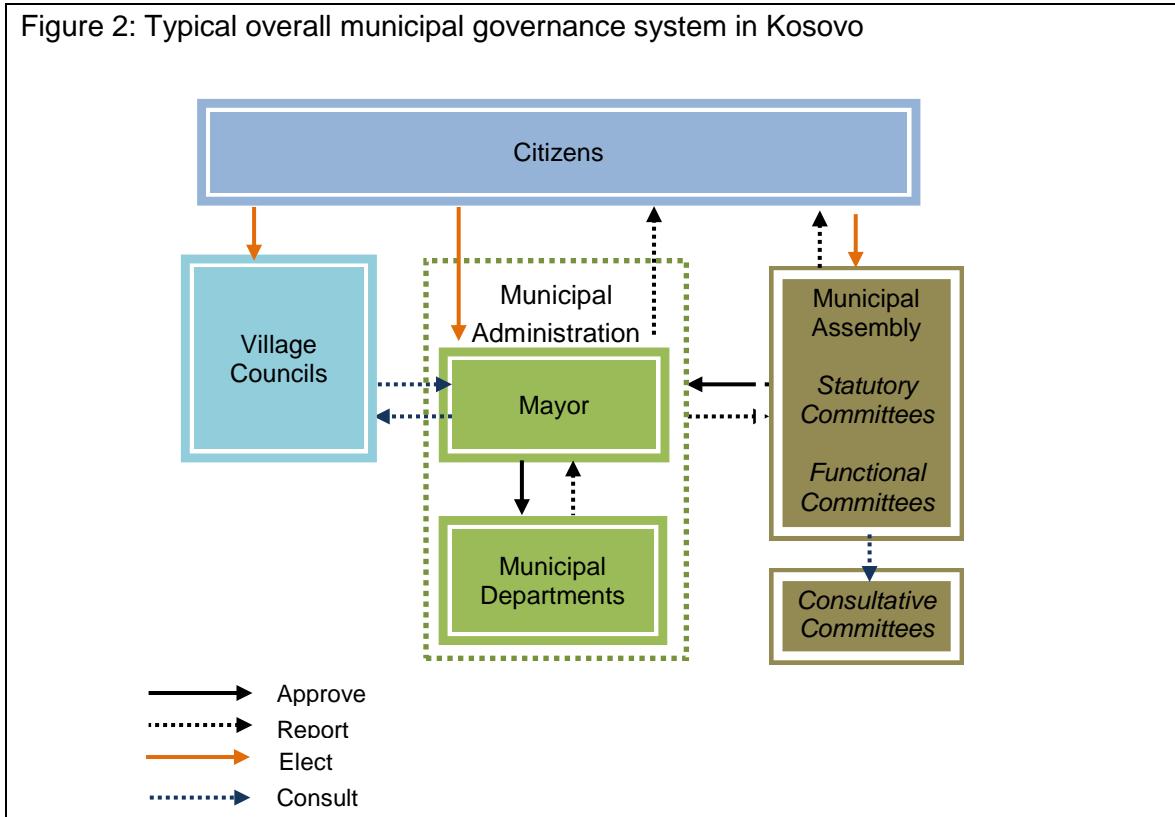
The two prevailing governance processes at municipal level can be expressed in terms of the public management cycle and the public policy cycle (see figure 3). These two processes provide in each step specific space for the different local governance actors to play their assigned role.

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[3] While LOGOS does already respect the existing system and does adhere to the existing legal framework and does not create parallel structures, it does not fully work within and simultaneously on the existing system. One major example is that LOGOS does not follow the regular municipal budget process when it comes to funds provided for capital investment. Furthermore, it does not utilise the funds it provides for capital invest to initiate governance improvement in regard to the topic that is addressed with this investment. E.g. investment in market infrastructure should be linked to analysing and improving how the municipalities regulate the market – what is the process of providing licenses, how transparent is this process, who gets licenses and what basis, how are license fees established, etc.

Figure 3:   Public Management Cycle   Public Policy Cycle

Public Management Cycle:
- Strategy Developme[nt]
- Planning & Budgeting
- Implementation: Management and Monitoring
- Reporting and Review

Public Policy Cycle:
- Agenda Setting
- Policy Formulation
- Adoption
- Implementation
- Evaluation
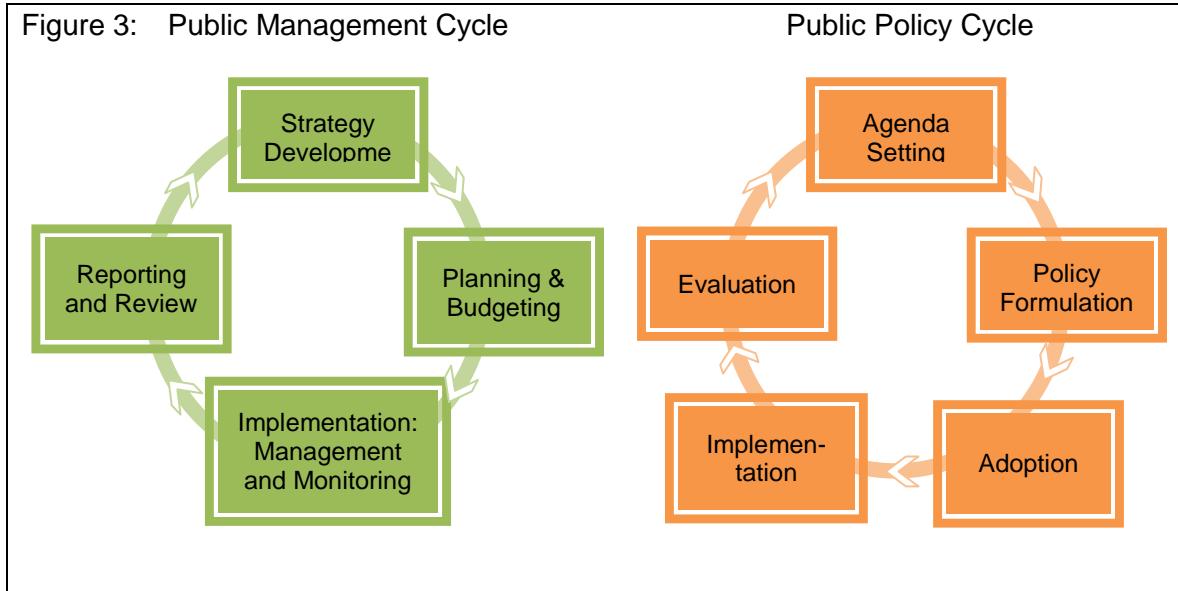
Work with all actors relevant for democratic municipal governance. In order to improve the overall municipal governance system and the processes, it is crucial that the programme works with all relevant actors at municipal level. This would entail the mayor and his/her administration, the municipal assembly, the Publicly (Municipality) Owned Enterprises as well as the citizenry. In doing so their specific role and their current position (strength) has to be taken into account. This means that weaker actors should be specifically strengthened to play their assigned role in a meaningful manner. This programme component should work on supporting them to play their specific role in the different stages of the public management and policy cycle.

Municipal assemblies to gain more importance. While the mayor and his/her administration are important actors for improving democratic governance and service delivery and should be the main counterpart of this programme component, the municipal assembly and the citizenry should receive specific attention and be considerably strengthened. Currently, the mayor dominates local governance with the municipal assembly playing an insignificant role despite legislative provisions[4] allowing it to set policies and decide on the municipal budget/investment plans and approve the municipality's annual work plan and report. Hence there is a need that the capacities of the assembly are also built. This should happen by engaging with them (on-the job) on specific issues (e.g. municipal budget preparation process) along the public management and public policy cycle. In engaging with municipal assemblies it could also be explored to enlarge the competencies of the assemblies by defining their explicit ultimate oversight function over the municipal administration.

Move from weak to strong participation of citizens. This programme component should also give prominence to the role of the citizenry in regard to municipal governance. Different democratic spaces should be explored. While soft participation mechanisms like public hearings and fora play an important role for the executive (and legislative) to interact with the public and receive a feedback from citizens, resolutions passed in such meetings do not have any legitimacy. The Programme should go a step further and start working on stronger participation mechanisms. Activities, which started on the role of the village councils should be continued in this regard. Apart from that,

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[4] Law on Local Self Government Art. 40

avenues should be explored how instruments of direct democracy like referendum or citizens' initiative, which are foreseen in the law[5] could be made use of. This will include inter alia regulating the details of such instruments in municipal statutes. Moreover, it will also involve trying to influence adaptation of related central state legal provisions, aiming at making such instruments more applicable.

Budget support conditioned on compliance with governance criteria. This programme component shall provide the selected partner municipalities with a grant for capital investment[6]. Compliance with defined governance criteria[7] will be set as precondition for the disbursement of the grant. This grant shall allow this programme component to engage with the municipality more closely in how they plan, implement and report for this grant amount and how they involve the different actors relevant for democratic municipal governance in these processes.

Budget support to initiate governance reform processes linked to capital investments. Municipalities could further be obliged to look at governance processes linked to the democratically approved capital investment projects financed with the Swiss contribution. For example if the municipality decides to improve the physical market infrastructure, a process should be launched to look at the basis on which licenses are provided to use the market infrastructure. Depending on the outcome of the analysis the practices should subsequently be adjusted.

Budget support adjusted with public management cycle of municipalities. Unlike any previous Swiss or other donor-supported projects in Kosovo, the grants should be provided in a manner allowing municipalities to take them into account while working through their public management cycle. This means that municipalities need to be informed about the pledged grant amount prior to the start of their budgeting process.

Thematically untied budget support. This will allow municipalities to decide on their priorities based on set procedures of the public management cycle. This includes the involvement of the municipal administration including the mayor, the municipal assembly as well as the citizens in the process of arriving at investment decisions. The assumption is that if governance processes are adhered to the municipalities would be best fit to define the (thematic) utilisation of the Swiss grant.

Different levels of budget support. The grant amount should differ from small to medium to large municipalities and take into account the absorption capacity of the respective partner municipality. While smaller municipalities may be provided with a smaller grant, one has to consider that they also have considerable capital investment needs. The absorption capacity further does not necessarily depend on whether a municipality is small or large. Some large urban municipalities like Pristina for instance face a much bigger absorption challenge than smaller ones like Hani i Elezit.

Matching by municipalities. As a general principle, municipalities should match the amount of the Swiss grant with the same amount from either their own-source revenues or the General Grant. This will be challenging for small municipalities though since their available budget for capital investment is very limited. For such municipalities a lower percentage of own contribution should be required.

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[5] Law on Local Self Government Art. 70 & 71

[6] The idea is not to allow the grant to be used for recurrent costs of the municipalities. While planning the capital investments the municipalities have to show how they will be able to cover operations and maintenance of the assets created with the Swiss grant through their own-source revenues and the General Grant.

[7] The criteria will need to be worked out

Capacity development will be provided on-the job. As long as a training system is not in place, capacities of the municipal administration and the municipal assembly will be built by the programme component by providing coaching support in regard to the different steps in the public management and public policy cycles. The support needs to be tailor-made taking into account the diverse levels of capacities existing in the different municipalities[8]. Thematically, the support needs to be flexible taking into account the dynamic environment and the pace at which new regulations are framed by central government. In the near future it is assumed that among others the following topics will remain important for municipalities: (i) assuming full role by municipal assemblies, (ii) soft and hard citizens participation mechanisms, (iii) project management (specifically project preparation, contracting and quality control), (iv) own-source revenues, (v) arrangements for the provision of municipal services (make or buy) and (vi) inter-municipal cooperation[9].

Horizontal learning as a means for capacity development. Apart from utilising local experts to build capacities of municipalities, the programme component should provide opportunities for municipalities to learn from each other. This could happen in the form of making use of existing expertise in one municipality and making this available to others through a mechanism of peer learning. On a more general level, AKM plays a key role in regard to horizontal learning. The programme component has to find avenues that learnings and experiences are shared through existing learning platforms within AKM like the Collegia.

Strategic approaches for component 2: Support to Association of Kosovo Municipalities

Continue with the successful strategic approach. The focus of the Swiss support to AKM since 2009 has been on strengthening AKM as an organisation to enable it to effectively play its role to (i) successfully advocate for the interests of municipalities at central state level, and (ii) to professionally serve the needs of municipalities. SDC has been contributing to this by providing AKM with a core contribution of € 150,000 per annum, combined with backstopping/mentoring support. This core contribution allows AKM to adhere to and develop its mandate and act in the interest of its members, the municipalities, rather than in the interest of the donor.

Budget support is still required. While membership fee collection increased from € 84,000 in 2008 to € 117,000 in 2012, the organisation is far away from being financially self-sustainable and therefore still depends on additional funds to fulfil its core function. The provided financial resources have to be adjusted to the potential future own revenues of the association and in this sense respect the "carrying capacity" of AKM as an institution.

Swiss budget support should remain untied. This means that AKM would continue to receive funds for implementation of its overall programme. AKM would though have to present to the Programme a detailed budget, which is based on its annual plan of operation (APO). Furthermore, the Programme may, if viewed as necessary, define

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[8] Post 2008 municipalities have generally much lower capacities compared to pre 2008 municipalities
[9] Capacity building on the issue of inter-municipal cooperation needs to take into account that the scope of inter-municipal cooperation and its limitations. The scope in regard to increasing efficiency and effectiveness in providing specific public services needs to be analysed by the concerned municipalities. The programme, however, always needs to consider that for municipalities will always approach the issues of providing services through inter-municipal cooperation from a political perspective. Hence the gain in efficiency and effectiveness will always be weighed against the loss of direct (sole) control over a municipal service.

broad expenditure categories for which the Swiss support can be utilised (e.g. salaries, office running costs, etc.) or a list of expenditures for which the Swiss support cannot be utilised. Furthermore, the Swiss support should continue to be made conditional on AKM achieving certain milestones (e.g. milestones related to (i) operational issues (e.g. detailed APO, budget, accounts, audit), organisational development (e.g. regular meetings of council of mayors, work-plan of Collegia, increase in fee collection), and to (ii) the development of a material strategy for decentralisation (see details below). Such milestones have to be defined jointly with AKM and may be complemented and adjusted during the programme period.

Complement backstopping/mentoring support for organisational development with support for developing a common reference framework on decentralisation. The backstopping/ mentoring support to AKM has been very relevant and effective and should be continued. The backstopper's and mentor's main task should remain to support AKM in regard to organisational development and monitor progress in regard to the set milestones. The analysis of AKM[10] has shown that the association does not yet have a clear idea of how Kosovo as a decentralised state should look like in the future (10 to 20 years from now). Such a common understanding among the AKM members, expressed in the form of a common reference framework on decentralisation, will enable the association to develop a long-term strategy for its advocacy work vis-à-vis the central government. The common reference framework of AKM on decentralisation should include AKM's understanding on (i) the allocation of tasks between central government and sub-national government based on the principle of subsidiarity, accountability and fiscal equivalence; (ii) fiscal decentralisation to match the tasks allocated at different levels; and (iii) organisational issues related to the relationship of municipalities to the central government and municipalities to citizens to ensure accountability and regulatory oversight. It is crucial that the ownership in regard to the idea of developing such a common reference framework is with AKM, as has to be the process of developing the framework itself and the final document. Inputs to developing the framework should be brought in – the main work, though, would have to be done by e.g. a working group under the leadership of AKM consisting of AKM members but also such representing other important actors.

Support dissemination of good practices, model regulations, etc. Besides advocacy and lobbying, capacity development is another important objective as defined in the AKM strategy for 2011 to 2015. Capacity development currently takes mostly place through knowhow exchange in the frame of the different AKM Collegia. Although such exchanges are important, one also has to acknowledge the inherent risks that not only good practices or solutions are shared and reproduced. AKM could therefore develop a concept on how to organise the knowledge exchange among its members even better and ensuring that only good quality practices, model regulations etc. are disseminated.

Support development of a training system for municipal staff. In regard to a long-term view on developing capacities of municipal staff, there is a need to explore avenues to establish a training systems catering to the needs of municipalities. Such a training system should ideally be in the responsibility of municipalities themselves. Therefore AKM would ideally play the role of the host organisation of such a system. Programme component 3 deals in more detail with this issue.

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[10] See separate report of Mirjam Strecker and Daniel Arn of March 2013

Strategic approaches for component 3: Support to development of a training system for municipal staff

Explore ways of supporting the development of a training system. With generally weak capacities of municipal staff and the absence of a system to qualify and re-qualify municipal staff, this programme component should explore avenues how the development of a municipal training system could be supported.

Distinguish between the host organisation and the operator of such a system. The Programme would have to explore in more detail who, from a system perspective, would be the logic host organisation of such a training system. It is currently assumed that this would be AKM. The reason for this is that training of municipal staff should be the responsibility of municipalities themselves who know best what knowledge and skills they require. The Programme would than have to explore with the logic host organisation how such a system could be developed. While the host organisation would be responsible for setting the strategy and defining the competences that need to be developed through the training system, the operation of the training system should be entrusted to a third party. This should be an existing training institution such as the Kosovo Institute of Public Administration (KIPA)[11] if it has the capacities to develop a respective offer and provide required services.

Take into account experiences of existing domestic and regional training systems. Training systems for other professions do exist within Kosovo. The success factors of such training systems have to be taken into consideration. In this regard particular attention should be paid to the incentive structures of organisations and persons making use of such a system. Furthermore, experiences with municipal training systems in the region should be drawn on through the Network of Associations of Local Authorities of South-East Europe.

Phasing of support. Since there are many unanswered questions in regard to the feasibility of a municipal training system, the support through this component has to be clearly phased. Initially, the support has to explore whether and how ownership for such a system can be established among municipalities and AKM. Based on this, further issues like existing and potential incentive structures for municipal staff to make use of such a training system has to be analysed. This would be followed by defining capacities required for municipal staff and ways of training staff to obtain such capacities. It will be important that the success of this programme component is measured in regard to the contribution it makes to the possible establishment of a municipal training system and is not made responsible for the functioning the system as such[12]. This has to remain the responsibility of Kosovo municipalities and their association as the owners of such a system.

Develop training system and content in close collaboration with programme component 1. It is important that capacity building is practice oriented. This not only in view of its usefulness but also in view of the training fatigue diagnosed for public administration staff in Kosovo. The experiences with working directly with municipalities and building their capacities on-the job of the first programme component, will help to define required capacities. The experience will further help in defining content of a possible training programme. Finally, developed courses could be tested initially with staff from partner municipalities of the programme component 1.

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[11] The appropriateness and capacity of KIPA has not been analysed by the mission team.
[12] See in this regard also footnote on the general contribution logic the Programme is advised to follow.

Terminate programme component if feasibility is not given. Since there are many open questions whether a municipal training system owned by Kosovo actors can be established in the coming years, there needs to be a continuous assessment whether Swiss support for such a system should continue, be put on hold or even terminated.

Strategic approaches for component 4: Support to Kosovo regulations[13] **regarding decentralisation and local governance.**

Experiences and issues arising from direct work with municipalities and the support to AKM should serve as a basis to support central state in framing regulations. Municipalities are well placed to identify issues, which may need to be addressed in the legal framework governing central state – sub-national state relations. While municipalities directly and through AKM advocate for such issues vis-à-vis the central government, there is a need that central state ministries are supported to respond to such requests and develop new or amend existing legislations and rules. This programme component would make such an offer to central-state ministries to support them with expertise in developing or amending concrete laws or rules.

Time-bound, opportunity-based support. The support to central state ministries would depend on the specific regulations that would need to be worked on and on the responsiveness of the respective ministry to make use of the Swiss support offer. It is generally not foreseen that the Programme would engage in a long-term partnership with the respective ministry but only for the time necessary to develop or amend a respective law or rule.

Learning from experts and experiences elsewhere. The concrete support to ministries would be in the form of (short) inputs provided by international experts and in well justified cased through study visits of relevant persons to countries, which have examples of respective legislations in place.

Relevant topics to be addressed. Since the legal framework is still in the making, it is assumed that there will be ample opportunity to support not only the work on matrix legislation issues (e.g. Law on Local Finance), but also on sector legislation. While it will be up to the municipalities and AKM to prioritize laws to be addressed the following considerations are[14] made.

- Fiscal decentralisation will remain (even after the current law on municipal finance is amended in 2013) of high importance for municipalities. The reason being that there remains a challenge of matching the allocation of competencies with the allocation of resources.
- Water supply, although a responsibility of central government, is of high concern for municipalities. This is due to the fact that while legally municipalities are no longer responsible for investments and maintenance of water supply system, in practice they still use funds from their own budget to respond to citizens need in this regard. There are also unresolved governance issues in regard to the publicly owned regional enterprises, which are owned by and accountable to central government while municipalities are included in their board.

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[13] The term „regulations" is used in this report as not only referring to regulations in the narrow sense as rules made by the executive but in the broad sense as comprising of laws and rules.
[14] These reflections respond to suggestions made by IDS that a new programme would work on such topics on its vertical dimension. IDS (2012) Supporting Kosovo´s Transition, An assessment of SDC´s support to decentralization, state-building and democracy promotion in Kosovo.

- Solid waste management appears to be of high importance currently. Municipalities have recently been given the responsibility for solid waste collection and it is expected that they will also be allowed to establish their own publicly owned enterprises for this purpose. As the new law will be implemented it is expected that issues will arise which may call for an amendment of the respective law.
- Property related issues are important but highly political. These topics will re-emerge over time and the Programme has to be aware that addressing such issues is important while being also highly challenging.

The current strategy of AKM (2011-2015) mentions similar topics as priority areas to be addressed in AKM's advocacy work:

- Municipal services, including water supply, solid waste management
- Municipal finance, including Law on Public Finances, fiscal autonomy, criteria for fund transfer to municipalities
- Fiscal system: shared taxes, equalization system, tax for use of natural resources
- Local Economic Development: business registration, municipal property management, land lease, etc.

Apart from these priority areas AKM defines each year, based on the central state government's legislative programme, which of the laws included in the programme are of priority for AKM.

Explore possibility of establishing a central-state - sub-national government contact group. There are mechanisms in place allowing the municipalities through AKM to voice their opinion vis-à-vis the central-state. These mechanisms are exclusively geared at discussing changes to laws, which are on the legislative programme of the central government. This programme component shall explore whether a permanent formal contact group consisting of central government ministries (e.g. MLGA, MoF, Office of Prime Minister and most relevant line ministries) and AKM (e.g. representatives of the AKM board and the director) would be suitable and feasible to strengthen the general political dialogue (not restricted to concrete legislative proposals) between central state and sub-national governments.

3.7 Beneficiaries and outreach

General considerations regarding beneficiaries and outreach

Attempt to have a countrywide outreach. With its vertical focus through the components of supporting AKM (component 2), and Kosovo regulations (component 4), the Programme will directly have a countrywide outreach. The same applies for the support to the development of a municipal training system (component 3). The rationale is that by supporting regulatory changes this would lead to more suitable allocation of competencies and finances between the central state and sub-national governments. Furthermore, a functioning training system for municipal staff would improve the capacities of all municipalities in the country. The improved regulatory framework and enhanced capacities of municipal staff in all municipalities of Kosovo would finally lead to better public services for all citizens of Kosovo. The Programme's horizontal focus with the component on directly supporting municipalities (component 1) should also attempt to have an outreach beyond the direct partner municipalities of the Programme.

Direct beneficiaries do not include civil society organisations. Civil society and its organisations need support to develop and to play their role. Nonetheless, it is proposed

that this Programme does not support the development of civil society. SDC promotes civil society through another specific project, i.e. Democratic Society Promotion Project (see paragraph 3.8.4), and synergies with this effort will have to be sought. The reason for proposing that the DELOG Programme not to support civil society are mainly two-fold: (i) civil society organisations have generally a broader mandate as bodies of organised citizens. This mandate is hardly ever restricted to e.g. improving municipal governance through strengthening citizens voice or improving the legal environment for democratic issues. CSO should, therefore, be supported to play the role assigned to them by their constituency and not be lead by donor incentives to play the role donors would want them to play; (ii) resources available to the Programme will be limited. Working with civil society in all partner municipality and possibly even at national level would constitute a workload above the implementing organisation's capacities.

Beneficiaries and outreach component 1: Municipal Governance Support

While working directly with selected municipalities envisage impacting all municipalities of Kosovo. It will be important to tailor the Programme's support offer to fit the very divers capacity development needs to the different Kosovo municipalities. Furthermore, the Programme should be in a position to offer a substantial capital investment grant to municipalities. In view of this and in view of the resources available to the Programme, this component should not spread its support too thinly but concentrate on supporting a selected number of Kosovo municipalities. As mentioned above, this component should attempt to design its support offer to encourage partner municipalities to share their learning with other municipalities and also in a manner allowing none-partner municipalities themselves to apply improved governance practices without external support. This could be achieved by means of partner municipalities actively sharing their learning with non-partner municipalities through the established platforms within AKM (Collegia).

Cover 50 % of all Kosovo municipalities. This would mean increasing direct partner municipalities from currently 9 to at least 16. The available budget should allow for offering tailor made on-the job capacity development and budget support to this number of municipalities.

Continue working with current partner municipalities if their interest sustains. While expanding into more regions of Kosovo, this programme components should continue working with the current partner municipalities. These do still express a demand for further capacity development in view of the rapidly changing environment they work in. However, the interest and commitment of the currently supported municipalities should be assessed once municipal elections have taken place and new mayors, municipal directors and assembly members are in place.

Select municipalities based on criteria. In order to arrive at a good mix of committed partner municipalities, their selection should be based on transparent criteria. A competitive selection procedure is not suggested since experiences of other projects in Kosovo have shown that this on the one hand does not lead to the selection of the most committed municipalities and on the other leads to more frustration among those municipalities who are not selected compared to a non-competitive selection procedure. The following selection criteria could be applied: (i) select all (committed) Serb majority municipalities – include municipalities north of the Ibar River when opportunity arises; (ii) select municipalities with high percentage of minorities; (iii) select municipalities in at

least three out of five regions[15]; (vi) select rural and urban municipalities – do not exclude Pristina, (v) select neighbouring municipalities allowing for establishment of inter-municipal cooperation mechanisms; (vi) select municipalities with presence of (large) Swiss infrastructure projects.

The direct beneficiaries of the support to municipal governance component would be the selected municipal governments including the mayor, the municipal administration and the municipal assemblies. They would all benefit from the capacity development offer of the Programme.

The indirect beneficiaries would be the citizens who are not only meant to benefit from better municipal service provision but also from improved democratic processes. Furthermore, non-partner municipalities and the Association of Kosovo Municipalities would also benefit from the interventions in the respective partner municipalities. They would benefit from partner-municipalities sharing their improved practices and feeding in issues, which need to be addressed in the advocacy work of the association.

Beneficiaries and outreach regarding component 2: Support to the Association of Kosovo Municipalities

The direct beneficiary of the support to the Association of Kosovo Municipalities (AKM) is the association itself. The whole organisation benefits from the financial core contribution. The first beneficiary of the backstopping and mentoring support is AKM's directorate. The AKM board and the Collegia also benefit from respective inputs.

The final beneficiaries of the support to AKM will be the municipal governments including the executive (mayor and administration) and legislative (municipal assemblies). Finally, it is assumed that the citizens will benefit from a more suitable organisation of the state, which is in a better position to render public services to its citizens.

Beneficiaries and outreach regarding component 3: Support to development of a training system for municipal staff

The direct beneficiary of the support to development of a municipal training system would initially be the host organisation of such a system. It is envisaged that this could be AKM. Another direct beneficiary would be the potential operator of such a system and finally also the municipal staff that is trained and qualified.

The intermediary beneficiaries would be the municipalities for which the trained staff work and the **final beneficiaries** the citizens who are assumed to benefit from better functioning municipalities and as an effect of this improved public services.

Beneficiaries and outreach regarding component 4: Support to Kosovo regulations regarding decentralisation and local governance

The direct beneficiary of the support to the regulations regarding decentralisation and local governance are primarily the respective ministries benefiting from this Swiss support offer. Depending on the demand, it is assumed that in particular the Ministry of

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[15] Working in three regions means that the programme would cover more than half of the geographical areas of Kosovo and allow for a considerable geographic outreach. Working in more than three regions would bear the risk of spreading the municipalities to thinly across the country. This would limit the scope for natural exchange between the involvement municipalities and would also increase the programme implementation costs.

Finance, the Ministry of Local Government Administration and the Ministry of Environment and Spatial Planning may be benefiting from this programme component.

The final beneficiaries of this support will be the municipal governments benefiting from a more coherent and more suitable legal framework regulating central-state – sub-national government relationships. Finally, it is assumed that this would lead to more effective resource allocation and hence better public services for the citizens.

3.8 Partnership

3.8.1 Drivers and restrainers of change

The Swiss Decentralisation and Local Governance Programme (DELOG) needs to take into consideration how to best work with the different drivers and restrainers of decentralisation and local governance reform. The choice of partnership and how different actors should be engaged in the Programme, though, does not only depend on this but also on whether the actors have an interest in the topic and whether they have power to influence the reform. A rapid assessment of the different actors has shown, that the only drivers with high interest and power are the municipalities and the Association of Kosovo Municipalities, which represents their interests (see also Annex 6 in this regard). The diagram below shows how the different actors are assessed and makes suggestions on how the new Programme should take them into account.

	Drivers		Restrainers	
A1	**A2**	**B1**	**B2**	
MLGA	AKM	PM	Other parties	
SDC	Munici-	MoF		
GIZ	palities	Line		
SIDA		Ministries		
		PDK		
C1	**C2**	**D1**	**D2**	
Think Tanks	Media	Parliament		
CSO	USAID	Parliam.		
Citizens	EU	Committees		
UNDP	OSCE			

High

Interest

Low

Low   High   Low

Power

A1: Engage with them depending on opportunities: DELOG should try to harmonise approaches

A2: Engage with them strongly: DELOG must work with them and support them in advocating for decentralisation

B1: Engage with them closely and try to influence them (policies and instruments)

B2: Engage with less priority: through general interaction of AKM and municipalities

C1: Engage with them only for participatory processes at municipal level

C2: Engage with them only for coordination - at least on project level.

D1: Engage with them closely: through AKM in preparation of regulations.

3.8.2 Partners of the Programme

The main partners of the Programme will be selected municipalities and the Association of Kosovo Municipalities. This pertains to the first three components of the programme. For the fourth component different Ministries, who respond to the Swiss support offer will be partners. Among them the Ministry of Finance and the Ministry of Local Government Administration are important ones, who signalled their interest. Apart from them other line ministries and the Prime Minister's Office will also be potential partners.

3.8.3 Collaboration with other donors

Apart from the municipalities and AKM, MLGA and some donors are assessed to be the only drivers with high interest the decentralisation reform. While the interest

of the EU and USAID in the decentralisation reform is decreasing, other donors like GIZ and SIDA remain to have a strong interest in the topic. A rapid donor assessment carried out prior to this programme identification mission revealed that SDC may find itself in a position to be the major donor for generic support to decentralisation and municipal governance after 2013. This position should be utilised to assume the lead in donor coordination related to this topic. Donor coordination under the lead of SDC could be made more effective and utilised to achieve greater coherence between donors and discuss decentralisation reform issues directly with relevant central state ministries.

GIZ and SIDA may become important partners. GIZ is in the process of developing a new project to support municipalities in regard to governance around the topic of solid waste management. There are ideas, that SDC may co-finance such a project. SDC will have significant influence to make sure that approaches chosen are harmonised with the DELOG Programme. Furthermore, close (operational) coordination at programme level will be required especially if the GIZ project works in the same municipalities as DELOG programme component 1. SIDA is also planning to develop a new project/programme in the area of decentralisation and municipal governance. Ideas are still vague but also include the option of co-financing projects of other donors like SDC. It will be important to keep engaged with SIDA and start coordination already at the stage of planning of the new project/programme.

3.8.4 Synergies with other Swiss projects

In case the general main principle of DELOG to "work in and on the system and never around it" is accepted, all other Swiss projects should follow the same principle. In regard to how grants for capital investments are provided (on-budget), this principle should particularly apply to other Swiss projects involved in infrastructure development. Where different Swiss projects work in the same municipality they have to be strongly invited to exchange information and harmonise their working relations with common actors.

Water and Sanitation Domain. The following aspects should be considered in the collaboration with such Swiss projects: (i) DELOG should work in similar municipalities as the Swiss water projects to allow synergies to be utilised; (ii) DELOG should support Swiss water projects to ensure that infrastructure support respects the Municipal Strategic Development Plan; (iii) DELOG should support Swiss water projects to ensure that the decision of the municipalities' co-funding is taken based on procedures foreseen in Kosovo legislations; (iv) Co-funding of water infrastructure by municipalities should be reduced over time to respect the roles assigned to the different actors by law; (v) DELOG should support Swiss water projects to ensure that in further issues like expropriation legal procedures are respected; (vi) Improving governance of the regional water companies falls outside the role of DELOG.

Health Domain. At present no Swiss projects are designed to support primary health care, which is a responsibility of municipalities. In case such projects are planned, synergies with DELOG have to be identified.

Swiss-Kosovo Migration Partnership. In regard to the project related to diaspora investment there should be an exchange with DELOG in particular in respect to work done with the municipal diaspora officer. DELOG should support the Swiss project on social housing especially in regard to respecting the municipal spatial planning and respecting municipal procedures.

Economy and Employment Domain. DELOG should exchange information with the Youth Employability Project on the work done with the municipal office concerned with unemployed youth. In regard to the project called "Making Markets Work for People in Kosovo" DELOG has to make sure that the private sectors is included in public consultation processes and support municipalities in their preparation for the exchange with the private sector.

Democratic Governance and Decentralisation Domain. While DELOG's support offer is directed towards municipal governments and their association as well as at central state level, the "Democratic Society Promotion Project" (DSP) responds to the need to strengthen civil society and the role it is supposed to play in a democratic state. There is a high potential that DSP could become more complementary to DELOG in the future. In order for this to happen DSP would need to strengthen also CSOs in DELOG (component 1) partner municipalities and possibly not only formally registered ones but also informal CSO. The "Support to Anti-Corruption Efforts in Kosovo" Project can also be seen as being complementary to DELOG since it focuses in one of its components on civic engagement at local level to demand transparency and accountability. These two projects should coordinate their geographical working area with DELOG. Furthermore, avenues should be sought how these two projects could contribute to mobilise CSO in DELOG (component 1) working areas to make use of soft and hard participation mechanisms.

3.8.5 Implementation arrangements

As outlined in chapter 3.6.1 the DELOG Programme is proposed to be composed of four distinct components, which are highly interlinked. It is therefore advisable that a single organisation manages the whole programme. It will be important that the programme management organisation is independent and a neutral player in the context of Kosovo. Consequently, the involvement of national organisations in the programme management is not suggested.

The ultimate steering responsibility of DELOG has to be with SDC. Based on the contract with the programme management organisation the progress of the Programme has to be closely monitored by SDC and where necessary corrections are to be initiated. Besides the overall steering, the Programme could also benefit from a programme advisory board, which would review work done by the programme, act as a sounding board and as a body to advise the Programme on strategic and thematic issues. The advisory board would have not decision-making power. The composition of this advisory board should consist of main actors in the sphere of decentralisation and partners of the programme.

3.9 Estimated duration and budget of the entire intervention

It is envisaged that the Programme would have three phases. Two main phases of four years duration each and one consolidation (phasing-out) phase of three years. The estimated total duration of the Programme is hence eleven years.

Prior to the start of the first phase an inception phase will be required. During this phase details of the programme will be elaborated (e.g. selection of municipalities and governance criteria (component 1), milestones for AKM to accomplish (component 2), initial study on municipal training system (component 3), identification of legislations and ministries to support in elaborating them (component 4). The result of the inception

phase will be among others also the programme document, which will be the basis for the contractual relationship between SDC and the DELOG management organisation.

The very rough estimation of the annual budget of the Programme is CHF 3,0 – 3.5 Million. This is calculated on the following basis:

Component 1:

Description	Amount	Comments
Budget support to municipalities:	CHF 1,6 Million p.a.	CHF 100,000 / Municipality
Technical assistance to municipalities	CHF 800,000 p.a.	Capacity building

Component 2:

Description	Amount	Comments
AKM Core Contribution:	CHF 200,000 p.a.	Expected to decrease of the years
Technical assistance to AKM	CHF 50,000 p.a.	Backstopping / Mentoring

Component 3:

Description	Amount	Comments
Technical assistance:	CHF 200,000 p.a.	
Core Contribution to AKM for running training system	CHF 200,000 p.a.	Starting in year three

Component 4:

Description	Amount	Comments
Technical assistance:	CHF 150,000 p.a.	

For the inception phase a separate budget of roughly estimated CHF 500,000 will be required.

Programme inception phase (6 months):

Description	Amount	Comments
Technical assistance for keeping engaged with partner municipalities and developing the detailed programme document:	CHF 300,000	Including required studies for all the documents
Technical assistance for AKM and developing details of collaboration	CHF 30'000	Including working out milestones
Core contribution to AKM	CHF 100,000	
Reserve	CHF 70,000	

3.10 Risk assessment

There are inherent risks in a decentralisation and local governance programme implemented in a context which is dynamic and in a young country, which is in a process of establishing its legal framework and consolidating its institutions. Risks include lacking support from Programme partners, the further "politicisation" of decentralisation, absence of progress in the Pristina-Belgrade dialogue etc. The opportunities for supporting the decentralisation process, however, outweigh these risks. The broad consensus among key stakeholders for the need to adhere to the Ahtisaari Plan, the apparent need to improve the legal framework governing central state – subnational government relationships, and the need to improve capacities of municipalities, present an opportunity for SDC to engage in the proposed Decentralisation and Local Governance Programme. Risks at the national level are considered to be generally low, as the major political parties are not opposed to the Ahtisaari Plan and its principle of a decentralised state.

The Programme faces risks in the different programme components. Due to the political nature of decentralisation there are risks associated with supporting such a process. The risks are considered high in regard to the programme component 4. The reason for this is that apart from the engagement with the government's Water Task Force, SDC does not have experience in supporting different ministries in developing and amending legislations or rules. It has to be seen, how interested different ministries are to make use of the Programme's support offer. Risks are also considered to be high in regard to programme component 3. This is the case, since no training system for municipal staff currently exists on which the Programme could build. There are many uncertainties in regard to key actors in Kosovo commitment and ownership of such a training system and the viability of such a system in the current context with the prevailing incentive structures for municipal staff to improve their capacities. Risks in regard to programme component 1 and 2 are viewed as generally low.

Risks may also arise from working with different stakeholders and the interaction of components. Working both with municipalities and with central state level government may result in questions from these actors, where the programme's loyalty

lies. The programme will therefore have to carefully explain its approach, and, ideally, use such moments for intensifying the dialogue between ministries and municipalities.

Risks need to be continuously re-assessed in view of the changing context. The table below provides an overview of the foreseen risks. It will be important that the Programme continuously monitors the environment it works in and accordingly updates the risk analysis periodically.

Matrix of Key Risks

Key Risk Assumptions	Likelihood of Incidence	Impact of Incidence	Mitigation Measures of the Programme
National Level			
Next parliamentary elections (2014/2015) reduce the current broad political consensus in favour of a decentralised state.	🟩 **Low.** Whether the current ruling party or the opposition wins it is not expected that the commitment to the Ahtisaari plan will deteriorate.	🟥 **High.** Decentralisation and municipal governance would suffer a significant setback.	Although these dynamics are outside of the Programme's control, a flexible Programme design will allow adjusting to changing priorities.
No progress in Pristina-Belgrade dialogue.	🟨 **Medium.** The dialogue is on-going in the "final" meeting is set for April 2, 2013.	🟩 **Low.** This would mean that no elections would happen in the municipalities north of River Ibar.	The programme is not designed to depend on the outcome of the Pristina-Belgrade dialogue. It, though, is designed to be able to respond to opportunities/challenges arising from possible settlements.
Programme Level			
Programme Component 1: Municipal Governance Support			
Changes in municipal leadership due to municipal elections (2013) result in lower interest in the Programme's support offer.	🟩 **Low.** Mayors generally are keen to see the capacities of their municipality strengthened and services improved.	🟥 **High.** The programme depends on the commitment of mayors to improve governance.	Selection of municipalities will only take place after the elections. Only those municipalities with committed mayors will be chosen.
Current beneficiaries of a disbalance of power between the mayor and the assembly resist efforts to strengthen the municipal assembly.	🟨 **Medium.** Resistance may come from mayors and party leaders.	🟨 **Medium.** Current law allows strengthening of assemblies regardless of resistance.	The Programme will particularly work with municipal assembly. It will support the dialogue between the mayor and the assembly to make sure that the legislative and executive understand their respective role.
Low interest in citizens to participate in municipal affairs	🟩 **Low.** Previous work has shown that there is a certain interest.	🟨 **Medium.** Low interest may not only result in low participation in consultation processes but also in a situation where strong	The Progamme will work on the issue of participation and through this it is expected that the interest of citizens to participate in political processes will be

		participation mechanisms could not be applied.	increased.
Fiduciary risks for SDC will remain the same as with previous practices[16].	🟨 **Medium.** The shift to a true on-budget support practice will continue to allow SDC to track the utilisation of its grant[17]. Disbursement of the grant will only take place if municipalities have complied with set governance criteria, which will include criteria related to procurement and quality control.	🟥 **High.** Misuse of Swiss grants has potentially a highly damaging effect on the Programme. The reason being that this will damage the relationship between the municipalities and the Programme in a manner that will be difficult to mend.	The Programme needs to develop a (financial) monitoring system, allowing for tracking of the Swiss grants and ensuring proper use of the same.
Programme Component 2: Support to Association of Kosovo Municipalities			
Pristina-Belgrade dialogue resulting in establishment of separate municipal association for Serb majority municipalities.	🟨 **Medium.** This is a topic of the dialogue and there is a certain likelihood that Kosovo would make such a concession.	🟨 **Medium.** There is a risk that this may reduce the influence of municipalities, in case AKM and the new association would not coordinate their advocacy.	The Programme needs to monitor developments and possibly already work out how AKM would respond to such a situation.
Changes in the leadership of AKM results in less commitment in regard to the advocacy role of AKM.	🟩 **Low.** There is a broad consensus among all AKM members on the role of AKM. Changes in the leadership is unlikely to change the current course of the association.	🟨 **Medium.** Less commitment may lead to less effectiveness of AKM.	The contribution to AKM will be conditioned on AKM reaching certain milestones. The Programme will stay in regular contact with AKM and will be able to respond to significant changes.
Programme Component 3: Support to development of a training system for municipal staff			
Need for a training system is not sufficiently recognised by municipalities.	🟨 **Medium.** While it is recognised that capacities are weak there is a certain fatigue in regard to the topic of training.	🟥 **High.** This would put in question this component.	The Programme is designed in a manner to allow discontinuation of this component if interest is not sufficiently given or sustained.
Programme Component 4: Support to Kosovo regulations regarding decentralisation and local gov.			
Advise of Programme is not considered in decision-making processes.	🟥 **High.** Decision-making does not always follow normative rational criteria, but first of all political ones.	🟨 **Medium.** Decision-making does not always follow normative rational criteria, but first of all political ones	The Programme will ensure that advice provided is demand driven.

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[16] This refers to the previous practices within the project LOGOS

[17] There will be, though, a higher risk that by following due democratic processes capital investment projects will be realised with the Swiss contribution, which may in the view of SDC not be of high relevance.

3.11 Open issues

Based on the findings of the identification mission, which are documented in this report, further steps have to be initiated before the new Programme can get started. Below proposed steps and estimated dates are indicated.

Stages in the Process	When	Comments
Mission Report	05/13	Final report may only be available in May depending on the feedback from SDC-HO and SCO-K.
Entry Proposal		On the basis of the mission report.
- Preparation	04/13	
- Approval	05/13	
Tender		Tender document to be developed on the basis of the mission report. To be drafted by SCO, with possible external support. No additional expert mission required.
- Tender document		
- Call for proposal	05/13	
- Deadline	06/13	
- Decision	09/13	Leave issues still fairly open with the intention that selected implementer works out the specific approach in coordination with SCO during the inception phase.
	10/13	
Contracting	10/13	
Inception phase	01-05/14	Additional expert mission to clarify open questions organised by the contracted implementer.
- ProDoc	03/14	Ensure that working relations with municipalities and AKM are not discontinued.
		Be aware that the approach proposed by the identification mission foresees a budgetary commitment to the municipalities prior to the start of their budget planning.
		ProDoc should allow flexibility during implementation.
Credit Proposal		Based on ProDoc
- Preparation	04/14	
- Approval	05/14	
Main phase	06/14 – 12/18	

Terms of Reference

Terms of Reference

for a Team of Consultants (internationals and national)[18]

to conduct an identification mission for a new programme in Local Governance and Decentralisation in Kosovo

The Swiss Cooperation Office Kosovo (SCO-K) is requesting the services of an experienced team of consultants (two internationals and one local), to conduct an identification mission for a new programme in Local Governance and Decentralisation, in line with the cooperation strategy 2013 to 2016. These Terms of References (ToRs) outline the framework upon which the prospective consultants shall provide their services to SCO-K.

1. Background

`Rule of Law and Democracy` domain of the Swiss Cooperation Strategy 2009-2012 consists of three foci (sub-domains): (i) Local Governance and Decentralization, (ii) State Building and (iii) Democratic Society with a total of seven projects.

1.1 LOGOS

The project "Swiss Kosovo Local Governance and Decentralisation Support" (LOGOS) has been a flagship project within the sub-domain of local governance and decentralisation as well as in the entire domain portfolio. Phase 1 of LOGOS (2007 to 2009) supported three municipalities of South East Kosovo (Viti, Kamenica and Novobrdo). The total phase budget was CHF 3'557'000.- A mid- term evaluation of phase 1 was carried out in March 2009 (by Soren Villadsen and Edi Bunjaku).

Phase 2 of LOGOS (2010 2012) has a total budget CHF 4.7120'000. A strategic reorientation of the project intervention was undertaken in phase 2: i) geographic extension - to include a total of 9 municipalities in South-Eastern Kosovo 5 of which are with Serbian majority (Viti, Kamenica, Novoberdo, Strpce, Kacanik, Klokot, Ranilug, Hani i Elezit and Partes), ii) stronger focus of project interventions at the municipal level, iii) facilitative role of the project vs. direct implementation. Two assessments have looked into the LOGOS phase 2 (the respective reports are integral part of review material):

- LOGOS Reflection Mission in 2011, B. Tahiri, A. Moulin, A. Zukorlic
- Rule of Law and Democracy, Domain Portfolio Review in February 2012, Markus Schultze Kraft (IDS), Engjellushe Morina.

LOGOS Phase 2 Objectives:

Outcome: **Selected partner municipalities in South Eastern Kosovo are more accountable, transparent, equitable and effective in local governance and able to deliver key services to satisfy all citizen groups.**

Outputs**[19]**:

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[18] A team of two internationals and one local consultant is considered most appropriate by SDC. However another composition can be proposed.

[19] Specific support packages are defined with each municipality, based on respective needs and demands, consisting of a wide range of support areas: such as, waste management, one stop shops, urban plans, municipal development plans, public information, procurement, etc.

1) Planning and Resources Management: Capacities of partner municipalities for participatory and inclusive development planning, management and budgeting are improved; partner municipalities apply strategic planning tools linked to their budgeting process.

2) Administration and Public Services: Abilities of partner municipalities to provide public services to all citizens in the whole municipal territory are improved.

3) *Capitalization and Dissemination of Experiences:* Experiences are capitalized and good practices are disseminated to other municipalities. Selected local experiences are brought into the nationl policy dialogue.

LOGOS Bridging Phase (2013)

A one year bridging phase from January to December 2013 (CHF 2.2 Mio) will be carried out with implementation by Helvetas. This will enable the SDC to continue with interventions in local governance without interruption, despite municipal elections foreseen for end of 2013: i) phase 2 of LOGOS has started together with newly elected mayors in 2010, so the bridging phase will allow continuing the cooperation with them till end of their four year term, thus aligning the the project phase with the electoral cycle; ii) additionally, it is considered better suited awaiting local elections envisaged for 2013, before starting a new local governance programme, to assure commitment and ownership of (new) local government representatives.

1.2 SDC Support to Association of Kosovar Municipalities (AKM)
SDC is supporting the Association of Kosovar Municipalities (AKM) with core contribution since July 2009. This first phase of SDC – AKM collaboration has a planned duration until December 2013. The SDC core contribution aims at filling the gap of th core budget of AKM, which suffers from deficits caused mainly from low collection of membership fees from municipalities. In addition to the budget support (ca. Euro 150'000 yearly), the SDC support package to AKM entails also a component of technical support in form of a team of two experts (Backstopper and Mentor) who provide advisory and mentoring support to AKM, such as in: strategic and yearly planning, organisational development and management, operational monitoring and reporting, etc. The collaboration builds on the following impact hypothesis: *A well performing AKM represents better the municipal interests at central level, and in turn satisfied municipalities gladly pay their membership fees to AKM.*
AKM has achieved important lobbying and advocacy successes on behalf of municipalities during the period supported by SDC. Annual surveys - commissioned by GIZ - confirm increased satisfaction of municipalities with AKM's performance.

Objective of SDC's support to AKM:
AKM develops into an acknowledged core player that:
• Successfully advocates for municipality interests at central government;
• Professionally serves the needs of municipalities, which finance its basic operations.

1.3 New Cooperation Strategy 2013 to 2016

The new Cooperation Strategy 2013-2016 is approved in October 2012 by SDC and SECO. The following elements are important to be stressed:

- The entire country portfolio will be more integrated and more focused;
- A shift to a programmatic approach will take place within each domain;
- Financial volume of bilateral projects and programs will be increased and co-financing of projects managed by partners as well as pooled funding should be more systematically used;
- Each domain will focus on one major area of intervention formulated with an impact hypothesis around which programs, projects and strategic partnerships are centred in a coherent manner:
- SCO-K will develop a health programme/domain as of 2013.

According to the SC 2013 to 2016 the renamed domain "Democratic Governance and Decentralization" will pursue the following objectives:

Goal: Decentralization, socially inclusive governance and service provision at local levels contribute to Kosovo's democratic state-building process.

Outcomes: 1) The supported municipal administrations deliver public services to all citizens in a more accountable, transparent and effective manner; 2) Citizens and civil society organisations actively voice their demand for high-quality services, transparency and accountability and take an active role in exercising democratic control over administrative and political processes, both at local and central government levels, 3) Kosovo municipalities effectively participate in national policy dialogue and articulate their interests for increased fiscal and administrative decentralization.

1.4   New DELOG programme

During the first half of 2013, SDC will develop new flagship local governance and decentralisation programme, which is designed according to the strategic orientation , set in the cooperation strategy 2013 to 2016. The first four years phase (2014 to 2017) shall have a total budget up to 12 Mio CHF. It is desired that the new programme would consist of a number of components that - inter alia - include; i) follow up of selected elements of LOGOS, ii) continued contribution to AKM, iii) new components deemed necessary according to the finding of the identification mission and the IDS report (February 2012), iv) synergies and aligned strategic interventions with other SDC programmes in Kosovo within the DLG portfolio - such as with the "Democratic Society Promotion (DSP) - or in other domains - such as with water, youth employability, private sector development and/or health. In the second half of 2013, the new programme will be publicly tendered.

2.   Objective of the mandate

The objective of the identification mission is to identify the *main elements of a new programme* In local governance and decentralisation, as well as identification of elements for one or two new projects complementing SDCs LGD portfolio in Kosovo, adhering to the frame given by the new Cooperation Strategy 2013 to 2016.

SDC will use the findings and recommendations of this identification mission for the following purpose:

- To elaborate an Entry Proposal for the new Local Governance and Decentralisation programme;
- To discuss and decide on a DLG domain portfolio development roadmap;
- For capitalisation and documentation of LOGOS phase 2.

Key Questions:

The identification mission shall address / answer the following six clusters of key questions:

Cluster 1 related to a Political Economy Analysis: In view of the end of supervised independence, and the fading prominence of the Ahtisaari plan, who and what are the old remaining and new emerging drivers and restrainers of local governance reform and decentralization in Kosovo? Who are the main actors in the field of decentralisation and local governance reform? What are their duties and responsibilities and what do they do in theory and practice? What are the main incentives and disincentives of various actors for decentralization in Kosovo? Are there coalitions of change?
The purpose of this cluster of questions is to complement the IDS review, which did not primarily focus on drivers of change and political economy analysis. Any future intervention of SDC in the field of DLG will have to align with drivers of change, and reflect on how best restrainers of (positive) change can be co opted?

Cluster 2 related to the capitalization of LOGOS, phase2:

2.1 The identification mission should assess the main results and shortfalls of LOGOS phase 2. Therein it shall build on the conclusions from the LOGOS mid- term review in 2011 and the IDS assessment in 2012 and **complement and summarize** these findings selectively. The IDS assessment namely concluded that: "*LOGOS phase 2 has focused on the 'right' interventions at the 'right' time with respect to supporting the processes of decentralization, i.e. the creation of new Serb-majority municipalities following the declaration of independence, and improving local governance and service delivery in both Albanian-majority and new Serb-majority municipalities in the south-eastern part of Kosovo. Integrating the Kosovo Serb community in the new political-institutional landscape of the*

country through decentralization and local governance and service delivery improvements has clearly been one of the key policy challenges in recent years. By the same token, maintaining the Albanian-majority municipalities committed to decentralization, despite the problems and pitfalls they have encountered in the process, and helping them to move toward assuming their responsibilities of municipal administration and service delivery in a transparent, accountable and effective way has been another big challenge in these past years. The AT believes that LOGOS phase 2 has made some important contributions in both respects".

The external review shall reconfirm the above mentioned findings from previous reviews and briefly answer the following key questions:

a) What are the main results achieved in LOGOS phase 2 in reference with the planned outcomes and outputs?
b) What are the most relevant challenges / short-falls encountered?
c) How relevant are the achieved results? What are the most relevant changes for the partner municipalities?
d) What was the effectiveness and efficiency of the chosen approach?
e) What are the achievements / shortfalls with regard to mainstreaming of SDC transversal themes "gender equality" and "governance with special focus on minorities"?
f) Are the achieved results likely to be sustainable, namely (but not exclusively) with referenced to citizen and civil society participation (no/weak incentives for mayors), and budget planning (limited space for budget decisions on municipal level), waste and water management (legally central government responsibilities)?
g) Was coordination with other actors effective?
h) What are the main lessons learned in LOGOS phase 2?

2.2 What are the good practices elaborated in LOGOS, that could/should be rolled out throughout Kosovo and up within legislative change on central government level, because they (i) generate valuable outcomes, (ii) are still of high relevance in the overall LGD process of Kosovo and (iii) meet major needs/gaps in the DLG reform in the foreseeable future until 2017?

The purpose of this cluster (heavily building on part I of the review) of questions is to identify relevant, but relatively low risk elements for the future DLG portfolio in Kosovo. Given the steep increase in budget from 2013 to 2017, it is important to have a part of the portfolio identified to securely generate outcomes without SDC having to invest major human resources to develop these interventions;

Cluster 3 related to the geographical focus of the future intervention on municipal level: What should be (justified) selection criteria for partner municipalities for SDCs future DLG portfolio on the horizontal intervention level (working directly with municipalities) while taking into account other donors (namely, but not exclusively USAID) ongoing and planned major interventions in DLG until 2017 in terms of their geographical (municipal) focus and coverage?

While proposing a suitable future geographic focus, reviewers shall also take into account IDS recommendation to increase inter-municipal cooperation in public service management and provision and regional economic development: this is key to address issues of municipal administrative capacity, service provision and socioeconomic development as well as problems related to absorption capacity at local level and last but not least considerations related to the economy of scale (particularly but not only - in the small new municipalities).

The purpose of this cluster of questions is to conclude if the past "trademark" of the Swiss DLG portfolio in Kosovo, with a strong focus on new, Serb majority municipalities South of the Ibar river shall be maintained; This past selection was based on an assumption that supporting these municipalities will generate the greatest increase of (very low) capacities, but also contribute best to state building through a successful decentralization process.

Cluster 4 related to future funding mechanisms towards municipalities: The main beneficiaries of SDC funding for DLG should be the citizens in the municipalities. While the past instrument of the investment fund has acted as an incentive (carrot) for municipalities to advance reforms, was largely administrated through municipal institutional channels but allowed to account for and control, SDC remains curious about the opportunity for more on system funding mechanisms, such as municipal budget support, or aligning SDCs support with the same central to local government transfer criteria, if such are meaningful, reform and performance oriented; Reviewers are asked to identify alternative funding modalities for municipalities other than the investment fund, and rate them in terms of sustainability, incentive for positive governance change and reform, administrative cost and risk of misuse, but also with their respective potential to develop municipal capacities to later adsorb IPA and other EU funding.

The purpose of the cluster of questions is to widen the range of possible funding mechanisms towards municipalities, including non ear marked and performance based ones, and then take an informed, risk and opportunity driven choice on one or possibly a range of future funding mechanisms (adapted to the capacities of partner municipalities?) These funding mechanisms have to be both effective, but also efficient, taking steeply rising budgets into account;

Cluster 5 related to the future vertical dimension of the LGD portfolio: The IDS review, as well as SDC itself has recently identified a number of thematic issues that will require to be addressed in the vertical dimension of the DLG reform in Kosovo (including central government). Reviewers shall support SDC in (i) setting priorities among these options, (ii) outline meaningful interfaces with SDCs support to the Association of Kosovar municipalities (AKM) and potentially other partner organizations (NALAS, Kosovo property agency, etc) and (iii) a meaningful interface with the future SDC interventions on the municipal (horizontal) level (see cluster 3 above); The thematic issues identified are the following (while reviewers are invited to amend on other thematic issues of greater relevance if they can identify such):

- The **transfer of ownership of land and assets to municipalities** (as decided and/or implemented in a number of neighboring countries already); Contributing to the resolution of issues around ownership and use of municipal land and assets as well as private property issues is believed to be key to socioeconomic local development. While reviewing this opportunity of a thematic focus, SDCs past and ongoing cooperation with the Kosovo Property Agency is to be taken into account;
- Strengthening the **accountability demanding role and/or capacities of the municipal assemblies;** Strengthening checks and balances in municipal government, empowering the municipal assemblies vis-à-vis relatively powerful mayors (with a strong upward accountability towards their political party affiliation) and strengthening the role of village representatives and local CSOs in local governance is considered key to deepening "bottom up" driven decentralization and improving service delivery overall, as well as democratization.
- Contributing to advancing **financial decentralization** and increasing municipal own source revenue generation capacity, thus reducing the "funding gap" of decentralized responsibilities and taking into account the specific decentralisation pattern of Kosovo, where funding of primary/secondary education has been decentralised (very high strain on local resources despite a block grant), property and assets are not (yet) decentralised (high dependency on central government, lack of collatoral), neither competences in water and waste management, despite their specific local level provision character; Advancing fiscal decentralization is considered key to enhance municipal socioeconomic development and service provision capacity/potential.
- Contributing to the resolution of the issues **around water, waste water and solid waste management** (linked to issues around Publicly Owned Enterprises (POEs), low user fee revenues and clear division of responsibilities between the national and sub-national levels) are considered to be key to effective public service delivery at local level. While reviewing this opportunity of a thematic focus, the large Swiss funded portfolio in the water sector reform is to be taken into account;

- *Any other thematic issue of high relevance and urgency* to advance the DLG reform process in Kosovo the reviewers might identify;

The purpose of this cluster of questions is to identify a stronger vertical dimension within the future DLG portfolio, building on the horizontal intervention level, and making full use of the established cooperation with AKM, but taking respective IDS recommendations of limited (yet to be strengthened) management capacities of AKM into account. This element of the future portfolio shall be relevant to the DLG reform, but can include some risk taking and should include innovative approaches; While the how will require further research once thematic priorities have chosen, a preliminary choice of priority shall also be based on the existence of drivers of change and a set of incentives SDC can align with;

Cluster 6 on synergies with other Swiss funded projects/domains and DLG related interventions funded by other donors: Based on the reflections related to clusters 1 to 5 above, possible meaningful cooperation potentials with other Swiss funded projects in the governance or other domains:
- For example in water and waste water management: Increased downwards accountability of Regional Water Companies (RWC) and clarification of responsibilities between RWCs and municipalities?
- Synergies and complementarity with the Democratic Support Programme (DSP), a grant scheme of SDC which support initiatives towards democratic society;
- Co-funding opportunities with other donors shall be discussed.

The purpose of this cluster of questions is to generate thematic synergies in the field of DLG reform and/or economies of scale by contributing to other donors interventions, taking (for the latter) the steep increase of budget and limited SDC human resources into account; it also acknowledges the currently rather low level of synergies and interfaces generated and used within the existing SDC governance portfolio, as highlighted by the IDS assessment;

3.   Methodology and approach

The team of consultants shall consider the following main steps for accomplishing this mandate. If the proposed methodology is not deemed adequate appreciated, proposals for a new methodology or its adaptation shall be presented to SDC:

- Briefing with the SDC management in Berne
- Briefing with the SCO management
- Relevant desk review work (a list of documents proposed in Annex 1)
- Interviews with relevant government officials, donor representatives and municipalities and the civil society/think tanks
- Mapping of donor's current and future interventions in LOGD
- Debriefing with the SCO management – discussion of the main findings
- Preparation of the report

The above list of steps is not exhaustive and the consultant may engage in other activities deemed important for accomplishing this mandate.

4.   Qualification and Professional requirements

The team of consultants should demonstrate a strong expertise in the following areas:
- Excellent and proven experience in identification and design of projects in the area of local governance and decentralisation.
- Excellent theoretical knowledge and practical / applied experience related to the area of local governance and decentralisation

- Good knowledge of SDC interventions in local governance and decentralisation. Knowledge of the SDC interventions in the Balkans are an advantage;
- Excellent Knowledge of Kosovo context and the relevant policy and legal framework;
- Excellent coordination, communication and reporting skills.
- Excellent written and oral knowledge of the English language.
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The role of international and national consultants

One of the international consultants, ……………………….., acts as team leader and will hold the overall responsibility for the outcome of the mission and the report. He will work closely with other consultants in preparation and implementation of the identification mission in Kosovo and the production of the report. If it is necessary, SCO Kosovo can support in the identification of the national consultant.

The national consultant is selected by the international consultants and is responsible to assist the international consultant(s) in preparing and carrying out the identification mission, including the production of the report according to the processes, division of tasks and standards set out by the team leader of this mandate.

5. Reporting

The report shall not be longer than 25 pages and shall comprise the following chapters:

- Executive summary (max 2 pages);
- Background and rationale for the assessment (max 1 page);
- Part 1) Review of LOGOS Phase 2: Main findings and conclusions (max 10 pages). Only part 1 of the report will be shared with Helvetas Swiss Intercooperation (HSI), implementing partner of LOGOS. Thus part 1 needs to be compiled in a form that can be used as stand alone, when excerpted from the overall report;
- Part 2): Context: Main findings and recommendations according to the key questions (max 5 pages);
- Part 3) New LGD Programme: Main priority areas and options recommended for 2014 to 2017 (max 10 pages);
- Annexes: Donor Mapping, etc.

The Swiss Cooperation Office reserves the right to request changes in the report or additional information. The report shall be written in English.

6. Timeframe

The assessment shall be conducted during January or early February 2013. A more detailed timeframe and schedule will be elaborated by the consultant in cooperation with SCO-K. A fist draft report shall be delivered to SCO Kosovo not later than on........................ The final report revised based on comments and remarks of the SCO shall be submitted on....................................

Activities (Consultant)	International Consultants[20] (days)	National Consultant (days)
Relevant desk review	5 days	3 days
Assessment Mission in Kosovo (incl. travel)	12 days	10 days
Report Writing (3 days for the draft report and 1 day to consolidate comments and finalize the report)	4 days	2 days
Reserve days (for eventual follow up mission - only upon request of SDC	*10 days*	*10 days*

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[20] A first estimation by SDC. The international consultant (team leader) can present a new proposal.

Total	(31d. x 2 consult.)	25 days
	62 days	

7.   Modality of application and selection

The current mandate will be awarded directly (via a direct award procedure). SDC is free to award the mandate to the most suitable proposal.

To apply *p*lease submit the following documents:

1. A proposal *of* max. 3 pages, which includes the following parts:

    -   Composition of the proposed consultancy team including the rationale for this selection and the division of roles and responsibilities in the team;
    -   Methodology for completing the tasks;
    -   Proposed timeframe. (Preferred timing for SDC is end of January/early February).
    Annexes:
    -   Curriculum vitae of proposed consultants
    -   Relevant reference projects from previous successful mandates

2. Financial proposal (using the standard form "8B" that is sent together with these Terms of References).

Applications shall be submitted to Ms. Fetanete Kastrati, e-mail fetanete.kastrati@sdc.net , until 14th December 2012 EoB.

Mission Programme

Last update: 22.02.2013

Draft Program for ID mission for DELOG programme 19 February 2013 – 04 March 2013					
Date	**Time**	**Activity / Meeting**	**Consultant (s)**	**Where**	**Remarks**
Tuesday 19.02.2013	08:55	Arrival in PR Matthias Boss and Daniel Kessler		Accommodation @ hotel AFA	Hotel booked
	12.30 – 14.00	Meeting with local consultant Besnik Tahiri		Hotel Afa Restaurant	Confirmed
	14.00 – 15.30	Meeting with local consultant Engjellushe Morina		Hotel Afa, Restaurant	Confirmed
	16:00 – 18.00	Briefing at SCO-K with Anne Moulin, Markus Baechler and Saranda Cana	M.Boss D.Kessler B. Tahiri	SCO-K offices	Confirmed
Wednesday, 20 02.2013	08.30 – 12.30	Logos team: presentation of the self assessment report		LOGOS offices	Confirmed
	14.00 – 15.30	Association of Kosovar Municipalities, Sazan Ibrahimi		AKM offices	Confirmed
	16.00 – 17.00	USAID / DEMI project, Ginka Kapitanova, Team Leader ginka.kapitanova@demi-ks.org		Project offices close to CH Embassy	Confirmed
Thursday, 21.02.2013		Meetings with Kosovar and international actors and stakeholders in Prishtina			
	08.30 – 09.30	MLGA, Basri Musmurati, dep. Minister Besnik Osmani, Permanent Secretary		MLGA	Confirmed, translation organised
	10.00- 11.00	MoF, Petrit Popova Director for Municipal Budget		MoF main gov building floor 13 off. No.02	Confirmed, translation organised

	11.30. 12.30	IMF, S.Thaci		IMF offices @Central Banking Authority of Kosova	Confirmed
	13.30 – 14.30	EU Office, Alan Packer EU Resident Twinning Adviser European Cooperation for Stronger Municipalities – *Planning for Service Delivery*		Rilindja Building, 10th Floor, Office 1017	Confirmed
	15.00 – 16.00	USAID, Jeton Cana		USAID	Confirmed
	16.30 – 17.30	SIDA, Maria Melbing Head of Swedish Dev.Coop.		SIDA Swedish Embassy	Confirmed, Ms. Melbing might be 5 min.late due to a meeting outside of Embassy.
Friday, 22 02.2013		Visit to two LOGOS partner municipalities: Shterpce and Hani i Elezit			On way back, stop in Ferizaj, Regional Water Company **not possible within same day.**
	9:30 – 10:15	Meeting with mayor and directors of municipal departments of Hani i Elezit		Hani i Elezit	
	10:20 – 11:05	Meeting with head of municipal assembly and representatives of different parliamentary groups of Hani i Elezit		Hani i Elezit	
	11:10-11:55	Meeting with village leaders		Hani i Elezit	
	12:00-12:50	Travel from Hani i Elizit to Shterpce			
	14:00 – 14:45	Meeting with mayor and directors of municipal departments of Shterpce		Shterpce	
	14:50-15:35	Meeting with head of municipal assembly and representatives of different parliamentary groups of Shterpce		Shterpce	
Saturday 23.02.2013	09:00-10:00	Faton Frangu – Director of BIFURKACIONI Regional mob. 044 172 573 Leon Malazogu – D4D Leon Malazogu mob. 044) 126 011			Confirmed Confirmed,

Sunday 24.02.2013					
Monday, 25 02.2013		Visit to two LOGOS partner municipalities: Kamenica and Ranillug		Kamenice	
	9:30-10:15	Meeting with mayor and directors of municipal departments of Kamenice		Kamenice	
	10:20-11:05	Meeting with head of municipal assembly and representatives of different parliamentary groups of Kamenice		Kamenice	
	11:10-11:55	Meeting with village leaders		Kamenice	
	13:30-14:15	Meeting with mayor and directors of municipal departments of Ranilug		Ranilug	
		Meeting with head of municipal assembly and representatives of different parliamentary groups of Ranilug		Ranilug	
		Meeting with village leaders		Ranilug	
Tuesday, 26 02.2013	08.30- 10.00	Interim discussion with SCO			Confirmed
	10.15 – 12.30	Interviews with NPOs of other Domains of cooperation SCO (water, migration, health and economy)			
	13.30 – 14.30	Meeting with Kosovo Civil Society Foundation		KCSF offices	Confirmed, they asked for questions
	14.45 – 15.45	GIZ, Ertan Monoglu		SCOK	Confirmed, prefers to meet @ SCOK, theirs is small office.
	16.00 – 17.00	OSCE, Kreanar Loshi, Chief of Local Governance Section, Fatmir Zylfijaj NPO			Confirmed, NPO will join him
Wednesday, 27 02.2013		KIPRED (Ilir Deda Director and two senior staff outside Kosovo), WTF (despite the desire to meet with Consultants Baton Begolli is in a workshop and will not be able			Exact time to be defined

		to), DfD (Elbasan Morina is in a study tour in Croatia).			
	08:15-09:30	Swiss Deputy Ambassador in Kosovo		Swiss Embassy	Confirmed
	10:00 – 11:00	UNDP, Chris Decker, Alexis Frank		UNDP.	Confirmed
	11:30 – 12:30				
	13:30 – 14:30	KIPA-Kosovo Institute for Public Administration Hysni Veseli, Chief Executive Officer		KIPA	Confirmed
	15:30 – 18:00	AKM Coach Kelmend Zajazi		AKM	Confirmed
Thursday, 28 02.2013	08.15 – 09.45	GIZ, Gabrielle Becker Team Leader "Modernization of Municipal Services"	all	GIZ offices	Confirmed
	10.00 – 16.00	AKM event (meeting with council of mayors 10.00 to 12.00 and meeting with AKM collegia representatives from 14.00 to 16.00)		AKM	Confirmed
	16.30 – 17.30	EU Office, Albina Duraku-Nura		EU Offices	Confirmed
Friday, 01. 03.2013		Municipalities not involved in LOGOS Mitrovica and Vushtrri and the respective regional development agency (RDA)			Same positions to meet as in previous four municipalities
	09.00-10.00	Mayor of Mitrovica, Mr. Avni Kastrati and Director of Finance, Director of Urbanism, Director of Public Services, Director of Administration.		Mitrovica municipality	E-mail sent
	10:30-11:30	Rrustem Musa – Chairperson of the Municipal Assembly, together with the representatives of the parties / parliamentary groups: Gylten Kamberi- deputy chairman from Turkish community. Eset Ujkani-PDK,Murteza Berisha-LDK,Ibrahim Bala-AKR,Hajzer Istrefi-AAK,Mustaf Pllana-LDD,Dafina Idrizi-independent grup.		Mitrovica municipal assembly	Confirmed

	13.30-14.30	Mayor of Vushtri Mr.Bajram Mulaku and Director of Finance, Director of Urbanism, Director of Public Services, Director of Administration.		Vushtri municipality	Confirmed
	15:00-16:00	Habib Mustafa – Chairperson Municipality of Mitrovica, together with the representatives of the parties / parliamentary groups.		Vushtri municipal assembly, 3rd floor no.35.	Confirmed, his answer expected on rep.of parliamentary groups.
Saturday 02. 03.2013	10.00 – 13.00	Debriefing with SCO –K (MB and DK)	all		Afterwards joint lunch in Rest. Tiffany or Ultra
Sunday 03.03.2013		Preparation for the validation workshop and sketching of main elements of Entry Proposal			
Monday, 04.03.2013	09.00 – 12.00	Workshop with main stakeholders for validation of preliminary findings and reccos	all		**Where? Whom to invite? How many persons?**
	12.30 – 13.30	Final debriefing with SCO K	all		
04.03.2013	15.45	Departure from Prishtina International Airport (PIA)		Prishtina Airport	

- Meetings with   Andreas TARNUTZER held in Switzerland and with Pascal ARNOLD , Helevas SI, Team Leader Eastern Europe, held in CH, prior to mission in Kosovo

- Meetings

Actors interviewed / interacted with

List of Actors Interviewed / Interacted with

No	Institution	Persons met	Positions
SDC – SCO Kosovo			
1	SDC – SCO Kosovo	Markus Bächler	Country Director
2	SDC – SCO Kosovo	Saranda Cana	Senior Programme Officer
3	SDC – SCO Kosovo	Arjeta Lleshi	Senior Programme Officer
4	SDC – SCO Kosovo	Victor Popović	Senior Programme Officer
5	SDC – SCO Kosovo	Merita Stavileci	Senior Programme Officer
6	SDC – SCO Kosovo	Ardiana Zhuri	Senior Programme Officer
LOGOS project team			
7	HELVETAS - LOGOS	Norbert Pijls	Project Coordinator
8	HELVETAS - LOGOS	Merita Barileva	Senior Project Officer
9	HELVETAS - LOGOS	Mentor Rexhepi	Senior Project Officer
10	HELVETAS - LOGOS	Fatime Rrahmani	Project Officer
11	HELVETAS - LOGOS	Majlinda Jupolli	Project Officer
12	HELVETAS - LOGOS	Dardan Maliqi	Project Officer
13	HELVETAS - LOGOS	Eremira Salihu	Project Officer
14	HELVETAS - LOGOS	Wessel Catshoek	Governance Advisor
Ministries			
15	Ministry of Local Government Administration	Basri Musmurati	Deputy Minister of Ministry of Local Government Administration (MLGA)
16	Ministry of Local Government Administration	Besnik Osmani,	Permanent Secretary of the MLGA
17	Ministry of Finance, Department of Municipal Budget	Petrit Popova	Director of Department of Municipal Budget, Ministry of Finance
Municipalities			
18	Kamenica	Shaip Surdulli	Mayor
19.	Ranilug	Gradimir Mikić	Mayor
20	Mitrovica	Avni Kastrati	Mayor and Member of the Board of AKM
21	Gjilan	Qemajl Mustafa	Mayor and Member of the Board of AKM
22	Shtime	Naim Ismajli	Mayor and President of AKM
23	Hani i Elezit	Rufki Suma	Mayor
24	Novo Brdo	Bajrush Ymeri	Mayor
25	Vushtrri	Dibran Perquku	Deputy Mayor
26	Kamenica	Enver Mavriqi	Chairman of Municipal Assembly
27	Hani i Elezit	Menduh Vllashi	Chairman of Municipal Assembly and Head of Policy and Finance Committee
28	Hani i Elezit	Fari Kallisu	Director of Administration
29	Hani i Elezit	Miqail Vila	Urban Planning and Cadastral Records
30	Hani i Elezit	Nesim Dernjani	Director of Education, Culture, Youth and Sports
31	Hani i Elezit	Rufat Shkreta	Director of Public Services
32	Hani i Elezit	Agim Berisha	Village representative of Gorancë
33	Hani i Elezit	Shaip Curri	Village representative of Dronjak
34	Hani i Elezit	Xhevahir Dermnjani	Village representative of Paldenicë
35	Hani i Elezit	Naser Laçi	Village representative of Laç
36	Hani i Elezit	Qamush Brava	Municipal Assembly member and member of Policy and Finance

			Committee
37	Hani i Elezit	Latifete Fida	Municipal Assembly member and Deputy Head of Community Committee
38	Hani i Elezit	Shaban Çupi	Municipal Assembly member
39	Hani i Elezit	Bashkim Sopa	Head of Municipal Press Office
40	Kamenica	Enver Ajvazi	Director of Administration and Personnel
41	Kamenica	Rabit Halili	Director of Economy, Budget & Finance
42	Kamenica	Irfan Dermaku	Director of Urbanism and Spatial Plan.
43	Kamenica	Avni Hoda	Head of Legal Office
44	Kamenica	Fahrije Kryeziu	Director of Education
45	Kamenica	Jeton Biçkaj	Member of Assembly
46	Ranilug	Lulzim Canaj	Deputy Mayor
47	Ranilug	Vanja Trajković	Director of Administration and Personnel
48	Ranilug	Xhavit Krasniqi	Director of Budget and Finance
49	Ranilug	Milutin Popović	Director of Urbanism & Cadastre
50	Ranilug	Milivoje Jovanović	Village representative of Domorovce
51	Ranilug	Miško Krstić	Village representative of Ranilug and Glogovce
52	Ranilug	Saša Aleksić	Village representative of Ropotovo
53	Ranilug	Vladica Aritonović	Chairman of Municipal Assembly
54	Ranilug	Živko Tomić	Member of Municipal Assembly
55	Strpce	Siniśa Budrić	Director of Public Services & Emergency
56	Strpce	Predrag Grbić	Chairman of the Municipal Council
57	Strpce	Menderes Hyseni	Director of Health and Social Services
58	Strpce	Jelena Janićević	Head of Mayors Office
59	Strpce	Marjan Spasić	Director of Education, Sports & Culture
60	Strpce	Dmitrije Račićević	Director of Urbanism
61	Vushtrri	Dibran Perquku	Deputy Mayor
62	Vushtrri	Naim Hyseni	Director of Emergency
63	Vushtrri	Idriz Smajli	Director of Urbanism
64	Vushtrri	Haki Maloku	Office of the Mayor
65	Vushtrri	Idriz Muzaqi	Director of Administration
66	Vushtrri	Abit Abiti	Senior Financial Officer
67	Vushtrri	Bahri Bivalaku	Spokesperson
68	Vushtrri	Shpetim Zhegrova	Assembly Member
69	Vushtrri	Qazim Azemi	Assembly Member
70	Vushtrri	Habit Mustafa	Chairmen of Municipal Assembly
71	Mitrova	Mejdi Balaj	Director of Urbanism
72	Mitrova	Avdullah Bejtullahu	Director of Administration Personnel
73	Mitrova	Rasim Veseli	Director of Public Service
74	Mitrova	Rrustem Abiti	Director of Economy Budget and Finance
75	Mitrova	Rrustem Musa	Chairman of Assembly
76	Mitrova	Gulten Kamberi	Deputy Chair of Assembly
77	Mitrova	Hajzer Istrefi	Member of Assembly
78	Mitrova	Murteza Berisha	Member of Assembly
79	Mitrova	Ibrahim Bala	Member of Assembly
80	Mitrova	Abit Avidu	Member of Assembly
81	Mitrova	Nazmi Jashari	Secretary of Assembly
82	Mitrova	Aferdita Maxhuni	Assistant to the Chairperson

	Associations of Kosovo Municipalities		
83	Association of Kosovo Municipalities (AKM)	Sazan Ibrahimi	Executive Director
84	Association of Kosovo Municipalities (AKM)	Arsim Osmani	Manager of AKM Press and Public Information Office
85	Association of Kosovo Municipalities (AKM)	Nečo Perić	Member of AKM Board from Municipality of Gračanica
86	Municipality of Peja	Xhafer Dema	Chairperson of Health Collegia
87	Municipality of Peja	Aferdita Grapci	Chairperson of Collegia on Budget and Finance
88	Municipality of Han i Elezit	Bajrush Laqi	Deputy Chair of Collegia on Economic Development
89	Municipality of Viti	Agim Haziri	Chair Public Services and Environment Collegia
90	Municipality of Drenas	Xheme Binaku	Chair of Administration Collegia
91	Municipality of Kaqanik	Bajram Beqiri	Chair of the Collegia of Municipal Assembly
92	Association of Kosovo Municipalities (AKM)	Arta Bajrami	AKM expert
93	Association of Kosovo Municipalities (AKM)	Shqipe Arifaj	AKM legal advisor
94	Association of Kosovo Municipalities (AKM)	Liridona Ponosheci	Interpreter
	Non-governmental organizations		
95	KCSF	Fatmir Curri	Program Manager
96	KCSF	Venera Hajrulllahu	Executive Director
97	KCSF	Taulant Hoxha	Program Manager
98	D4D Think Tank Institute	Leon Malazogu	Executive Director
	Other government organisations		
99	Bifurkacioni Regional Water Company of Ferizaj & Kaçanik	Faton Franku	General Director
100	Regional Development Agency – North	Fatos Raifi	Executive Director
101	Regional Development Agency – North	Mrika Maliqi	Project Manager
102	Kosovo Institute of Public Administration	Hysni Veseli	Executive Director
	International organizations / Donors		
103	Embassy of Switzerland	Christian Winter	Deputy Head of Mission
104	USAID	Jeton Cana	USAID Democracy and Governance
105	EU Twining Project ECSM - NICO,	Alan Packer	Resident Twining Adviser
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117	UNDP	D. Christopher Decker	Programme Coordinator Democratic Governance Programme
114	UNDP	Alexis Franke	Governance Programme Analyst
Consultants			
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116		Adreas Tarnutzer	Backstopper of AKM

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A 5 / 1

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8	EU Twining Project	Alan Packer
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12	LOGOS	Norbert Pijls
13	Mission-Team	Besnik Tahiri
14	Mission-Team	Daniel Kessler
15	Mission-Team	Matthias Boss

Stakeholder Analysis

Functions, interest and power (pro & contra) in regard to decentralisation reform

Actors	Functions	Interest	Power
Parliament	Introduce, debate and approve laws.	Majority of parliament want to support the government to implement its priorities and policies. (High)	In a position to delay / speed up / harmonise legislation in regard to decentralization. (High)
Parliamentary Committee for Education, Culture, Youth, Sport, Public Administration, Local Governance and Media.	Introduce new legislation / debate on legislation regarding local governance.	For the majority representatives: concentrating power with the central government. Make provision for better local government functioning. (Medium - Hihg)	Only consulted in the legislative process. No cases so far of committee to introduce new legislations. (Low)
President	No specific function in regard to decentralization.		
Prime Minister	Overall coordination of policy and legislation making processes.	Concentrate of power at central level. Concentration of power in own party and own person. Little interest in a continuous decentralisation process. (High)	Informally: Ultimate decision-making power including strategic orientation of ministries. (High)
Ministry of Finance	Overall management of public funds, including planning and allocation of financial resources.	Control over public spending including at municipal level. Concentrate spending at the centre. (High)	Can reject municipal budgets and accounts. Chairs grant commission. (High)
MLGA	Oversee and control municipal legal compliance.	Supporter of decentralisation at central government	Marginalised ministry Expected to be absorbed by other

	Coordination and facilitation of implementation of policy and legislation measures, providing administrative services, including provision of overall guidance for municipal level.	level. Able to acquire important donor contributions. (High)	ministry in medium term. (Low)
Ministry of Education	Setting standards, inspection, providing human and professional resources, infrastructure, decide on location of vocational training centres and universities.	Division of competences between central government and municipality is hardly debated. (High)	Decision making power in regard to allocation of school infrastructure. (High)
Grant Commission	Deciding on allocation of health, education and general grants. Oversee allocation of financial resources outside the three grants to municipalities.	Retain decision making power over allocation of resources at central government level. (High)	Decision on the allocation of financial resources for municipalities. (High)
Ministry of Health	Setting standards, inspection, providing human and professional resources, infrastructure and administration. Procure and provide essential medicine.	Division of responsibility of primary health care hardly debated. On secondary health care some debate on the allocation of regional hospitals. (High)	Retention of procurement responsibility. (High)
Association of Kosovo Municipalities	Defend and promote the rights and interest of municipalities in front of central government.	Competencies and resources to advance decentralization. (High)	Sole voice of municipalities, recognized interlocutor acting on behalf of municipalities (High)
Civil Society Organisations	Counter balance state power and defend citizens' interest (watch dog function).	Participation of citizens in decision-making. (Low)	Voice interest of citizens. CSO have no membership base. (Low)
Think-Tanks	Introduce new topics and provide evidence for public debates on	Attempt to influence policy making at the central level.	Voice their own expert position.

	Kosovo's evolution.	(Low)	(Low)
Citizens	Demand and exercise their rights.	Receive accessible public services. Not concerned which level of government provides services. (Low)	Elect their representatives and voice their opinion. Do not make use of the citizens' rights available to them. (Low)
Media	Provide information on working of state institution to the public and help the public to shape its opinion.	Focus rather on central government politics. (Low)	In specific moment (forming new municipalities / North Kosovo) they are an important voice. (High)
PDK, LDK, AAK, AKR, SLS	Dealing with policies, legislation and implementation.	Concentration of power in the centre. Decentralization accepted as a condition of the status settlement (Ahtisaari Plan). (High)	Ruling party (coalition) ultimate wants to concentrate power in the centre. (High)
Vetevendosje	Dealing with policies, legislation and implementation.	Strongly opposed to decentralization and the Ahtisaari Plan (High)	Mobilisation of people around an ideology. (Low)
USAID	Most important (development) partner of Kosovo.	Make sure that stability is secured. (Low)	Direct influence on Kosovo policies. (High)
EU	Second-most important (development) partner of Kosovo.	Make sure that stability is secured. (Low)	Not primarily concerned with the division of tasks between the different state levels. (High)
GIZ / SIDA / SDC	Provide technical and financial resources for issues related to decentralisation.	Improve democracy and service delivery. Comply with international standards. Implement Ahtisaari Plan (High)	Introduction of methodologies, procedures and technologies. (Low)
Serbia	Direct present with their	Prevent implementation	Can delay full

	parallel structure in North Kosovo (3) and 6 in Gjilan Region.	of Ahtisaari Plan (High)	integration of Serb-majority municipalities into Kosovo structures (High)

LOGOS II Self-Assessment

The following tables reflect the LOGOS team's assessment of the project's performance regarding outcomes and outputs.

Outcome	Result
Selected partner municipalities in South Eastern Kosovo are more accountable, transparent, equitable and effective in local governance and able to deliver key services to satisfy all citizen groups	Indicator 1: Increased satisfaction of citizens (gender specific) with the performance of municipal administration in all partner municipalities. Result: Average K-A Municipalities Men: 2009: 77,5%, 2012: 74,4% Average K-A Municipalities Women: 2009: 63,1%, 2012: 76,5% Average K-S Municipalities Men: 2009: 37,1%, 2012: 69% Average K-S Municipalities Women: 2009: 42,9%,2012: 60,9%
	Indicator 2: Improved satisfaction of citizens with municipal financial management in all partner municipalities. Result: Average K-A Municipalities: 2009: 62,7%, 2012: 81,8% Average K-S Municipalities: 2009: 28,3%, 2012: 52,4%
	Indicator 3: Improved satisfaction of citizens with participation in the decision making process in all partner municipalities. Result: Average K-A Municipalities: 2009: 79,6%, 2012: 80,6% Average K-S Municipalities: 2009: 52,9%, 2012: 69,6%

Output 1	
Capacities of partner municipalities for participatory and inclusive development planning, management and budgeting are improved	Indicator 1: All partner municipalities have improved the implementation and monitoring of their development plans and included the priorities of the sub-municipal level Result: LOGOS drafted 10 strategic and urban development plans through a participatory procedure. Villages were represented in the municipal workings groups on spatial planning or consulted on a regular basis. LOGOS support further ensured that spatial plans were adopted according to legal requirements. This implied in particular the organization of regular public meetings/consultations on the substance of the plans.
	Indicator 2: All partner municipalities will have established links between planning and budgeting processes including the priorities of the sub municipal level Result: In the cases of 3 partner municipalities which were already endowed with the relevant plans, annual investments projects were budgeted according to the priorities these plans contain. For other partner municipalities, the plans first needed to be developed. The draft versions of the plans were mostly available in the Summer 2012 and therefore used as input for selecting the investments and priorities of the budget 2013. The final plans have been adopted by these municipalities in late 2012. A sub-municipal regulation (drafted by LOGOS) has been adopted in all LOGOS partner municipalities. It emphasizes inclusion of villages in budget planning. The Ministry of Local Government Administration has endorsed the template

Output 2	
Abilities of partner municipalities to provide public services to all citizens in the whole municipal territory are improved	Indicator 1: Increase in the percentage of citizens which is satisfied or highly satisfied with administrative services in municipality where one stop shop is introduced Result: 2009: 72,3%, 2012: 75,5%
	Indicator 2: Improved perceived accessibility to local services for citizens and communities in municipality where one stop shop is introduced Result: 2009: 77,7%, 2012: 84,3%
	Indicator 3: Increased satisfaction of citizens with solid waste collection in at least 2 partner municipalities Result: Hani i Elezit: 2009: 46%, 2012: 73,6% Viti: 2009: 59.7%, 2012: 36.9%

Output 3	
Experiences are capitalized and good practices are disseminated to other municipalities. Selected local experiences are brought into the national policy dialogue	<u>Indicator 1:</u> Good practices and experiences from the LOGOS Phase II project are considered relevant for designing national policies Results: The law on waste and the Law on POEs have been amended and allow municipalities to establish municipal public companies. The sub-municipal regulation developed by LOGOS has been transformed into a national level template by the MLGA and has been disseminated by the MLGA and the AKM. The methodology supported by LOGOS in the field of property tax for "registering unregistered objects" has been replicated Kosovo-wide through a joint initiative of LOGOS and USAID DEMI, in partnership with the Ministry of Finance and the Association of Kosovo Municipalities.
	<u>Indicator 2:</u> Replication of good practices and tools among partner and non partner municipalities <u>Results:</u> The methodology supported by LOGOS in the field of property tax for "registering unregistered objects" has been replicated Kosovo-wide through a joint initiative of LOGOS and USAID DEMI, in partnership with the Ministry of Finance and the Association of Kosovo Municipalities. Over 30.700 objects were registered. The OSCE participated in Gender Responsive Budgeting trainings organised by LOGOS and replicated the training with non-partner municipalities and civil society members. The regulation on the sub-municipal level supported by LOGOS has been transformed into a template by MLGA and disseminated to all Kosovo municipalities.

Titel Annex 8

Titel Annex 8

Titel Annex 9

Titel Annex 9

Titel Annex 10