

UNDP Kosovo

**Decentralized Formative Evaluation of the Inclusive Growth
Programme Component KPAP 2011-2015**

Final Evaluation Report

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20/09/2014

Preface / Acknowledgements

This evaluation report was prepared by Thomas Otter, acting as an external international evaluation consultant/team leader and Harjrulla Ceku, acting as an external national evaluation consultant. The evaluation field work was implemented in May 2014 under the guidance of the UNDP Kosovo Country Office.

The evaluation drew from the input from a wide range of individuals inside and outside UNDP. Specific appreciation goes to UNDP Kosovo staff, particularly to Mrs Steliana Nedera, DRR; Mrs Valbona Bogujevci, Programme Coordinator Inclusive Growth Team, Mr Anton Selitaj, Senior Programme Associate and Mr David Svab, Programme Officer.

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Abbreviations

ABD	Area Based Development
AFT	Aid for Trade
ALMM	Active Labour Market Measures
ALMP	Active Labour Market Policies
BAC	Business Advisory Centre
CDR	Combined Delivery Report
CPD	Country Programme Document
CSO	Civil Society Organization
DAC	Development Assistance Committee
DEED	Diaspora Engagement for Economic Development
DIM	Direct Implementation Modality
DEX	Direct Execution
EC	European Commission
EU	European Union
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
GIM	Growing Inclusive Markets
GoK	Government of Kosovo
HSTF	Human Security Trust Fund
IG	Inclusive Growth
IOM	International Organization for Migration
KPAP	Kosovo Programme Action Plan
LAG	Local Action Group
LDCS	Local Development for Community Stabilization
MLSV	Ministry of Labour and Social Welfare
MNAO	Mitrovica North Administrative Office (MNAO).
SE	Social Enterprise
TEP	Territorial Employment Pact
UNDP	United Nations Development Programme
UNEG	United Nations Evaluation Group
UNKT	UN Kosovo Team
UNMIK	United Nations Interim Administration Mission in Kosovo
UN CDP	UN Common Development Plan
VET	Vocational Education and Training

Executive Summary

Background, Methodology and Progress

This is a formative evaluation of the Inclusive Growth (IG) component of the UNDP Kosovo Programme Action Plan (KPAP) 2011-2015. The evaluation fieldwork finished mid-2014, roughly 18 months before the end of the KPAP programming cycle. The evaluation approach is straightforward following UNEG and UNDP guidelines. Ten projects have been selected out of the IG component activities (see Table 4 in the main text below).

Regarding the progress of implementation of the IG component, out of the six project currently (June 2014) under implementation, three are in their last quarter (ABD (Area Based Development), Regional Roma, AFT (Aid for Trade)), two are roughly in their mid-way (HSTF (Human Security Trust Fund) and DEED (Diaspora Engagement for Economic Development), and the ALMP (Active Labour Market Policies) has a long term perspective with an implementation period until early 2017 already approved.

Relevance, Coherence and Design

Finding 1: The IG component has been fully in-line, coherent and relevant for supporting Kosovo's development goals and priorities throughout its entire period of implementation. The priorities of the Government and UNDP Kosovo are defined based on a sound analysis of living conditions in the country and consequently fully focused on people's needs. The IG component priorities, already defined back in 2011, are fully coherent and in line with the global UNDP strategy, most importantly since the component's institutional capacity-building approach aims to support the construction of necessary conditions for enabling the country's policy to move forward to the simultaneous reduction of poverty and inequality, envisaged by UNDP at a global level. The quality of the IG component design is only moderately satisfactory, since project logframes and the component design as such suffer the lack of some important technical elements, such as a sound progress monitoring of expected results (including an adequate definition of result indicators) and a more sound diagnostics and definition of the required capacities in government and partner institutions, to be built or supported through the IG component and its projects.

Effectiveness

Finding 2: Since 2011, the IG component has rightly concentrated its efforts firstly on facilitating (dialogue) processes and in general capacity building measures (planning, among others). For these two sets of activities, the component has at its disposal two specific tools (Local Action Groups - LAG and Territorial Employment Pact - TEP), which proved to be helpful in structuring the dialogue and capacity building processes and making them effective. The component concentrated to a lesser degree on the establishment of networks (in Art Gold and DEED), with different levels of achieved effectiveness. Knowledge transfer and knowledge generation existed but were not at the heart of the component and also showed different levels of (effectiveness) performance. The overall rating for effectiveness is satisfactory, but the need for a change in the characteristics of future component activities can already be envisage. The overall positive effectiveness is finally a result of a combination of soft assistance and soft skills of the project teams, combined with technical characteristics of the project design (outputs) and often the fact that the UNDP has been able to identify what the right things to do within projects are (defining deliverables), based on people's needs and according to what was feasible. UNDP is a partner trusted by all stakeholders and has

been able to bring people (from different sectors) together. Gender dimensions and pro-poorness have clearly been specifically taken into account in the project's design and implementation.

Efficiency and Management Arrangements

Finding 3: Availability of financial resources for the IG component was secured in the past and is reasonably well-secured for the near future. Resource availability allowed for high (satisfactory) financial delivery rates. This also implies satisfactory delivery levels of services and products mostly on schedule. The IG component additionally showed capacities for increasing delivery levels. The overall financial contribution from GoK is important, reaching roughly 10% of the overall budget execution. Even if the implementation and delivery performance is satisfactory, there are some weaknesses in the overall management structures of the IG component. There is no central component monitoring system for implementation progress (there is only a financial one), apart from annual implementation progress reporting. All other monitoring activities are project-based. There is no risk management strategy at the component level either, which leads to the fact that in practice, required risk management measures are only taken in an *ad hoc* manner. The partner engagement works through the project managers (and the IG component management), which performs at a satisfactory level and is at least so far an adequate structure, to the understanding of this evaluation. Since most of the IG component activities are implemented locally, they show clear characteristics for replicability and scale-up. The replication of LAGs, TEPs and ALMP show clearly that this is already happening in practice.

Impact and Sustainability

Finding 4: The evaluation confirms the existence of significant degrees of change (impact), generated through a long-term presence in certain thematic areas (employment and local development; namely ALMP, LDCS - Local Development for Community Stabilization and HTSF). The impact of more recent projects (GIM – Growing Inclusive Markets, DEED, Regional Roma and AFT) is still to come, however, this looks promising when considering the available resources (time, financial and human), what has been achieved so far and what is envisaged for the future (regarding impact). The Dragas/h projects did not perform as well regarding impact. Even in spite of these limitations, the overall IG component impact is still rated as significant. Sustainability aspects regarding the availability of financial resources and regarding the existence of required capacities in partner institutions are currently rated as moderately likely. This rating, however, has possibilities of improving in the short-term. The current financial perspectives of the IG component go beyond 2015 only for ALMP and DEED. Regarding the existence of required capacities for sustainability in partner institutions, this evaluation has concerns because no clear assessment exists to determine what would be the required capacities in partner institutions and no structured intervention exists in order to create the missing capacities.

Partnerships

Finding 5: The IG component partnership strategy is strong and successful in bringing a wide range of different partners on-board (local, national, regional), which enriches the dialogue and strengthens the potential for (financial) sustainability (diversification of financial sources) and additionally gives the component's work a medium-term perspective. The IG cluster makes a very productive use of its capacities for leading and guiding a productive policy dialogue. Partners have a clear understanding of the comparative advantage UNDP offers as an institution, but in the implementation of activities on the ground, it is not always clear how much productive use is made out of these advantages.

Gender

Finding 6: The IG component's work in gender mainstreaming, policy design, project design and project implementation is visible and strong. Gender aspects are included in the logframes - e.g. the emphasis in targeting ALMM to female members of vulnerable groups or the recognition of the specific importance of gender organizations for the political dialogue and for providing services or network advantages to women, as in the case of working with the female business association in Northern Kosovo. Hence, gender issues are taken into account in the project design and are implemented accordingly.

Table ES1: Overall rating of IG component implementation performance

Relevance, coherence and design	Qualification		Quality of implementation	Qualification	
	Rating	Comment		Rating	Comment
Coherence with UNDP global strategy	2 - Relevant	The IG component priorities, already defined back in 2011, are fully coherent and in-line with the global UNDP strategy	IG component coordination and management arrangements	4 - Moderately Satisfactory (MS): moderate shortcomings	The management is performing well in most of the cases, given the existing structures for management and monitoring at component level. These structures are however weak at a component level, lacking a full monitoring mechanism for implementation, and lacking a risk management structure (risk management is carried out only <i>ad hoc</i>).
Thematic relevance for Kosovo	2 - Relevant	IG component projects fully in-line, coherent and relevant for supporting Kosovo's development goals and priorities throughout the entire implementation period under evaluation (since January 2011).	Policy dialogue and partnerships	4 - Likely (L): negligible risks to sustainability	Diverse set of local, national and regional partners. Very strong in policy dialogue. Less strong in making productive use of UNDP's comparative advantages in project implementation on the ground.
Quality of IG component design	4 – Moderately satisfactory	Only half the required technical characteristics of a full component design with high quality have been accomplished by the IG component.	Gender mainstreaming	3 - Significant (S)	Strong accomplishment of gender considerations in project design (logframes) and in implementation. Less visibility of gender mainstreaming in policy design.
Evaluation of outcomes	Qualification		Sustainability	Qualification	
	Rating	Comment		Rating	Comment
Effectiveness of IG cluster implementation	5 - Satisfactory (S): minor shortcomings	Strong performance in the task of facilitating processes and, albeit to a lesser extent, in capacity building. Even better performance in networking and knowledge generation and transfer, though at a lesser degree. Markets and investment is the most effective working area, before employment and local development.	Impact	3 - Significant (S)	The evaluation confirms the existence of significant degrees of change (impact), generated through a long-term presence in certain thematic areas (employment and local development, namely ALMP, LDCS, HTSF). The impact of more recent projects (GIM, DEED, Regional Roma and AFT) is still to come. However, considering available resources (time, financial, human), what has been achieved so far and what is envisaged for the future (regarding impact), is promising.
Efficiency of IG cluster implementation	5 - Satisfactory (S): minor shortcomings	Availability of financial resources is secured, which allows for high (satisfactory) financial delivery rates. This also implies satisfactory delivery levels of services and products mostly on schedule. The IG component additionally shows capacities for increasing delivery levels.	Financial resources	3 - Moderately Likely (ML): moderate risks	Currently only one project (ALMP) with financial resources secured beyond 2015. Limited availability of resources from donor side and concerns (in some cases) regarding the transparency of resource use. Very low government contribution.
			Partner institutions capacities and normative framework	3 - Moderately Likely (ML): moderate risks	No clear assessment exists regarding the required capacities in partner institutions for sustaining achieved results and processes. No current action taken for creating the missing capacities.

Source: compiled by the evaluation team based on UNEG and UNDP evaluation guidelines suitable for this evaluation

Conclusions

The IG component, its work and its results have contributed importantly to a process of economic stabilization and the generation of economic opportunity, for both men and women alike and for different population groups in Kosovo. The IG component has rightly focused on issues regarding employment and entrepreneurship and has become a key player in the employment policy field. After having consolidated its expertise in employment policies, the IG component has been able to take advantage of the strong position gained in employment issues, reaching out into local development planning on the one hand (including environmental issues) and at the same time creating links to the central government. The IG component has been shown to be innovative (e.g. through the DEED project). At the same time, the issue of employment and economic activity has proved to be an important entry point for planning, which the IG component has been able to take advantage off through LAGs and TEPs.

In spite of these visible results, the component is facing some challenges regarding longer-term resource mobilization, even though the financial sustainability is ensured in the short term. The design of projects under the IG umbrella is traditional and shows usual weaknesses in the monitoring of progress towards results (projects are usually good at monitoring progress of delivery) and in a more sound design of capacity-building strategies and activities, specifically for the exit or transition periods of projects. The IG component as a whole gives the impression of being an umbrella under which economic projects are lumped together. Trying to put together a top down component strategy and component monitoring framework could help to further improve the components effectiveness and the sustainability of its processes and results.

Recommendations

RELEVANCE, COHERENCE AND DESIGN

- Define additional specific goals and not only a global goal at a component level
- Define goals and indicators which can be influenced by the project or component activities
- In case the projects are still not fully known when the component is defined, redefine some of the component's planning elements once the projects are designed
- At a component level, do not commit to change indicators at a national level (e.g. unemployment), given that this cannot be achieved by any one project (given its scope). Instead, focus on goals such as "identifying bottlenecks" (in policies, norms, institutional frameworks, capacities, etc.), which avoid achieving a given outcome and design component and project activities that help to remove these bottlenecks
- Include "starting" or "pre-implementation" periods in the project design (the time you need for projects to get ready for operating, such as identifying experts, contracting, tenders, putting field offices together etc.)

EFFECTIVENESS

- In the selection of future thematic working areas, focus on medium term approaches
- The provision of tools (LAG, TEP) improved the effectiveness of projects, identify global UNDP tools which can be used or design additional local tools for the thematic areas which still do not have tools for implementation. In this sense, tools for capacity building and for management or projects from implementing partner's seem to be the most promising ones

- At a global level, the UNDP has an important strength in knowledge transfer. This area seems to be under-exploited in Kosovo. Explore possibilities to increase the use of knowledge transfer mechanisms
- Continue the thematic line of:
 - Employment and income generation
 - Integration through social inclusion
- For the thematic design of new projects, implement a half-day workshop for better understanding on how the generation of opportunities works through public policies
- Consider the possibility of working thematically on the issues related to social expenditures/social security and employment
- Consider the possibility of working on VAT issues
- Consider the possibility to work on issues related to agriculture production (even if this is a FAO or IFAD field, the UNDP can work on issues like networking between smallholders, access to finance, access to markets)
- Continue working in parallel at a central and local level
 - Strategic geographic focus on municipalities
- Concentrate on a selected set of municipalities and a selected set of topics (in order to be able to have higher impacts)

EFFICIENCY AND MANAGEMENT ARRANGEMENTS

- Consider putting together an M&E system regarding the progress towards joint component results (e.g. as well defining intermediate results and milestones), in order to better understand how individual project results contribute jointly (synergy) to the overall progress towards the component goals
- Design and implement oversight systems for transparency of resources use
- Ensure that alert and reporting procedures regarding a possible suspicion of inadequate resource use are accomplished as established under UNDP rules and in the contracts signed with the donors

IMPACT AND SUSTAINABILITY

- There is a need for some more conclusive assessments on what the achieved results mean for – policy framework, institutional framework, required capacities etc.
- “Better” follow-up for taking advantage of achieved results
- More flexible project frameworks for this might be needed (consider discussing these issues with donors)
- Consider the establishment of “fund baskets” (joint programmes) for the IG component
- There is a need for a better assessment of required institutional capacities during different project stages and what that means for the capacity building efforts of the projects regarding their partner institutions. Project co-implementation capacities at an early project stage are naturally different from institutional capacities required during an exit or transition

period of a project from co-implementation (Kosovo public institutions jointly with UNDP) towards single implementation through public institutions in Kosovo

PARTNERSHIPS

- Partners need a better understanding on how strategic advantages of UNDP are used in the implementation of projects and how these advantages contribute to a “better or different” achievement of results (compared to what could have been expected from other institutions carrying out the same activity)

1. Introduction¹

This introduction describes the development context as assessed in 2011, when the KPAP (Kosovo Programme Action Plan) and CPD (Country Programme Document) for 2011-2015 were defined. This development context also influences the thematic content and methodological approach of the Inclusive Growth (IG) cluster.

The United Nations, through its Interim Administration Mission in Kosovo (UNMIK), and its Agencies and Programmes, including UNDP, is present in Kosovo on the basis of the United Nations Security Council Resolution 1244 (1999) which provides the mandate for its operation. The UN Strategic Framework in turn provides the programmatic orientation for the entire UN family in Kosovo. Whereas the Common Development Plan of the Kosovo Team provides the joint programmatic framework for the UN agencies and programmes present in Kosovo, the Kosovo Programme Action Plan 2011-2015 is to be interpreted and implemented in conformity with the above.

A decade after the conflict (2009), Kosovo had reached a critical juncture. The period immediately after 2009 was expected to be able to establish Kosovo firmly on the road to a stable and prosperous future, in which its far-reaching development aspirations would be fulfilled. In order to convert this vision into reality, the need for overcoming a corrosive socio-economic impact of decades of neglect, mismanagement and discrimination was identified. Furthermore, in 2011 reconciliation at a community level had remained a challenge, but there were indications that in many places it had nevertheless taken recognizable root – outpacing higher-level political resolution. Although tensions remained palpable between Kosovo-Albanians and Kosovo-Serbs in a limited number of areas (particularly in the northern part of the Mitrovicë/Mitrovica region), they were mostly local in their impact and had no affect on broader progress.

Regarding the general development cooperation within this context, in the immediate aftermath of the 1999 conflict, the international community embarked on a series of humanitarian and development measures for improving the democratic governance in Kosovo, supporting the emergence of a market economy, improving living conditions through extensive public sector modernization, including significant capital investment in infrastructure. Substantial efforts had also been directed towards the re-establishment of rule of law and a fair justice system as well as working towards reconciliation by minimizing ethnic divides and working on the return and re-integration of returnees and Internally Displaced Persons.

Progress towards these goals has been uneven, such that in 2011 the Kosovo human development landscape was still dominated by poverty, lack of opportunities and wealth disparity. To respond to the challenge, the UN Common Development Plan (CDP) 2011-2015 focuses and harmonizes the work of the UNKT around four Strategic Themes: (i) Legislative and Policy Frameworks for Social Inclusion; (ii) Accountability for Delivering on Social Inclusion; (iii) Local Participation and Empowerment; and (iv) Environmental Health and Protection.

The first two of these strategic themes address key elements of social policy that, from planning and budgeting to implementation and evaluation, are urgently needed to lay a foundation for social inclusion in Kosovo, and rebuild trust in the governance process. The final two seek to make a more immediate impact on Kosovo's most dire living conditions – some of the worst in Europe. They envision an active dialogue between communities and authorities on the kind of society they wish to

¹ The content of this introduction is based on the KPAP 2011-2015 and the CPD 2011-2015

live in – and a positive cycle of change as people receive and contribute to better services, livelihoods, social justice and environmental welfare.

Through this framework, the UNKT committed itself to six major outcomes in Kosovo for public services, social justice and the environment: (i) a stronger normative framework for social inclusion; (ii) accountable and responsive central institutions; (iii) greater civic influence over the accountability of governance; (iv) human rights-based governance in target municipalities; (v) stronger institutional and industrial action on the environment; and (vi) more responsible individual environmental and health behaviour. These represent the UN's common priorities and accountability in Kosovo, intersecting closely with other major development efforts. They are the primary areas under which the UNKT will aim to leverage its comparative advantage as a catalyst for development energy, to mobilize wider and more powerful partnerships towards results for Kosovo's people.

Within this context, the KPAP 2011-2015 has identified the following most notable issues (we are mentioning here only selected ones) to which the UNDP IG cluster wishes to contribute towards their improvement:

- Poverty and living standards
 - Lack of decent work
 - Access to public services
- Sociopolitical exclusion
 - Ethnic, age, gender, disability
- Environmental degradation

Structure of the report

Chapter one provides the evaluation context and methodology; chapter two provides a short overview of the IG cluster and major means of action taken for implementing the cluster projects as well as a description of the level of progress achieved; chapter three focuses on the findings for each of the evaluation questions; and chapter four summarizes the main conclusions of the evaluation, while chapter five presents the key recommendations that require follow-up. Finally, the annexes provide additional information to support transparency and evidence on which the findings, conclusions and recommendation have been based.

1.1. Background UNDP Kosovo activities supporting inclusive growth

As part of the planning exercise for 2011-2015 (UNDP Kosovo Programme Action Plan – KPAP), UNDP Kosovo opted to support Kosovo's institutions in their provision of better public and social services and to provide more economic and livelihood opportunities for vulnerable women and men (returnees, IDP, minority groups, PWD, youth) as one of four outcomes². To better understand the current programme structure and focus, and in order to further guide this outcome evaluation, the evaluation team should look at the KPAP outcome 1 from the following perspective: to what extent has the UNDP Kosovo Inclusive Growth Programme succeeded in creating **more opportunities and improved quality of local services for economic development for individuals in risk of social exclusion**. While project targeting, in general, is concerned with certain groups (for example Roma,

² For the Results and Resources Framework, refer to the Annexes of the ToR for this assignment

Ashkali and Egyptian minorities, or people with disabilities), the tendency in the discourse within UNDP is to move from targeting vulnerability as a “condition” ascribed to certain groups towards targeting vulnerable individuals.

Since the 1999 conflict, the UNDP has implemented a number of interventions designed to create more opportunities and improved quality of local services for the economic development of individuals at risk of social exclusion throughout all of Kosovo. The UNDP’s Inclusive Growth Programme now builds on an integrated approach that revolves around:

1. Productive inclusion and employment;
2. Territorial development and systemic competitiveness;
3. Social promotion and protection against vulnerabilities.

Environmental sustainability is a crosscutting theme underlying all interventions.

Capacity development responses are integrated throughout programming and rooted into: i) local context; ii) local capabilities and knowledge base; iii) mobilization of social capital.

Since 2011 the following projects have had one or more components that are relevant to this outcome evaluation:

1. Local Development for Community Stabilization phase I
2. ABD LDCS II
3. Active Labour Market Programmes for Youth
4. GIM Initiative Kosovo
5. Sustainable land use management and conservation of biodiversity in Dragas/h municipality
6. ART GOLD Project in Dragas/h
7. Building a better future for Fushe Kosove/Kosovo Polje and Obiliq/c (HSTF)
8. Aid for Trade
9. Regional Roma Facility
10. Diaspora Engagement for Economic Development (DEED)

The evaluation is being carried out to assess the progress towards achieving the following outcome of the Inclusive Growth and Development component of UNDP Kosovo: *By 2015, vulnerable women and men (returnees, IDP, minority groups, PWD, youth) have more economic and livelihood opportunities, and benefit from better public and social services*³. **The evaluation should look at the outcome from the perspective of whether individuals at risk of social exclusion have more opportunities and better quality local services for economic development.** The evaluation should especially focus on UNDP’s contribution to date, and provide recommendations to guide the further implementation and development of this programme’s components.

1.2. Purpose and scope of the evaluation

This evaluation is part of the UNDP’s 2011-2015 evaluation plan, and its purpose is to provide the UNDP and its partners and relevant stakeholders with feedback that will enable the more efficient attainment of the outcome and will help direct future UNDP assistance to where it will more

³ As defined in UNDP Kosovo Programme Action Plan 2011-2015

effectively promote inclusive growth and the reduction of poverty in Kosovo, as well as ascertain UNDP's contribution to the achievement of the Inclusive Growth and Development outcome.

Scope

The following IG cluster projects are part of the evaluation:

1. Local Development for Community Stabilization phase II
2. ABD LDCS II
3. Active Labour Market Programmes for Youth
4. GIM Initiative Kosovo
5. Sustainable land use management and conservation of biodiversity in Dragas/h municipality
6. ART GOLD Project in Dragas/h
7. Building a better future for Fushe Kosove/Kosovo Polje and Obiliq/c (HSTF)
8. Aid for Trade
9. Regional Roma Facility
10. Diaspora Engagement for Economic Development (DEED)

The main objectives of the evaluation are to identify and assess the:

1. Status of the outcome (positive and negative trends, changes in the external environment/in the policy and regulatory framework relevant for the outcome)
2. Factors affecting progress towards the outcome
3. UNDP contributions to the outcome
 - Relevance of the outcome and associated outputs
 - Effectiveness of UNDP outputs under or contributing towards the outcome
 - Efficiency of UNDP outputs towards the outcome
 - Sustainability of UNDP outputs towards the outcome
4. UNDP partnership strategy
 - Appropriateness and effectiveness of partnerships
5. The level of UNDP contribution towards strengthening the application of rights-based approach and mainstreaming of gender in development efforts
 - Efficiency efforts to promote inclusion, participation and fair power relations
 - Degree of promotion of UN values

1.3. Evaluation methodology

1.3.1. Evaluation criteria

The evaluation will examine the IG cluster along the following evaluation criteria: (i) Relevance and strategic fit, (ii) Project progress and effectiveness, (iii) Efficiency of resource use, (iv) Quality of Monitoring and Evaluation (M&E) framework, and (v) Evidence of results and sustainability. Each criterion is assessed according to the evaluation questions that are listed below in the corresponding sub-section. In concluding the analysis, the evaluation summarizes the lessons learned and identifies good practices.

The methodology implemented for this evaluation included a wide range of data-gathering methods.

- **Document Review**, including relevant UNDP and partner programme documents, government strategies, statistical reports as appropriate, as well as general contextual analyses

- **Individual semi-structured interviews** with key stakeholders (staff, government, partners, beneficiaries)
- **Site visits** were proposed to better understand the context and achievements of the programme, as well as the dynamic interaction of stakeholders in programme activities.

The principles of triangulation (use of multiple sources, including key informants) and stakeholder participation were implemented for this evaluation. An overview of different data sources per evaluation criteria can be found in the annex.

The evaluation team has marginally redefined the general UNEG and UNDP evaluation criteria proposed in the TORs, in order to make them more operational. They have been applied to the analysis using the following definition and approach.

- a) Relevance and strategic fit: extent to which objectives are consistent with beneficiaries' requirements, country needs, global priorities and the policies of partners and donors; extent to which the approach is strategic and the UNDP uses its comparative advantage.
- b) Validity of the intervention design (coherence): extent to which the interventions are logical and consistent, how project outputs are realistically achievable and how outcomes are likely to follow.
- c) Effectiveness and progress of the interventions: extent to which the intervention's immediate objectives were achieved, or are expected to be achieved, taking into account their relative importance.
- d) Effectiveness of management arrangements: extent to which management capacities and arrangement put in place support the achievement of the results.
- e) Efficiency of resource use: how economically resources / inputs (funds, expertise, time, etc.) are converted into results.
- f) Impact orientation and sustainability: strategic orientation of the intervention towards making a significant contribution to broader, long-term, sustainable development changes; likelihood that the results of an intervention are durable and can be maintained or even scaled-up and replicated by intervention partners after major assistance has been completed.

The evaluation has been participatory. Consultations with the cluster and project management and support, stakeholders and beneficiaries were carried out through interviews, meetings and site visits.⁴ A detailed desk review was carried out, which covered all major IG cluster documents including UNDP strategic and governance documents since 2011. The core part of the methodology consisted of gathering evidence and triangulating information found from different sources to answer a series of evaluation questions, which in turn link to the DAC evaluation criteria.

Performance criteria and ratings

The assessment of IG cluster performance has been carried out, based against expectations set out in the cluster and projects logical frameworks (results frameworks), which provides performance and impact indicators for the cluster and projects implementation along with their corresponding means of verification. Performance ratings for the aforementioned (grouped) evaluation criteria of

⁴ List of interviewed people and site visits carried out can be found in Annex 5

relevance, effectiveness, efficiency, sustainability and impact have been provided based on the following performance criteria presented in Table 1.

Table 1: Performance criteria

<i>Ratings for Outcomes, Effectiveness, Efficiency, M&E and component design</i> 6: Highly Satisfactory (HS): no shortcomings 5: Satisfactory (S): minor shortcomings 4: Moderately Satisfactory (MS): moderate shortcomings 3: Moderately Unsatisfactory (MU): significant shortcomings 2: Unsatisfactory (U): major problems 1: Highly Unsatisfactory (HU): severe problems	<i>Sustainability and partnership ratings:</i> 4. Likely (L): negligible risks to sustainability 3. Moderately Likely (ML): moderate risks 2. Moderately Unlikely (MU): significant risks 1. Unlikely (U): severe risks	<i>Relevance, and coherence ratings</i> 2. Relevant (R) 1. Not relevant (NR) <i>Impact and Gender Ratings:</i> 3. Significant (S) 2. Minimal (M) 1. Negligible (N)
<i>Additional ratings where relevant:</i> Not Applicable (N/A) Unable to Assess (U/A)		

Source: compiled by the evaluation team based on UNEG and UNDP evaluation guidelines suitable for this evaluation

Table 2: Structure for the summary of evaluation ratings

Relevance, coherence and design	Qualification		Quality of implementation	Qualification	
	Rating	Comment		Rating	Comment
Coherence with UNDP global strategy			IG component coordination and management arrangements		
Thematic relevance for Kosovo			Policy dialogue and partnerships		
Quality of IG component design			Gender mainstreaming		
Evaluation of outcomes			Impact and Sustainability		
Qualification			Qualification		
Rating	Comment		Rating	Comment	
Effectiveness of IG component implementation			Impact		
Efficiency of IG component implementation			Financial resources sustainability		
			Partner institutions capacities and normative framework sustainability		

Source: compiled by the evaluation team based on UNEG and UNDP evaluation guidelines suitable for this evaluation

1.3.2. Evaluation questions

The following evaluation questions have been established through the ToRs. The manner in which these questions are interpreted and implemented by the evaluation team is described in the evaluation matrix in Annex 3.

General questions:

1. Is the outcome going to be achieved through the current interventions?
2. What progress has been made towards achievement of the outcome since 2011?
3. What factors have affected that progress?
4. What lessons learnt and recommendations will improve efforts to achieve outcome?
5. How well was the initiative planned?
6. What activities were carried out?
7. What outputs were delivered?

Relevance of UNDP outputs:

8. To what extent have UNDP outputs and other assistance contributed towards progress in achieving the outcome?

Effectiveness of UNDP outputs:

9. What factors have affected the effectiveness or ineffectiveness of that progress?
10. What did UNDP activities and outputs lead to?
11. What change did the UNDP help bring about?
12. What evidence is there for the change that the UNDP helped bring about?
13. Has the UNDP specifically addressed the gender dimensions of poverty?
14. Has the UNDP introduced a deliberate pro-poor bias in its programming and project design?

Efficiency of UNDP outputs:

15. How were the processes managed?
16. What monitoring systems were put in place?
17. What kind of a risk management strategy is in place?
18. How has the UNDP engaged with a wide range of partners to ensure the achievement of results?
19. Did the UNDP facilitate macro-micro linkages between its interventions and policy makers?
20. Did the UNDP facilitate the replicability of small-scale pilot interventions?

Sustainability of UNDP outputs:

21. What is the prospect of that progress being sustained for the long-term?
22. Did UNDP specifically address vulnerability, resilience, etc. in the design of its programmes and projects?
23. Did UNDP do enough to support capacity development among national implementation partners?

UNDP partnership strategy:

24. Has the UNDP's partnership strategy been appropriate and effective?
25. What has been the degree of stakeholder (including beneficiary) and partner involvement in the various processes related to the outcome and the establishment of national ownership and sustainability?

26. How did UNDP interact with its partners?
27. How has the UNDP defined the influence of partners and other stakeholders into the achievement of planned outcomes?
28. Did UNDP include appropriate exit strategies in its activities?

1.3.3. Analysis of available information

The analytical work undertaken was based on the evaluation questions with their performance criteria and indicators as follows:

- a) For each evaluation question and performance criterion, the data collected was used to gauge the degree of achievement of targets specified by the indicators;
- b) A synthesis was made and information was grouped according to the specific indicator to which it referred;

1.3.4. Limitations of the evaluation process

The evaluation has encountered some limitations in accessing stakeholders for interviews and not all planned site visits could be carried out, given the electoral and post-electoral context in Kosovo in June 2014. Additionally, there was an important staff turnover in the IG component shortly before the evaluation started. Consequently, there was no programme officer available who could inform in detail about the GIM project and the Aid for Trade project manager was new. The assessment of the GIM project was carried out based only on document review. No site visit was conducted during the evaluation, since the project had already been closed and no in depth interviews with stakeholders were carried out, since there was no project officer for the GIM project at the UNDP office in Kosovo. These decisions have been taken jointly with the management of the IG component, who is coordinating this evaluation. However, the evaluation considers all these as only minor limitations, since the projects are very well documented through the IG component management.

2. IG component status

2.1. Goals and objectives of the IG component

Objectives and goals of the IG component

The UNDP KPAP for 2011-2015 aims to assist Kosovo with its development agenda, focusing on social inclusion and human development for all. UNDP will contribute to Kosovo's priorities and development of capacities of various partners through three programme components:

- Inclusive growth and development
- Democratic governance
- Environmental sustainability

The overall outcome defined for the IG component is:

By 2015, vulnerable women and men (returnees, IDP, minority groups, PWD, youth) have more economic and livelihood opportunities, and benefit from better public and social services.

Additional goals are mentioned only implicitly and will be identified in the following subchapter (2.2).

2.2. IG component strategy and progress of implementation

Regarding the Programme Component 1: Inclusive Growth and Development, the KPAP furthermore establishes the following rationale and approach:⁵

While economic growth is critically important for Kosovo, it is the pattern of growth that will determine its sustainability. An inclusive growth refers to a type of growth that does not leave behind vulnerable groups, but instead ***creates opportunities for them to have access to education, health, social services and jobs, and that provide for a secure and decent life***, and leads towards stable families and stable communities. The share of population that is marginalized in the exercise of their rights is very large in Kosovo, as the 2011 Human Development Report on Social Exclusion shows, and UNDP sees as its priority to contribute to the creation of better opportunities for these people in Kosovo. Thus, UNDP will also contribute in ***taking to the local level the implementation of the Millennium development goals, developing capacities needed for translating policy into delivery of quality public services, including at municipality, community and family levels for vulnerable groups***.

Fostering an enabling environment for the generation of inclusive economic growth and employment remains a priority. ***UNDP has pioneered an active labour market programme (ALMP) in Kosovo and this has lead to the adoption of an employment strategy by the government based on ALMP***. In order to enable stakeholders to exchange information and cooperate on the labour market, UNDP supports the establishment of a Labour Market Information System, and engages with each of the stakeholders (MLSW, municipal employment offices, and vocational education training institutions, companies) in order to bridge the gap between the unemployed and the potential jobs or businesses. This programme is addressed to young women and men entering the labour market⁶ after school or university, to increasing numbers of readmitted persons returning to Kosovo, to minority communities, and people with disabilities. The reintegration of IDPs and returnees remains a priority for the social inclusion agenda. UNDP will work to develop the capacities of local and central institutions for the provision of services to returnees (voluntary and forced), IDPs, Roma, Ashkali and Egyptians and other vulnerable groups (with a special focus on women) in support of their sustainable integration in the community.

The human development reports, surveys of municipalities, the Public Pulse and other studies that the UNDP has been carrying out for many years in Kosovo show that some communities experience complex challenges, are lagging behind in economic and social terms and require multilateral support.

UNDP will support initiatives in Kosovo that contribute towards advancing an economic growth that benefits the poor (eg. Growing Inclusive Markets and Aid for Trade), paying special attention to entrepreneurship for women and green jobs. The findings of the Kosovo Remittance Study will serve as a starting point for discussing and testing models fostering the use of remittances as an instrument of investment. UNDP will also support the Ministry of Trade and Industry through

⁵KPAP 2011-2015 p. 6-8; **marks** from the evaluation team

⁶ The strategy includes any kind of labour market entry, before or after finishing school or university. In fact, about 70 to 80% of ALMP beneficiaries are long-term unemployed without skills and with less than secondary education. University and VET (Vocational Education and Training) school graduates are a smaller % of the total Project beneficiaries.

analytical work and capacity building.

UNDP will continue to ***promote stability through support for integrated, inclusive community development by strengthening the capacities of relevant institutions to deliver public and social services in an inclusive and gender-sensitive manner***. An expansion of area-based development initiatives will support local institutions, private sector, and civil society in northern Kosovo to facilitate economic development, community stabilisation, and women's empowerment. Activities will be extended to new Northern Kosovo Municipalities contributing to the overall local development in the area, availability and quality of employment opportunities and services including socially excluded and vulnerable groups. UNDP will seek to reduce urban-rural income disparities by targeting isolated and disadvantaged rural areas. In addition, initiatives that encourage regional cooperation and integration will be supported, and efforts will be made to capture and share knowledge between neighbouring countries.

From the above-mentioned KPAP chapter we can summarize that, in order to achieve this outcome, the IG component concentrates its activities on the following topics:

- Support the creation of opportunities for vulnerable groups, in order to gain access to education, health, social services and jobs, that provide for a secure and decent life
- Taking the implementation of MDGs to a local level, developing capacities needed for translating policy into delivery of quality public services, including at municipality, community and family levels for vulnerable groups
- Fostering ALMP
- Reintegration of IDPs and returnees
- Support initiatives advancing an economic growth that benefits the poor (eg. Growing Inclusive Markets and Aid for Trade), paying special attention to entrepreneurship for women and green jobs
- Promote stability through support for integrated, inclusive community development by strengthening the capacities of relevant institutions to deliver public and social services in an inclusive and gender-sensitive manner

The set of projects selected for this evaluation can be grouped around the following three main thematic areas (defined by the evaluation team):

- Local development (investment, stabilization)
 - ABD LDCS, Dragas land-use, Dragas Art Gold, HSTF
- Employment
 - ALMP, Regional Roma
- Markets
 - GIM, Aid for Trade, DEED

Table 3 below shows the implementation periods (progress) of the selected projects to be evaluated within the IG cluster and Table 4 summaries the projects' content, lists partners and donors and provides some budgetary information. In Table 3, S1 and S2 represent the semesters of each year. The grey bars show the implementation periods (and light grey bars show any possible extension periods). The evaluation period 2011-2015 is highlighted in light blue in the rows of years and framed with bold borders. A dotted (vertical) line marks the instant this evaluation was carried out.

Table 3 shows that the topic of ALMP is the thematic backbone of the IG cluster with an implementation experience of 10 years. At the same time, the table shows that in each of the thematic programme areas within the IG component - local development, employment, and markets

- the UNDP has implementation experience prior to 2011. The table also shows, however, that the number of projects under implementation is decreasing. In 2013, all nine projects under evaluation were being implemented, and by mid-2014 (at the time of this evaluation), their number had decreased to six projects. The current outlook for 2015 shows that only four of these six projects will be implemented and ALMP and DEED already have financial resources secured for post-2015 implementation.

Taking all this into consideration, regarding the progress of implementation of the IG component, three of the six projects currently under implementation are in their last quarter (ABD, Regional Roma, Aid for Trade), while two others are roughly halfway completed (HTSF and DEED) and the ALMP has a long-term perspective with an implementation period stretching up until early 2017 already approved.

Table 3: Implementation periods of IG cluster projects selected for this evaluation

		2004		2005		2006		2007		2008		2009		2010		2011		2012		2013		2014		2015		2016		2017	
Thematic areas	Project	S1	S2	S1	S2	S1	S2	S1	S2	S1	S2	S1	S2	S1	S2	S1	S2	S1	S2	S1	S2	S1	S2	S1	S2	S1	S2	S1	S2
Local Develop.	ABD LDCS I &II																												
	Drag. land-use																												
	Art Gold Drag.																												
	HSTF																												
Employm.	ALMP																												
	Regional Roma																												
Markets and investment	GIM																												
	Aid for trade																												
	DEED																												

Source: compiled by the authors based on UNDP Kosovo documentation

Table 4: Project summary description of IG cluster projects selected for this evaluation

Project	Implementation period	Total budget (USD)	Main topic	Donor	Main partners
LOCAL DEVELOPMENT					
LDCS I	01/2008 to 12/2012	2,394,485	The Programme was mainly designed to support enterprise development in the Mitrovicë/a region with the purpose of boosting the development of new and existing small and medium enterprises in the region, thereby contributing to direct poverty alleviation through the strengthening of small and medium businesses and the creation of jobs. Moreover, the Programme helped to improve equal access to public services; it implemented inter-community development projects and provided small grants to women and youth entrepreneurs, and established three Business Advisory Centres (BACs), one in each municipality.	BCPR, DFID, Norway, HSTF	UAM, Municipality of Mitrovicë/a South, North Kosovo civil society, organizations (CSOs), Business Advisory Centres (BACs) Mitrovica/e North, Mitrovicë/a South and Zvečan/Zveqan.
Local Development for Community Stabilization phase II (ABD LDCS II)	01/2013 to 12/2014	377,513 (for 2013)	The project was designed to contribute to the peace-building and consolidation process in the target areas through better capacities for local service delivery Activity 1: North Kosovo opinion poll Activity 2: Local economic development Activity 3: Environmental Risk Assessment Activity 4: Dialogue facilitation between the North and South	BCPR (UNDP) Norway	
Sustainable land use management and conservation of biodiversity in Dragas/h municipality	01/2009 to 12/2013	979,344	Formulation of an integrated development strategy as well as the implementation of a series of pilot activities that would contribute towards creating a sustainable development framework for Dragash/Dragas municipality e.g. reducing loss of biodiversity	Finland	Municipality of Dragash/Dragas, Privatization Agency of Kosovo (PAK), Ministry of Environment and Spatial Planning (MESP), Ministry of Agriculture Forestry and Rural Development (MAFRD), Ministry of Local Government Administration (MLGA), Kosovo Environment Protection Agency (KEPA)
ART GOLD Project in Dragas/h	12/2008 to	453,065	The project focused on Decentralized Cooperation networking	Belgium	Ministry of Local

Project	Implementation period	Total budget (USD)	Main topic	Donor	Main partners
	12/2012		and partnerships at the municipal level in key sectors: Local health and welfare systems; Local basic education and training systems; Basic municipal infrastructure development; Institutional and capacity development; Small enterprise support; Environmental protection and territorial planning.		Government Administration Association of Kosovo Municipalities;
Building a better future for Fushe Kosove/Kosovo Polje and Obiliq/c (HSTF)	06/2012 to 09/2015	1,493,078	<p>The project will tackle three critical human security challenges. In practical terms, this means:</p> <p>(i) Stimulating livelihood opportunities for those least able to participate in the labour market (focusing on RAE, youth and women), including by promoting work-readiness, learning skills and improved social protection for the poor, excluded minorities, women and young people;</p> <p>(ii) Improving the health prospects of those most at risk from environmental and lifestyle hazards in two of Kosovo's most polluted and poorest neighbouring municipalities.</p> <p>(iii) Providing immediate benefits to communities (such as support to livelihood generation) which will be balanced with longer-term preventative measures in health, education and participatory decision-making to ensure sustainability through capacity-development, partnership and ownership.</p> <p>The HTSF also covers employment issues through the Territorial Employment Pacts (TEP) established under its guidance.</p>	HSTF	<p>Municipalities of Fushe Kosove/Kosovo Polje and Obiliq/Obilic Municipal Community Offices Local Civil Society Organizations (CSOs) Office of the Prime Minister/Community Office</p> <p>This is a JP with WHO, UNICEF, IOM and others onboard. UNDP is taking care of the activities highlighted in grey in the column of topics/description of activities</p>
EMPLOYMENT					
Active Labour Market Programmes	12/2004 to 06/2014 will be extended (until 03/2017)	2,659,000 (since 2011) 5,321,737 (2005-2009)	<p>1. Provide direct assistance to unemployed young women and men through a number of active measures facilitating training and employment in partnership with private sector enterprises (MLSW);</p> <p>2. Provide direct assistance to vocational education students facilitating work-based learning schemes in mainly private sector partner enterprises in a gender-equitable manner (MEST)</p> <p>3. Provide technical assistance to the implementation of the Employment Strategy of Kosovo;</p>	<p>Norway, Denmark (for the first phase)</p> <p>Finland is the new donor for the new phase</p>	Ministry of Labour and Social Welfare (MLSW), beneficiary municipalities, Ministry of Education, Science and Technology, Ministry of Internal Affairs, private enterprises, Kosovo Agency for Statistics etc.

Project	Implementation period	Total budget (USD)	Main topic	Donor	Main partners
Regional Roma Facility	04/2013 to 12/2014	200,000	This is an umbrella project for Roma inclusion work in the region. It establishes a regional support facility to provide national governments (central and local), civil society and other stakeholders with operational support to build capacity for Roma inclusion in the Western Balkans countries (UNDP sees this as critical in terms of their EU membership preparation).	BRC, UNDP	Ministry of European Integration, Fushkosova Municipality and Obilice Municipality (this is a regional project with some resources recently assigned to Kosovo)
MARKETS					
GIM Initiative Kosovo	02/2009 to 12/2012	1,428,935	The overall purpose of this project is to build more inclusive markets in Easter Europe and the CIS. It has two complementary objectives: 1.To build country-level awareness for inclusive market business models and approaches via the production and dissemination of a GIM report. 2. To broker concrete inclusive market investment projects in four Country Offices of the region. It is based on the fact that businesses that engage the poor on the demand side as clients and customers on the supply side as producers, result in employees and business owners capturing benefits that go beyond the short-term bottom line and actually help tackle sustainable development issues.	UNDP (TRAC funds), TIKa	Chamber of Commerce
Aid for Trade	01/2012 to 06/2015	1,483,738	The overall objective (development goal) is to foster sustainable and inclusive economic growth through the promotion of trade and the enhancement of the country's competitiveness. The gains from trade are numerous, and extend beyond the immediate commercial benefits. Trade and investment can contribute to human development by helping to raise productivity, employment and economic growth. Trade can also increase the variety and quality of goods available to consumers, and help lower the likelihood of political conflicts between countries. The purpose of the project is to improve the implementation of pro-poor trade reforms and trade capacity development measures through the identification of trade policy responses, trade-related needs and capacity gaps, as well as an execution of piloting technical assistance interventions.	Finland, Czech Republic	Ministry of Trade and Industry; SME Agency of Kosovo; Investment Promotion Agency; Chambers of Commerce; Ministry of Economic Development; Kosovo-wide Municipalities; Private Sector Enterprises; Statistical Office of Kosovo.

Project	Implementation period	Total budget (USD)	Main topic	Donor	Main partners
Diaspora Engagement for Economic Development (DEED)	06/2011 to 06/2014 will be extended	1,250,383 (EURO)	The overall objective of the project is to enhance the contribution of diaspora to poverty reduction in the short-term and to sustainable, gender equitable local economic development in the long-run through facilitating and encouraging investment and saving behaviour among migrants and remittance-receiving households. The project has three focus areas: Access and literacy of remittance-recipients and senders to financial services in order to promote the accumulation of local savings and investment; Investment and savings is directed to Kosovo by Kosovar migrants and diaspora; and, the capacity of local authorities to produce and manage information related to migration and development, including gender-disaggregated data.	Finland, Norway, IOM,	Ministry of Diaspora, SME support Agency, Ministry of Trade and Industry, Regional Development Agencies, etc.

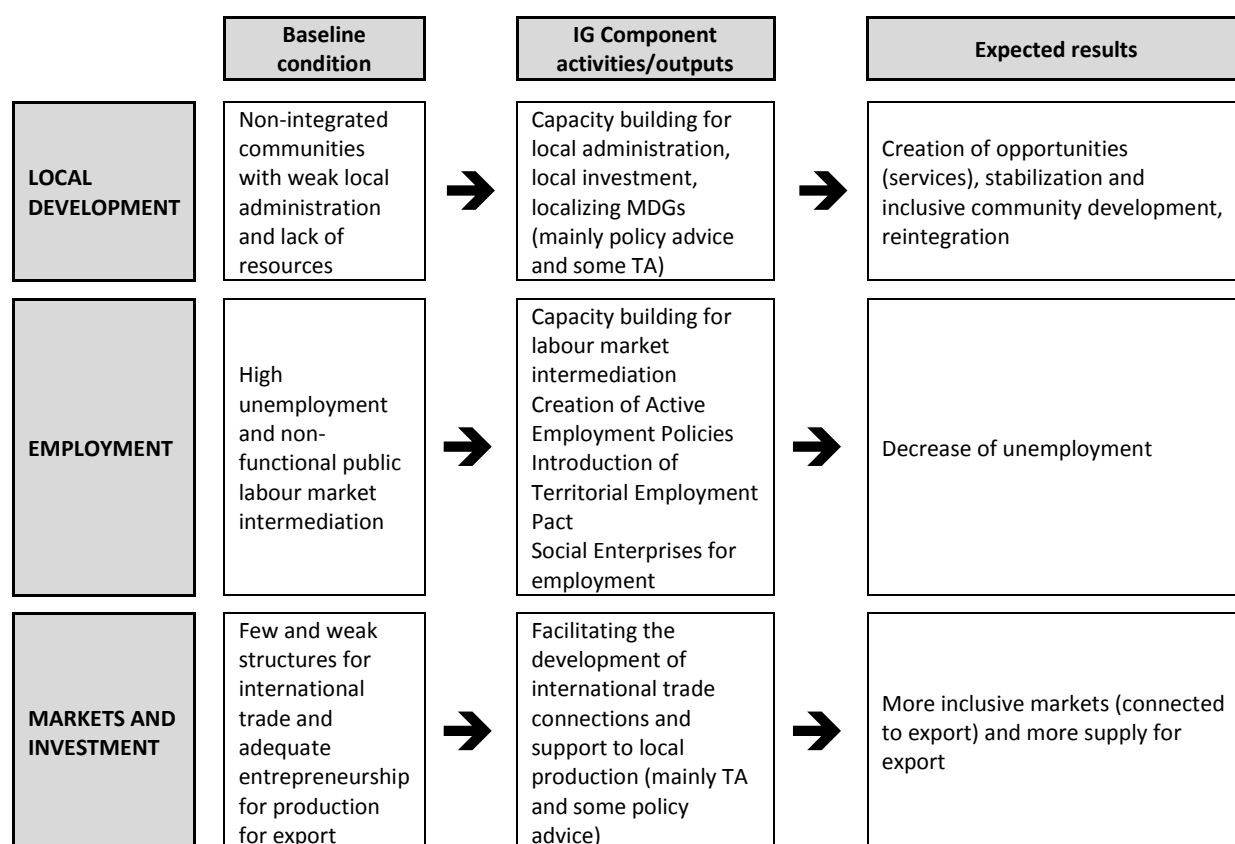
Source: compiled by the author based on UNDP Kosovo documentation

2.3. Results chain

Even if not explicitly described in the KPAP or in the different project documents, the following implicit results chain can be derived from the above description of the IG component's objective and strategy and from the project's approach descriptions in Table 4.

In the case of all three thematic areas, change is expected to be brought about through (institutional) capacity building (through technical assistance) and policy advice, with different weights between these two elements, in different thematic areas and projects (to be discussed in more detail in the effectiveness section of this report). Expected results are all focused on inclusion and the generation of opportunities.

Figure 1: Results chain of the IG component



Source: compiled by the evaluation team

3. Findings and answers to the evaluation questions

The following Table 5 provides an overview of the average performance ratings assigned by the evaluation team to the different criteria. Detailed findings, explanations and sustaining evidence will be developed during the chapter further below.

Table 5: Summary of evaluation ratings

Relevance, coherence and design	Qualification		Quality of implementation	Qualification	
	Rating	Comment		Rating	Comment
Coherence with UNDP global strategy	2 - Relevant	The IG component priorities, already defined back in 2011, are fully coherent and in-line with the global UNDP strategy	IG component coordination and management arrangements	4 - Moderately Satisfactory (MS): moderate shortcomings	The management is performing well in most of the cases, given the existing structures for management and monitoring at component level. These structures are however weak at a component level, lacking a full monitoring mechanism for implementation, and lacking a risk management structure (risk management is carried out only <i>ad hoc</i>).
Thematic relevance for Kosovo	2 - Relevant	IG component projects fully in-line, coherent and relevant for supporting Kosovo's development goals and priorities throughout the entire implementation period under evaluation (since January 2011).	Policy dialogue and partnerships	4 - Likely (L): negligible risks to sustainability	Diverse set of local, national and regional partners. Very strong in policy dialogue. Less strong in making productive use of UNDP's comparative advantages in project implementation on the ground.
Quality of IG component design	4 – Moderately satisfactory	Only half the required technical characteristics of a full component design with high quality have been accomplished by the IG component.	Gender mainstreaming	3 - Significant (S)	Strong accomplishment of gender considerations in project design (logframes) and in implementation. Less visibility of gender mainstreaming in policy design.
Evaluation of outcomes	Qualification		Sustainability	Qualification	
	Rating	Comment		Rating	Comment
Effectiveness of IG cluster implementation	5 - Satisfactory (S): minor shortcomings	Strong performance in the task of facilitating processes and, albeit to a lesser extent, in capacity building. Even better performance in networking and knowledge generation and transfer, though at a lesser degree. Markets and investment is the most effective working area, before employment and local development.	Impact	3 - Significant (S)	The evaluation confirms the existence of significant degrees of change (impact), generated through a long-term presence in certain thematic areas (employment and local development, namely ALMP, LDCS, HTSF). The impact of more recent projects (GIM, DEED, Regional Roma and AFT) is still to come. However, considering available resources (time, financial, human), what has been achieved so far and what is envisaged for the future (regarding impact), is promising.
Efficiency of IG cluster implementation	5 - Satisfactory (S): minor shortcomings	Availability of financial resources is secured, which allows for high (satisfactory) financial delivery rates. This also implies satisfactory delivery levels of services and products mostly on schedule. The IG component additionally shows capacities for increasing delivery levels.	Financial resources	3 - Moderately Likely (ML): moderate risks	Currently only one project (ALMP) with financial resources secured beyond 2015. Limited availability of resources from donor side and concerns (in some cases) regarding the transparency of resource use. Very low government contribution.
			Partner institutions capacities and normative framework	3 - Moderately Likely (ML): moderate risks	No clear assessment exists regarding the required capacities in partner institutions for sustaining achieved results and processes. No current action taken for creating the missing capacities.

Source: compiled by the evaluation team based on UNEG and UNDP evaluation guidelines suitable for this evaluation

3.1 Relevance and validity of design

Finding 1: The IG component has been fully in-line, coherent and relevant for supporting Kosovo's development goals and priorities throughout its entire period of implementation. The priorities of the Government and UNDP Kosovo are defined based on a sound analysis of living conditions in the country and consequently fully focused on people's needs. The IG component priorities, already defined back in 2011, are fully coherent and in line with the global UNDP strategy, most importantly since the component's institutional capacity-building approach aims to support the construction of necessary conditions for enabling the country's policy to move forward to the simultaneous reduction of poverty and inequality, envisaged by UNDP at a global level. The quality of the IG component design is only moderately satisfactory, since project logframes and the component design as such suffer the lack of some important technical elements, such as a sound progress monitoring of expected results (including an adequate definition of result indicators) and a more sound diagnostics and definition of the required capacities in government and partner institutions, to be built or supported through the IG component and its projects.

Table 6: Evaluation ratings for relevance, coherence and IG component design

Relevance, coherence and design	Qualification	
	Rating	Comment
Coherence with UNDP global strategy	2 - Relevant	The IG component priorities, already defined back in 2011, are fully coherent and in line with the global UNDP strategy
Thematic relevance for Kosovo	2 - Relevant	IG component's projects fully in-line, coherent and relevant for supporting Kosovo's development goals and priorities throughout the entire implementation period under evaluation (since January 2011).
Quality of IG component design	4 – Moderately satisfactory	Only half the required technical characteristics of a full component design with high quality have been accomplished by the IG component.

Rating scales for coherence and relevance: 2. Relevant (R); 1. Not relevant (NR).

Rating scale for quality of IG component design: 6: Highly Satisfactory (HS): no shortcomings; 5: Satisfactory (S): minor shortcomings; 4: Moderately Satisfactory (MS): moderate shortcomings; 3: Moderately Unsatisfactory (MU): significant shortcomings; 2: Unsatisfactory (U): major problems; 1: Highly Unsatisfactory (HU): severe problems

Source: compiled by the evaluation team based on evaluation findings

This chapter focuses on four different main questions:

1. The relevance (thematic coherence) of the IG component compared to development priorities defined by the GoP
2. The relevance (thematic coherence) of the IG component compared to people's needs
3. The relevance (thematic coherence) of the IG component compared to the global UNDP strategic framework and priorities
4. The technical quality of the design of the IG component and its projects.

The first two points are referred to in what follows as External Coherence (external to UNDP), while the third point is referred to as Internal Coherence (internal to UNDP) and the fourth point is referred to as Quality of Design.

External Coherence

A specific medium- and long-term development plan does not yet exist for Kosovo. However, there is a Government Programme for Kosovo 2011-2014 and, more importantly, a Medium Term Expenditure Framework (MTEF), which assigns resources to the different policy priorities and hence allows understanding where in daily policy business real priorities are defined.

The Government Programme of the Republic of Kosovo 2011-2014 aims to ensure the fastest possible integration of the Republic of Kosovo into the European Union and NATO, being aware of the need to implement a set of required reforms in order to be able to achieve this integration. Therefore the Government Programme focuses on four main pillars:

- Sustainable economic development
- Good governance and strengthening the Rule of Law
- Human capital development
- Social welfare

The IG component contributes clearly towards all these pillars, as shown in Table 7.

Table 7: Contribution of IG component projects to Kosovo development pillars

Kosovo development pillars	Main contribution of IG component to these pillars through the following projects
Sustainable economic development	ALMP, Regional Roma, DEED, GIM, Aid for Trade, LDCS I & II, HSTF, Dragash land-use, Dragash Art Gold
Good governance and strengthening the Rule of Law	HSTF, Dragash land-use, Dragash Art Gold
Human capital development	ALMP, Regional Roma, Aft
Social welfare	LDCS I & II, HSTF, Dragash land-use, Dragash Art Gold

Source: compiled by the evaluation team based on UNDP and GoK documentation

In addition to the Government Programme,⁷ Kosovo has established a process of budgeting and forecasting through an annually refreshed Medium Term Expenditure Framework (MTEF), compiled and developed by the Ministry of Finance by mandate of the Law on Public Financial Management and Accountability (03/L-048). The annual MTEF statement is a key document linking the Government's strategic priorities and annual budget for planning and resource allocation and for the three-year planning of the Kosovo budget. The MTEF exercise establishes general and budget entity-specific policy priorities for a three-year period and compares them with the macroeconomic fiscal and revenue forecasts for the period to establish a plan for aggregate budget expenditure projections by budget entity and by entity-level priority for the period. The most recently completed MTEF, for the period 2013-2015, established four policy priority pillars, in line with the Government Plan:

- Growth and sustainable economic development;
- Good Governance and strengthening the rule of law;
- Human resource development;

⁷ Information regarding the Kosovo MTEF based on GoK/USAID, Public Private Partnership Development Strategy 2013-2015.

- Social welfare growth for all citizens.

In line with these policy pillars, the MTEF 2013-2015 commits the government to continue financing the following sectors within the budget framework for the period: “public infrastructure, energy, agriculture, reform of public order and safety sectors, a more efficient use of financial resources in education and public administration reform, health and social welfare.” The MTEF 2013-2015 sets out that capital expenditures should not exceed 40% of allocations.

At the budget entity level, the MTEF 2013-2015 sets out entity strategic priorities and project allocations for each priority. Descriptions among entities vary significantly in specificity with some budget entities establishing concrete capital projects along with specific projected amounts, while others establish budgeted amounts as an aggregate among several potential projects.

Kosovo is developing and implementing a tool to establish a policy priority-planning framework that is linked to the MTEF, but which further considers these policies beyond those priority policies covered by budget funding. Managed by the Office of Strategic Planning of the Prime Minister’s Office, the Medium Term Policy Priorities (MTPP) framework establishes medium-term policies and sets government priorities for the medium term (three years ahead). In addition to policies that are to be supported by Kosovo’s budget, it includes policies to be funded from other sources, including donors, other development partners and alternative mechanisms such as Public Private Partnerships (PPP).

By mid-2014, the MTPP was still not fully operational, thus the overall strategic priorities established by MTED and the Government Programme still remained unchanged. Through its entire period of implementation, the IG component has been fully in-line, coherent and hence relevant for supporting Kosovo development goals and priorities.

Additionally, the definition of the Government’s and UNDP Kosovo’s priorities are based on a sound analysis of living conditions in the country, and hence fully focused on people’s needs.

Internal Coherence

The most recent global UNDP strategic framework for the period 2014-2017, titled “Changing with the World” establishes the UNDP as an organization with the vision of helping “countries achieve the simultaneous eradication of poverty and significant reduction of inequalities and exclusion”, based on the rationale that in today’s world the knowledge regarding how to overcome extreme poverty and inequality exists. At a global level, UNDP defines the following four outcomes:

- Growth and development are inclusive and sustainable, incorporating productive capacities that create employment and livelihoods for the poor and excluded;
- Citizen expectations for voice, development, the rule of law and accountability are met by stronger systems of democratic governance;
- Countries have strengthened institutions to progressively deliver universal access to basic services;
- Faster progress is achieved in reducing gender inequality and promoting women’s empowerment;

The IG component priorities, already defined back in 2011, are fully coherent and in line with UNDP’s global strategy, most importantly since their institutional capacity building approach aims to support the construction of necessary conditions for enabling the country’s policy to move forward towards the simultaneous reduction of poverty and inequality, envisaged by UNDP at a global level.

Quality of IG Component Design

A high quality component design would have to include a minimum set of technical elements:

- Overall goal of the component
- Specific objectives of the component
- Rational of the component's approach
- Results chain of the component (specifying the effects the component seeks to induce)
- Definition of a set of outcome indicators whose change can truly be influenced by the component's activities
- Definition of a full M&E system which allows for monitoring the progress of implementation as well as the progress towards the expected outcomes
- An analysis of assumptions and risks the component underlies

Table 8 below shows the level of accomplishment of the IG cluster design with the listed required technical elements; only half of these have been accomplished. This fact leads the evaluation team to rank the quality of component design only as moderately satisfactory.

Table 8: Technical elements required for a component design with high quality

Technical element	Accomplishment in IG component
Overall goal of the component	Yes
Specific objectives of the component	Yes
Rational of the component's approach	Yes
Results chain of the component (specifying the effects the component seeks to induce)	No
Definition of a set of outcome indicators whose change can truly be influenced by the component's activities	No
Definition of a full M&E system which allows for monitoring the progress of implementation as well as the progress towards the expected outcomes	No (there is an M&E system but not of high quality)
An analysis of assumptions and risks the component underlies	Yes

Source: compiled by the evaluation team

3.2 Effectiveness

Finding 2: Since 2011, the IG component has rightly concentrated its efforts firstly on facilitating (dialogue) processes and in general capacity building measures (planning, among others). For these two sets of activities, the component has at its disposal two specific tools (Local Action Groups - LAG and Territorial Employment Pact - TEP), which proved to be helpful in structuring the dialogue and capacity building processes and making them effective. The component concentrated to a lesser degree on the establishment of networks (in Art Gold and DEED), with different levels of achieved effectiveness. Knowledge transfer and knowledge generation existed but were not at the heart of the component and also showed different levels of (effectiveness) performance. The overall rating for effectiveness is satisfactory, but the need for a change in the characteristics of future component activities can already be envisaged. The overall positive effectiveness is finally a result of a combination of soft assistance and soft skills of the project

teams, combined with technical characteristics of the project design (outputs) and often the fact that the UNDP has been able to identify what the right things to do within projects are (defining deliverables), based on people's needs and according to what was feasible. UNDP is a partner trusted by all stakeholders and has been able to bring people (from different sectors) together. Gender dimensions and pro-poorness have clearly been specifically taken into account in the project's design and implementation.

Table 9: Evaluation ratings for effectiveness

Evaluation of outcomes	Rating	Comment	Qualification
Effectiveness of IG component implementation	5 - Satisfactory (S): minor shortcomings	Strong performance in the task of facilitating processes and a little less strong in capacity building. Even better performance in networking and knowledge generation and transfer, but at a minor scope. Markets and investment are the most effective working areas, before employment and local development.	

6: Highly Satisfactory (HS): no shortcomings; 5: Satisfactory (S): minor shortcomings; 4: Moderately Satisfactory (MS): moderate shortcomings; 3: Moderately Unsatisfactory (MU): significant shortcomings; 2: Unsatisfactory (U): major problems; 1: Highly Unsatisfactory (HU): severe problems
Source: compiled by the evaluation team based on evaluation findings

The overall KPAP outcome 1A, which the IG component is expected to contribute to, is defined as:

By 2015, vulnerable women and men will have more economic and livelihood opportunities, and will benefit from better public and social services⁸

In the Results Orientated Annual Report (ROAR), UNDP Kosovo reports progress towards Outcome 1A, making use of the outcome indicators defined for the outcome.

Table 10: ROAR 2013 progress report for KPAP outcome 1A

Outcome indicators	Baseline	Target	Year of latest data	Progress achieved	2013 indicator status
Expenditures for social transfers as share of the government budget	11.9%	15.0%	2011	n/a	Presumably no change
Percentage of women and men from Roma, Ashkali and Egyptian communities that are unemployed	80%	75%	2011	62%	Reached and surpassed
Percentage of youth that are unemployed	70%	75%	2013	55%	Reached and surpassed

Source: UNDP Kosovo, ROAR 2013

There is no updated information (after 2011) available for the first indicator (public social expenditure), meanwhile indicators two and three (unemployment in minority groups and for youth) have decreased. Even if this is an overall positive outcome, this evaluation does not consider that the trend of these indicators can be understood as a result of the IG Component. On the one hand, the component projects do not influence the (central) government's social expenditure, and even if the projects are working on employment issues, the scope of the project activities is insufficient to have an important impact on unemployment rates (which are instead determined by business

⁸ Cited as stated in the ABD LDCS II project document. In the KPAP document, the KPAP Outcome 1A is formulated as follows: "Vulnerable groups (including returnees, IDP, minority groups, PWD, youth) have increased access to sustainable and gender-equitable employment, economic opportunities, and quality public and social services".

cycles). Nevertheless, we can be certain that the positive effects of the IG component projects have contributed towards these positive trends.

Since the defined outcome indicators do not allow to fully assess the effectiveness of the IG component, this evaluation proposes to use the following approach for the assessment. Before being able to assess the effectiveness of the IG component, we first have to identify which are the desired effects of the projects selected for this evaluation and how the different project effects are composing a joint effect at the component level. Table 12 further below shows in detail through which kinds of effects the IG component projects seek to further development processes. The following Table 11 summarizes and defines the identified effects. These “standardized” effects will be used for evaluating the IG component effectiveness; given that project-specific effects (outcomes) are divergent and might not allow us to see at first sight how they contribute to a common set of effects at a component level.

Table 11: Summary table of effects categories

Thematic sector	Project	Main effects category
LOCAL DEVELOPMENT	Local Development for Community Stabilization phase II	Capacity building Facilitating processes
	Sustainable land use management and conservation of biodiversity in Dragas/h municipality	Knowledge generation Facilitating processes
	ART GOLD Project in Dragas/h	Capacity building Facilitating processes Network building
	Building a better future for citizens of Fushë Kosovë/Kosovo Polje and Obiliq/Obilić” (HSTF)	Providing tools (TEP) Facilitating processes
EMPLOYMENT	Active Employment Programmes	Capacity building Providing tools (work-based learning)
	Regional Roma	Facilitating processes Capacity building
MARKETS AND INVESTMENT	GIM Initiative Kosovo	Knowledge transfer Facilitating processes
	Aid for Trade	Knowledge generation Facilitating processes
	Diaspora Engagement for Economic Development	Facilitating processes Network building Capacity building

Source: compiled by the evaluation team, summarizing the findings in Table 13

Box 1: Definition of effects categories

Capacity building:	Most frequently a teaching and learning process implemented with public institutions, e.g. on local development planning
Facilitating processes:	helping to bring stakeholders and beneficiaries together in different processes such as integration, peace building, planning, etc.
Prov. and using tools:	Providing specific tools for the facilitation of processes, such as the Territorial Employment Pact or the work-based learning method in ALMP
Network building:	Helping to establish networks (diaspora entrepreneurs in DEED; community partnerships in Art Gold)
Knowledge transfer:	Specific transfer of more complex knowledge existing within UNDP to benefit the project (e.g. inclusive business models in GIM)
Knowledge generation:	Research and local knowledge generation carried out by the project (Aid for

Trade and Dragash land-use)
Source: compiled by the evaluation team

Table 12: Concentration of effects categories (n time used) by thematic areas of IG component

Effects category	Local development	Employment	Markets	Total
Capacity building	2	2	1	5
Facilitating processes	4	1	3	8
Providing and using tools	1	1	0	2
Network building	1	0	1	2
Knowledge transfer	0	0	1	1
Knowledge generation	1	0	1	2

Source: compiled by the evaluation team, summarizing the findings in Table 13

Table 12 above shows that the IG component concentrates its efforts in furthering development mainly on the facilitation of processes between different stakeholders and beneficiaries, complemented in second place with capacity building measures (mostly of institutional character). Other effect categories play a minor role. The UNDP tries to further progress in all thematic areas of the IG component, mainly through the facilitation of processes and institutional capacity building. In the text further below, this evaluation will carry out an assessment on how effective the selected projects have been in furthering development processes through the categories of generic activities listed in Table 11.

Table 13: Effectiveness rating table by project

Effects category	Local development				Employment		Markets and Inv.			Avrg.
	ABD	D. Land	D Art G.	HSTF	ALMP	RR	GIM	AFT	DEED	
Capacity building	4	-	3	-	5	4	-	-	4	4
Facilitating processes	5	4	4	4	-	5	5	4	5	4.5
Providing and using tools	-	-	-	5	5	-	-	-	-	5
Network building	-	-	4	4	-	-	-	-	6	4
Knowledge transfer	-	-	-	-	-	-	5	-	-	5
Knowledge generation	-	6	-	-	-	-	-	5	-	5.5
Overall	4.5	5	3.7	4.5	5	4.5	5	4.5	5	4.7

6: Highly Satisfactory (HS): no shortcomings; 5: Satisfactory (S): minor shortcomings; 4: Moderately Satisfactory (MS): moderate shortcomings; 3: Moderately Unsatisfactory (MU): significant shortcomings; 2: Unsatisfactory (U): major problems; 1: Highly Unsatisfactory (HU): severe problems; - = not applicable
Source: compiled by the evaluation team based on evaluation findings

Table 14: Effectiveness rating table by thematic area

Effects category	Local development	Employment	Markets and Inv.	Average
Capacity building	3.5	4.5	4	4
Facilitating processes	4.3	5	4.5	4.6
Providing and using tools	-	5	-	5
Network building	4	-	6	5
Knowledge transfer	-	-	5	5
Knowledge generation	6	-	5	5
Overall	4.5	4.8	4.9	4.8

6: Highly Satisfactory (HS): no shortcomings; 5: Satisfactory (S): minor shortcomings; 4: Moderately Satisfactory (MS): moderate shortcomings; 3. Moderately Unsatisfactory (MU): significant shortcomings; 2. Unsatisfactory (U): major problems; 1. Highly Unsatisfactory (HU): severe problems; - = not applicable
Source: compiled by the evaluation team based on evaluation findings

Table 15: Overview of the effects of the IG component projects

Thematic sector	Project	Main purpose	Effect expected to be achieved through	Main effects category
LOCAL DEVELOPMENT	Local Development for Community Stabilization phase II	Contribute to the peace building and consolidation process in the target areas (entrepreneurship, micro-credit, micro-grants, quick impact community initiatives, opinion polls, community action plans)	Through better capacities for local service delivery	Capacity building Facilitating processes
	Sustainable land use management and conservation of biodiversity in Dragas/h municipality	Provide continuing support to the establishment of a sustainable development framework for Dragas/h Municipality (where valuable biodiversity exists)	Analysis of: i) conservation of biodiversity; ii) improved local businesses based on sustainable land use; iii) environmentally sound energy services and sustainable development principles; iv) improved capacities of local stakeholders to promote development	Knowledge generation Facilitating processes
	ART GOLD Project in Dragas/h	Decentralized Cooperation networking and partnerships at the municipal level in key sectors: Local health and welfare; Local basic education and training; Basic municipal infrastructure; SME support; Environmental protection and territorial planning.	Participatory village planning Small local investment projects International decentralised partners established	Capacity building Facilitating processes Network building
	Building a better future for citizens of Fushë Kosovë/Kosovo Polje and Obiliq/Obilić" (HSTF)	Address key human security challenges (Joint project UNDP, UNICEF, UNFPA, UNV and WHO)	In the case of UNDP: using innovative model for local-level concertation around employment generation (Territorial Employment Pact - TEP)	Providing tools (TEP) Facilitating processes
EMPLOYMENT	Active Employment Programmes	Reintegration of long-term unemployed individuals through the implementation of Active Labour Market Measures	TA to labour market institutions; TA to the implementation of the Employment Strategy of Kosovo; facilitating work-based learning schemes in mainly private sector partner enterprises	Capacity building Providing tools (work-based learning)
	Regional Roma	Provide government, civil society and stakeholders with operational support to build capacity for Roma inclusion	Action plans and M&E frameworks for Roma integration, exchange of experiences	Facilitating processes Capacity building
MARKETS AND INVESTMENT	GIM Initiative Kosovo	Build more inclusive markets	Awareness building for inclusive market business models; broker concrete inclusive market investment projects	Knowledge transfer Facilitating processes
	Aid for Trade	Foster sustainable and inclusive economic growth through the promotion of trade and the enhancement of the country's competitiveness	Improve implementation of pro-poor trade reforms and trade capacity development measures through the identification of trade policy responses	Knowledge generation Facilitating processes
	Diaspora Engagement for Economic Development	Enhance the contribution of diaspora to poverty reduction	Access and literacy of remittance-recipients and senders to financial services; Investment and savings is directed to migrants and diaspora; Capacity building of local authorities to produce and manage M&D information	Facilitating processes Network building Capacity building

Source: compiled by the evaluation team

LOCAL DEVELOPMENT

Local Development for Community Stabilization phase II

The project objectives and outcomes are defined in Box 2 below. Given the project implementation progress⁹ and the observed trends of its implementation performance in May 2014 (evaluation field visit), it is highly probable that these will be fully achieved by the end of 2015.

Box 2: ABD LDCS II objectives and expected results

Project Objective: The project will directly assist in dissipating inter-community tensions and reduce potential for conflict by promoting development cooperation in North Kosovo. Support through facilitated discussions and actions addressing development priorities of shared concern between communities, local economic development and environmental development, will be supported and reinforced by carefully targeted confidence-building activities. Supported activities will confirm sustainable entry points and inform the subsequent formulation of larger-scale, longer-term community-based interventions.

Project Results: value-chain analyses performed and reported; local development strategies drafted; North Kosovo opinion polls produced, disseminated and poll follow-up discussions facilitated; Environmental Risk Assessment performed and drafted; inter-community cooperation practices and networks established; increased confidence within and between different communities; jointly identified business development priorities and environmental development/remediation priorities.

Source: LDCS II Project Document

The project directly contributes towards reducing inter-community tensions and potential for conflict. The overall objective is to provide continued support to stabilization and inhibit further potential conflicts in North Kosovo, by promoting cooperation and peace through inter-ethnic dialogue focused on economic, social and environmental activities of shared interest. The project engages with relevant local and international stakeholders, strengthening capacities of local institutions and CSOs, and directly supporting stability maintenance activities.

As shown in Table 13 above, the project's activities focus mainly on facilitating processes – with an effectiveness rated as satisfactory, only with minor shortcomings, and capacity building rated as moderately satisfactory, with moderate shortcomings.

The main success factors identified by this evaluation, which allowed for a satisfactory effectiveness, are a cunning combination of soft skills and soft assistance of the project team in the north,

⁹Three Business Advisory Centres established; 136 beneficiaries (54 female and 82 male) successfully completed the Business training; for the first time in the Mitrovicë/a region, start-ups were offered micro-loans to create small and medium enterprises. 49 loans distributed and 86 jobs created; enhanced women and youth entrepreneurship through the provision of fifteen small grants to local partner organizations. The project supported 278 direct beneficiaries (women and youth); 13 joint (south/north) community initiatives were supported. The projects covered 899 direct beneficiaries (472 and 331 youths); Six Quick Impact projects implemented; Three Mitrovicë/a opinion polls carried out that provide a clear understanding of the perception of people living in the region; A public awareness campaign "Living with lead" implemented; three Local Action Groups empowered in Mitrovicë/a north, south and Zvečan/Zveçan; three Local Community Action Plans developed.

englobing general UNDP characteristics, jointly with the correct decision of “doing the right thing” (definition of deliverables), rather than on technical details or project design.

The UNDP has worked in the region for a long time (since 2006) and has achieved a reputation as being a trusted partner. Stakeholders interviewed during this evaluation claimed that the UNDP is a trusted partner because they are fulfilling agreements and promises (and learned to promise only what they can achieve). When defining activities, the project team uses the bottom-up approach always starting with peoples’ needs (beneficiaries interviewed by this evaluation underlined the importance of this issue characterizing UNDP as an institution showing “sensitivity in working with the people”). In a more structured sense, an important part of the effectiveness achieved seems to be based on the following implementation sequence of (generic) activities:

1. Understand what the needs are
2. Establish priorities
3. Establish dialogues
4. Create capacities

For facilitating dialogue processes, the UNDP relies on Local Action Groups (LAGs) existing since 2008. These mixed groups of discussion and decision-making regarding public action are represented by all three sectors: public, private and civil society. LAGs in the north have proved to be effective for bringing people together. Through these LAGs, local public administration started working for the first time with the private sector and civil society (in 2009) and the performance of this dialogue improved over the years. Additionally, the LAG and the LDCS project opened the door to bringing the north and south communities together. All three partners in the LAG expressed their satisfaction with UNDP’s work in the region. Regarding the projects’ outcomes, the municipalities ranked their priorities as follows: support to infrastructure investment as most important, followed by the private sector and CSO dialogue and capacity building.

After the successful establishment of the LAGs and having helped to initiate a constructive dialogue, the creation of capacities and the implementation of specific activities are the natural next step. In this regard, the project has been a little less effective (compared to its performance level in facilitating processes). A business centre (capacity building in entrepreneurship) was successfully established and performs well (high level of success rate for established businesses). However, the business centre does not perform as well as it could, since an initially established guarantee scheme for microcredits could not be continued (see efficiency section of this report). Also, regarding capacity building initiatives, the project has been effective in being able to identify the right thing to do (identifying priorities for the people¹⁰), but has been less successful in managing these processes.

Although the project outcomes proved to be effective (with some shortcomings) they still do not seem to go beyond the group of direct beneficiaries. The most recent opinion poll (July 2013) implemented by UNDP in the Northern Region shows little progress regarding the stabilization of the region. Survey results show:

- Optimism regarding the economic future (which is a new and positive result).

¹⁰ Until the 1990s, 80% of the population of Northern Kosovo worked in public enterprises. Hence, there was hardly any entrepreneurship (or place where such skills could be acquired). Furthermore, the availability of commercial loans in the region is very low (given the legal status of the region, which is still under dispute).

- Although the prevailing opinion regarding the problems the municipality faces are unemployment, a currently stagnant economy and the division of Mitrovicë/a between ethnicities, the latter is considered less of a problem by K-Serbs compared to K-Albanians.
- Inter-ethnic relations continue to be perceived as tense.
- Most of the respondents of the November 2012 poll indicate that the municipal representatives are responsive to their citizens' opinions and interests to some extent. Respondents consider local economic development, administrative services, family and social welfare services and facilities, water supply and environmental protection to be the issues most in need of municipal attention (these three last points have experienced no progress, or at most very little progress)

Sustainable land use management and conservation of biodiversity in Dragas/h municipality

The purpose of this project is to improve the livelihoods of the local people in Dragash, focusing on sustainable development, and has the following specific objectives: protection of natural resources and biodiversity; promotion of local resources and competitive advantages; improved capacities of farmers and producers to reach markets and improve quality of their products; improved energy efficiency and promotion of renewable energy sources; good governance and better gender equality in the municipality.

Box 3: Objectives and Results of Sustainable land use... Dragash project

The project in Dragash/š improves livelihoods of the local people in Dragash/š, focusing on sustainable development, and has the following specific objectives: protection of natural resources and biodiversity; promotion of local resources and competitive advantages; improved capacities of farmers and producers to reach markets and improve quality of their products; improved energy efficiency and promotion of renewable energy sources; good governance and better gender equality in the municipality.

Results: 1. The Municipal Development Plan, including strategies for settlements, roads and infrastructure, forestry, health, education, biodiversity and nature protection, agriculture, cultural heritage & tourism, economic development, human resources development, water and waste water, waste management and energy; 2. Completed sustainable development Atlas for the Sharr/Šar national park (mapping resources, forestry, biodiversity, potential for tourism); 3. Management plan for the Sharr/Šar National Park; 4. Employment opportunities and support for local SME's in Dragash/š (Ecoprofit training, recycling business opportunities); 5. Projects to support local farmers in quality control and certification of their products, market outreach, energy efficiency, etc.; 6. Several pilot projects to develop energy efficiency, waste management and water management.

Source: Project document

The main targets under Output 1 are related to advancing the expansion and consolidation of the Sharr National Park (management and financial plans) and the Municipal Development Plan (MDP). Complementary targets include capacity building and training in relation to these topics and the promotion of cross-border cooperation in the related fields of nature protection, and finally fundraising for forthcoming years of implementation stages. The benchmarks were originally set too high, making it quite difficult to meet the outcomes. The management then decided to lower and

rationalize the expectations and the results were rewritten. This revision was proposed to the Project Board, and then officially approved by the Board and the donor. The Project is considered a successful intervention in terms of producing high quality policy development documents, however, their effect on improving the livelihood of Dragash people is yet to be measured and documented.

The project provided the most in-depth planning analysis ever carried out in the region for biodiversity, conservation, national park management, land-use planning, water and wastewater planning, solid waste, energy demand, energy supply, and local economic development. In addition, it provided a sustainable development framework that is consistent with the high biodiversity value and the depressed economic conditions in Dragash, which is also relevant to the priorities of local and central level government officials.

The project has helped institutions rethink their approach to policy development by introducing new and advanced practices of resource management and development planning. The work with the Directorate of National Park Sharr was a positive element of the project. The Ministry of Environment and Spatial Planning approached the project to develop the other national park for Bjeshket e Nemuna. The Dragash municipality cooperated with Gjakova and Junik municipalities, which asked the former to share its experience with the new institutional framework (including job descriptions revised for municipal officers). The project office was integrated into the local government building and there was local government buy-in. In addition, the project is being followed-up by other UNDP projects which refer to the documents produced by the Project.

The limited local implementation capacities of the institutions make the project overambitious. Although the project managed to bring local institutions onboard of drafting the relevant documents, not much evidence can be collected on the implementation of the documents by the institutions. The municipal development plan (MDP) was approved by the municipal assembly in February 2014. In addition, the management plan for the Sharr National Park has also been completed, discussed in a round table with stakeholders and endorsed by the Kosovo Environment Protection Agency. Water/Wastewater/Waste/Energy Management plans and strategies are complete, and the project offered a number of trainings and study visits for municipal officials to carry out their implementation.

ART GOLD Project in Dragas/h

The overall objectives of the ART Programme in Kosovo were to support the process of decentralization and local socio-economic development as well as the delivery of basic social services to the identified pilot municipalities. This was carried out through the promotion and establishment of territorial partnerships between municipalities in Kosovo and a worldwide network of local authorities and organizations, as well as by the implementation of mechanisms for social dialogue and the active participation of territorial stakeholders in defining and implementing development policies and strategies.

The project introduced the participatory planning cycle in line with the ART framework and methodology in the Dragash municipality, and thus demonstrated the importance of organized communities and a responsive local government. In the five villages selected for the second phase of the programme, mixed working groups consisting of both women and men were established. The

participatory planning process was implemented, which helped the local community members to understand the need of identifying problems that are pressing to the majority of the population, and the causes of those problems. Most importantly, due to the participatory approach, a new way of collective thinking has emerged, leading ever closer to a consensus over the solutions that will benefit a broader range of community members.

Ten communities were included in the project and six priority projects identified and agreed among the Local Working Groups and approved by the Municipal Working Group: construction of the sports ground in Bresane village, construction of the road in the centre of Kuk village, rehabilitation of the water supply system in Rapce village, construction of the school road in Shajne village, professional sewing for girls and women in Shajne village, and a project related to the promotion of new agricultural activities and techniques in the Zlipotok village is being coordinated. In addition to the above-described projects, the priority project of Brod village implemented during 2012, which was based on the request by the community and endorsement by the municipality was shifted to the rehabilitation of the village primary school laboratories.

Building a better future for the citizens of Fushë Kosovë/Kosovo Polje and Obiliq/Obilić” (HSTF)

The project “Building a better future for the citizens of Fushë Kosovë/Kosovo Polje and Obiliq/Obilić” is a joint effort of the UNDP, UNICEF, UNFPA, UNV and WHO under the UN Kosovo Team (UNKT) umbrella, addressing key human security challenges. The project’s objective corresponding to the UNDP component is defined in Box 4 below. Given the project implementation progress and the observed trends of its implementation performance up until May 2014 (evaluation field visit), it is highly likely to be fully achieved by the end of 2015.

Box 4: Objective UNDP component of HSTF project

Excluded communities in Fushe Kosove/Kosovo Polje and Obiliq/Obilic have increased equity in livelihood opportunities.

Source: HSTF project document

Key results achieved so far by the UNDP component include launching an innovative model for local-level concentrations around employment generation (Territorial Employment Pact), and eliciting a financial contribution from the local government. By the end of the project, it is expected that the Municipality/public sector would be more responsive to its citizen’s needs and demands and have the capacity to replicate the projects approach beyond year 3. The evaluation is not completely certain whether the results will be achieved after year 3 in Obiliq/Obilic, since the recent change of authorities in municipal administration (in office since the end of 2013, after the municipal elections from November 2013) caused some delay for the project implementation (agreements on TEP from the previous administration had to be ratified by the new authorities). In FusheKosove /Kosovo Polje, local authorities did not change and continue in office.

As shown in Table 13 above, the project’s activities focus mainly on facilitating processes – with an effectiveness rated as moderately satisfactory, with moderate shortcomings and facilitating and using tools, rated as satisfactory, with only moderate shortcomings. The effectiveness of the facilitating processes is rated lower than the performance in providing and using tools, precisely given the delays in progress as a result of the change of local authorities in Obiliq/Obilic. In Fushe Kosove /Kosovo Polje the process facilitation would also be rated as satisfactory.

The high effectiveness of facilitating processes is clearly a consequence of the fact that the project relies on previous positive experiences and results from the ALMP project (which works with the local employment officers in both municipalities). Precisely because of the previous successful capacity building in the employment offices provided through ALMP, these are now in conditions to support more efficiently the implementation of the TEP.

In the case of the Fushe Kosove /Kosovo Polje municipality, the project implementation shows more progress and a wider scope of activities (compared to Obiliq/Obilic). In a similar approach to what was already reported for the LDCS project, the starting point of UNDP activities in the municipality was a LAG (established prior to the HSTF project) the project could successfully build upon, proposing the formulation of a Territorial Employment Pact (TEP). The TEP defined activities in seven thematic areas (around employment, production and income generation) and has so far (May 2014) been able to implement activities in three of these seven areas. The HSTF project additionally supported the TEP formulation process with some TA. Since the planning and formulation process was carried out in a participatory manner (LAG), all planned activities are considered as being equally relevant by the municipality.

One specific activity in Fushe Kosove /Kosovo Polje (which does not exist in Obiliq/Obilic) is the establishment of a social enterprise¹¹, considered a high priority for Fushe Kosove /Kosovo Polje authorities. Up until May 2014 (field visit for this evaluation), the social Enterprise was still not fully functioning (workers had been trained but the enterprise still lacked clients). The understanding of UNDP (and also non-officially from the municipality) was that the enterprise manager lacked some of the required skills for making it perform better. Experiences from other countries, such as Albania as well as Canada, suggest that social enterprises can be quite successful. This evaluation has no final judgement regarding the success potential of a social Enterprise in Fushe Kosove /Kosovo Polje, but is clearly less optimistic than the UNDP in this regard.¹² The overall potential for establishing the concept of social enterprises in Kosovo, however, is high. UNDP is currently working with the MLSW to develop a law on Social Enterprises (SE). The EC (European Commission) is bringing in enormous resources for the SE development. Having all these ongoing parallel activities and efforts, justifies the optimism of UNDP for the SE's to show results.

Nevertheless, this evaluation recognizes that the establishment of the social enterprise has had a significantly positive impact regarding the project's way forward and the degree of engagement and commitment to the project by the municipality. The TEP approach has provided a clear direction and recommendations through the interventions proposed as to how the Municipal authorities and other stakeholders can contribute towards employment generation and improving the livelihood of the most vulnerable citizens. This approach is being applied for the first time in Kosovo and it aims to strengthen the entrepreneurship through skills development, grants provision for rural micro-enterprising and employment generation for the individuals identified as long-term unemployed.

¹¹ "Social enterprises" are businesses owned by non-profit organizations that are directly involved in the production and/or selling of goods and services for the combined purpose of generating income and achieving social, cultural, and/or environmental aims. Social enterprises are one more tool for non-profits to use to meet their mission to contribute to healthy communities – see more at:

<http://www.socialenterprisecanada.ca/learn/nav/whatisasocialenterprise.html#sthash.a2LfMmTD.dpuf>

¹² The evaluation shares the understanding regarding the socially valuable business concept, but has some doubts regarding the existence or convenience of external necessary factors in the municipality for making such a project economically successful.

To the understanding of this evaluation, the following facts demonstrate the success factors in Fushe Kosove /Kosovo Polje. The general situation of the municipality is considerably free from conflicts, in spite of the community being multi-ethnic. Additionally, there are sufficient resources available in the community, which enable the municipality to support the HSTF implementation with an additional resource of EUR 300,000 from the FKP budget. The decision to support the project financially precisely arises from the priority, which gives the local administration to the project based on satisfactory results (TEP definition, successful job intermediation through local employment office) at an early stage of the project.

EMPLOYMENT

Active Employment Programmes

The project objectives and outcomes are defined in Box 5 below. Given the project implementation progress¹³ and the observed trends of its implementation performance in May 2014 (evaluation field visit), it is highly probable that they will be fully achieved by end of 2015.

Box 5: Outcome and outputs of the ALMP project

OUTCOME

Relevant institutions have capacity and regulatory mechanisms in place to support economic development and generate sustainable employment in a gender-sensitive manner

OUTPUTS

1. Employment prospects improved among disadvantaged young women and men as well as people with disabilities, through the implementation of active employment programmes
2. Employment prospects strengthened among vocational education students through the implementation of work-based learning schemes in a gender-equitable manner
3. Capacity of labour market institutions strengthened through the provision of assistance within the context of the implementation of the Employment Strategy of Kosovo

Source: ALMP project document

The project aims to support long-term unemployed individuals through the implementation of Active Labour Market Measures and provision of direct assistance to the labour market institutions for the facilitation of training and employment in partnership with private sector enterprises (in collaboration with the Ministry of Labour and Social Welfare); Provision of direct assistance to vocational education students facilitating work-based learning schemes in mainly private sector partner enterprises in a gender equitable manner (in collaboration with the Ministry of Education); Provision of technical assistance to the implementation of the Employment Strategy of Kosovo.

¹³Labour Market Institutions have increased capacities to provide individualized employment assistance; Significant input provided to the development of the Kosovo Employment Strategy; Various training measures designed and implemented based on Operational Guidelines developed in cooperation with MLSW; Over 11,383 jobseekers have attended training measures and were awarded certificates of completion; Participation of young women is above 50%; Participation of other most vulnerable groups is around 20%; Based on external impact evaluations, about 50% of beneficiaries found sustainable employment; Employment services, registration of unemployed and employment management systems are now computerized.

As shown in Table 13 above, the project's activities are focused mainly on capacity building – with an effectiveness rated as satisfactory, with only minor short-comings and the provision and use of tools, also rated as satisfactory, and with only minor short-comings.

The project has been successfully able to combine the provision of policy advice to the central GoK regarding the suggested use of Active Labour Market Measures (ALMM) and at the same time succeeded in providing tools (and structures)¹⁴ at a central and local level of employment offices for the successful implementation of the ALMM.

According to the National Human Development Report NHDR Kosovo 2012, the national unemployment rate in 2009 was 45%, with highest levels for youth (15 to 24 years, 73%) and minority groups (Goran, Roma, Ashkali and Egyptian all $\geq 50\%$), hence unemployment is one of the most striking economic and social problems in the country.¹⁵

The ALMM measures implemented in Kosovo through the ALMP have produced effective results at different levels. At the level of job intermediation, the project effectively achieved that employment officers target vulnerable groups and be gender sensitive, producing this way (temporary) employment opportunities and at least some temporary social welfare.

At an institutional level, the project provided the necessary tools (the ALMM plus the methodology of electronic registry, targeting of vulnerable groups and job matching between supply and demand) in a way that has proved to be efficient (in terms of supply and demand). As a result of this high performance, both job seekers and job suppliers have started to demand services of the employment offices at a much higher level than before. This evaluation recognizes, however, that the incentive schemes of wage subsidies, put up by the project (and financed by UNDP) are an important attraction for enterprises to make use of the employment office services and ALMM. Of course, at the same time the project ensures this (subsidizing wages), employed people will receive a decent wage. Nevertheless, all in all, it is true that the ALMP achieved, in general, better cooperation between the employment offices and the private sector and this way achieved higher levels and better-targeted results of job intermediation.

In a similar way as in other projects already discussed in this report, the success factors for the ALMP include having been able to identify the right thing to do (ALMM), providing a long term presence in a thematic area and having been able to continuously provide positive results, which converts UNDP in a trusted partner.

The ALMP evaluation report for the period 2008-2010 proves that this kind of success factors supports the effectiveness of the project already before 2011 (starting date for the evaluation period of the present report). The 2008-2010 evaluation report states that ALMPs have produced significantly positive impacts and outcomes for disadvantaged and minority groups in Kosovo. At different stages (ALMP exists since 2005), the project had also provided capacity building support to the MLSW in areas such as a review of the Public Employment Services (completed in 2010). In 2011, the Project initiated support to develop LMI systems and supported the development of a legal

¹⁴UNDP is not the only donor in the sector. There is also support from the World Bank.

¹⁵In general, since the reported unemployment rates seem to be irrationally high (no country can survive in any way without a certain level of wellbeing, having unemployment rates of 45%, even considering that there is a permanent inflow of at least 15% of GDP through remittances), in early 2014 a methodological review of the official registry of unemployment was underway. The exercise, however, had not been concluded by the finalisation of this report.

framework for the implementation of ALMPs. The report also mentions as a success factor, the fact that the ALMMs implemented by the project are extremely well-designed programmes. The emphasis on careful targeting of participants and prior job-search linked into the development of an IEP and a Training Plan, coupled with close monitoring and post-placement follow-up, is in line with international best practice and is a suitable best-practice model for other countries and other PES. An outstanding element of the project design is the focus on individual counselling to develop the Individual Employment Plan and the involvement of the VTCs in developing competency-based training plans for each participant. The well-designed operational handbook and the comprehensive set of project administrative documentation are designed to ensure that process quality is maintained and that participants are protected, employers have clear guidelines and understand their roles and responsibilities.

Regional support facility for improving the capacity of various stakeholders to make real progress on Roma inclusion

This project provides financial support for technical expertise (implementing the action plan), international and local advisers to the European Integration Ministry on the implementation of Roma, Ashkali and Egyptian integration strategies. There was a lack of clarity within the roles and responsibilities of the central and local governments regarding the implementation of the Strategy. The focus of the project is to help EI Ministry establish a communication system between different government layers. The project helped establish the system of data collection and analysis (under MIE) with regard to the implementation of the strategy.

Box 6: Outcome and outputs of the Regional Support Facility project

OUTCOME

By 2013, the capacity of public, private and civil society actors has increased to address human development challenges through evidence-based, inclusive and sustainable policies and through private sector-based pro-poor development

OUTPUTS

Output 1 - National and local stakeholders supported in operationalizing the NRIS and in establishing the implementation infrastructure (action plans and links to national-level regional development mechanisms)

Output 2 - M&E frameworks, including data collection for results-oriented progress monitoring of NRIS established

Output 3 - The exchange of experience, mutual learning from successes and failures facilitated, and working approaches to Roma inclusion at a local level mainstreamed.

Output 4 – Country components of the project effectively coordinated

Source: Regional Support Facility project document

The project helped to improve the coordination and communication among relevant institutions, particularly between the central and local levels and functioning of institutional arrangements (production of regular monitoring reports).¹⁶ It also established data collection mechanisms

¹⁶ Through this Project, the UNDP has provided the Ministry with five experts to help compile information on the implantation progress of the strategy and improve the communication system between the stakeholders.

including studies and assessments committed to in the Action Plan implementation. The Project proved helpful especially considering the insufficient allocation of human and financial resources at central and local levels. The Project supported local assessment of the implementation of the strategy in 15 Kosovo municipalities, which were implemented for the first time. This helped drawing the achievements, challenges and shortcomings on meeting the objectives of the Action Plan of the strategy and it was a reflection point for the responsible institutions. The assessments are helping the institutions to reconsider their approach and adapt necessary interventions to address the challenge of the implementation process.

The proposed activities in Kosovo focus on establishing regular data monitoring mechanisms and support drafting and implementation of the local action plans in selected municipalities in Kosovo (through the mobilization of local communities and their involvement in small employment initiatives supported through the small grants programme). An inter-ministerial committee is established and responsible for implementing the strategy, while most of the municipalities have local action plans for integration. The committee has held two important meetings through which it consolidated the cooperation between responsible institutions and representatives of Roma, Ashkali and Egyptian communities. The meetings helped to make a number of important decisions, including (1) the need for greater coordination and partnership between all levels of institutions, (2) more effective budgeting of activities set forward in the Action Plan, (3) the prioritization of activities, such as approving the 2014-2015 Priority Framework, and (4) presenting the findings of the report “Local assessment of the situation of Roma, Shkallu and Egyptian communities” in the respective municipalities.

The community engagement was ensured in the housing component¹⁷ only, where the community were engaged in the repairing of the houses. CSOs are represented in LAGs (including minority CSOs). The project deems important to remain at the areas of economic empowerment, which is the element mainstreamed in all of these areas.

The capacities of the Ministry of European Integration need to be strengthened continuously. There is still a lack of proper local capacity to build upon the initiated mechanisms and effectively coordinate the inter-institutional cooperation for the implementation of the strategy. Three areas of the implementation of the strategy remain particularly weak: effective inter-institutional coordination and partnership, limited financial resources allocated to line ministries and municipalities and limited cooperation and participation of the civil society organization representing the communities.

In addition, they helped improve the reporting system against strategy progress. This support will continue until the end of 2014.

¹⁷ Through the second project component, direct support is provided to poor households for improving their housing conditions through reconstruction work. Household members in working age participate in these reconstruction works.

MARKETS AND INVESTMENT

GIM Initiative Kosovo¹⁸

The overall purpose of this project is to build more inclusive markets in Eastern Europe and the CIS. It has two complementary objectives: (1) to build country-level awareness for inclusive market business models and approaches via the production and dissemination of the GIM report, and (2) to broker concrete inclusive market investment projects in four Country Offices of the region. It is based on the fact that businesses that engage the poor on the demand side as clients and customers and on the supply side as producers, employees and business owners can capture benefits that go beyond the short-term bottom line and actually help tackle sustainable development issues.

Box 7: Outcome and outputs of the GIM project

Expected Regional Programme Outcome:

Significantly increased private sector participation in development projects in the region

Expected Output(s):

- Country-level awareness created for inclusive market business models and approaches.
- Successfully brokered inclusive business model investment projects in progress in Bosnia and Herzegovina, Kosovo, Kazakhstan and Uzbekistan

Source: GIM project document

According to the UNDP documentation available, key results achieved by GIM in Kosovo include investment projects that were implemented in the poultry sector, as well as vegetables and fruits, tackling the main constraints to business development, which had been identified during the feasibility work. Events were organised bringing together possible investors from Turkey and local businesses in Kosovo.

Table 13 above shows that the project's activities focused mainly on facilitating processes (the definition and implementation of the investment projects) – with an effectiveness rated as satisfactory, only with minor shortcomings and knowledge transfer (regarding methods and approaches for brokering inclusive markets investment projects), and also rated as satisfactory, only with minor shortcomings.

The evaluation report of the GIM project¹⁹ states that its primary objective of implementing at least five projects in Kosovo has been achieved.²⁰ These investment projects in Kosovo have achieved the creation of 506 jobs (344 for males and 162 for females), at an average investment of 1,623 USD

¹⁸ The assessment of the GIM project was carried out based solely on document review. No site visit was carried out during the evaluation, since the project had already been closed and no in-depth interviews with stakeholders were conducted, since there was no project officer for the GIM project at the UNDP office in Kosovo. These decisions have been taken jointly with the management of the IG component, who is coordinating this evaluation.

¹⁹ Evaluation of the UNDP Growing Inclusive Markets in Eastern Europe and CIS Project; Component II: Brokering Inclusive Market Investment Projects, January 2013.

²⁰ Projects implemented in Kosovo (location and business area) were: Dragash - Sheep/wool sector; Prizren-Rahovec - Fruits and Vegetables 1; Suhareka- Fruits and Vegetables 2; Various - Small Scale Poultry Farming; Kosovo - PPP Farmers Market.

(total investment cash and in-kind 821,345 USD²¹), which makes Kosovo the biggest job-creating country among the four participating countries in the regional project. The report also states that, in spite of up to 80% of the jobs created being part-time or seasonal, it is still a very good investment. The evaluation's finding is that even seasonal jobs bring additional income equivalent to 5-6 months average local wage to the beneficiaries' families. Most of the jobs are reported as sustainable.

The cited evaluation report does not make reference to the success factors of project implementation, but instead refers to the achieved results. According to the report, the most important contribution of the project is the knowledge transfer regarding how to successfully carry out investment in inclusive markets. The second most important contribution identified was UNDP Kosovo's strength in facilitating processes of knowledge transfer and investment inclusive markets.

Aid for Trade

The overall objective (development goal) is to foster sustainable and inclusive economic growth through the promotion of trade and the enhancement of the country's competitiveness. The gains from trade are numerous, and extend beyond the immediate commercial benefits. Trade and investment can contribute to human development by helping to raise productivity, employment and economic growth. Trade can also increase the variety and quality of goods available to consumers, and help reduce the likelihood of political conflicts between countries. The purpose of the project is to improve the implementation of pro-poor trade reforms and trade capacity development measures through the identification of trade policy responses, trade related needs and capacity gaps, as well as an execution of piloting technical assistance interventions.

Box 8: Purpose and results of the Aid for Trade project

The project aims to improve the implementation of pro-poor trade reforms and trade capacity development measures, with a focus on capacity gaps, and technical assistance to the Ministry of Trade and Industry. At a local level, the project seeks to raise productivity, employment and entrepreneurship, focusing on the Economic Region South and working with small and medium enterprises.

Results: (1) Establishment of a sustainable Microcredit Guarantee Fund, in close cooperation with the Regional Development Agencies in the North and South of Kosovo (from a total of 450 guarantees to be issued during the initial two years of operation, 50% will be extended to target beneficiaries in the Economic Region South); (2) Provide export promotion services to local businesses, such as advisory services to local producers; (3) Access to market information and selected training on understanding market demands, product quality standards, etc.; (4) Training for local businesses; (5) Facilitation of people-to-people (or business-to-business) contacts through the organization of events for products/services for which trade corridors provide opportunities; (6) Provision of information on climate change and environment financing opportunities; (7) Expert support provided to the Ministry of Trade and Industry

Source: Project document

²¹The investment made includes financial and in-kind contributions from GIM in SEE and CIS project, other UNDP projects, other development agencies, municipalities, and private investors. This does not include operational expenditure of GIM in SEE and CIS project.

Some activities of Outcome 1 have changed, due to internal restructuring of the Ministry of Trade and Industry. Output 1 has eight activities, which aim to support MTI and other relevant stakeholders in enhancing their capacities in trade and industrial development policy. Output 2 activities have been dependent on the assessment carried out in the southern region, while they aim at enhancing capacities of SMEs operating in Economic Region South (farmers, women entrepreneurs).

The project has had some delays in delivering the activities of Output 2. They were restructured and the following activities have been planned:

- Direct training of businesses on international trade (requirements for exporting)
- Drafting of export marketing plans
- International quality standards
- Market entry studies
- Networking (match-making services)
- Supporting the development of tourism in Economic Region South
- Establishing two milk processing facilities
- Green commodity production

The establishment of an Industrial Database within MTI to collect information from different data collection sources is one of the main achievements. The project supported MTI in drafting industrial policies; six sector profiles (identified by the MTI) have been drafted by experts and presented to the ministry. The project supports the following stakeholders: Kosovo Investment Agency (dormer IPAK), MTI, six municipalities in the south region (MoUs with municipalities), and CSOs (business associations). The project aims at training businesses in export marketing plans – to be provided by the international consultant in consultation with local partners (CSOs). All project activities are designed and implemented in very close cooperation with MTI in order to build local ownership (project has flexible and good relations with MTI).

The project is designed accurately and is aimed at filling a gap in the policy development, targeting industrial policy. The activities have had some delay, while Output 2 activities have been restructured. The project is well received by the Ministry of Trade and Industry, while the focus of Output 2 is the Economic Region South. It is still too early to measure the impact of the project, yet it is considered an effective intervention since the MTI following up on the industrial policies that were produced. Output 2 activities seem a bit dispersed and do not follow a logical sequence, though most of them are small and could potentially support SME development in the Economic Region South. There are still many uncertainties as to how the Output 2 activities will be followed up by beneficiary SMEs and business associations.

The project supported the Ministry in terms of industrial policy development through: a statistical database for industrial development, the capacity development of the ministry staff, the delivery of six industrial policy profiles for strategic sectors of industrial development, the overall industrial development strategy and the identification of new spaces for the development of clusters. The ministry has strengthened its human capacities under the Industrial Department, although the capacities to develop industrial policy need to be further strengthened. Nevertheless, there are still financial limitations that hinder the implementation process of industrial policies. Another challenge relates to the lack of inter-institutional cooperation and coordination. UNDP is the only donor

agency that works in the industrial sector in MTI. The project is set to terminate by March or mid-2015.

Diaspora Engagement for Economic Development

The overall objective of the project is to enhance the contribution of diaspora to poverty reduction in the short-term and to the sustainable, gender-equitable local economic development in the long-run through facilitating and encouraging investments and savings among migrants and remittance-receiving households. The project has three focus areas: Access and literacy of remittance-recipients and senders to financial services in order to promote the accumulation of local savings and investment; Investment and savings directed towards Kosovo by Kosovar migrants and diaspora; and, the capacity of local authorities to produce and manage information related to migration and development, including gender-disaggregated data is improved.

Box 9: Outcome and outputs of the DEED project

The overall objective of the project is to enhance the contribution of diaspora to poverty reduction in the short-term and to sustainable, gender-equitable local economic development in the long run.

This objective will be achieved through three specific outputs. Each output targets different beneficiaries: the first output focuses on remittance-receiving households whereas the second output targets members of the Kosovo diaspora and Kosovar migrants. The third output targets mainly Kosovo authorities that also benefit from the first two outputs.

The project's three specific objectives are:

- 1) An increased gender-sensitive access and literacy of remittance-recipients and senders to financial services in order to promote the accumulation of local savings and investment;
- 2) Models and mechanisms that facilitate migrants' investment and savings in Kosovo are identified and piloted; and
- 3) Evidence-based policies created by Kosovo authorities who have an improved capacity to produce and manage information related to migration and development, including gender-disaggregated data.

Source: DEED project document

Key results achieved: Feasibility analyses to identify financial services that will reduce the cost of remittance transfers and help to channel remittances to investments, savings and job-creation; A grant scheme, focused on supporting women households who receive remittances has been created and is being tested in cooperation with RDAs. Awareness-raising campaigns and financial literacy trainings, seminars and workshops to remittance recipients and senders; A Private Sector Forum, aiming at the exploration of the linkages between private sector and remittances for development purposes; An International Guarantee Fund model; Technical assistance to the Ministry of Diaspora in drafting the Strategy on Diaspora, and particularly in policies aiming towards economic development; Two Kosovo Remittance Studies carried out; the second one in joint collaboration with the Kosovo Agency of Statistics.

As shown in Table 13 above, the project's activities were focused mainly on capacity building – with an effectiveness rated as moderately satisfactory, with moderate shortcomings, facilitating

processes – with an effectiveness rated as satisfactory, with minor shortcoming and network building – with an effectiveness rated as highly satisfactory, without shortcomings.

At the centre of the DEED project is the idea of creating business networks of Kosovo diaspora, with the purpose of achieving investment within Kosovo, rather than sending the remittances. The 2013-2018 strategy of the Ministry of Trade and Industry obliges the ministry to establish diaspora business networks. Between December 2013 (when the first network was established) and May 2014 (field visit for this evaluation), a total of 15 networks had been established in Germany, Austria, BeNeLux, Scandinavia, France, USA, Slovenia and Croatia, with more than 500 members. Nevertheless, up until May 2014, no investment had yet been carried out. So even if the potential for carrying out these investments appears to be interesting, the process of making the networks work is only at its initial stage. Additionally, in May 2014, the Global Union on Diaspora Business Networks was established in Kosovo, as an overall framework for the different diaspora business networks.

The role of the joint support from IOM and UNDP to the DEED project concentrated in speeding up the process. The Ministry of Diaspora is clearly aware that, without the international support, they would not even have been capable of establishing even half of the already existing networks, within such a short period of only six months. Apart from a productive use of available resources (for outreach, travel and organizing dissemination and meeting events for the networks), UNDP's soft assistance also helped to achieve the approval of a legal condition (in 2013) which offers the diaspora investment the same fiscal benefits being offered to the Foreign Direct Investment (FDI).

Consequently, the project's work in establishing networks and legal frameworks for their operations was highly effective, as well as the facilitation of processes required for achieving these outcomes. The project objectives and outputs also define capacity-building activities. Work in this area so far shows a lesser progress. Training materials have been designed, but outreach activities have not yet been extensively implemented. Another pending activity is to establish an in-time a diaspora investment database, which will be in condition to capture the financial investment carried out, as well as the social and economic benefits created by these investments.

Due to the flexible organizational structure, as well as regular communication with the donor, the project has also been able to respond quickly to various requests for assistance, support and cooperation from the MoD and other beneficiaries and partners. The joint implementation model of the two partner organizations, UNDP and IOM, has shown its strength in terms of flexibility in implementation, and the joint implementation model showing the strengths of both organizations has also helped to gain additional trust towards the project and both implementing bodies.

3.3 Efficiency of resource use and management arrangements

Finding 3: Availability of financial resources for the IG component was secured in the past and is reasonably well-secured for the near future. Resource availability allowed for high (satisfactory) financial delivery rates. This also implies satisfactory delivery levels of services and products mostly on schedule. The IG component additionally showed capacities for increasing delivery levels. The overall financial contribution from GoK is important, reaching roughly 10% of the overall budget execution. Even if the implementation and delivery performance is satisfactory, there are some weaknesses in the overall management structures of the IG component. There is no central component monitoring system for implementation progress (there is only a financial one), apart from annual implementation progress reporting. All other monitoring activities are

project-based. There is no risk management strategy at the component level either, which leads to the fact that in practice, required risk management measures are only taken in an *ad hoc* manner. The partner engagement works through the project managers (and the IG component management), which performs at a satisfactory level and is at least so far an adequate structure, to the understanding of this evaluation. Since most of the IG component activities are implemented locally, they show clear characteristics for replicability and scale-up. The replication of LAGs, TEPs and ALMP show clearly that this is already happening in practice.

Table 16: Evaluation ratings of efficiency

Evaluation of outcomes	Qualification	
	Rating	Comment
Efficiency of IG component implementation	5 - Satisfactory (S): minor shortcomings	Availability of financial resources is secured, which allows for high (satisfactory) financial delivery rates. This also implies satisfactory delivery levels of services and products mostly on schedule. The IG component additionally shows capacities for increasing delivery levels.

6: Highly Satisfactory (HS): no shortcomings; 5: Satisfactory (S): minor shortcomings; 4: Moderately Satisfactory (MS): moderate shortcomings; 3: Moderately Unsatisfactory (MU): significant shortcomings; 2: Unsatisfactory (U): major problems; 1: Highly Unsatisfactory (HU): severe problems
Source: compiled by the evaluation team based on evaluation findings

Table 17: Evaluation ratings of management arrangements

Quality of implementation	Qualification	
	Rating	Comment
IG component coordination and management arrangements	4 - Moderately satisfactory (MS): moderate shortcomings	The management is performing well in most of the cases, given the existing structures for management and monitoring at the component level. These structures, however, are weak at the component level, lacking a full monitoring mechanism for implementation, and lacking a risk management structure (risk management is carried out only <i>ad hoc</i>).

6: Highly Satisfactory (HS): no shortcomings; 5: Satisfactory (S): minor shortcomings; 4: Moderately Satisfactory (MS): moderate shortcomings; 3: Moderately Unsatisfactory (MU): significant shortcomings; 2: Unsatisfactory (U): major problems; 1: Highly Unsatisfactory (HU): severe problems
Source: compiled by the evaluation team based on evaluation findings

This chapter discusses two different aspects of efficiency, namely the efficiency in implementation (time and cost efficiency) as well as the efficiency of the IG component management.

Implementation efficiency

The implementation efficiency of the IG component is high and rated as satisfactory. Only one of the observed projects, namely the Aid for Trade project, initially showed delays in the provision of products and services and financial delivery.²² However, the management has been able to catch up with most of its processes and, in spite of the initial delays, is now able to meet its deadlines in most cases. This experience shows management and adjustment capacities for ensuring implementation

²² The project has experienced a delay due to one of its components, which has not been able to kick-off, as a result of the changing circumstances in the legislation. This has led to a redesign of the whole component that is now approved.

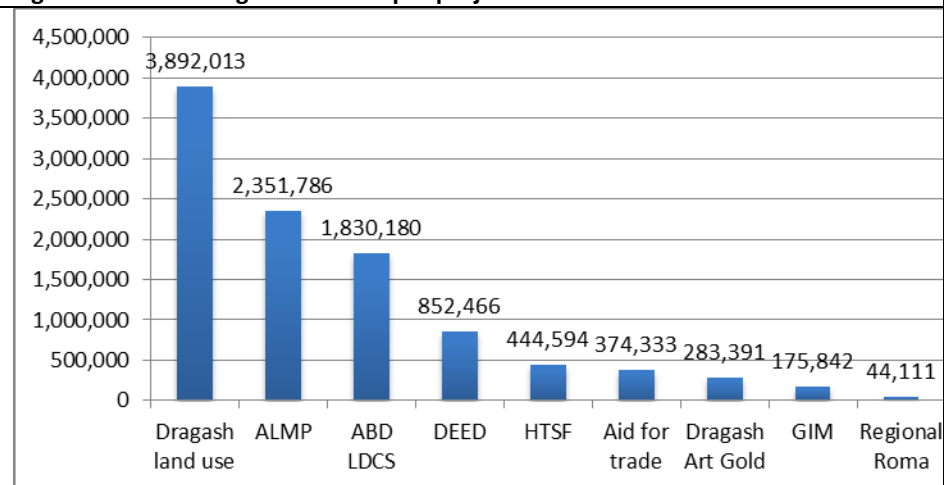
efficiency, in spite of the initial problems. All remaining projects show high levels of delivery. The overall financial delivery rate for 2013 was 92%, leaving the Aid for Trade project outside (in 2013, Aid for Trade achieved a delivery of only 63%). Even if we were to include Aid for Trade in the project list, the overall delivery rate for 2013 is still 86%, which could still be considered as satisfactory, since UNDP cannot control externalities (e.g. the speed of decision-making by implementing partners), which might cause important (time) delays. High financial delivery rates allow us to also conclude that the provision of planned outputs (products and services) has been high and at a satisfactory level of accomplishment of planned schedules.

Figures 2A through 2D below show the most important data (January 2011 to December 2013) regarding financial delivery. The Dragas/h Land-use project has by far the biggest financial volume (almost 4 million USD, 40% of overall expenditure), which converts the thematic area of local development into the largest one, with 63% of all financial resources being used within this area for the three-year period. In comparison, the thematic area of employment spent 23%, while the thematic area of markets and investment only spent 14% of available resources. Overall financial delivery of the IG component increased from 3 million USD in 2011 to 3.8 million in 2013. Government contribution (channelled through UNDP) included in these amounts, however, are small. Between 2011 and 2013 the GoK contributed 9.8% of the overall budget execution. Markets and investment finds the greatest interest from the government side, for financial contributions. Some 34% of the expenditures of market-related projects are covered by the government, 16% of employment project expenditures, but only 3% within the local development area.²³

²³ For more details see Annex 1

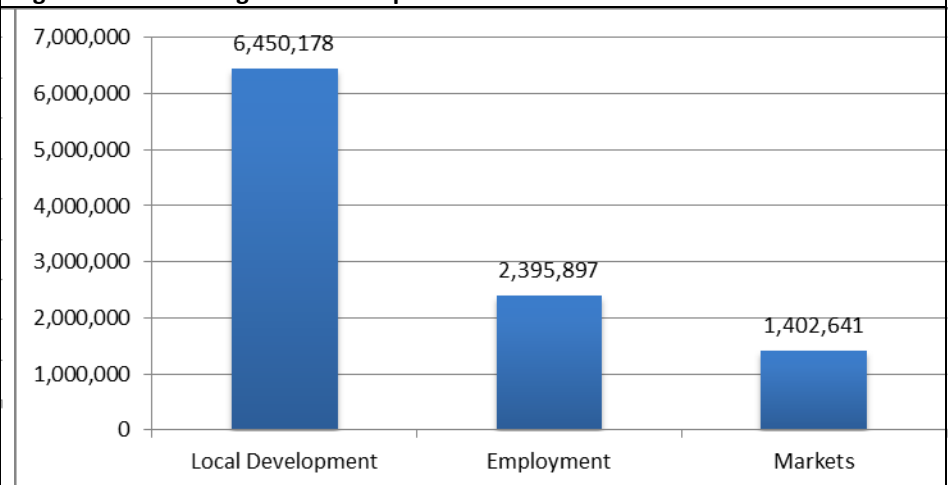
Figures 2A to 2D: Efficiency in IG component execution

Figure 2A: Total budget execution per project 2011 to 2013



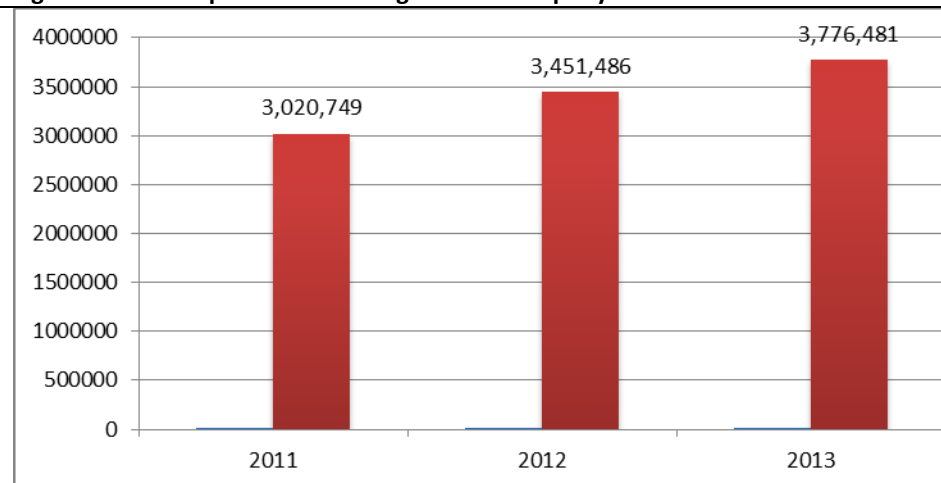
Source: compiled by the authors based on UNDP - CDR Reports.

Figure 2B: Total budget execution per thematic area 2011 to 2013



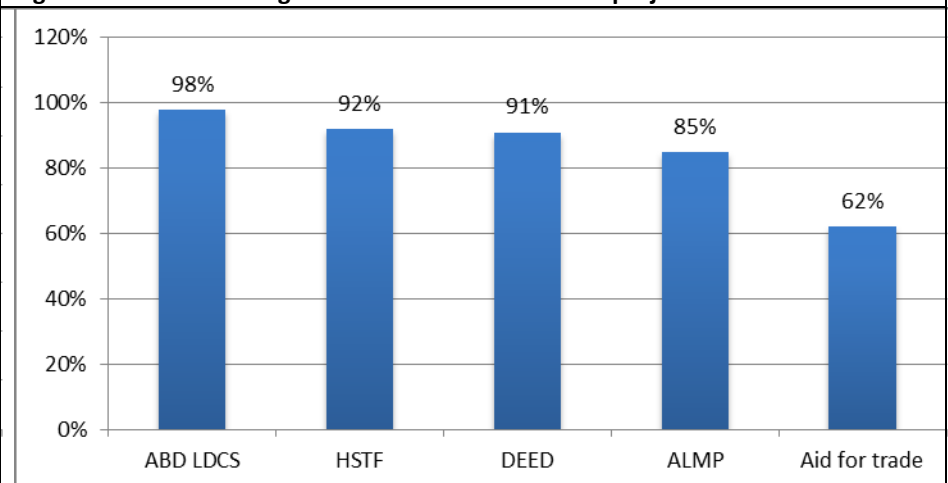
Source: compiled by the authors based on UNDP - CDR Reports.

Figure 2C: IG Component total budget execution per year 2011 to 2013



Source: compiled by the authors based on UNDP - CDR Reports.

Figure 2D: Levels of budget execution 2013 – selected projects



Source: compiled by the authors based on the UNDP – ROAR 2013 Report.

IG component management efficiency

All projects of the IG component were and are implemented under the Direct Execution (DEX) or Direct Implementation Modality (DIM), given the limitations that still exist in a global recognition of the Republic of Kosovo, which reduces the possibility of the UN selecting other possible implementation modalities.

Even if the implementation and delivery performance is satisfactory, there are some weaknesses in the overall management structures of the component. There is no central component monitoring system for implementation progress at a component level (only a financial one), apart from annual implementation progress reporting. There is no risk management strategy either, which leads to the fact that, in practice, the required risk management measures are only taken in an *ad hoc* manner.

This evaluation recognizes that there are monitoring systems at a project level. These systems, however, mostly monitor implementation progress and only to a lesser degree do they monitor the expected results that are starting to materialize. According to the understanding of this evaluation, an additional aggregated monitoring system, for observing joint progress towards the expected results at the IG component level would help the management improve the achievement of impacts created through synergies between the projects (and their achieved results).

At the same time, this evaluation also recognizes that some risk assumptions do exist at a project level. However, there is no joint risk assessment at the IG component level. Additionally, the risk assessments carried out for the projects only assume external risks (mostly political ones which are understood as a negative externality to the project) and focus less on the risks coming from potential weaknesses within the projects. A stronger risk assessment at an aggregate IG component level, considering external and internal risks, will strengthen the component management.

The partner engagement works through the project coordinators (and the IG component management), which performs, up until now, at a satisfactory level as an adequate structure, to the understanding of this evaluation. The existence of micro-macro linkages and policy makers is not very visible (component-wide, however, it does exist at a project level, e.g. ALMP) and exists rather through the partner engagement. Since most of the IG component work is implemented locally, it seems that there is a lot of room for improvement for strengthening the link between local experiences and national policies (understanding how (through which mechanisms and tools) national policies can be implemented locally and how outcomes achieved locally contribute to national objectives and goals).

Since most of the IG component activities are implemented locally, they show clear characteristics for replicability and scale-up. The replication of LAGs, TEPs and ALMM clearly show that this is already happening in practice.

3.4 Impact and sustainability

Finding 4: The evaluation confirms the existence of significant degrees of change (impact), generated through a long-term presence in certain thematic areas (employment and local development; namely ALMP, LDSC - Local Development for Community Stabilization and HTSF). The impact of more recent projects (GIM – Growing Inclusive Markets, DEED, Regional Roma and AFT) is still to come, however, this looks promising when considering the available resources (time, financial and human), what has been achieved so far and what is envisaged for the future (regarding impact). The Dragas/h projects did not perform as well regarding impact. Even in spite of these limitations, the overall IG component impact is still rated as significant. Sustainability aspects regarding the availability of financial resources and regarding the existence of required capacities in partner institutions are currently rated as moderately likely. This rating, however, has possibilities of improving in the short-term. The current financial perspectives of the IG component go beyond 2015 only for ALMP and DEED. Regarding the existence of required capacities for sustainability in partner institutions, this evaluation has concerns because no clear assessment exists to determine what would be the required capacities in partner institutions and no structured intervention exists in order to create the missing capacities.

Table 18: Evaluation ratings of impact and sustainability

Impact and Sustainability	Rating	Qualification Comment
Impact	3 - Significant (S)	The evaluation confirms the existence of significant degrees of change (impact), generated through a long-term presence in certain thematic areas (employment and local development, namely ALMP, LDSC, HTSF). The impact of more recent projects (GIM, DEED, Regional Roma and AFT) is still to come, however, this looks promising when considering the available resources (time, financial and human), what has been achieved so far and what is envisaged for the future (regarding impact). The Dragas/h projects did not perform as well regarding impact.
Financial resources sustainability	3 - Moderately Likely (ML): moderate risks	Only DEED and ALMP currently has its financial resources secured beyond 2015. Limited availability of resources from the donor and concerns (in some cases) regarding the transparency of resource use. Very low government contribution.
Partner institutions capacities and normative framework sustainability	3 - Moderately Likely (ML): moderate risks	No clear assessment exists regarding the required capacities in partner institutions for sustaining achieved results and processes. No current action taken for creating the missing capacities.

Rating scale impact: 3. Significant (S); 2. Minimal (M); 1. Negligible (N)

Rating scale sustainability: 4. Likely (L): negligible risks to sustainability; 3. Moderately Likely (ML): moderate risks; 2. Moderately Unlikely (MU): significant risks; 1. Unlikely (U): severe risks

Source: compiled by the evaluation team based on evaluation findings

Impact

For evaluating impact, the evaluation defines impact as being any degree of change through the continuity of the effects created through the implementation of the IG component project. Bear in mind, that this evaluation has identified satisfactory impacts in the fields of facilitating processes, (some kinds of) capacity building, networking, knowledge transfer and knowledge generation. A second criterion for evaluating the degree of impact is to assess the degree of change achieved in relation to the resources available (time, financial, human) and the external circumstances (political, social dialogue, etc.)

The component's work in bringing people together and facilitating processes has had the most visible impact so far, most importantly related to long-term work as proved by the ALMP project and the work in Northern Kosovo. Keep in mind that the overall goal of the component has been to create opportunities for vulnerable groups. Opportunities have clearly been created through the ALMP, within the project and beyond; beyond, because the targeting of job placements through employment offices goes already beyond the scope of the ALMP project and because these measures have been institutionalized at a municipal level (in selected municipalities) through the TEPs via the HSTF project. The same positive and long-term experiences gained in the employment sector are productively used in the Regional Roma project, which has a limited scope but a high impact potential for direct beneficiaries.

In the LDCS project, the impact is less tangible but it nevertheless does exist. In a specific way we have the positive impact of the work carried out by the business centres, where a clear change can be witnessed for direct beneficiaries. A more widespread (but less visible) impact can be found in the fact that the UNDP helped to establish a permanent dialogue between public administration, private sector and civil society, in some cases also bringing together different ethnic communities.

The level of impact created through GIM, Aid for Trade and DEED would exist through the creation of employment and income generation activities. Even if the GIM project created an impressive number of temporary jobs, a longer-term impact will depend precisely on whether these temporary employment opportunities survive. The potential impact of the DEED project is high, but is still to come, since no investment has yet been carried out by the business networks. The same observation is valid for the Aid for Trade project, which so far has not yet progressed significantly in the implementation of action on the ground, since the sector assessments and policy design stages have not been completed yet.

The impact achieved through the Dragas/h land use and Dragas/h Art Gold project look less promising. Regarding the Art Gold project, the level of community dialogue has been increased but its performance is still weak.²⁴ Community investment carried out is a valuable idea but the achieved scope was too small for creating any visible impact. The linkages with partner communities have been established but the capacities of Dragas/h communities are still too limited to allow them to make productive use of these connections. A similar reasoning can be attributed to the Dragas/s land use project. In spite of the knowledge generation regarding environmental conditions and potential action for their improvement is very valuable, the local capacities (in

²⁴ The project management argues that more positive and visible results began to emerge after mid-2014, date which is outside the evaluation period.

Dragas/h and in the central government) are still too weak to make productive use of this information and this way generate impact (and there is virtually no current activity being carried out that will help to create these still missing capacities).

Sustainability

Financial

The financial sustainability of the IG component is currently under moderate risk. At this very moment, only the ALMP and DEED projects have financial resources secured beyond 2015. Of course, ensuring additional financial resources during the following months (which is likely to happen) can help to improve the assessed rating. However, the chances of securing additional financial resources is under some risk, since the availability of resources from donors (most importantly from bilateral donors) is still limited, bearing in mind the limited economic and financial recovery since the European crisis back in 2008. Another risk factor are some donor concerns regarding the transparency of resource use, which can have a negative impact on the future financial sustainability of the component. A third factor, which puts at risk the financial sustainability, is the very limited financial contribution from the government. Finally, compared to other development partners in Kosovo (mostly from the CSO and NGO sector), the UNDP operational costs are much higher, which makes UNDP action expensive (in the case of UNDP implementing activities that are competing with the CSO/NGO sector, as was the case with the LDCS and Dragas/h Art Gold projects, for example).

Partner capacities

As argued in the effectiveness and impact chapter of this report, partner capacities for project implementation are still very low (but slowly increasing) in most cases. The evaluation has rated the sustainability aspects concerning partner institution capacities that are also under the threat of some risks. The following are the most important ones: In order to sustain the achieved results of a project, or the scale-up these results (through continuous delivery of products and services through a public institution, once a given project is finished), a specific set of capacities is required. For most of the partner institutions, no such assessment exists to determine whether the institutions have the required capacities: most importantly knowledge capacities, capacities for providing technical assistance/specific services to beneficiaries and managerial capacities for implementing new kinds of products and services. Additionally, there is no process being carried out that attempts to create currently missing specific capacities in partner institutions, which have the character of an exit strategy for projects currently under implementation. As a matter of fact, none of the projects under evaluation have an exit strategy defined in their logframe.²⁵

²⁵ The evaluators are aware that the projects provide capacity building support. However, the capacity building support could enhance sustainability even more strongly in case an *ex ante* assessment was carried out, for understanding which are the specific capacities a partner institution needs for (a) being able to continue (and hence sustain) the service delivery process the project was carrying out, (b) which are the required capacities for making already achieved results sustainable and (c) which other

capacities (e.g. general project management) are lacking in the partner institution, for a successful transition process from the project management (UNDP) to the partner. The central point of our argument is that the content of a capacity building process of (longer term) project, at the beginning of a project is different from the requirements at the end of a project. At the beginning, the overall goal of capacity building is to ensure capacities in the partner institution for co-implementation. At the end of a project, the overall goal of a capacity building process is to ensure a transition process, which ensure the sustainability of ongoing processes and achieved results through the partner institution as a future single implementer.

3.5 Partnerships

Finding 5: The IG component partnership strategy is strong and successful in bringing a wide range of different partners onboard (local, national, regional), which enriches the dialogue and strengthens the potential for (financial) sustainability (diversification of financial sources) and additionally gives the component's work a medium-term perspective. The IG cluster makes a very productive use of its capacities for leading and guiding a productive policy dialogue. Partners have a clear understanding of the comparative advantage UNDP offers as an institution, but in the implementation of activities on the ground, it is not always clear how much productive use is made out of these advantages.

Table 19: Evaluation ratings of partnerships

Quality of implementation	Qualification	
	Rating	Comment
Policy dialogue and partnerships	4 - Likely (L): negligible risks to sustainability	Diverse set of local, national and regional partners. Very strong in policy dialogue. Less strong in making productive use of UNDP's comparative advantages in project implementation on the ground.

Rating scale sustainability: 4. Likely (L): negligible risks to sustainability; 3. Moderately Likely (ML): moderate risks; 2. Moderately Unlikely (MU): significant risks; 1. Unlikely (U): severe risks

Source: compiled by the evaluation team based on evaluation findings

The partnership strategy of the IG component has been concentrating most importantly on a policy dialogue and bringing partners onboard the projects. These strategies have been very successful and their sustainability is likely. However, as argued in the previous section, financial contribution from government partners is low and their capacities seem insufficient for sustaining alone the initiated processes of development. Nevertheless, the assessment of this point instead concentrates on the performance of being able to bring the right partners onboard and being able to implement and sustain a constructive policy dialogue going in the right direction (support the implementation of projects which are relevant, effective, efficient and have impact), in order to take development forward. Box 10 below lists the partners involved in the projects under evaluation and shows clearly that there is a wide range of partners with different characteristics.

Having worked together with the partners, this evaluation appreciates the fact that the component focuses on a medium-term perspective (ALMP running since 2004, LDCS since 2008) and the definition of follow-up or complementary projects (RR and HSTF complementary to and making use of ALMP tools and experiences, Dragas/h projects complementary to and making use of LDCS tools and experiences). However, it is not always clear to the donors (nor to this evaluation) whether the UNDP makes the most efficient use of its comparative advantages. It is clear to donors where UNDPs institutional comparative advantages are (trusted partner, neutrality, global institutions which facilitates access, knowledge organization etc.), but it is not always clear which is the

best way for making productive use of these advantages.²⁶ Another strong point in the UNDP partnership strategy is having been able to set up a mix of local, national and regional partners, which is helpful for knowledge transfer, trust building and to some degree for financial sustainability (through a diversification of financial sources).

Box 10: IG component partners 2011 – 2014

LDCS

Partnership Strategy: This project will be implemented in partnership with UAM, Municipality of Mitrovica/a South, North Kosovo civil society organizations (CSOs), Business Advisory Centres (BACs) Mitrovica/e North, Mitrovica/a South and Zvecan/Zveqan. Established close coordination will be maintained with the EU Office in North Mitrovica, OSCE, EULEX and the Mitrovica North Administrative Office (MNAO).

HTSF

Municipalities of Fushe Kosove/Kosovo Polje and Obiliq/Obilic, Municipal Community Offices, Local Civil Society Organizations (CSOs), Office of the Prime Minister/Community Office

ALMP

Ministry of Labour and Social Welfare, Ministry of Education, Science and Technology, Ministry of Internal Affairs, indirect partnership in ALMP with WB who provides the hardware and UNDP providing the software, direct partnership between ALMP and EC funded projects (regulation on implementation of ALMPs, Operational Guidelines for Implementation ALMPs), synergies with other UN agency projects (ALMP experience and tools adopted for projects like GBV, HSTF, etc.), as well as that of other donors/organisations such as EC Kosvet 6, Lux-development project etc., private enterprises, municipalities

GIM

Regional programme without local partners

²⁶One example: it might be necessary that UNDP subcontracts the delivery of some products through NGOs or CSOs – and a donor might be willing to pay a management fee to UNDP for managing these processes – but when the level of subcontracting increases too much, the comparative advantages of UNDP start to vanish. This kind of concern applies partly to the LDCS and to the Dragas/h Art Gold project.

DEED

Ministry of Diaspora (MoD), Ministry of Trade (MTI)/ Kosovo Investment Promotion Agency (IPAK), Kosovo Agency of Statistics (KAS), Chambers of Commerce; and others, such as the Kosovo American Chamber of Commerce (AMCHAM), Association of Kosovo Businesses (AKB), Kosovo Bankers' Association (KBA)

Aid for Trade

Ministry of Trade and Industry; SME Agency of Kosovo; Investment Promotion Agency; Chambers of Commerce; Ministry of Economic Development; Kosovo-wide Municipalities; Private Sector Enterprises; Statistical Office of Kosovo

Regional Roma

Officially no local partners, but the project works implicitly with the same partners as ALMP and HSTF; Ministry of European Integration, Line ministries, FKP, Obilq/c.

Dragas/h land use

Municipality of Dragash/Dragas, Privatisation Agency of Kosovo (PAK), Ministry of Environment and Spatial Planning (MESP), Ministry of Agriculture Forestry and Rural Development (MAFRD), Ministry of Local Government Administration (MLGA), Kosovo Environment Protection Agency (KEPA), Agency for Forestry of Kosovo

Dragas/h Art Gold

Ministry of Local Government Administration Association of Kosovo Municipalities; Municipalities of Kosovo; Ministry of Finance; Office of the Prime Minister (OPM)

Source: compiled by the authors based on project documents

3.6 Outcome contribution to gender equality and mainstreaming

Finding 6: The IG component's work in gender mainstreaming, policy design, project design and project implementation is visible and strong. Gender aspects are included in the logframes - e.g. the emphasis in targeting ALMM to female members of vulnerable groups or the recognition of the specific importance of gender organizations for the political dialogue and for providing services or network advantages to women, as in the case of working with the female business association in Northern Kosovo. Hence, gender issues are taken into account in the project design and are implemented accordingly.

Table 20: Evaluation ratings of gender equality and mainstreaming

Quality of implementation	Qualification	
	Rating	Comment
Gender mainstreaming	3 - Significant (S)	Strong accomplishment of gender considerations in project design (logframes) and in implementation. Less visibility of gender mainstreaming in policy design.

Rating scale impact: 3. Significant (S); 2. Minimal (M); 1. Negligible (N)

Source: compiled by the evaluation team based on evaluation findings

Given its economic orientation and nature, the IG component addresses the issue that remains the greatest threat for long-term stability of Kosovo - its fragile economy. Underneath this threat, strong gender inequality issues can be found. In fact, Kosovo has the lowest Gender Development Index in the region. The UNDP, through its entire programme, seeks to address gender issues prominently. Within the IG cluster, an important and successful strategy for creating economic opportunities, especially for women, is being carried out.

In the northern region, a special female business association is being supported by the IG component. The public opinion (Mosaic) surveys are collecting gender specific information (e.g. regarding satisfaction with government services). The ALMM are trying to provide benefit in a wide degree to female job seekers, having been able to produce important results. Even of the female labour force participation is only 19% in Kosovo²⁷, the share of women placed in jobs in Obiliq through ALMM during the period 2011-2013 was 47% (compared to 53% of men having found a job through ALMM). The social Enterprise initiative is also focusing with a special interest in the female labour force.

At the same time, the DEED project dedicates one out of three components specifically to gender, supporting an increased gender-sensitive access and literacy of remittance-receiving households in Kosovo to financial services in order to promote the accumulation of local savings and investment.

²⁷ World Bank data 2011; see:

[http://www-](http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2013/10/31/000333037_20131031120844/Rendered/PDF/818290REVISED000Box379864B00PUBLIC0.pdf)

[wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2013/10/31/000333037_20131031120844/Rendered/PDF/818290REVISED000Box379864B00PUBLIC0.pdf](http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2013/10/31/000333037_20131031120844/Rendered/PDF/818290REVISED000Box379864B00PUBLIC0.pdf)

3. Conclusions

The IG component, its work and its results have contributed importantly to a process of economic stabilization and the generation of economic opportunity, for both men and women alike and for different population groups in Kosovo. The IG component has rightly focused on issues regarding employment and entrepreneurship and has become a key player in the employment policy field. After having consolidated its expertise in employment policies, the IG component has been able to take advantage of the strong position gained in employment issues, reaching out into local development planning on the one hand (including environmental issues) and at the same time creating links to the central government. The IG component has been shown to be innovative (e.g. through the DEED project). At the same time, the issue of employment and economic activity has proved to be an important entry point for planning, which the IG component has been able to take advantage off through LAGs and TEPs.

In spite of these visible results, the component is facing some challenges regarding longer-term resource mobilization, even though the financial sustainability is ensured in the short term. The design of projects under the IG umbrella is traditional and shows usual weaknesses in the monitoring of progress towards results (projects are usually good at monitoring progress of delivery) and in a more sound design of capacity-building strategies and activities, specifically for the exit or transition periods of projects. The IG component as a whole gives the impression of being an umbrella under which economic projects are lumped together. Trying to put together a top down component strategy and component monitoring framework could help to further improve the components effectiveness and the sustainability of its processes and results.

4. Recommendations

RELEVANCE, COHERENCE AND DESIGN

- Define additional specific goals and not only a global goal at a component level
- Define goals and indicators which can be influenced by the project or component activities
- In case the projects are still not fully known when the component is defined, redefine some of the component's planning elements once the projects are designed
- At a component level, do not commit to change indicators at a national level (e.g. unemployment), given that this cannot be achieved by any one project (given its scope). Instead, focus on goals such as "identifying bottlenecks" (in policies, norms, institutional frameworks, capacities, etc.), which avoid achieving a given outcome and design component and project activities that help to remove these bottlenecks

- Include “starting” or “pre-implementation” periods in the project design (the time you need for projects to get ready for operating, such as identifying experts, contracting, tenders, putting field offices together etc.)

EFFECTIVENESS

- In the selection of future thematic working areas, focus on medium term approaches
- The provision of tools (LAG, TEP) improved the effectiveness of projects, identify global UNDP tools which can be used or design additional local tools for the thematic areas which still do not have tools for implementation. In this sense, tools for capacity building and for management or projects from implementing partner’s seem to be the most promising ones
- At a global level, the UNDP has an important strength in knowledge transfer. This area seems to be under-exploited in Kosovo. Explore possibilities to increase the use of knowledge transfer mechanisms
- Continue the thematic line of:
 - Employment and income generation
 - Integration through social inclusion
- For the thematic design of new projects, implement a half-day workshop for better understanding on how the generation of opportunities works through public policies
- Consider the possibility of working thematically on the issues related to social expenditures/social security and employment
- Consider the possibility of working on VAT issues
- Consider the possibility to work on issues related to agriculture production (even if this is a FAO or IFAD field, the UNDP can work on issues like networking between smallholders, access to finance, access to markets)
- Continue working in parallel at a central and local level
 - Strategic geographic focus on municipalities
- Concentrate on a selected set of municipalities and a selected set of topics (in order to be able to have higher impacts)

EFFICIENCY AND MANAGEMENT ARRANGEMENTS

- Consider putting together an M&E system regarding the progress towards joint component results (e.g. as well defining intermediate results and milestones), in order to better understand how individual project results contribute jointly (synergy) to the overall progress towards the component goals
- Design and implement oversight systems for transparency of resources use
- Ensure that alert and reporting procedures regarding a possible suspicion of inadequate resource use are accomplished as established under UNDP rules and in the contracts signed with the donors

IMPACT AND SUSTAINABILITY

- There is a need for some more conclusive assessments on what the achieved results mean for – policy framework, institutional framework, required capacities etc.
- “Better” follow-up for taking advantage of achieved results
- More flexible project frameworks for this might be needed (consider discussing these issues with donors)
- Consider the establishment of “fund baskets” (joint programmes) for the IG component
- There is a need for a better assessment of required institutional capacities during different project stages and what that means for the capacity building efforts of the projects regarding their partner institutions. Project co-implementation capacities at an early project stage are naturally different from institutional capacities required during an exit or transition period of a project from co-implementation (Kosovo public institutions jointly with UNDP) towards single implementation through public institutions in Kosovo

PARTNERSHIPS

- Partners need a better understanding on how strategic advantages of UNDP are used in the implementation of projects and how these advantages contribute to a “better or different” achievement of results (compared to what could have been expected from other institutions carrying out the same activity)

ANNEXES

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Annex 1: Financial contribution from GoK to the IG component

Thematic area	Project	Year	Expenditure	Govt Contribution	Total	% of gov. Contribution	
LOCAL DEVELOPMENT	ABD	2011	1,017,859	9,192	1,027,051	3.4	3.2
		2012	423,478	43,282	466,760		
		2013	326,470	9,899	336,369		
		Subtotal	1,767,807	62,373	1,830,180		
	Dragash land use	2011	983,389	0	983,389	0.0	
		2012	1,451,794	0	1,451,794		
		2013	1,456,830	0	1,456,830		
		Subtotal	3,892,013	0	3,892,013		
	Dragash Art Gold	2011	82,266	0	82,266	0.0	
		2012	196,878	0	196,878		
		2013	4,247	0	4,247		
		Subtotal	283,391	0	283,391		
	HTSF	2012	15,421	0	15,421	32.7	
		2013	283,636	145,537	429,173		
		Subtotal	299,057	145,537	444,594		
EMPLOYMENT	ALMP	2011	873,266	0	873,266	16.5	16.2
		2012	855,323	73,708	929,031		
		2013	236,143	313,346	549,489		
		Subtotal	1,964,732	387,054	2,351,786		
	Regional Roma	2013	44,111	0	44,111	0.0	
		Subtotal	44,111	0	44,111		
MARKETS	GIM	2011	54,777	0	54,777	0.0	34.3
		2012	121,065	0	121,065		
		Subtotal	121,065	0	121,065		
	Aid for trade	2012	51,363	0	51,363	0.0	

		2013	322,970	0	322,970		
		Subtotal	374,333	0	374,333		
	DEED	2012	116,957	102,217	219,174		
		2013	246,368	386,924	633,292	61.1	
		Subtotal	246,368	386,924	633,292		
TOTAL IG COMPONENT			8,992,877	981,888	9,974,765	9.8	

Source: Self compiled based on Project CDR

Annex 2: Evaluation matrix

TABLE A1. EVALUATION QUESTION MATRIX

Evaluation questions posted in the TORs have been rearranged by the evaluator according to his understanding regarding where the questions fit best into focus areas and evaluation criteria

Focused Areas of Inquiry	Evaluation Questions	What to look for	Data Sources ²⁸
Design and planning	- How well the initiative was planned?	- Was the planning process participatory - Are the planned activities and their scope sufficient for achieving the expected results? - Are projects planned in all details including Log and M&E frameworks?	DR
	- Has UNDP specifically addressed the gender dimensions of poverty? - Has UNDP introduced a deliberate pro-poor bias in its programming and project design?	- Gender and vulnerable groups targeting during planning phase.	DR
Relevance of UNDP outputs	- To what extent have UNDP outputs and other assistance contributed to that progress toward achieving the outcome?	- The outputs produced by the projects are the right (the required) ones in order to produce the desired effect?	Q, I, GI
Effectiveness of UNPD output	What activities were carried out? What outputs were delivered? What progress has been made towards achievement of the outcome since 2011? Is the outcome going to be achieved through the current interventions? What factors have affected that progress?	- Progress of project implementation and status of the outcome	DR, I
	What lessons learnt and recommendations will improve efforts to achieve outcome? What factors have affected the effectiveness or ineffectiveness of	- Externalities (risk management) and lessons learned (best practices)	DR, I, Q, GI

²⁸ The following abbreviations are used: **DR** – review of documents and reports, **W** – information retrieved through web searches; **MES** – information obtained from project performance monitoring and evaluation system; **Q** – information obtained by analyzing responses to the questionnaires; **I** – information obtained by interviews; **GI** – information obtained by group interviews.

Focused Areas of Inquiry	Evaluation Questions	What to look for	Data Sources ²⁸
	that progress? - Has UNDP specifically addressed the gender dimensions of poverty? Has UNDP introduced a deliberate pro-poor bias in its programming and project design?	- Gender and vulnerable groups targeting during implementation phase	Dr, I, GI, MES
Efficiency of UNDP outputs	- How processes were managed? - What monitoring systems were put in place? - What kind of a risk management strategy is in place? How UNDP has engaged with a wide range of partners to ensure the achievement of results? - Did UNDP facilitate macro-micro linkages between its interventions and policy makers?	- Quality of project and component management process and management arrangements - Risk management and linkages with other projects through partnerships?	MES, DR, Q, I
Sustainability of UNDP outputs	- What is the prospect of that progress being sustained for the long-term? - Did UNDP specifically address vulnerability, resilience, etc., in the design of its programs and projects? - Did UNDP do enough to support capacity development among national implementation partners? - Did UNDP facilitate the replicability of small-scale pilot interventions?	- Has there been a successful capacity building process at household (beneficiary) level and in public institutions, in order to make achieved results sustainable and in order to make the initiated development process sustainable and replicable once the project finishes?	MES, DR, I
UNDP partnership strategy	- Has the UNDP's partnership strategy been appropriate and effective? - What has been the degree of stakeholder (including beneficiary) and partner involvement in the various processes related to the outcome and the establishment of national ownership and sustainability? - How did UNDP interact with its partners? - How UNDP has defined the influence of partners and other stakeholders into achievement of planned outcomes? - Did UNDP include appropriate exit strategies in its activities?	- Approach, scope and performance of the partnership strategy and achieved partnership on the ground regarding content, fundraising and implementation support for the IG component.	MEs, DR, I

TABLE A2. EVALUATION CRITERIA AND INFORMATION SOURCES MATRIX

Evaluation Criteria	Information Sources and types			
	Project Design	UNDP Kosovo Team	Counterparts	Project's administration
Relevance. The degree to which the project is justified in relation to the needs of the beneficiaries	DR, W, Q, I	DR, Q, I	DR, Q, I	
Coherence/Complementarity between the project and other policies, which impact macroeconomic policies and social protection.	W, Q, I	Q, I	Q, I	
Progress: The progress towards the project purpose and the overall objective. Example: whether the beneficiaries have access, are using, and are satisfied with the project services.	Q, I	Q, I	Q, I	DR, I
Effectiveness. The extent to which the project purpose has been achieved as a result of the project.	Q, I	Q, I	Q, I	DR, I
Efficiency. The cost/time effectiveness of transforming the means into results.	DR, I			DR, I
Impact/Degree of Change. The intended and unintended impacts of the project, changes brought about by the Project intervention?	DR, I	I, GI	I	
Sustainability. The extent to which the positive effects of the project would continue after the external assistance has come to an end. Will the positive change in the development situation endure/continue in future?			I	I
Assumptions. The likelihood of assumptions to materialize.	Q, I		Q, I	
Implementation: achievement of planned results, compliance with budget, availability of baseline data, use of indicators.	DR, Q			DR, Q
DR – review of documents and reports, W – information retrieved through the searches;				
MES – information obtained from project performance monitoring and evaluation system;				
Q – information obtained by analyzing responses to the questionnaires; I - information obtained by interviews;				
GI - information obtained by group interviews.				

The above questions represent the core of the evaluative inquiry. It is expected that in the course of the evaluation, all or some questions will be branched out in a number of more detailed or related queries. It is also possible that responses to some of them may open a currently unforeseen path of evaluative inquiry.

The data collection methods in Table A3 are presented in the same sequence as they would be used in conducting the evaluation. Full and complete availability of documentation is essential for the success of the evaluation. The UNDP MCO will support the dissemination of questionnaires and the analysis of replies. The roster of interviewees and the list of questions would largely rely on the outcome of the desk review of documents and the analysis of the responses to the questionnaires. All phases of data collection and analysis will be properly recorded as evidence on which the final conclusion of the evaluation will be based.

Annex 3: Data collection tools

Table A3. Summary of data collection methods

METHOD	DESCRIPTION	ADVANTAGES	CHALLENGES
Review of documents and reports	All existing documentation, including quantitative and descriptive information about the programme, its outputs and outcomes; including documentation on capacity development activities, progress reports, and other evidentiary data.	Comprises the official record. Available from the outset of the evaluation. Cost-efficient.	Documents may not answer evaluation questions. Reliability and validity of information may require verification.
Using monitoring and evaluation system (Atlas, Prince or other)	Ideally, uses results-based performance indicators to measure progress, particularly actual results against expected results.	Can be reliable and objective assessment of outputs and outcomes, provided RBM methodology is adhered to.	Requires a RBM system, that have SMART indicators and have collected reliable data both on results and indicators.
Questionnaires	Provide a structured and focused tool for obtaining information on a wide range of topics from a large number of stakeholders concerning the programme performance.	Good for gathering promptly information on a wide range of topics with the maximum coverage of staff/stakeholders. Confidentiality may foster open-minded self-assessment.	Self-reporting may be biased, impressionistic or superficial. Information could be difficult to analyse and its reliability and validity may require further verification.
Interviews	Qualitative one-on-one in-depth interviews of stakeholders with first-hand knowledge of the activities and context. Aimed to obtain their assessments or to follow-up on their answers to questionnaires.	Enhances coverage, range and depth of gathered information. Can provide different perspectives on the issue(s).	Can be time consuming, difficult to analyse and costly. May require further verification and corroboration.
Group Interviews or Focus Groups	A group of staff/stakeholders is interviewed together to explore in-depth important assessments and judgments regarding the programme performance.	Effective in obtaining views from diverse staff/stakeholders; efficient in providing range and depth of information in a short time.	Can be hard to analyse and reconcile responses. May be difficult to schedule.

Principal Draft Evaluation Questionnaire

Observation: In each interview these generic questions will be adjusted and complemented according to the thematic characteristics of the interview as well as level of knowledge, position and involvement of the interview partner in the project.

- What is the project's biggest achievement? Why?
- Is there anything you wanted to do within the project but have not been able to do so? What? Why?
- What went well?
- What did not went well?
- What can be done better? / What you did, doing it a gain, what would you do differently?
- Where did UNDP make a difference?
- Where UNDP did not address the issues?
- Have you been able to do what you wanted to do together with UNDP during the last years (since 2011)?
- Does the UNDP supported action/activity lead to a change? If so where/how? Why?
- Is UNDP a driving force for policy design/innovation?

Annex 4: People met and field mission schedule

Field visit meeting schedule – Thomas Otter, Hajrulla Ceku – IG evaluation May 5 to May 15, 2014

Day	Activities	Notes
5 May (Monday)	<p>Thomas and Hajrulla arrive</p> <p>Meetings with the IG Programme team</p> <p>10:00 – 12:00 Ms. Valbona Bogujevci 13:00 – 14:00 Ms. Yllka Gerdovci (also ALMP project) 14:15 – 15:15 Ms. Rreze Duli (HSTF Project Manager)</p>	UNDP office 3 rd floor mtg. room
6 May (Tuesday)	<p>Meetings with Project Managers</p> <p>09:30 – 10:30 Ms. Valbona Bogujevci (<i>Regional Roma Facility project</i>) 10:30 – 11:30 Dragash Projects with Ms. Rreze Duli and Ms. Shkipe Deda-Gjurgjiali 13:00 – 14:00 Ms. Yllka Gerdovci (<i>ALMP project</i>) 14:00 – 15:00 Ms. Teuta Purrini (Aid for Trade Project Manager) 15:15 – 16:15 Mr. Ardian Spahiu (DEED Project Manager)</p>	UNDP office 3 rd floor mtg. room/5 th floor
7 May (Wednesday)	<p>13:00 – 14:00 Ms. Kaltrina Salihu (Art Gold project) 14:00 – 14:30 Meeting with members of the Operations unit Mr. Shpend Selimi (Operations Manager) Ms. Flutura Bacaj (Head of HR unit) Mr. Tomorr Kepuska (Head of General Services) Ms. Arbnesha Shala (Head of Finance)</p>	UNDP office 3 rd floor mtg. room
8 May (Thursday)	<p>Morning 10:00-10:30 Mtg. with Mr. Naim Dedushaj - the Ministry of Diaspora (Director of Investment) 15:00 – 16:00 Mr. Vesa Kotilainen (Finland)</p>	<p>Ministry of Diaspora</p> <p>Finnish Embassy</p>
9 May (Friday)	<p>Field visit to the North with Ms. Niina Tenhio – departure at 08:00.</p> <p>Mtg. with Ms. Niina Tenhio, Mr. Boban Simic (Local community stabilization/ABD Project Manager) and the project team (<i>please see detailed agenda below</i>)</p>	<p>Northern municipalities</p> <p>Transport provided by Ms. Niina Tenhio</p>

12 May (Monday)	<p>Meetings with Stakeholders/On-site visits</p> <p>09.00 – 10.00 Meeting with Shpetim Kalludra, Ministry of Labour and Social Welfare</p> <p>10.30 – 11.30 Meeting with Ylber Aliu and Defrim Rifaj, Department of Labour and Employment</p> <p>ALMP field visit</p> <p>12.00 – 13.30 Euron company – Fushe Kosove Meeting with the employer, the beneficiaries and the employment office</p> <p>15:00+ Meeting with Mr. Jean-François Brackman (Belgium)</p>	<p>Ministry of Labour and Social Welfare</p> <p>FKP</p> <p>Embassy of Belgium</p>
13 May (Tuesday)	<p>08:30- 09:30 Meeting with UNDP Kosovo DRR, Ms. Steliana Nedera</p> <p>09:45 – 16:00 FKP/Obiliq/c - HSTF field visit (meetings and transport scheduled and provided by Ms. Rreze Duli)</p> <p><i>(Please see the agenda below)</i></p>	<p>FKP/Obiliq/c</p> <p>DRR's office</p>
14 May (Wednesday)	<p>10:00 – 11:00 Ms. Kathrina Ramberg Embassy of Norway</p>	<p>Embassy of Norway</p>
15 May (Thursday)	<p>09:00 – 10:00 Debriefing with the IG Team</p> <p>Thomas is leaving</p>	<p>UNDP office</p>

Meeting agenda FKP, Obiliq May 13, 2014
Contact: Rreze Duli, rreze.duli@undp.org 044115636,

Time	Interlocutor	Institution/Position	Venue	Comments
8:45	Meeting in front of office, Main UNDP building		Travel to FKP	
9:30-10:30	Ekrem Berjani	FKP Head of Local Action Group and Director of Social Welfare Directorate	Municipal building, Office third floor	
10:30 – 11:30	Ms. Teuta Brisku,	Employemnt officer	Employment office FKP	
11:30 - 12:34	Mr. Veton Xhigolli	CEO SE generation Y, and (possible meeting with one beneficiary)	Generation Y premises	
13:00 – 13:45	Arben Berisha	Obiliq/c Municipality/LAG Chair	Pristina – Cafeteria in front of Government building	
14:15 – 15:00	Emine Berisha	Municipal Employment Office Representative	Obiliq/c – MEO Offices	
15:15 – 15:45	Project beneficiaries		Beneficiaries working place	

Agenda for the field visit to the Northern municipalities – Friday, May 9

#	Name	Position	Organization	Contact	Time/ place
1.	Jelena Marković	Civil engineer	Municipality Zvečan/Zveqan	Tel: 064 826 28 08 e-mail: jelenazvecan@yahoo.com	09:15 – 10:00 Zvečan Municipality
3.	Boris Drobac	BAC Manager	Business Advisory Center (BAC) Zvečan	Tel: 064 87 45 918 e-mail: b.drobac@poslovnicecentarzvecan.com	10:15 – 11:15 Business Advisory Center (BAC) Zvečan
4	UNDP Project team	NA	UNDP	028 664 643	11:30 – 13:30 UNDP office Zvečan
4.	Petar Prica	Director	PP CAR – beneficiary	Tel: 065 822 66 55 e-mail: petarprica@hotmail.com	14:00 – 15:00 Spot visit; UNDP office; Or: depends of availability
5.	Olivera Milosević	Director	Woman Business Association (WBA)	Tel: 064 67 33 401 e-mail: olja210269@yahoo.co.uk	14:00 – 15:00 WBA office Mitrovica North



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Terms of Reference for a Decentralized Formative Evaluation of the Inclusive Growth Programme Component

SUMMARY

Activity: Outcome Evaluation of UNDP Kosovo's²⁹Inclusive Growth (IG) Programme

Job Title: International Evaluation Expert (1 position),

Duty station: Pristina, Kosovo³⁰ and home-based

1. BACKGROUND AND CONTEXT

THE UNDP KOSOVO ACTIVITIES SUPPORTING INCLUSIVE GROWTH (IG)

As part of the planning exercise for 2011-2015 (UNDP Kosovo Programme Action Plan – KPAP), UNDP Kosovo opted to support Kosovo's institutions to offer better public and social services and to provide more economic and livelihood opportunities for vulnerable women and men (returnees, IDP, minority groups, PWD, youth) as one of four outcomes³¹. To better understand the current programme structure and focus, and in order to further guide this outcome evaluation, the evaluation team should look at the KPAP outcome 1 from the following perspective: to what extent has UNDP Kosovo Inclusive Growth Programme succeeded in creating **more opportunities and improved quality of local services for economic development for individuals in risk of social exclusion**. While project targeting in general is concerned with certain groups (for example Roma, Ashkali and Egyptian minorities, or people with disabilities), the tendency in the discourse inside UNDP is to move from targeting vulnerability as a “condition” ascribed to certain groups towards targeting vulnerable individuals.

Since the 1999 conflict, the UNDP has implemented a number of interventions designed to create more opportunities and improved quality of local services for economic development for individuals in risk of social exclusion throughout all of Kosovo. The UNDP's Inclusive Growth Programme now builds on an integrated approach that revolves around: 1. Productive inclusion and employment;

²⁹All references to Kosovo in this document are in line with UN Security Council Resolution 1244 (1999)

³⁰ A brief overview of Kosovo's historical context is provided in Annex 1.

³¹ For Results and Resources Framework, see Annexes of this ToR

2.Territorial Development and systemic competitiveness; 3.Social promotion and protection against vulnerabilities. Environmental sustainability is a cross-cutting theme underlying all interventions. Capacity development responses are integrated throughout programming and rooted into: i) local context; ii) local capabilities and knowledge base; iii) mobilization of social capital.

Since 2011 the following projects have had one or more components that are relevant to this outcome evaluation (a short description is included as Annex 2):

11. Local Development for Community Stabilization phase II
12. ABD LDCS II
13. Active Employment Programmes
14. GIM Initiative Kosovo
15. Sustainable land use management and conservation of biodiversity in Dragas/h municipality
16. ART GOLD Project in Dragas/h
17. Building a better future for Fushe Kosove/Kosovo Polje and Obiliq/c (HSTF)
18. Aid for Trade
19. Regional Roma Facility
20. Diaspora Engagement for Economic Development (DEED)

2. EVALUATION PURPOSE

The evaluation is being conducted to assess the progress toward achieving the following outcome of the Inclusive Growth and Development component of UNDP Kosovo: *By 2015, vulnerable women and men (returnees, IDP, minority groups, PWD, youth) have more economic and livelihood opportunities, and benefit from better public and social services*³². **The evaluation should look at the outcome from the perspective of whether individuals in risk of social exclusion have more opportunities and better quality local services for economic development.** The evaluation should especially focus on UNDP's contribution to date, and provide recommendations to guide this programme component's further implementation and development.

This evaluation is part of the UNDP's 2011-2015 evaluation plan. The purpose of the evaluation is to provide the UNDP and its partners and relevant stakeholders with feedback that will enable the more efficient attainment of the outcome and will help direct future UNDP assistance to where it will more effectively promote inclusive growth and reduction of poverty in Kosovo, as well as ascertain UNDP's contribution to the achievement of the Inclusive Growth and Development outcome.

3. EVALUATION SCOPE AND OBJECTIVES

The evaluation's scope should encompass the extent to which UNDP programmes, outputs, projects and soft assistance, partners' interventions, and synergies among partners contributed to attainment of the KPAP outcome ³³ since 2011 until present (June 2013).

The objective of the evaluation is to support UNDP human development focus by generating knowledge about what works, why and under what circumstances. According to the Handbook on Planning, monitoring and evaluating for development results, the "quality evaluations not only focus

³² As defined in UNDP Kosovo Programme Action Plan 2011-2015

³³ As defined in chapter 1 of this ToR

on the attainment of outputs and outcomes, but also assess how initiatives adapt to the contexts in which they operate and how and why they contribute to outputs and outcomes.”

The following outputs are expected to be part of the evaluation:

1. Local Development for Community Stabilization phase II
2. ABD LDCS II
3. Active Employment Programmes
4. GIM Initiative Kosovo
5. Sustainable land use management and conservation of biodiversity in Dragas/h municipality
6. ART GOLD Project in Dragas/h
7. Building a better future for Fushe Kosove/Kosovo Polje and Obiliq/c (HSTF)
8. Aid for Trade
9. Regional Roma Facility
10. Diaspora Engagement for Economic Development (DEED)

The main objectives of the evaluation are to identify and assess the:

6. Status of the outcome (positive and negative trends, changes in the external environment/in the policy and regulatory framework relevant for the outcome)
7. Factors affecting progress towards the outcome
8. UNDP contributions to the outcome
 - Relevance of the outcome and associated outputs
 - Effectiveness of UNDP outputs under or contributing towards the outcome
 - Efficiency of UNDP outputs toward the outcome
 - Sustainability of UNDP outputs towards the outcome
9. UNDP partnership strategy
 - Appropriateness and effectiveness of partnerships
10. The level of UNDP contribution towards strengthening the application of rights-based approach and mainstreaming of gender in development efforts
 - Efficiency efforts to promote inclusion, participation and fair power relations
 - Degree of promotion of UN values

The evaluation should also consider the prospect for long-term sustainability of the positive changes and overall progress toward the outcome. The evaluation should particularly identify lessons learnt and propose recommendations for improving future efforts to achieve the outcome.

4. EVALUATION QUESTIONS

The evaluation should consider and answer the following key questions:

General:

1. Is the outcome going to be achieved through the current interventions?
2. What progress has been made towards achievement of the outcome since 2011?
3. What factors have affected that progress?
4. What lessons learnt and recommendations will improve efforts to achieve outcome?
5. How well the initiative was planned?
6. What activities were carried out?
7. What outputs were delivered?

Relevance of UNDP outputs:

8. To what extent have UNDP outputs and other assistance contributed to that progress toward achieving the outcome?

Effectiveness of UNDP outputs:

9. What factors have affected the effectiveness or ineffectiveness of that progress?
10. What did UNDP activities and outputs lead to?
11. What change did UNDP help bring about to?
12. What evidence is there for the change that UNDP helped bring about to?
13. Has UNDP specifically addressed the gender dimensions of poverty?
14. Has UNDP introduced a deliberate pro-poor bias in its programming and project design?

Efficiency³⁴ of UNDP outputs:

15. How processes were managed?
16. What monitoring systems were put in place?
17. What kind of a risk management strategy is in place?
18. How UNDP has engaged with a wide range of partners to ensure the achievement of results?
19. Did UNDP facilitate macro-micro linkages between its interventions and policy makers?
20. Did UNDP facilitate the replicability of small-scale pilot interventions?

Sustainability of UNDP outputs:

21. What is the prospect of that progress being sustained for the long-term?
22. Did UNDP specifically address vulnerability, resilience, etc., in the design of its programmes and projects?
23. Did UNDP do enough to support capacity development among national implementation partners?

UNDP partnership strategy:

24. Has the UNDP's partnership strategy been appropriate and effective?
25. What has been the degree of stakeholder (including beneficiary) and partner involvement in the various processes related to the outcome and the establishment of national ownership and sustainability?
26. How did UNDP interact with its partners?
27. How UNDP has defined the influence of partners and other stakeholders into achievement of planned outcomes?
28. Did UNDP include appropriate exit strategies in its activities?

5. METHODOLOGY

The evaluation team may employ any relevant and appropriate quantitative or qualitative methods it deems prudent to conduct the outcome evaluation. Methods may include: desk review of documents; interviews with stakeholders, partners, and beneficiaries; field visits; use of questionnaires or surveys etc. However a combination of primary and secondary, as well as

³⁴ Efficiency is a measure of how well UNDP organized itself in delivering quality outputs (with a view to contributing to the capacity of government or other UNDP counterparts' capacity to achieve outcomes). Effectiveness is a measure of how well UNDP contributed to developmental changes initiated and achieved by the government or other UNDP counterparts

qualitative and quantitative data should be used. The evaluation team is expected to revise the methodological approach in consultation with key stakeholders, particularly the intended users and those affected by evaluation results. The team should present its findings in both quantitative data and qualitative recommendations.

The team is expected to hold interviews and meetings with the management and staff of UNDP, central and local government officials and partners

The suggested methodology should be compatible with the UNDP approach to evaluations as described in the [Handbook for Planning, Monitoring and Evaluation](#) and [UNDP Guidance on Outcome Level Evaluation](#).

The evaluation team is expected to use its findings and expertise to identify the lessons learned, and to propose recommendations for improving the UNDP's future efforts toward achieving the outcome.

Prior to the International Evaluation Expert's arrival, evaluation team members will receive a list of documents to be consulted for their review.

The team will have latitude to design a detailed evaluation scope and methodology and will present a proposed work plan as part of the inception report to UNDP before arrival in order to optimize the time spent in Kosovo.

6. EVALUATION PRODUCTS (DELIVERABLES)

The team will be responsible for delivering:

1. An inception report including the following:
 - the evaluation team's interpretation of the terms of reference and outlines of the specific methodology to be applied (including the scope, design and associated technical instruments, detailed evaluators' understanding of what is being evaluated and why, theory of change, sources of data, data collection process, etc.);
 - Interview protocols;
 - A specific work plan, including a proposed schedule of tasks, activities and deliverables,;

The Inception Report is to be reviewed and endorsed by UNDP Kosovo prior to the commencement of the evaluation.

2. A Draft evaluation report, including a presentation of findings, an initial presentation of the lessons learned and clear strategic recommendations to the UNDP and its partners for future programme formulation and implementation.
3. The Final evaluation report:
 - Account for the UNDP and stakeholders' feedback on the first draft.
 - The evaluation report should advance steadily from providing descriptive overviews, laying out the facts, to analysing UNDP's contribution based on evaluation criteria, to providing conclusions and recommendations.

7. EVALUATION TEAM COMPOSITION AND REQUIRED COMPETENCIES

The team is to consist of an International Evaluation Expert and a Local Evaluation Consultant. Each is to work completely independent from any of the organizations that have been involved in designing, executing, or advising any aspect of achieving the outcome.

Required competencies:

International Evaluation Expert:

- Master's degree in economics, regional development/planning or any other social sciences related to inclusive growth;
 - Minimum seven (7) years of professional experience in the area of the economy, employment, development, or social policies;
 - Minimum five (3) years of experience in conducting evaluations, strong working knowledge of UNDP and its mandate, the civil society and working with government authorities;
 - Extensive knowledge of results-based management evaluation, as well as participatory M&E methodologies and approaches;
 - Excellent communication skills with various partners including donors;
 - Strong reporting and communication skills in English (spoken Albanian or Serbian is an advantage);
 - Teamwork skills;
- Knowledge of the Balkan region, and preferably Kosovo in particular.

Local Evaluation Consultant:

- Master's degree in economics, regional development/planning or a social sciences field related to inclusive growth;
- Minimum five (5) years of professional experience in the area of inclusive growth;
- Extensive knowledge and familiarity with the Kosovo economic development scheme;
- Experience in conducting evaluations, strong working knowledge of UNDP and its mandate, the civil society and working with government authorities is highly regarded;
- Knowledge of results-based management evaluation, as well as participatory M&E methodologies and approaches is highly regarded;
- Excellent communication skills with various partners including donors;
- Strong communication and reporting skills in English;
- Teamwork skills.

8. EVALUATION ETHICS

The evaluation will be conducted in accordance with the principles outlined in the UNED '[Ethical Guidelines for Evaluation](#).' Evaluators must address any critical issues in the design and implementation of the evaluation, including evaluation ethics and procedures to safeguard the rights and confidentiality of information providers, for example: measures to ensure compliance with legal codes governing areas such as provisions to collect and report data, particularly permissions needed to interview or obtain information about children and young people; provisions to store and maintain security of collected information; and protocols to ensure anonymity and confidentiality.

All information and analysis will remain the intellectual property of UNDP.

9. IMPLEMENTATION ARRANGEMENTS

The evaluation team will be supervised by the UNDP Kosovo Inclusive Growth Programme Coordinator. The evaluation team will be supported by the UNDP Programme Associate and Resource Monitoring Associate. The quality assurance mechanism of the evaluation process will be provided by the UNDP DRR, the PRGC Programme Coordinator and the Resource Monitoring Associate.

The role and responsibilities of the **International Evaluation Expert** will include:

- Be the team leader and chief writer;
- Delegate appropriate tasks to the Local Evaluation Consultant;
- Be responsible for the overall quality and timely completion of the evaluation products noted under heading 6 above;
- Submit the draft report, and present the evaluation team's findings to the UNDP and relevant stakeholders.

The role and responsibilities of the **Local Evaluation Consultant** will include:

- Work under the guidance of the International Evaluation Expert;
- Contribute, as assigned/delegated, to the data collection, field work and preparation of the evaluation report
- Undertake all other tasks and activities delegated by International Evaluation Expert.

The evaluation team is expected to take care of its own logistical arrangements, such as travel & accommodation, office space, supplies, equipment and materials for note taking, analysis etc. The evaluation team is expected to send each deliverable for the UNDP Programme Coordinator, who will share the deliverable for comments with the quality assurance team.

10. TIME FRAME FOR THE EVALUATION PROCESS

Task	Deliverable	Responsible for delivery	Approved by	Timeframe
Prep-work(desk review, on-line briefing of evaluators by UNDP commissioning unit) Finalizing the evaluation design and methods and preparing the detailed inception report	Inception report	International Evaluation expert and Local Evaluation Expert	2. UNDP Programme Coordinator 3. Quality assurance group	
In-country evaluation mission (visits to the field, interviews, questionnaires)		International Evaluation expert and Local Evaluation Expert		
Preparing the draft report	Draft evaluation report	International evaluation expert and Local Evaluation Expert	UNDP Programme Coordinator Quality Assurance group	
Review of the draft report (for quality assurance)	Feedback and revisions of the draft evaluation	UNDP commissioning unit	UNDP Programme Coordinator Quality Assurance	

	report		Group
Incorporating comments and finalizing the evaluation report	Final	International	UNDP Programme
	Evaluation Report	evaluation	Coordinator
		expert and Local	Quality Assurance
		Evaluation Expert	Group

11. COSTS

Successful candidates are expected to provide an offer for conducting the outcome evaluation as described above.

The offer should include the number of working days proposed for the evaluation, the fee per day and other associated costs.

12. ANNEXES

ANNEX 1: Results and Resources Framework of the UNDP Kosovo Programme Action Plan

Annex 2: Short description of the have had one or more components relevant to this outcome evaluation

1) Local Development for Community Stabilization phase II

- Donors: Norway, UNDP's Bureau for Crisis Prevention and Recovery
- Short Description: The project was designed to contribute to the peace building and consolidation process in the target areas through better capacities for local service delivery
- Key results achieved:
3 Business Advisory Centers established; 136 beneficiaries (54 female and 82 male) successfully completed the Business training; For the first time in the Mitrovicë/a region, start-ups were offered micro loans to create small and medium enterprises. 49 loans distributed and 86 jobs created; Enhanced women and youth entrepreneurship through the provision of fifteen small grants to local partner organizations. The project supported 278 direct beneficiaries (women and youth); 13 joint (south/north) community initiatives were supported. The projects covered 899 direct beneficiaries (472 and 331 youths; 6 Quick Impact projects implemented; Three Mitrovicë/a opinion polls conducted, that provide a clear understanding of the perception of people living in the region; A public awareness campaign "Living with lead" implemented; 3 Local Action Groups empowered in Mitrovicë/a north, south and Zvečan/Zveçan; 3 Local Community Action Plans developed

2) Building a better future for Fushe Kosove/Kosovo Polje and Obiliq/c (HSTF)

- Donors: UNTFHS
- Short Description: The project "Building a better future for citizens of Fushë Kosovë/Kosovo Polje and Obiliq/Obilić" is a joint effort of UNDP, UNICEF, UNFPA, UNV and WHO under UN Kosovo Team (UNKT) umbrella, addressing key human security challenges
- Key results achieved (UNDP component): an innovative model for local-level concertation around employment generation was launched (Territorial Employment Pact), eliciting a financial contribution from the local government. By the end of the project, it is expected that the Municipality/public sector would be more responsive

to its citizens needs and demand and has the capacity to replicate the projects approach beyond year 3.

3) Active Employment Programmes

- Donors: Norway, Kosovo (Ministry of Internal Affairs), UNDP, Denmark (before 2011)
- Short Description: The project aims to support long-term unemployed individuals through the implementation of Active Labour Market Measures and provision of direct assistance to the labour market institutions for the facilitation of training and employment in partnership with private sector enterprises (in collaboration with the Ministry of Labour and Social Welfare); Provision of direct assistance to vocational education students facilitating work-based learning schemes in mainly private sector partner enterprises in a gender equitable manner (in collaboration with the Ministry of Education); Provision of technical assistance to the implementation of the Employment Strategy of Kosovo;
- Key results achieved: Labour Market Institutions have increased capacities to provide individualized employment assistance; Significant input provided to the development of the Kosovo Employment Strategy; Various training measures designed and implemented based on Operational Guidelines developed in cooperation with MLSW; over 11,383 jobseekers have attended training measures and were awarded certificate of completion; Participation of young women is above 50%; Participation of other most vulnerable groups is around 20%; Based on external impact evaluations, about 50% of beneficiaries found sustainable employment; Employment services, registration of unemployed and employment management system are now computerized.

4) GIM Initiative Kosovo

- Donors: UNDP (TRAC funds), TIKa
- Short Description: The overall purpose of this project is to build more inclusive markets in Eastern Europe and the CIS. It has two complementary objectives: 1. To build country level awareness for inclusive market business models and approaches via the production and dissemination of GIM report. 2. To broker concrete inclusive market investment projects in four Country Offices of the region. It is based on the fact that businesses that engage the poor on the demand side as clients and customers and on the supply side as producers, employees and business owners can capture benefits that go beyond the short-term bottom line and actually help tackle sustainable development issues.
- Key results achieved: Projects were implemented in the poultry sector, as well as vegetables and fruits, tackling the main constraints to business development, which had been identified during the feasibility work. Events were organised bringing together possible investors from Turkey and local businesses in Kosovo.

5) Aid for Trade

- Donors: Finland, Czech Republic

- Short Description: The overall objective (development goal) is to foster sustainable and inclusive economic growth through the promotion of trade and the enhancement of the country's competitiveness. The gains from trade are numerous, and extend beyond the immediate commercial benefits. Trade and investment can contribute to human development by helping to raise productivity, employment and economic growth. Trade can also increase the variety and quality of goods available to consumers, and help lower the likelihood of political conflicts between countries. The purpose of the project is to improve implementation of pro-poor trade reforms and trade capacity development measures through the identification of trade policy's responses, trade related needs and capacity gaps, as well as an execution of piloting technical assistance interventions.
- Key results achieved: Establishment of a sustainable Microcredit Guarantee Fund, in close cooperation with the Regional Development Agencies in the North and South of Kosovo (from total 450 guarantees to be issued during the initial two years of operation, 50% will be extended to target beneficiaries in the economic region South); Provide export promotion services to local businesses such as: advisory services to local producers; access to market information and selected training on understanding market demands, product quality standards, etc.; training for local businesses; facilitation of people-to-people (or business-to-business) contacts through the organization of events for products/services for which trade corridors provide opportunities; provision of information on climate change and environment financing opportunities; Expert support provided to the Ministry of Trade and Industry

6) Diaspora Engagement for Economic Development

- Donors: Finland, UNDP, Norway
- Short Description: The overall objective of the project is to enhance the contribution of diaspora to poverty reduction in the short-term and to sustainable, gender equitable local economic development in the long-run through facilitating and encouraging investment and saving behaviour among migrants and remittance-receiving households. The project has three focus areas: Access and literacy of remittance-recipients and senders to financial services in order to promote the accumulation of local savings and investment; Investment and savings is directed to Kosovo by Kosovar migrants and diaspora; and , the capacity of local authorities to produce and manage information related to migration and development, including gender disaggregated data.
- Key results achieved: Feasibility analyses to identify financial services that will reduce the cost of remittance transfers and help to channel remittances to investments, savings and job-creation; Awareness-raising campaigns and financial literacy trainings, seminars and workshops to remittance recipients and senders; A Private Sector Forum, aiming exploration of the linkages between private sector and remittances for development purposes; An International Guarantee Fund model; Technical assistance to the Ministry of Diaspora in drafting the Strategy on Diaspora, and particularly in policies aiming towards economic development; Two Kosovo

Remittance Studies conducted; the second one jointly with the Kosovo Agency of Statistics.

7) Sustainable land use management and conservation of biodiversity in Dragas/h municipality

- Donors: Finland
- Short Description: The purpose of this three-year project is to provide continuing support to the establishment of a sustainable development framework for Dragas/h Municipality, one of the poorest municipalities in Kosovo, and where valuable biodiversity exists. This project builds upon the results, achievements and problem analysis developed over a one-year preparatory phase project implemented by UNDP Kosovo, with funding from the Government of Finland. The project promotes sustainable development focusing on: i) the conservation of biodiversity; ii) the re-establishment and development of improved local businesses based on sustainable land use; iii) environmentally sound energy services and sustainable development principles; and iv) improved capacities of local governments, community leaders and women to promote development in collaboration with central level sectors.
- Key results achieved: The Municipal Development Plan, including strategies for settlements, roads and infrastructure, forestry, health, education, biodiversity and nature protection, agriculture, cultural heritage & tourism, economic development, human resources development, water and waste water, waste management and energy; Completed sustainable development Atlas for the Sharr/Šar national park (mapping resources, forestry, biodiversity, potential for tourism); Management plan for the Sharr/Šar National Park; Employment opportunities and support for local SME's in Dragash/š (Ecoprofit training, recycling business opportunities); Projects to support local farmers in quality control and certification of their products, market outreach, energy efficiency etc.; Several pilot projects to develop energy efficiency, waste management and water management.

8) ART GOLD Project in Dragas/h

- Donors: Belgium
- Short Description: The project focussed on Decentralized Cooperation networking and partnerships at municipal level in key sectors: Local health and welfare systems; Local basic education and training systems; Basic municipal basic infrastructure development; Institutional and capacity development; Small enterprise support; Environmental protection and territorial planning.
- Key results achieved: ART participatory village planning successfully completed in 5 pilot villages of Draga/sh and first links with international decentralised partners established, following a successful international conference held in Dragas/h in Dec 2010 and an exchange visit realised in Italy with local level partners. The project developed and disseminated the Dragas/h Municipal Guidelines for cooperation and promotion of a decentralised cooperation framework for local socio-economic development. Successfully completed the implementation of identified pilot projects in the Municipality of Dragas/h (co-financing with UNDP Dragas/h project).