

2009 Project Fiche 3 Kosovo – IPA centralised programmes

1. Basic information

- 1.1 CRIS Number:** 2009/021-145
1.2 Title: Support to Communities
1.3 ELARG Statistical code: 01.63
1.4 Location: Kosovo (UNSCR 1244)

Implementing arrangements:

- 1.5 Contracting Authority (EC):** European Commission Liaison Office in Kosovo
1.6 Implementing Agency: N/A
1.7 Beneficiary (including details of project manager):

Project activity	Beneficiary	Contact point responsible for project/coordination activity
<i>Community Stabilisation Programme</i>	Ministry of Communities and Return (MCR)	Mr. Vedat Maxhuni, Senior Programming Officer- MCR, 038 212 803, vedat.maxhuni@ks-gov.net
<i>Confidence building Measures in Kosovo</i>	Ministry of Communities and Return (MCR)	Mr. Vedat Maxhuni, Senior Programming Officer- MCR, 038 212 803, vedat.maxhuni@ks-gov.net
<i>Implementation of the RAE (Roma Ashkali and Egyptians) Strategy</i>	Office of Good Governance – Office of the Prime Minister Kosovo Foundation for an Open Society (KFOS)	Mr Habit Hajredini, Director of the Office for Good Governance, Human Rights, Equal opportunities and Gender issues, 038 200 140 70, Habit.Hajredini@ks-gov.net Ms Vera Pula, Minority & Roma Program Coordinator, KFOS, 038 542 157/158, vpula@kfos.org

Financing:

1.8 Overall cost (VAT excluded)¹: EUR 3.135 million

1.9 EU contribution: EUR 3.125 million

1.10 Final date for contracting:

Three years after the date of conclusion of the Financing Agreement between the European Commission and the Kosovo Authorities

1.11 Final date for execution of contracts:

Two years after the final date for contracting

1.12 Final date for disbursements:

One year after the final date for the execution of contracts

¹ The total cost of the project should be net of VAT and/or other taxes. Should this not be the case, the amount of VAT and the reasons why it should be considered eligible should be clearly indicated (see Section 7.6)

2. Overall Objective and Project Purpose

2.1 Overall Objective:

To contribute to the stabilisation of the socio-economic situation of ethnic minority communities in Kosovo

2.2 Project purpose:

To create income generating and employment opportunities among ethnic minority communities throughout Kosovo, thereby creating sustainable livelihoods and improved socio-economic conditions.

To strengthen inter-ethnic confidence building between communities and promotion of interethnic reconciliation in order to further foster their integration within Kosovo society.

2.3 Link with AP/NPAA / EP/ SAA:

2008 is the European Year of Inter-Ethnic Dialogue. The European Partnership 2008 entails the following as key priority: create a climate for reconciliation, inter-ethnic tolerance and sustainable multi-ethnicity. The Draft EPAP 2008 responds to this priority by recommending initiating programmes and projects related to creation of tolerant multi-cultural atmosphere (no. 10), as well as implementing projects for inter-ethnic dialogue and community integration at the local level (no. 13).

European Partnership/STM

The project is directly linked with political requirements of the *European Partnership* under the chapter - "Key priorities" titled "Human rights and the protection of minorities" and under the chapter - "Democracy and the rule of law"

European Partnership Action Plan 2008

The Kosovo government's *European Partnership Action Plan* in its political criteria provides for recognition of *human rights and protection of minorities*. In relation to EPP 7 the EPAP under its key priorities calls for creation of tolerant multi-cultural atmosphere (no.10), as well as implementing projects for inter-ethnic dialogue and community integration at the local level (no. 13). In relation to EPP 45 the EPAP under its short-term priorities aims for implementation of projects for development of RAE communities (no.11), institutional and organisational infrastructure building for re-integration of RAE communities in labour market through training and employment (no.12) as well as compilation of validity for economic development of REA communities (no.13).

Status Settlement Proposal

The aim of the *Comprehensive Proposal for the Kosovo Status Settlement* is to define the provisions necessary for a future Kosovo that is viable, sustainable and stable. It includes detailed measures to ensure the promotion and protection of the rights of communities and their members, the effective decentralization of government, and the preservation and protection of cultural and religious heritage in Kosovo (for more details see annex 3).

2.4 Link with the Multi-Annual Indicative Planning Document (MIPD) for 2009-2011:

One of the priorities identified for the EC assistance under the axis Political criteria is the promotion of human rights and the protection of the Serb and other minorities and the creation of a climate of inter-ethnic tolerance in order to protect the Serb and other minorities already in Kosovo, including the conditions for growth and sustainable development of all communities as well as the preservation of and access to cultural and religious heritage of non-majority communities. Furthermore under the axis Economic criteria it calls for direct economic development support to vulnerable groups including minorities.

2.5 Link with national sector strategies

In September 2008 the Ministry of Communities and Returns has established the commission to develop its strategy and the action plan for next five years period. The draft strategy is expected sometimes in January 2009.

In addition the Office of Good Governance within Prime Minister's office has prepared and circulated draft RAE Community Strategy. This strategy is expected to be approved in December 2008.

The Medium Term Expenditure Framework (MTEF) 2008-2010 in its volume II under section 3.3.10.1.4 Human and Minority Rights states that "one of the sectors that need quite a lot of money is the programme of minorities and returnees". The MCR in the regular budget process is getting certain amount of money in order to address related issues.

3. Description of project

3.1 Background and justification:

Community Stabilisation Programme

Despite recent improvements minority communities in Kosovo continue to live with fewer employment possibilities and inadequate access to public services. The underdeveloped nature of Kosovo's economy characterised by high unemployment rate, though felt by all communities, is more acutely experienced by isolated minority communities. Minority communities face particular difficulties including the difficulties in freedom of movement, compounded with unemployment, limited possibilities for income generation initiatives and limited access to markets and social services. These deficiencies have caused residents to experience economic hardships and have engendered a pessimistic view of the future. These factors demonstrate the urgency and the necessity for programme initiatives that assist and encourage ethnic minority communities to build their own future, while simultaneously reinforcing the international community's efforts to maintain a multi-ethnic society in Kosovo.

This proposal represents the continuation of EU's CARDS support to minority communities with the aim of stabilising the socio-economic and employment prospects, reducing the net outflow of ethnic minorities by providing economic incentives and combat poverty and exclusion in minority disadvantage areas. This programme continues to address clearly a defined need to provide specific and tailored support to minority communities in the isolated villages, which are amongst the most vulnerable in Kosovo..

In addition, the programme will also focus on the areas where the potential for return of IDPs is high, to improve the socio-economic infrastructure, to promote psychosocial/recreational and cultural activities and thereby facilitate the reintegration of IDPs into their receiving communities or communities of origin.

Confidence building measures in Kosovo

The legacy of ethnic conflict and interethnic hatred and mistrust generated from the war continue to hamper progress in Kosovo. Many view domination of one community over another as the only way for Kosovo. Such perceptions and fears associated with them are being exploited by various political leaders of all sides for their political benefits. Intensive dialogue between Albanians and Serbs at all levels is needed to strengthen the trust required to build a multiethnic state.

The status settlement was not a result of a consensual agreement between Albanians and Serbs. Kosovo Serb participation is essential for the successful implementation of the Ahtisaari Plan. The Plan was based on the premise that Prishtinë/Priština and Belgrade, as well as the Kosovo Serbs, will work together in the implementation process.

In 2002 PER initiated the dialogue between Kosovo and Serbia, involving two of Belgrade's Deputy Prime Ministers and Kosovo's Prime Minister and the Assembly President. Following the violent events of March 2004, PER facilitated the first meeting between Albanian and Serb-community leadership. PER continued facilitating discussions between two communities. The most recent event was the Balkan Regional Roundtable on International Relations held in early June 2008 in Montenegro, involving a number of Kosovo Albanian and Serb political leaders. These discussions often result in recommendations driven by political leaders themselves that translate into concrete actions that are of benefit for the different local communities.

This project is aiming to assist Kosovo Albanians and Serb Leaders to identify issues of mutual concern with the goal of improving interethnic trust needed for implementation of the Ahtisaari Plan and stability in the region. PER will facilitate an intensive dialogue between Kosovo Albanian and Serb communities at both central and municipal level, in order to increase the readiness of Kosovo Serb community representatives to actively participate in Kosovo's political developments.

Implementation of RAE Strategy

Exact data on the actual number of RAE currently living in Kosovo or on the number of RAE originally from Kosovo, but living as refugees, IDP, rejected asylum seekers or migrant workers outside of Kosovo are not available.

Statistics about the three communities are unclear and often inaccurate or contradictory. However, it is estimated that currently around 35.000 to 40.000 RAE live in Kosovo and a much larger number live outside Kosovo. All available social and economic indicators underline their disadvantaged position and their living conditions remind of the living conditions of the poorest communities in developing countries.

The development of an inclusive and welcoming society is a key prerequisite to the successful integration of RAE minorities.

The strategy primarily addresses the improvement of the situation of those RAE communities still living in Kosovo though it provides for recommendations for the re-integration of returnees. The return process and the process of reconciliation and creating a tolerant environment in Kosovo which strictly respects the rights of minorities underline the readiness of Kosovo to accept its citizens of RAE origin. However, the three communities still face a deplorable situation in Kosovo, in particular in the field of employment.

The strategy has to be seen in context of other important policy documents both in Kosovo and at international level. The strategy recommendations do not intend to replace general policy documents, but to provide for useful and realistic recommendations on how the situation of the three communities can be improved in all relevant sectors. All other relevant general strategies or general policy documents of the Kosovo Government shall address the situation of the three communities or take into account the Strategy for the Integration of RAE. This particular project is addressing three key components: education, employment and cultural promotion including capacity building on media and RAE community outreach.

3.2 Assessment of project impact, catalytic effect, sustainability and cross border impact

Community Stabilisation Programme

The EC has been contributing to the stabilisation of minority communities in Kosovo since 2002. This programme is a continuation of EC's socio-economic assistance in minority areas where in general some 1610 projects were funded creating or securing some 6,100 jobs with high

sustainability rate of over 80 percent. Drawing from this successful experience the impact of the project is expected to be positive. It will continue to promote effective participation of minorities in socio-economic development, inter-ethnic tolerance and human rights in Kosovo.

The activities of this proposed project are aligned with the MCR strategy and the action plan (in development) and as such are very important to the sustainability of the action. The draft strategy outlines the government of Kosovo wishes to see economic development taking place in the minority populated areas coupled with the progressive integration of minority populations, while respecting the principles of diversity and minority rights. Furthermore the MCR in their 2009 budget have also planned indicative budget for community stabilisation initiatives.

The project will also link with ECLO's initiatives on regional development agencies as well as other government, international actors and non-state-actors to ensure coherence of priorities and approaches. The project will continue in keeping close ties with municipal community offices in conducting its outreach and screening activities.

Confidence building measures in Kosovo

This project aims at building a platform for sustainable interethnic dialogue and cooperation. As the project will impact more moderate and cooperative Kosovo Serb politicians in south-eastern Kosovo, it is anticipated that supporting the moderate political elite of Kosovo Serbs will increase cooperation between Kosovo authorities and Kosovo Serbs and will ultimately help towards building interethnic trust and confidence, finding solutions and bringing forward the process of decentralization.

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Inclusion of local mechanisms, institutions and communities and introducing their ownership of the process will ensure the sustainability of this project. The participants of this political process will be encouraged to come up with their own solutions, rather than providing imposed solution by the outside party. This active engagement in the local level will contribute to achievement of mutually agreed and satisfactory result, which will contribute to the overall promotion of interethnic dialogue and reconciliation.

The successful completion of the project will lead to the formulation of a strategy to increase the active participation of minorities in the political process in Kosovo and development of constructive relations among the Kosovo's majority and minority communities. It will also increase the interest of Kosovo's institutions regarding minority rights, creating new mechanisms for ongoing dialogue with minority leaders, and establishing a more cohesive Kosovo society.

Implementation of RAE Strategy

This project will further complete previous (including EU funded) initiatives to tackle the particular needs of RAE communities in three main fields, but the impact of this project is expected to go beyond classical measures. Indeed, based on the needs of the communities and the expertise of Open Society Foundation's expertise, a scholarship programme for RAE students will support the integration of these communities into all levels of education, especially at university level. This particular activity will further upgrade living conditions of RAE through the subsequent creation of new employment opportunities for the grantees (Cf. multiplier effect).

The development of tailor made training programmes according to their skills (as a complement) will empower community members to see their needs fulfilled – thereby ensuring ownership and better sustainability of the project.

The support to RAE Culture is on the contrary an area that has not been addressed so far, but which will greatly contribute to the promotion of cultural rights of these communities in Kosovo. Finally the capacity building activities related to media and outreach management will empower the communities in the production of community based outputs. The combination of these three elements is expected to both increase the respect of their economic & social rights as well as concretely contribute to their successful integration within Kosovo society

3.3 Results and measurable indicators:

I. Results and measurable indicators in relation with component 1 – Community Stabilisation Programme

Expected results:

- a. New and expanding small enterprises supported with essential resources.
- b. Small entrepreneurs trained in basic business skills.
- c. Economic activity in the target areas increased through business associations.
- d. Community-relevant projects realised.

Objectively verifiable indicators:

- a. By end-of-project a number of micro-enterprises (including those in the agricultural sector) in the target areas created or expanded through the disbursement of assistance
- b. By end-of-project a number of aspiring or current entrepreneurs completed targeted business skills training in the areas of business administration, accounting, marketing and business communications
- c. By end-of-project a number of full-time, part-time or seasonal employment opportunities created or secured, all being of medium to long-term durations (one year and more)
- d. By end-of-project a number of priority community development projects funded for the benefit of all communities in targeted areas

II. Results and measurable indicators in relation with component 2 – Confidence building measures in Kosovo

Expected results:

- a. Enhanced communication between leaders of Kosovo's two largest ethnic communities at different levels
- b. Improved policies on ethnic issues
- c. Strengthened Kosovo Serb moderate political elite and decreased support for hardliners
- d. Engagement of more Serb political leaders in Kosovo's political process

Objectively verifiable indicators:

- a. More frequent attendance at events, more practical engagement, and better quality of dialogue
- b. Commitment of readiness to change policies, and actual follow-up observed
- c. More moderate rhetoric observed when making public statements
- d. More confidence by the moderate Serb elite vis-à-vis the radicals and the authorities
- e. More effective and/or vocal Serb institutions inside and outside of the Government
- f. Formation of a locally-run Forum for Dialogue and Reconciliation

III. Results and measurable indicators in relation with component 3 – Implementation of RAE Strategy

Expected results:

- a. Improved access and retention of RAE communities as well as raising their capacities to benefit from secondary and tertiary education levels;
- b. Increased level of skills development taking into account RAE specificities
- c. Promotion of RAE cultural heritage and media/outreach skills development

Objectively verifiable indicators:

- a. Number of RAE children school attendance retained and increased;
- b. Number of RAE children/youth benefiting from programs offered in the learning centres;
- c. By the end of the project at least 200 grants for secondary and 20 grants for tertiary education attributed to RAE youth. .
- d. Number of RAE community members trained in Vocational Training Centres in general as well as traditional RAE craftsmanship in particular;
- e. By end-of-project number of skilled RAE beneficiaries facilitated to find employment in local labour market or start their businesses on the basis of a viable business plan and income generation opportunities.
- f. Number of RAE community members trained in communication, media and outreach management
- g. Organisation of at least one international festival of RAE culture in Kosovo;

3.4 Activities:

Component 1: Community Stabilisation Programme

All activities shall be financed by one Grant Agreement with an Implementing Organisation (IO).

Description:

- Assessment and identification of priorities & needs.

The assessment will aim to appraise the specific dominant needs and priorities of minority communities to ensure that programme is based on the most updated information and identify the existing resources/capacities and skills to build on. This preliminary assessment will inform the guidelines of the CSP programme and should result in a matrix of regional and priority areas/themes/initiatives showing the geographical and technical coverage of the project.

- Provision of support for Individual Business Start-ups and Expansion of existing micro-enterprises

The programme intends to provide support for the development of agricultural and non-agricultural production, service or trade-based businesses, as well as the marketing of goods at the local and regional markets, with the ultimate goal of creating solid long-term ventures, generating income and developing employment opportunities.

The programme will support the start-up of new and expansion of existing small-scale income generation projects and micro-enterprises, specifically in agro-processing and small business development. It will also assist entrepreneurs or aspiring entrepreneurs, who are members of ethnic minority groups to establish or upgrade small businesses through the provision of financial and technical assistance. Due attention will be given to the business initiatives of women in order to empower them and to strengthen their leadership potential.

- Support for community development initiatives.

Provision of support for development of projects enabling the sustainability of whole communities, including agricultural and economic development programmes, social and cultural activities and support to larger scale socio economic development at community level. The aim is to contribute to improved prospects of alleviating poverty due to unemployment and the lack of access to essential public services and income opportunities. In this way the programme seeks to enhance the conditions necessary for the retention and reintegration of the targeted minority communities into the larger socio-economic life in Kosovo

- Provision of Skills Training and Management Advisory Support.

Experience from previous EC funded socio-economic programmes showed great need for skills training and continues management advice before and/or after receiving assistance. Therefore basic courses in the areas of business administration, accounting, marketing, production management, cash flow, marketing and business communication will be offered.

Contracting arrangements

The grant agreement will be awarded following the publication of an open call for proposals. The EC contribution to this contract will be indicatively EUR 2.0 million.

Component 2: Confidence building measures in Kosovo

Description

The proposed initiative is designed to assist the Kosovo Albanian and Serb leaders in identifying issues of mutual interest with the goal of improving the interethnic trust needed for the implementation of the Ahtisaari Plan and the stability in Kosovo. The proposed dialogues will include senior Kosovo government officials; political party leaders of Kosovo Albanian and Serb communities; Kosovo Albanian and Serb municipal leaders; and representatives of the international community.

The three main activities will be:

1. Building interethnic trust and strengthening political will

This activity will focus on encouraging cooperation on small projects in the following multiethnic areas: Gjilan/Gnjilane, Novobërdë/Novoberdo and Shtërpçë/Štrpce. A close collaboration with the Ministry for Local Government Administration in Kosovo will be established in order to go inline with further development of the decentralisation process. In parallel with these local efforts a well-established high-level dialogues for Albanian leaders, that include the president, prime minister, and other officials from the Kosovo institutions and Kosovo Serb political leaders will be conducted.

2. Consolidation of the political base of Kosovo Serb moderates

This activity will concentrate on establishing and increasing the dialogue between Serb local communities and their political leaders. The emphasis will be put on participation in next Kosovo elections. This activity will also include facilitating monthly contacts between Serb leaders and Kosovo government officials. These dialogues intend to provide Kosovo Serb leaders with an opportunity to jointly consider the possibility of building the cohesive Kosovo Serb political representation to better address the challenges their community is facing.

3. Forum for Dialogue and Reconciliation

This activity will include establishment of a Forum for Dialogue and reconciliation comprised of Albanian and Serb influential representatives, including ethnic relations experts, civil society activists and local businessmen.

Aside of establishment of the Forum and conducting its first meeting in Prishtinë/Priština, a town-hall-style debates with members of all ethnic communities in Gjilan/Gnjilane, Novobërdë/Novoberdo and Shtërpçë/Štrpce will be held to promote reconciliation through cooperation in local issues, such as electricity and employment.

Contracting arrangements

The project will be implemented through a direct grant agreement to the International NGO Project on Ethnic Relations (PER). PER has proven with its experience and already a good track record of networks/contacts to enable meetings and constructive discussions between Kosovo Albanian and Serb communities. Aside of facilitating the meetings and discussions among Kosovo Albanian and Serb leadership in government level, PER has proven experience of using so-called "shuttle communication" and "informal events" to reach Kosovo Albanian and Serb local communities to encourage discussions on issues related to their basic needs. This project reflects a political priority existing in Kosovo's current context.

The grant contract may be awarded to the **Project on Ethnic Relations** without a call for proposals notably due to the technical competences and the high degree of specialisation of this organisation and in accordance with Article 168(1)(f) of the Implementing Rules to the Financial Regulation.

Component 3: Implementation of RAE Strategy

Description

Education

This activity will include the development and set up of 10 resources/learning centres in key areas inhabited by RAE families: these centres will be jointly used by majority and minority children of the relevant schools, with specific cultural or other activities organised for RAE kids. This support to RAE pupils will be complemented by a number of other actions: homework assistance will among other be provided, but an important part of this component will also focus on designing and implementing preparatory courses to fulfil entrance requirements for secondary and tertiary education. These courses will be followed by the attribution of scholarships for selected RAE students who will then see their graduation or university degree financed by this project (Cf. existing successful scholarships schemes managed by Open Society Budapest).

Employment

The aim of this activity is to assist and support regional Vocational and Training Centres in designing a tailor-made training program for RAE communities – especially taking into account traditional RAE craftsmanship. On another side, training and information targeting jobseekers from the RAE communities will be organised.

Culture and media

In order to ensure actual promotion of their culture by the RAE communities themselves, (at least) one international RAE festival with involvement of local and international artists will be organised. National-wide campaigns to promote RAE culture will complement this part, channelling the information to other minority as well as to majority communities. To ensure full sustainability and empowerment of the RAE communities in producing their own community based media/outreach outputs (in their own language), this project will also provide training in managing technical equipment, developing editorial policies, journalism, management and communication – thereby giving them the means to communicate about themselves & issues of relevance to them, between themselves but also serving the aim of informing the Kosovo authorities about their living conditions. The beneficiaries could be individuals or existing organisations working in the media/communication field.

Contracting arrangements

The project will be implemented through a direct grant agreement to the Kosovo Foundation for an Open Society (KFOS).

KFOS is local and non-governmental organisation part of the International Network of Soros Foundations. KFOS is particularly active in the fields of Minority Rights: in the past two years KFOS in partnership with OSCE have actively supported the Kosovo Government in drafting its' *Strategy for Integration of Roma, Ashkali and Egyptian communities*'. KFOS provided financial support and expertise in different fields of the strategy development such as Education, Health, Social issues, Culture, Media and Gender Issues.

This proposed action is directly answering EC's commitment to complement EUR 0.5 million pledge of Mr Soros during July 2008 Donors' Conference in support of RAE communities.

*The grant contract may be awarded to the **Kosovo Foundation for Open Society** without a call for proposals notably due to the technical competences and the high degree of specialisation of this organisation and in accordance with Article 168(1)(f) of the Implementing Rules to the Financial Regulation.*

Project management and administration

The European Commission Liaison Office in Kosovo will manage the procurement, implementation, quality control, reporting and coordination with other donors of the development assistance and of the financial and technical cooperation related to the actions described in this project fiche, taking remedial actions if and when needed.

The Contractors and their Team Leaders engaged through the various contracts will have the authority to run the project activities on a day-to-day basis under the supervision of the Commission Task Manager. His/her primary responsibility shall be to ensure that the project produces the required outputs, to the required standards of quality and within the specified constraints of time and cost. He/she shall develop project plans, direct the project team, produce inception, progress and final reports, manage risks, initiate corrective actions where necessary and administer the contract. The team leader and other will also address cross-cutting issues.

Project Steering Committees will be responsible for the overall direction of the project and comprise of representatives from the beneficiary and the Commission Office.

Monitoring will be performed centrally by the Commission. The project may be evaluated at the interim or ex-post stages under the supervision of the Commission's Evaluation Unit. The project may be audited by the Court of Auditors – in line with the standard European Commission procedures.

3.5 Conditionality and sequencing:

The project includes the following conditions:

- Organisation, selection and (gender balanced) appointment of members of working groups, training sessions, steering and coordination committees, seminars and study visits by the beneficiaries as per the project work plan
- Beneficiaries demonstrate strong ownership attitude towards the project.
- Appropriate co-ordination with other international organisations active in Kosovo.
- The Government has to remain dedicated and committed towards minority communities' stabilisation and inclusion in socio-economic development and multi-ethnicity in Kosovo.
- In line with the requirements of the EC Practical Guide, Grants may not, as a rule, finance the entire cost of an action. Therefore, co-financing shall be made available from the IO too.

In the event that conditionalities are not met, suspension or cancellation of the project or specific activities will be considered.

3.6 Linked activities

This activity builds-on previous EC CARDS assistance to support the socio-economic and community development in minority community areas.

Name of project (Amount EUR million)	Start End	Activities/Results
Targeted economic and community development actions in disadvantaged minority areas (EUR 11.5 million)	2002 - Nov 2008	Up to date, some 1,610 projects had been implemented by this programme to improve the conditions for sustainable returns by contributing to job creation and the improvement of living conditions among the minority population. The projects mainly focus on grants for small business start-ups and expansion, but also include the refurbishment of social, education and health infrastructure, and the strengthening of community services, including in areas where minority returns have taken place. In addition, seven Business Support Centres provide direct economic development support services to minority areas. The programme has organised some 215 training sessions for some 2,040 participants in support of micro-enterprise development. In CARDS 2006 a specific component targeting RAE communities is being implemented, addressing their health, education and socio-economic and community development needs, as well as RAE NGO networking.

- ***Helsinki Committee (Serbia) 'Serb-Serb Dialogue in Serb Enclaves in Kosovo' project launched early 2008:*** in late March 2008, the Helsinki Committee circulated a report on its first mission to Serb enclaves, out of 6 planned under the project.

The major object of the two follow-up missions, the same as of the overall project, was to encourage the Serbs in the enclaves south of the Ibër/Ibar River to fully exercise their human, minority, socio-economic and political rights through Kosovo institutions instead of remaining on the margins of Kosovo society and a window-dressing for the official Belgrade's territorial claims and unrealistic policies. The project is realized with the assistance of the Rockefeller Brothers Fund.

This activity will be supplemented by the ongoing EIDHR programme (EUR 0.9 million) which will be awarding grants to civil society organisations in order to strengthen the role of civil society in promoting human rights and democratic reform, in supporting conflict prevention and in consolidating political participation and representation.

3.7. Lessons learned

- *Conditionalities*: Often project implementation is hampered by either insufficient staff and resources allocated to (newly established) institutions or insufficient operational funds available in the government budget to allow for appropriate implementation of the mandate of the concerned department. A condition for the commencement of project activities will be the availability of financial resources and qualified personnel from the beneficiary side to guarantee a smooth implementation of project activities
- *Coordination within the government*: Further improvements – in line with the spirit of EU accession – could be realised in a stronger government leadership in the coordination efforts among central and local level. The project Steering Committee shall address this important issue.
- *Co-financing*: Previous experience in similar projects showed that financial support from municipalities (significantly) increases ownership for, and political will to promote, project activities. This project will seek cash or in-kind co-financing from target municipalities.
- *Socio-economic measures*: Socio-economic opportunities for minority community members not only enhance their quality of life but act as a substantial incentive to encourage them to stay in Kosovo. Therefore, proposed projects intend to provide beneficiaries from minority communities with income generation opportunities. Providing specific skills training to new and existing entrepreneurs will ensure better administration, management and market linkages of supported ventures.

4. Indicative Budget (amounts in EUR million)

			SOURCES OF FUNDING									
			TOTAL EXP.RE	IPA COMMUNITY CONTRIBUTION		NATIONAL CONTRIBUTION					PRIVATE CONTRIBUTION	
ACTIVITIES	IB (1)	INV (1)	EUR (a)=(b)+(c)+(d)	EUR (b)	%(2)	Total EUR (c)=(x)+(y)+(z)	% (2)	Central EUR (x)	Regional/ Local EUR (y)	IFIs EUR (z)	EUR (d)	% (2)
Grant Agreement to IO		X	2.0	2.0	100							
Direct Grant Agreement to PER	X		0.135	0.125	92.6						0.01	7.4
Direct Grant Agreement to KFOS	X		1.0	1.0	100							
TOTAL IB			1.135	1.125	99.1						0.01	0.9
TOTAL INV			2.0	2.0	100							
TOTAL PROJECT			3.135	3.125	99.7						0.01	0.3

Note:

Amounts net of VAT

- (1) In the Activity row "X" is used to identify whether IB or INV
- (2) Expressed in % of the **Total** Expenditure (column (a))

5. Indicative Implementation Schedule (periods broken down per quarter)

Contracts	Start of Tendering	Signature of contract	Project Completion
Grant Agreement – CSP	Q4 2009	Q1 2010	Q3 2011
Direct Grant Agreement - PER	Q4 2009	Q4 2009	Q1 2011
Direct Grant Agreement – KFOS	Q4 2009	Q4 2009	Q4 2011

All projects should in principle be ready for tendering in the 1ST Quarter following the signature of the FA

6. Cross cutting issues (where applicable)

6.1 Civil society

The programme aims at providing support for development of projects enabling the sustainability of whole communities, including social, cultural and recreational activities at community level. Previous experience show that these activities are better channelled through civil society representation and therefore the programme will ensure full inclusion of civil society where appropriate.

6.2 Environmental considerations

Environmental issues shall be actively mainstreamed throughout the project. Project staff shall include a short-term environmental specialist to define environmental protection strategies and ensure close follow-up throughout project life where appropriate.

In line with the EU EIA Directive, any community development initiative involving the reconstruction of sewerage system, medium water supplies, and the upgrading or construction of rural roads may require an Environmental Impact Assessment. Care will also be taken to ensure that so far as possible construction techniques and materials are environment friendly. Particular attention shall be given to the disposal of waste construction materials

6.3 Equal opportunities and non discrimination of women, minority and vulnerable groups

Gender issues shall be actively mainstreamed throughout the project within both target institutions/organisations and activities/outputs.

Project staff shall include a short-term gender specialist to define gender equality strategies and ensure close follow-up throughout project life.

At municipal level, decision making processes shall take place in full consultation with minority community representatives (both men and women) and efforts shall be made to further empower gender focal points already established within municipalities.

Socio-economic measures will be tailored to equally take into consideration the specific needs of male and female beneficiaries.

The project will primarily target minority communities. Since 2003 a system of “fair share” has been in use at municipal level, whereby a set percentage of the municipal budget should be spent directly on the minority communities. This aspect shall be taken into consideration by the project when negotiating with municipalities their co-financing contribution to the project budget.

Throughout project design and implementation specific attention shall be paid to the specific needs of RAE communities. Tailored measures/positive actions shall be considered to counteract the high level of discrimination these communities are exposed to.

6.4 Good Governance

The programme will continue to facilitate greater involvement of ethnic minority communities in the work of local governmental structures through the use of a community development approach, which encourages the participation of the targeted groups in the decision making process. The overall process will empower communities to work on their own agendas to improve their quality of life and will, in the long run, build dynamic and sustainable communities based on social fairness and mutual respect.

By making municipal leaders aware of the issues facing their constituents, these leaders are in a better position to affect positive changes and advocate improving the living standards of their minority communities. The continued involvement of community leaders and municipal community offices will ensure that the community concerns, in regards to employment, income generation opportunities and community development appropriately addressed.

The participation of the community in the decision-making process enables people to become active partners and to have a degree of power in the regeneration of communities by contributing and sharing in the decisions that affect their lives.

From the institutional angle, a community development approach strengthens democratic processes, by opening up political debates and bringing municipal structures closer to disadvantaged communities.

ANNEXES

- Annex 1** **Log frame in Standard Format**
- Annex 2** **Amounts contracted and Disbursed per Quarter over the full duration of Programme**
- Annex 3** **Description of Institutional Framework**
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ANNEX 1: Logical framework matrix in standard format

LOGFRAME PLANNING MATRIX FOR Project Fiche		Programme name: Support to Communities	
		Contracting period expires three years after the date of conclusion of the Financing Agreement between the European Commission and the Kosovo Authorities	Disbursement period expires one year after the final date for the execution of contracts
		Total budget : €EUR 3.135 million	IPA budget: EUR 3.125 million
Overall objective	Objectively verifiable indicators	Sources of Verification	
Contribute to the stabilisation of the socio-economic situation of ethnic minority communities in Kosovo	<ul style="list-style-type: none"> - Reduction in the net outflow of members of ethnic minorities from Kosovo. - Employment prospects of targeted ethnic minority communities improved. - Increase in return figures to target areas. - Greater level of Kosovo Serb participation in Kosovo's institutions - Increased communication and interaction between ethnic communities - Government policies better reflect and address the needs of communities 	<ul style="list-style-type: none"> • Reports from OSCE, UNHCR and other international actors, PER monitoring reports • Reports from the Ministry of Communities and Returns (MCR) and Office of Good Governance • Ex-post and impact evaluation of the project • Media reports, information from municipalities on Kosovo Serb interaction with municipal authorities, interviews with ethnic leaders, PER's staff evaluation 	
Project purpose	Objectively verifiable indicators	Sources of Verification	Assumptions
<p>To create income generating and employment opportunities among ethnic minority communities in Kosovo, thereby creating sustainable livelihoods and improved socio-economic conditions..</p> <p>To strengthen inter-ethnic confidence building between communities and promotion of interethnic reconciliation in order to further foster their integration within Kosovo society.</p>	<p>An increased socio-economic activity in the target areas, based on continues needs and priorities assessment. Higher number of enterprises created/expanded. Increased number of employment created/secured. Greater market linkages among targeted communities.</p> <ul style="list-style-type: none"> - Increased enrolment and attendance of RAE community members in primary, secondary and tertiary education. - Kosovo Serb participation in small-scale projects involving Kosovo institutions - Kosovo Serb participation in decentralization process. 	<ul style="list-style-type: none"> • Project final report • UNHCR reports • OSCE monitoring reports • Mid-term evaluation funded by the project • Media reports, information from MLGA and municipalities, information from Kosovo Serb community leaders • Surveys, interviews, election results, PER's staff evaluation • Reports from Office of Good Governance and MEST 	Political situation in general and the stability in the project areas do not delay the project implementation.

Results	Objectively verifiable indicators	Sources of Verification	Assumptions
<p>1 Community Stabilisation Programme -.New and expanding small enterprises supported with essential resources. -. Small entrepreneurs trained in basic business skills. -. Economic activity in the target areas increased through business associations. -. Community-relevant projects realised.</p> <p>2 Confidence Building Measures - Enhanced communication between leaders of Kosovo’s two largest ethnic communities at different levels - Improved policies on ethnic issues - Strengthened political will of Kosovo Serb leaders for the implementation of the Ahtisaari Plan - Modified behaviour of the political leaders of different political groupings - Formation of a locally-run Forum for Dialogue and Reconciliation - Strengthened Kosovo Serb moderate political elite and decreased support for hardliners - Engagement of more Serb political leaders in Kosovo’s political process</p> <p>3 Implementation of RAE Strategy - Improved access and retention of RAE communities as well as raising their capacities to benefit from secondary and tertiary education levels; -.Increased level of skills development taking into account RAE specificities - Promotion of RAE cultural heritage and media/outreach skills development</p>	<ul style="list-style-type: none"> • By end-of-project a number of micro-enterprises (including those in the agricultural sector) in the target areas created or expanded through the disbursement of assistance • By end-of-project a number of aspiring or current entrepreneurs completed targeted business skills training in the areas of business administration, accounting, marketing and business communications • By end-of-project a number of full-time, part-time or seasonal employment opportunities created or secured, all being of medium to long-term durations (one year and more) • By end-of-project a number of priority community development projects funded for the benefit of all communities in targeted areas • More frequent attendance at events, more practical engagement, and better quality of dialogue • Commitment of readiness to change policies, and actual follow-up observed • More moderate rhetoric observed when making public statements • More confidence by moderate Serb elite vis-à-vis the radicals and the authorities • More effective and/or vocal Serb institutions inside and outside the Government • Number of RAE children school attendance retained and increased; • Number of RAE children/youth benefiting from programs offered in the learning centres; • By the end of the project at least 200 grants for secondary and 20 grants for tertiary education attributed to RAE youth. . • Number of RAE community members trained in Vocational Training Centres in general as well as traditional RAE craftsmanship in particular; • Number of RAE community members trained in communication, media and outreach management • Organisation of at least one international festival of RAE culture in Kosovo 	<ul style="list-style-type: none"> • Number of proposals and business received and approved; A number of assistance packages disbursed • Various business training attendance lists of participants • Contacts with members of business associations, local municipal administrations and other stakeholders; Unemployment registration records in the targeted municipalities • Feedback from beneficiaries and market organisations and beneficiaries, market linkages created • Project surveys • PER reports after the events, and direct observation by PER and/or by the EC • As assessed by various stakeholders, and media (as declared by the leaders, and as assessed externally) • Expression of readiness to be part of the group and media coverage • Election results, media reports • Participants list, certificates; • Portfolios of training programs • Lists of trainees, qualification certificates; • Evidences of newly employed RAE communities members from employment offices; • Media reports on annual international festivals • Number/list of locally organized cultural events and their media coverage; • Lists of Journalism trainees from Media Institute • Number of articles on/by RAE communities in RAE and mainstream media. • Periodical project reports • Governmental decisions supporting/enabling implementation of the measures from the strategy and project 	<ul style="list-style-type: none"> • Sustained number of business proposals that is sufficient to operate the programme • Continued interest in the programme by the target group • Continued economic and political stability and security prevails and allows the implementation of the programme. • Willingness of the communities to engage in prioritising community needs and community development initiatives. • MEST supports integration of RAE children/youth in the education system; • State authorities and private companies willing to employ qualified RAE community members; • MLSW support employment of RAE communities members; Ministry of Culture, Youth and Sports supporting cultural related activities

Activities	Means	Costs	Assumptions
<p><u>Component 1 Community Stabilisation Programme</u></p> <p>1.1 Assessment and identification of priorities & needs. 1.2 Provision of support for Individual Business Start-ups and Expansions and community development initiatives. 1.3 Provision of Skills Training and Management Advisory Support.</p> <p><u>Component 2 Confidence Building Measures</u></p> <p>2.1 Building interethnic trust and strengthening political will 2.2 Consolidation of the political base of Kosovo Serb moderates 2.3 Forum for Dialogue and Reconciliation</p> <p><u>Component 3 Implementation of RAE Strategy</u></p> <p>3.1 Education 3.2 Employment 3.3 Culture and Media</p>	<p>Agreement with International Organisation. The project will coordinate closely with the ECLO's project on regional development agencies</p>	<p>Activity 1: Total Action: EUR 2.0 million</p> <p>Activity 2: Total cost; EUR 135,000.00 EU funded part of the project: EUR 125,000.00</p> <p>Activity 3: Total Action cost: EUR 1.0million</p>	<p>- Municipal community offices, business associations and community represent. willing to participate in needs assessment. - Entrepreneurs maintain active involvement in business development and training. - University of Pristina maintains quotas for students from minority groups; - Learning centres established in cooperation with RAE communities including parents and children, schools and MEST - RAE communities actively participate in the work of learning centres, and cultural and media related activities - Sufficient number of RAE communities members motivated to participate in employment related activities,</p>

Pre-conditions:

- Municipal community offices, community representatives and other stakeholders agree to participate in the project.
- A number of current or aspiring entrepreneurs agree to participate in the project.
- The RAE Strategy adopted by the government,
- The government show the political will to implement the RAE Strategy,
- RAE communities actively involved in the implementation of the RAE Strategy and the project
- PER comes into a project with very few assumptions and preconditions. We assume that the sides are driven by their self-interest more than any other factor. We assume that sooner or later through interaction with the other side and fellow moderates on their own side politicians do realize their self-interest much better and when educated on how to implement this self-interest through cooperation rather than conflict they almost always choose the former.
- PER knows from its ongoing work that there is a substantial part of the Kosovo Serb political leadership that is eager to start cooperation with the Kosovo institutions and expects that such cooperation would be possible through our careful action. We do assume a great deal of genuineness on the part of the Kosovo institutional leaders when they call for greater support of Kosovo Serbs and improvement of their situation. These assumptions generally stem from PER's more than decade long work in Kosovo and elsewhere in the Balkans.

ANNEX 2: amounts (in EUR million) Contracted and disbursed by quarter for the project

	2009		2010				2011				2012			
Contracted	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Grant agreement to IO - CSP			2.0											
Direct Grant Agreement - PER		0.125												
Direct Grant Agreement - KFOS		1.0												
Cumulated		1.125	3.125											
Disbursed														
Grant agreement to IO - CSP			1.6						0.4					
Direct Grant Agreement - PER		0.1					0.025							
Direct Grant Agreement - KFOS		0.8								0.2				
Cumulated		0.9	2.5				2.525		2.925	3.125				

ANNEX 3: Description of Institutional framework

Many of the functions related to communities' affairs previously undertaken by UNMIK/OCRM are now entrusted to MCR as part of the 'Transfer of Competencies' from UNMIK to Kosovo Government Institutions. In the communities sector, key functions transferred to domestic structures include policy-making, standard-setting, policy coordination, and project monitoring.

In addition there are two new institutions representing community interests one being the Office for Community Affairs within the Prime Minister's Office and second being Community Consultative Council within the President's Office.

ANNEX 4: Reference to laws, regulations and strategic documents:

Reference to AP /NPAA / EP / SAA

EP/STM

Link with: European Partnership; Stabilisation and Association process; Status Settlement Proposal

In the chapter of the "Key priorities" titled "Human rights and the protection of minorities" the *European Partnership* political requirements are as follows:

- Strengthen administrative structures and accountability mechanisms in the Ministry of Communities and Returns. Further develop and implement the joint strategic framework on communities and returns and develop mechanisms at municipal level for facilitating the sustainable integration of returnees and existing minority communities.
- Regularise informal settlements. Find sustainable repatriation solutions for the integration of Roma communities that are living in hazardous living conditions in camps and for IDP groups living in informal centres.
- Ensure mainstreaming of women's rights in all existing policies and legislation.

In the chapter titled "Democracy and the rule of law" the European Partnership political requirements are as follows:

- Ensure fully effective functioning of the Assembly and its committees, the government and municipalities, including full respect of the respective rules of procedure, and the rights and interests of all communities.
- Increase minority representation in all institutions and the civil service at municipal and central level.
- Improve quality and availability of basic public services to all communities, including as a contribution to reduce the demand for services provided by parallel structures.

The Kosovo government's *European Partnership Action Plan* in its political criteria provides for recognition of *human rights and protection of minorities*. In relation to EPP 7 the EPAP under its key priorities calls for creation of tolerant multi-cultural atmosphere (no.10), as well as implementing projects for inter-ethnic dialogue and community integration at the local level (no. 13). In relation to EPP 45 the EPAP under its short-term priorities aims for implementation of projects for development of RAE communities (no.11), institutional and organisational infrastructure building for re-integration of RAE communities in labour market through training and employment (no.12) as well as compilation of validity for economic development of RAE communities (no.13)

The aim of the *Comprehensive Proposal for the Kosovo Status Settlement* is to define the provisions necessary for a future Kosovo that is viable, sustainable and stable. It includes detailed measures to ensure the promotion and protection of the rights of communities and their members, the effective decentralization of government, and the preservation and protection of cultural and religious heritage in Kosovo. With respect to the protection and promotion of community rights, the Settlement addresses key aspects to be protected, including culture, language, educations and symbols. The extensive decentralization provisions are intended to promote good governance, transparency, effectiveness and fiscal sustainability in public service. The proposal focuses in particular on the specific needs and concerns of the Kosovo Serb community, which shall have a high degree of control over its own affairs. The decentralization elements include, among other things, enhanced municipal competencies for Kosovo Serb majority municipalities and the establishment of six new or significantly expanded Kosovo Serb majority municipalities.

Link with the Multi-Annual Indicative Planning Document (2009-2011) for Kosovo

The project's approach is in line with the MIPD. One of the priorities identified for the EC assistance under the axis Political criteria is the promotion of human rights and the protection of the Serb and other minorities and the creation of a climate of inter-ethnic tolerance in order to protect the Serb and other minorities already in Kosovo, including the conditions for growth and sustainable development of all communities as well as the preservation of and access to cultural and religious heritage of non-majority communities. Furthermore under the axis Economic criteria it calls for direct economic development support to vulnerable groups including minorities.

Link with national sector strategies

The draft **Kosovo Development Strategy Plan (KDSP)** has the key objective of building a democratic, inclusive and effective state. This includes "ensuring effective protection of minority rights, above all mobility, property titles, and the respect for the specific community values"...."building an efficient, effective, de-centralised and citizen friendly public administration"....." for Serbian communities special action will be taken to tackle unemployment, including the promotion of small businesses and local economic activities in urban and rural areas". Pillar I also emphasis the need for necessary measures to promote tolerance and human rights, such as the promotion of cultural development and the protection and promotion of religious freedom and understanding. **The Medium Term Expenditure Framework (MTEF)** 2008-2010 in it volume II under section 3.3.10.1.4 Human and Minority Rights states that "one of the sectors that need quite a lot of money is the programme of minorities and returnees. The MCR in the regular budget process is getting certain amount of money in order to address related issues."

In September 2008 the **MCR** has established the commission to develop its *strategy and the action plan* for next five years period. The draft strategy is expected sometimes in January 2009.

In addition the Office of Good Governance within Prime Minister's office has prepared and circulated draft **RAE Community Strategy**. The Government is expected to endorse it in December 2008.

ANNEX 5: Details per EU funded contract (*) where applicable:

Community Stabilisation Programme

The following activities will be implemented through a grant agreement to an International Organisation. Tasks to be performed by the Beneficiary of the Grant Agreement are:

- 1) Assessment and identification of priorities & needs
- 2) Provision of support for individual business start-ups and expansion of existing micro-enterprises
- 3) Support for community development initiatives
- 4) Provision of skills training and management advisory support

Confidence building measures in Kosovo

The following activities will be implemented through a direct grant agreement to PER. Tasks to be performed by the Beneficiary of the Grant Agreement are:

- 1) Enhance communication between leaders of Kosovo's two largest ethnic communities at different levels;
- 2) Conduct town hall meetings in Strpce, Gjilan and Novobrdó between local community leaders and central institutions representatives to discuss issues of mutual interest for both communities;
- 3) Facilitate high-level dialogues of Kosovo government officials, including the president and the prime minister and Kosovo Serb leaders

Implementation of the RAE Strategy

The following activities will be implemented through a direct grant agreement to KFOS. Tasks to be performed by the Beneficiary of the Grant Agreement are:

- 1) Education: develop scholarship schemes and after-school activities through setting up resources centres
- 2) Employment: training to RAE jobseekers and support to regional VET centres to design tailor made skill development programs
- 3) Culture & Media: implementation of identified activities to promote RAE Culture + technical assistance to enhance their communication, media and outreach management skills.