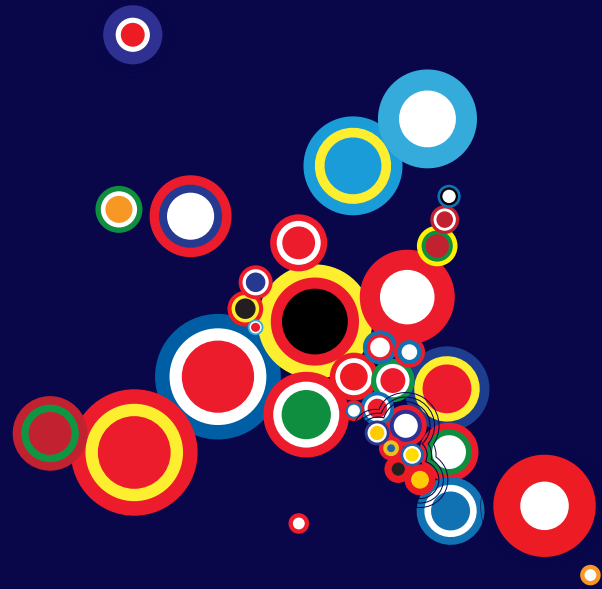




## INSTRUMENT FOR PRE-ACCESSION ASSISTANCE (IPA II) 2014-2020

### Kosovo<sup>\*</sup> Municipal Social and Economic Infrastructure



#### **Action Summary**

The overall objective of this project is to support a more balanced regional development in Kosovo by reducing disparities between municipalities in terms of quality of life and economic development potential.

In order to achieve this objective the project seeks to: improve the quality and quantity of both social and business related infrastructure in municipalities throughout Kosovo by providing financial assistance for the provision of relevant infrastructure.

<sup>\*</sup>This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence.

<b>Action Identification</b>	
<b>Programme Title</b>	<i>2014 Annual Action Programme for Kosovo</i>
<b>Action Title</b>	<i>Municipal Social and Economic Infrastructure</i>
<b>Action Reference</b>	<i>IPA 2014 / 032355 / Kosovo/ Municipal Social and Economic Infrastructure</i>
<b>Sector Information</b>	
<b>IPA Sector</b>	<i>Competitiveness and Innovation</i>
<b>DAC Sector</b>	<i>43040</i>
<b>Budget</b>	
<b>Total cost (VAT excluded)<sup>1</sup></b>	<i>EUR 10.1 million</i>
<b>EU contribution</b>	<i>EUR 7.6 million</i>
<b>Management and Implementation</b>	
<b>Method of implementation</b>	<i>Direct management</i>
<i>Direct management:</i> <b>EU Delegation in charge</b>	<i>European Union Office in Kosovo</i>
<b>Implementation responsibilities</b>	<i>European Union Office in Kosovo Ministry of Local Government</i>
<b>Location</b>	
<b>Zone benefiting from the action</b>	<i>Kosovo</i>
<b>Specific implementation area(s)</b>	<i>Kosovo Municipalities</i>
<b>Timeline</b>	
<b>Deadline for conclusion of the Financing Agreement</b>	<i>31 December 2015</i>
<b>Contracting deadline</b>	<i>3 years following the date of conclusion of Financing Agreement</i>
<b>End of operational implementation period</b>	<i>6 years following the date of conclusion of Financing Agreement</i>

---

<sup>1</sup> The total action cost should be net of VAT and/or of other taxes. Should this not be the case, clearly indicate the amount of VAT and the reasons why it is considered eligible.

## **1. RATIONALE**

Kosovo municipalities are generally characterised by weak infrastructure, which has been identified as one of the main obstacles to economic development. Lack of basic local roads and energy connections makes it difficult to set up businesses. In addition, many municipalities in Kosovo lack proper building infrastructure for administrative and educational purposes, cultural and recreational activities. This results in uneven development between municipalities. In part, the reason for this is a lack of financial resources, but it is also due in part to a lack of capacity amongst municipalities and other local and regional bodies to develop and implement appropriate projects.

The main purpose of this project is to improve social and economic infrastructure in Kosovo municipalities. The problems outlined are not new, and initiatives to address them have already been undertaken with the support of IPA and other donors. In relation to municipal infrastructure the following support has been provided by the EU and the Ministry of Local Government Administration (MLGA).

A Municipal Infrastructure Facility was developed and operated under CARDS 2003-2005. Its aim was to support the development of social and economic infrastructure throughout Kosovo. Its main goal was to assist the Provisional Institutions of Self-Government (PISG) in the implementation of the "Standards for Kosovo", a set of UN-endorsed benchmarks for the democratic development of Kosovo. The overall objective of the Facility was to support the Kosovo Government in meeting the requirements of the Stabilisation and Association Process Tracking Mechanism. The Facility was designed to provide and implement infrastructure projects in all Kosovo municipalities. Selection criteria were developed for the schemes implemented under the Facility and included gender balance, minority return and integration, environmental concerns, sustainability, etc.

The Facility continued to be implemented under the Instrument for Pre-accession Assistance (IPA) where it was re-named "Municipal Social and Economic Programme", its focus being the implementation of the requirements of the European Partnership, particularly those related to the municipal level. Both initiatives are widely known as MunInfra. Until present, the EU-funded MunInfra I – III schemes have been completed. MunInfra IV, V, VI and VII are still under implementation.

The municipal infrastructure schemes are implemented through works contracts for the construction and/or rehabilitation of public buildings. Roads, sewage systems, water and wastewater systems, other environmental facilities also fall within the scope of the municipal infrastructure schemes.

Notwithstanding the programmes implemented to date, there is still a serious infrastructure deficit in Kosovo, particularly at the municipal level, which restricts local development and integration. This shortfall is not only related to inadequate transport routes which hamper business development, scarce water and wastewater systems which contribute to poor public health, schools which are inadequate for satisfactory teaching of children, but as well to almost derisory facilities for youth, sports and culture, and a lack of awareness and therefore investment in order to fully exploit the existing touristic potential.

However, there is not only a need to increase financial resources, but also the technical skills of local administrations to provide better services to their constituencies. This includes as well the capacity to successfully deal with infrastructure projects throughout the entire project cycle, notably the

programming, identification, formulation and implementation (incl. supervision) phases. Therefore, it is imperative to provide both infrastructure and capacity building support in order to properly address the multiple needs of the municipalities in this domain.

## **PROBLEM AND STAKEHOLDER ANALYSIS**

According to results from the census conducted by the Statistics Office of Kosovo (SOK) in 2011, Kosovo has 1.8 million<sup>2</sup> inhabitants, and an average density of 159 inhabitants per km<sup>2</sup>. Looking at regional and European context, and referring to economic development indicators, (such as GDP), Kosovo has a very low level of economic development, and is ranked last on the list. Uneven economic development or development imbalance, originates from the previous economic system, the economic and political situation during the 1990s, and from the complex transition process that took place after the war.

In recent years, however, growth has picked up. Nevertheless, unemployment in Kosovo stands at around 35% with a limited capacity of the labour market to absorb job seekers. Employment prospects for the young are particularly bleak. Almost 40 000 school leavers enter the job market every year and face major difficulties to find employment. Poverty is still widespread. In addition, there is an uneven distribution of men and women within the workforce.

It is essential for Kosovo to improve the competitiveness of its economy because social and political stability depends very much on sustained economic development and resulting strengthened social cohesion. Even though Kosovo has been less affected by the global economic crisis than other countries in the Western Balkans region due to its limited integration into global markets, the inflows of foreign direct investment and remittances have been decreasing and are expected to decrease further in the future. Consequently, levels of public investment are expected to drop as well since government revenues are under increasing pressure. In addition to implementing sustainable macro-economic policies, Kosovo needs to address supply-side constraints such as infrastructure weaknesses, energy shortages, high capital costs and low levels of skill.

Kosovo municipalities are generally characterised by weak infrastructure, which has been identified as one of the main obstacles to economic development. Lack of basic local roads and energy connections makes it difficult to establish businesses. In addition many municipalities in Kosovo lack proper buildings for administrative and educational purposes, for cultural and recreational activities. This results in uneven development between municipalities. In part, the reason for this is a lack of financial resources, but it is also due in part to a lack of capacity amongst municipalities and other local and regional bodies to develop and implement appropriate projects.

The overall objective of this project, therefore, is to contribute to the creation of the conditions for a more balanced and sustainable economic development in all Kosovo municipalities by reducing disparities between them in terms of quality of life and economic development potential.

In order to achieve this objective the project seeks to:

- a.* improve the quality and quantity of both social and business related infrastructure in municipalities throughout Kosovo by providing financial assistance for the provision of relevant infrastructure,

---

<sup>2</sup> Estimation Kosovo Population 2012 ;Pristine, April 2013

- b. Improve social and economic infrastructure in Kosovo municipalities and enhance the capacity of municipalities and other bodies.

Kosovo municipalities and respective communities are the main target groups and their population the main beneficiaries of this project which aims to improve public and local services such as education, health, environment, and transport at local level. Other key target groups are Kosovo central and local authorities, NGOs and the private sector. The project aims to work with and reach out to the targeted beneficiaries and consolidate and develop an enabling environment for economical development together with them. Moreover, the project will aim to improve stakeholder involvement and commitment to the development process.

#### **RELEVANCE WITH THE IPA II INDICATIVE STRATEGY PAPER (OR MULTI-COUNTRY STRATEGY PAPER) AND OTHER KEY REFERENCES**

According to the Indicative Strategy Paper for Kosovo, IPA II will support improving governance at the local level, which may include municipal infrastructure relevant to local economic development, social service decentralisation and environmental protection.

IPA II assistance will also support Kosovo to continue its reform of the public administration at central and local levels and the implementation of the Local Self-Government strategy 2015-2025.

In that context, the Government of Kosovo Economic Development Plan 2011 – 2014 identifies roads, rail, energy supply and privatisation of public enterprises, telecommunications and electricity distribution as being among the key activities that can be expected to yield direct effects in economic development of Kosovo and increase the share of private sector capital in the economy with a resulting positive effect in reducing unemployment. The development of public infrastructure is expected to have a direct positive effect in employment; in empowerment of small and medium businesses; in rural development etc. In addition, it is estimated that the implementation of projects in this sector will add fresh private capital to the economy and generate new jobs. The project represents an opportunity for women to increase their participation in the labour market.

The priorities of the Medium Term Expenditure Framework 2014 – 2016 adopted by Government of Kosovo are oriented towards the implementation of projects of national importance that result in economic development, such as road infrastructure, energy, quality education and capacity building. Furthermore the priority policies will be oriented towards consolidation of local governance reform, implementation of the strategy on local self-government and improvement of the natural and cultural heritage in municipalities. In the environment sector, Kosovo has significant investment needs to improve the living conditions for its population and ensure alignment with the EU acquis. Heavy investments are needed, for example, to connect Kosovo's citizens to drinking water and waste water networks. Waste management facilities need to be expanded. In general terms, the Program for Social and Economic Infrastructure addresses the set EU priorities aiming to foster national efforts, particularly in the field of transportation, education systems, public administration, environment and in the water sector. The program is linked to and will contribute to the achievement of EU Cohesion Policy objectives in five main areas: employment, innovation, climate change, education and reduction of poverty<sup>3</sup>.

---

<sup>3</sup> EU Cohesion Policy and Strategy 2014 - 2020

## **SECTOR APPROACH ASSESSMENT**

The European Commission's Progress Report on Kosovo 2013 indicates that, overall, the technological base and the state of physical infrastructure remain weak and hardly competitive even in sectors where competitive potential exists. Under the Stabilization and Association Agreement (SAA), Kosovo will strengthen its cooperation with the EU in combating the deterioration of the environment as regards air and water quality, waste management and nature protection, monitoring and reduction of industrial emissions, promoting energy efficiency and safety at industrial installations, soil protection, classification and safe handling of chemicals and urban planning.

According to the 2013 Action Plan for the Implementation of Stabilization and Association Agreement, the entire country still faces challenges. Efforts are needed to establish an effective administrative and institutional infrastructure for environmental protection measures. In this regard, implementation of the new strategy for local self-government of the Ministry of Local Government Administration for the period 2015-2025 will give a new approach to capacity building and institutional support to the municipalities and strengthen the partnership among municipalities, businesses and citizens. In this regard, supporting and improving municipal infrastructure will be of high importance in achieving the strategy's objectives and increasing local economic development.

Kosovo has started developing multi-annual strategies in most sectors, but many are of limited scope or duration and not matched by a budget. In a number of sectors, comprehensive, realistic and coasted sector strategies have been developed by respective ministries, often assisted by donor partners. Good examples are the Agricultural and Rural Development Plan 2007-2013 and 2014-2020, the Energy Strategy 2009-2018, the Strategy on Public Administration Reform 2010-2013, and the Kosovo Education Strategic Plan 2011-2016. Future IPA support will be provided to develop sector strategies in sectors where these are missing or in need of improvement.

## **LESSONS LEARNED AND LINK TO PREVIOUS FINANCIAL ASSISTANCE**

Based on previous experience activities and the conducted ex-post evaluation<sup>4</sup>, recommendations and lessons which can have positive effect during the preparation and implementation phase of this project proposal have been identified.

Ownership of land: Experience shows that all land ownership issues (including access) need to be already solved in full when selecting a project or a scheme (i.e. available land must already be the property of the beneficiary and this must be certified unambiguously by a cadastral extract).

Ownership of project: The beneficiary's sense of ownership is key to the success of the project. Therefore, a close and regular involvement of the beneficiary from the very early stages of the project and throughout the entire project cycle is of utmost importance.

Operation and maintenance after hand-over: Experience shows that municipalities very often underestimate or even neglect the costs for operation and/or maintenance of the scheme/ procured

---

<sup>4</sup> Transport and Infrastructure; EuropeAid 127054 C SER Multi, Evaluation of the EU-funded Municipal Infrastructure Facility – KOSOVO

facilities that are handed over to them after Provisional Acceptance. Criteria related to operation and maintenance must already be included in the selection process of submitted project proposals and formal agreements (i.e. Memoranda of Understanding) regarding operation maintenance must be signed with the selected municipalities.

Prioritising investment needs: Despite the serious infrastructure deficit at the municipal level, it is vital that municipalities properly prioritise their needs before submitting project proposals. All submitted project proposals need to be fully in line with existing municipal development, spatial and urban plans. The fulfilment of this criterion should be assessed during the selection process.

Past performance as criteria for future support: Experience shows that properly assessing the track record of a municipality related to previous EU-funded projects is a criterion that needs to be included in the project selection process. Too often it is the same municipalities that show an unsatisfactory level of cooperation during the project cycle and which then fail to live up to their responsibilities.

## 2. INTERVENTION LOGIC

### LOGICAL FRAMEWORK MATRIX

OVERALL OBJECTIVE	OBJECTIVELY VERIFIABLE INDICATORS (OVI)	SOURCES OF VERIFICATION	
<p>The overall objective of this action is to support a more balanced development in Kosovo by reducing disparities between municipalities in terms of quality of life and potential economic development through the improvement of municipal social and economic infrastructure.</p>	<ul style="list-style-type: none"> <li>- Migration rate from rural to urban area ;</li> <li>- Percentage of employment increased throughout the targeted region by ease access to markets and work places;</li> <li>- Level of pollution of water and waste emissions impact;</li> <li>- Energy Efficiency in public buildings;</li> <li>- No of traffic accidents.</li> </ul>	<ul style="list-style-type: none"> <li>- EC progress and other reports</li> <li>- Statistical data and publications from the MLGA, Kosovo Statistical Agency, Chamber of Commerce, etc.</li> <li>- Other reports (e.g. from donors, think tanks, NGOs, etc.)</li> </ul>	
SPECIFIC OBJECTIVE	OBJECTIVELY VERIFIABLE INDICATORS (OVI)	SOURCES OF VERIFICATION	ASSUMPTIONS
<p>Improved social and economic infrastructure in selected municipalities.</p> <ul style="list-style-type: none"> <li>- Gradually strengthened capacities of selected municipalities to successfully deal with developing, designing, tendering, implementing/supervising municipal infrastructure projects.</li> <li>- Strengthened capability of selected municipalities to deliver adequate services to their citizens.</li> </ul>	<ul style="list-style-type: none"> <li>• Quantity and quality of new or rehabilitated municipal social and economic infrastructure;</li> <li>• Number of on-the-job and formal trainings undertaken by municipal staff who take on increasing responsibilities in the preparation and implementation of projects;</li> <li>• Percentage of paid taxes or fees for the rendered municipal services.</li> </ul>	<ul style="list-style-type: none"> <li>- Successfully completed projects handed over to the selected municipalities of this programme.</li> <li>- Number of municipal infrastructure schemes initiated and implemented/supervised by the selected municipalities (ex-post evaluation).</li> <li>- MLGA Capacity Assessment Reports of Kosovo Municipalities.</li> <li>- Other reports that deal with</li> </ul>	<p>Readiness of the selected municipalities to properly operate and/or maintain the completed infrastructure projects.</p>



		municipal infrastructure and services in Kosovo. - Revenue collection surveys	
<b>RESULTS</b>	<b>OBJECTIVELY VERIFIABLE INDICATORS (OVI)</b>	<b>SOURCES OF VERIFICATION</b>	<b>ASSUMPTIONS</b>
R 1.0 Five (5) to ten (10) social and economic infrastructure schemes in selected municipalities implemented with EU funds;  R1.1. Ten (10) to fifteen (15) social and economic infrastructure schemes in selected municipalities implemented with Government of Kosovo budget ;  R 2.0 Capacity of municipalities to proficiently deal with identifying, formulating, designing, tendering and implementing/supervising small to medium-sized infrastructure projects strengthened.	Number of municipalities participating in Muninfra project  Number of municipal project schemes selected  Number of infrastructure schemes completed and achievement of operating design standards.  Compliance of works progress with the schedule of programme of works	Implementation reports.  - Signed certificates of Provisional and Final Acceptance.  - Submitted project proposals and project selection reports.  - Project implementation reports (i.e. chapter dedicated to beneficiary involvement).  - Number of municipalities which attend formal training offered re. successful dealing with infrastructure projects	- MLGA has a genuine interest in supporting all municipalities in Kosovo and is pro-active in trying to find solutions to issues that may jeopardise the successful implementation of the selected projects (e.g. legal issues, disagreements with line ministries, etc.).  - Selected municipalities have a genuine interest in strengthening their capacities and improve of the municipal services rendered to their citizens.
<b>ACTIVITIES</b>	<b>MEANS</b>	<b>OVERALL COST</b>	<b>ASSUMPTIONS</b>
Preparation for launching the Call for project proposal;  Call for the submission of the project proposal by Municipalities;  Evaluation project proposal and selection phase	One to two Service Contracts for Technical Assistance (TA) (EUOK)  - Between one (1) to five (5) works contracts to implement the selected projects.(EUOK)	EUR 10.1 Million of which EUR 7.6 million EU contribution	- The interested municipalities are able to develop quality project proposals in line with their Municipal Development and Urban Development

<p>Design of the selected project;</p> <p>Tendering and contracting ;</p> <p>Implementation of selected /contracted schemes;</p> <p>Warranty period ;</p>	<p>-One Service Contract for Technical Assistance(GoK budget)</p> <p>-Between three (3) to five (5) works contracts to implemented selected projects. (GoK budget)</p>		<p>Plans and to submit them on time.</p> <p>- All necessary pre-requisites such as solving of all land ownership and other legal issues, appointment of municipal staff to follow up implementation, agreements for proper maintenance, etc. are met by the selected municipalities (supported by MLGA and Technical Assistance).</p> <p>- The selected municipalities show strong sense of ownership for their projects.</p>
---	--	--	---

## **ADDITIONAL DESCRIPTION**

The overall objective of this project proposal is to support a more balanced development in Kosovo through a reduction in the disparities between municipalities in terms of quality of life and in terms of potential economic development which can be achieved by improving municipal social and economic infrastructure. It is foreseen that the development of public infrastructure is expected to have a direct positive effect on employment; in empowerment of small and medium businesses and also in rural development. In addition, it is estimated that the implementation of projects in this sector will enable infusion of fresh private capital into the economy and generate new jobs. The projects will pay particular attention to disadvantaged municipalities, to the specific needs of the new municipalities, and to municipalities with a good track record related to EU and national funded projects. Project proposals will target upgrading or construction within the following sectors:

- Infrastructure support for economic development, such as for business parks, industrial zones, tourist infrastructure.
- Socio-economic infrastructure such as public buildings or educational buildings including pre-schooling institutions.
- Transport infrastructure such as local roads and bridges.
- Environmental infrastructure such as water supply systems, sewage, waste water treatment plants, waste management.

## **RESULTS**

1. Upgraded municipal infrastructure that improves public service delivery and supports economic development (to be measured by the number, size and quality of completed facilities);
2. Strengthened capacity of municipalities to identify, formulate, design, tender and implement/supervise small to medium-sized infrastructure projects.

## **Measurable indicators**

- number of municipal infrastructure support projects contracted and successfully implemented;
- number and quantity of public institutions renovated or newly built;
- number of people benefiting from improved public services;
- number of municipal staff trained on project preparation and implementation;

## **Main Activities**

### **Project identification and application**

Projects will be identified by the local municipal authorities and will be based on the priorities of the municipalities. Municipalities should prepare project proposals which they will submit to the Steering Committee composed of members from the European Union Office in Kosovo, the MLGA and the Ministry of Finance. Public infrastructure projects under the responsibility of the applicant municipality shall be eligible for funding. A technical report, preliminary design (incl. detailed site plan) and preliminary cost estimation need to be prepared by the municipality.

If necessary, the EUOK can use the Programme for Municipal Social and Economic Infrastructure to complete stopped works already started in the context of previous projects.

## **Evaluation of the project proposals**

The Steering Committee will evaluate the submitted project proposals and propose which projects will be funded by this Municipal Social and Economic Infrastructure Programme. The Steering Committee will use the criteria set out in the guidelines for applicants.

## **Design of the selected projects**

The technical assistance (TA) component of this action will be used to prepare design drawings, detailed technical specifications and price breakdowns for selected project proposals in order to have a complete tender dossier for a "design-build" works contract(s) according to the latest edition of the Practical Guide to Contract Procedures for EU External Actions (PRAG); for the projects selected by the Steering Committee.

## **Tender procedures**

The technical assistance will prepare the tender documents for the works contracts and the works will be tendered according to the Practical Guide to Contract Procedures for EU External Actions. The contracts will be signed between the European Union Office in Kosovo as the Contracting Authority and the successful company/ies.

## **Construction works**

Supervision on site will be carried out by the technical assistance component of the action, in close cooperation with respective municipalities. The municipalities will be requested to nominate one of their inspectors to assist the TA contractor during the supervision of the construction works. The inspector will perform site inspections and prepare reports that will be submitted to the TA contractor. All costs related to the work of the municipal site inspector will need to be covered by the respective municipality.

The construction phase will be finished by issuing an Occupancy Certificate by the respective municipality. The *Occupancy Certificate* is based on a final inspection of the construction site conducted by the Construction Inspection.

Subsequently the technical assistance contractor may issue a Provisional Acceptance Certificate to the works contractor on behalf the Contracting authority, the European Union Office in Kosovo.

## **Defects Liability Period**

A Defects Liability Period will follow the construction phase. During this period the municipality is obliged to inspect the construction and to report any defect immediately to the technical assistance contractor. At the end of the Defects Liability Period a municipal technical commission will be assessing the state of the construction and the municipality shall inform the technical assistance contractor / European Union Office in Kosovo of its conclusions. The technical assistance contractor / European Union Office in Kosovo will issue the Final Acceptance Certificate to the Contractor if all the necessary conditions for final acceptance are met.

## **Preconditions that might occur/be needed before or during the Action implementation**

Experience of the current and previous support in this sector has shown that a critical success factor is the capacity of the beneficiaries (in particular municipalities) to design and implement good quality, relevant projects and to that end it is assumed that the ongoing support to municipalities from the Ministry of Local Government Administration will significantly contribute to that. Furthermore, the

provision of improved facilities will attract private investment as well as improve the quality of life for residents in the assisted municipalities and thus contribute to the overall objective.

#### Other pre-conditions

- Municipal Social and Economic Infrastructure projects under IPA 2007-2013 have been or are being successfully implemented.
- Additional parallel co-financing (EUR 2.5 million) from the Government of Kosovo Budget is granted.
- Full commitment and cooperation of all involved stakeholders, including the line ministry(ies).
- All beneficiaries show strong sense of ownership.

### **3. IMPLEMENTATION ARRANGEMENTS**

#### **ROLES AND RESPONSIBILITIES**

The programme is managed jointly by the European Union Office in Kosovo and the Ministry of Local Government Administration (MLGA).

**Stakeholders:** Central Government, MLGA, Ministry of Finance, municipalities, business community organisation, Kosovo Association of Municipalities, Non-Governmental Organisations (NGOs), wider communities living in the economic regions of Kosovo. This process has been driven by both national and local governments in cooperation with EU Office in Kosovo.

A **Steering Committee** will be established for the Municipal Infrastructure projects, consisting of representatives from the European Union Office in Kosovo, MLGA, and Ministry of Finance. The Steering Committee will monitor the municipal social and economic infrastructure programme and will propose criteria's for submission and selection of project proposals submitted by interested municipalities and follow the implementation of the projects. The SC shall be composed of representatives from the Ministry of Local Government Administration (2), Ministry of Finance (1) and the European Union Office in Kosovo (2). The chairperson will be from the Ministry of Local Government Administration.

The duration of the action is expected to be 36 months.

### **4. PERFORMANCE MEASUREMENT**

Five evaluation criteria will be used to measure the performance in accordance with DAC<sup>5</sup> principles of EU assistance with regards to its relevance, efficiency, effectiveness, impact and sustainability. This will be done at programme level and project level.

#### **METHODOLOGY FOR MONITORING (AND EVALUATION)**

The Steering Committee will review all the activities during the implementation period of the projects in accordance with the terms of reference of the project. It will review all eventual deviations from these terms of references, mindful of the fact that all projects have to be in accordance with the procurement procedures for EC external actions, at the same time respecting the laws and legal

---

<sup>5</sup> The DAC Principles for the Evaluation of Development Assistance, OECD (1991) and the Glossary of Evaluation and Results Based Management (RBM) Terms, OECD (2000).

regulations of Kosovo. The implementers of the projects have the obligation to submit to the Steering Committee the inception, regular and final reports as well as monthly reports.

#### INDICATOR MEASUREMENT

Indicator	Description	Baseline (2015)	Last available (2014)	Milestone 2017	Target 2020	Source of information
<i>Action outcome indicator1</i>	Number of municipalities participating in Muninfra project	0	0	All 38 Municipalities of Kosovo	100%	EU progress and other reports
<i>Action outcome indicator2</i>	Number of municipal project - schemes selected	0	0	At least 5 project - schemes	At least 5 project - schemes	EU Progress Report
<i>Action outcome indicator3</i>	Number of infrastructure schemes completed and achievement of operating design standards.	0	0	At least 5 project - schemes	100% Of the selected projects	EU Progress Report – Final Acceptance Certificate
<i>Action outcome indicator4</i>	Compliance of works progress with the schedule of programme of works	0	0	At least 90% in line with the schedule of programme of works	100% in line with the schedule of programme of works	Supervisor's progress reports

## 5. CROSS-CUTTING ISSUES

### ENVIRONMENT AND CLIMATE CHANGE (AND IF RELEVANT DISASTER RESILIENCE)

Environmental impact and sustainability will be assessed and taken into account since the very beginning of the project cycle. The use of environmentally friendly and energy efficient and renewable energy sources (solar panels) will be considered. The use of environmentally friendly and energy efficient building materials and renewable energy sources (e.g geothermal cooling and heating, solar panels, green roofs etc) will be key issues in the design of the projects.

In order to guarantee that the project will have no adverse impact on the environment, the municipality must provide a confirmation that due considerations in this regards have been made during their project elaboration. This should be done, if required, by carrying out an Environmental Impact Assessment approved by the Ministry of Environment and Spatial Planning.

All applicable laws and related administrative directives/instructions will be fully respected, notably the Law on Environmental Protection (Law No. 03/L-025) and the Law on Environmental Impact Assessment (Law No. 03/L-024).

## **ENGAGEMENT WITH CIVIL SOCIETY (AND IF RELEVANT OTHER NON-STATE STAKEHOLDERS)**

Given the crucial role of municipalities for implementation of reforms and irreplaceable role of NGOs in the process of European integration, the Ministry of Local Government Administration, has established an informal network of civil society organizations (CSOs) at the local level, which develop their activities in different Municipalities of Kosovo.

The purpose of establishing this network is informal and civil society will be organized at the local level in order to develop partnerships with local authorities for the purpose of advancing Kosovo's European agenda. The network is also expected to be engaged in public policy design as obligations arising from the European agenda for Kosovo; therefore the MLGA during the implementation phase of the proposed project will take the necessary measures to ensure the participation of NGOs in the process and during the implementation of the project.

## **EQUAL OPPORTUNITIES AND GENDER MAINSTREAMING**

The principle of "gender mainstreaming" consisting of taking systematic account of the differences between the conditions, situations and needs of women and men will be applied throughout the project cycle, which means when selecting, designing and finally implementing the different facilities/schemes. The experts of the Service Contract and involved in project selection, design and implementation must possess relevant gender mainstreaming skills.

## **MINORITIES AND VULNERABLE GROUPS**

Equitable treatment of minorities and other vulnerable groups - such as for instance children, elderly and disabled people - and particular attention to their specific needs will be a key feature during the entire project cycle. Project proposals directly targeting minority and vulnerable group issues and needs will be encouraged. This will include the use of the appropriate languages (Albanian, Serbian or others) for the appropriate audience.

## **6. SUSTAINABILITY**

In order to guarantee the sustainability of the projects the municipality needs to prove that each of the projects submitted for financing is in line with its long term strategy for municipal development. The projects must be in line with existing Municipal/Urban Development Plan and also in line with master plans and other strategic documents of the different Ministries.

The support will continue to further improve the municipalities' abilities to provide adequate services to their citizens and the foreseen training component contribute to the municipal administrations being more proficient when dealing with infrastructure projects. Municipalities are committed and it is their obligation to fully support investments with follow-up maintenance costs.

The municipalities' improved capability to provide quality public services to their citizens will lead to a better quality of life, improved citizens' satisfaction and increased revenues for the municipalities from the said services. Furthermore, the improved management of infrastructure projects will result in a more efficient and effective use of the often scarce municipal funds.

The mostly very positive results of this scheme financed under IPA funds may trigger more future investments from the central government and other donors alike into a sector (i.e. local infrastructure) which has been rather neglected during the last years. In addition, the foreseen investments will release funds from municipal budgets for other high priority projects

## **7. COMMUNICATION AND VISIBILITY**

Communication and visibility will be given high importance during the implementation of the Action.

The implementation of the communication activities shall be the responsibility of the final beneficiary, and shall be funded from the amounts allocated to the Action. The European Union Office in Kosovo has developed clear visibility guidelines and ensures that all projects which are implemented in Kosovo are fully in line with these guidelines. Project visibility is also clearly stipulated in all contractual documents whereby the contractors/implementers are obliged to adhere to all EU visibility requirements.

All necessary measures will be taken to publicise the fact that the Action has received funding from the EU in line with the guidelines developed by the EU Office in Kosovo, as well as the provisions outlined in the Communication and Visibility Manual for EU External actions.

Visibility and communication actions shall demonstrate how the intervention contributes to the agreed programme objectives and the accession process. Actions shall be aimed at strengthening general public awareness and support of interventions financed and the objectives pursued. The actions shall aim at highlighting to the relevant target audiences the added value and impact of the EU's interventions. Visibility actions should also promote transparency and accountability on the use of funds.

It is the responsibility of the beneficiary to keep the EU Office fully informed of the planning and implementation of the specific visibility and communication activities.

The beneficiary shall report on its visibility and communication actions in the report submitted to the IPA monitoring committee and the sectoral monitoring committees.