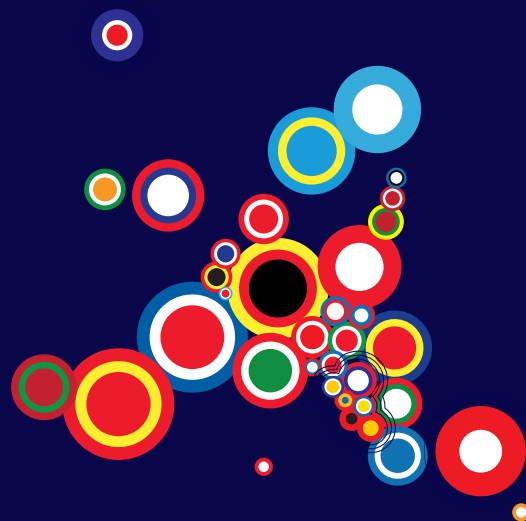




INSTRUMENT FOR PRE-ACCESSION ASSISTANCE (IPA II) 2014-2020

Kosovo*

Community Stabilisation and Refugees Integration Programme



Action Summary

The action aims at supporting the creation of an inclusive multi-ethnic society in Kosovo which will reduce the outflow of non-majority community members, promote the sustainable reintegration of returnees through supporting the socio-economic stability and community development initiatives. At the same time the effort within this action will contribute to joint efforts by the EU, central and local Kosovo authorities in finding durable solutions for the displaced persons, providing housing solutions and socio-economic inclusion for people still leaving in Collective Centres.

* 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.

Action Identification	
Programme Title	<i>2014 Annual Action Programme for Kosovo</i>
Action Title	Community Stabilisation and Refugees Integration Programme
Action Reference	<i>IPA 2014 /032353 / Kosovo/ Community Stabilisation and Refugees Integration Programme</i>
Sector Information	
IPA II Sectors	<i>Rule of Law and Fundamental Rights</i>
DAC Sector	<i>15240</i>
Budget	
Total cost (VAT excluded) ¹	<i>EUR 5.9 Million</i>
EU contribution	<i>EUR 5.6 Million</i>
Management and Implementation	
Method of implementation	<i>Indirect Management (component I) and direct management (component II)</i>
EU Delegation in charge <i>Direct management:</i> Responsible Unit or National Authority/Implementing Agency	<i>European Union office in Kosovo</i> Component I: International Organisation for Migration Component II: Danish Refugees Council
Implementation responsibilities	<i>Secretary General – Ministry of Communities and Return</i>
Location	
Zone benefiting from the action	<i>Kosovo</i>
Specific implementation area(s)	Component I - <i>29 Municipalities throughout Kosovo with a significant population of non-majority community members</i> Component II - <i>Shtërpce/Štrpce municipality</i>
Timeline	
Deadline for conclusion of the Financing Agreement	<i>31 December 2015</i>
Contracting deadline	<i>Component I: 31 December 2015</i> <i>Component II: 3 years following the date of conclusion of Financing Agreement</i>
End of operational implementation period	<i>6 years following the date of conclusion of Financing Agreement</i>

¹ 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

PROBLEM AND STAKEHOLDER ANALYSIS

Component I

With the cessation of hostilities in 1999, significant efforts have been made to stabilise the socio-economic situation in Kosovo and in non-majority communities in particular. The Kosovo government and the international community have invested significant resources to support these vulnerable communities. However, in spite of these gains, much remains to be done in supporting non-majority communities in accessing income generation and employment opportunities, enhancing their return and (re) integration within the multi-faceted context of Kosovo society. Even though the socio-economic conditions in Kosovo have significantly improved in recent years and the country has regained a significant measure of stability – it remains the poorest country in Europe, with official unemployment rates at 40%. The European Commission Annual Progress Report 2013 indicates the general economic situation remains challenging with very high unemployment. Women's labour market participation is the lowest in Europe with 18%. GDP growth came down from 4.4% to 2.5 in 2012 and is likely to have remains subdued in the first half of 2013. The production base remains low with imports representing 50% of the GDP and a private sector which is largely dependent on microenterprises with over 98% of registered businesses in 2010 have less than 10 employees. For a population that heavily relied on employment within state-owned enterprises (SOEs), the transition to a market economy has been particularly difficult.

These conditions affect all Kosovars; however the main stakeholders of the action are vulnerable groups, such as non-majority community members and returnees including men, women, girls and boys, who feel these affects most intensely. They are confronted with the challenge of adjusting to current circumstances or, in the case of returnees, building their lives anew, a process which can be impeded by a mixture of factors, including a scarcity of employment opportunities and ethnic tensions (either real or perceived) inhibiting them from engaging in viable income-generating activities which would secure their livelihood.

Actions benefiting non-majority communities and returnees should produce a positive multiplier effect on the local economy. By supporting viable small enterprises for these groups, the local economy receives immediate stimulus. Firstly, by increasing economic activities, disposal income is created, which families can use for consumption which in turn supports businesses operated by the communities' members. But more importantly these small enterprises create the opportunity for employment of other individuals and the potential for further expansion offering livelihood opportunities to greater numbers of community members.

The Ministry for Communities and Returns (MCR) of the government of Kosovo is mandated to develop guidance and promote as well as implement legislation for the protection of the communities and the creation of conditions for return. While the Ministry continues to expand its capacities budgetary constraints remain a challenge. The Municipal Officers for Community and Return (MOCRs) are responsible for community affairs and improving the livelihood of communities in their respective municipalities will be significantly involved in the action particularly at the field level addressing the needs of the communities they serve. Broadly the action will support actors from civil society as the programme provides a platform through which individuals, communities and civil society organizations can identify needs and priorities, develop solutions and be provided with assistance to address these needs and priorities. The Ministry for Labour and Social Welfare and the Regional Employment Centres are also stakeholders in the action as the action is also in line with their broad mandate of supporting employment creation measures.

Component II

Resolving the issue of displacement within Kosovo remains a challenge for Kosovo institutions, despite its high political will in recent years to address this issue. Almost fifteen years after the end of the conflict, 17,336 individuals remain displaced within Kosovo, out of this which, 684 are currently residing in 36 Collective Centres (CCs) in Kosovo. Almost 85% of the individuals living in CCs are

from the Serbian minority and almost 5% from the Roma, Ashkali and Egyptian (RAE) communities. These displaced families/individuals would like to live with dignity and find their durable solution within the municipality they are currently residing in.

One of the obstacles to assist displaced families/individuals is lack of funding by the Kosovo institutions to provide adequate integration support. Based on UNHCR's assessment in May 2013, many of the CCs can be found to be in poor and cramped conditions, some have limited access to proper infrastructure as well as kitchen facilities. Further the UNHCR assessment, details that families/individuals living in the CCs (including the vulnerable social cases) are in need of basic economic and social support as well as assistance to address their health needs.

The action will focus in the municipality of Shtërpce/Štrpce by closing five collective centres there and providing up to 120 families (315 individuals) with housing and socio-economic support enabling them to find durable solution and restart their lives. The main pre-condition for this action is the allocation of public land for housing. To this end Shtërpce/Štrpce municipality has given strong assurance that they will allocate public land as well as fully facilitate the implementation of this action (see the letter by the municipality-Annex 1). The action will also ensure individuals will have access to basic infrastructure and participate in community development initiatives.

This action represents the continuation of joint efforts by the government of Kosovo, the EU and Shtërpce/Štrpce municipality in finding durable solutions for the displaced. The main objective of this action is to contribute to the sound implementation of strategies for displaced families in CCs by supporting the realization of durable solutions. As a result it is expected that Kosovo institutions have increased capacity to find durable solutions for those displaced within Kosovo as well as facilitate their integration in Kosovo.

The main stakeholders will be the Ministry of Communities and Return, who will co-finance the action, and Shtërpce/Štrpce municipal authorities, who will support the coordination, implementation and monitoring of this action. The action will thus contribute to improvement in the implementation of national and EU plans and policies in the areas of human rights, and the protection of minorities.

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

Component I

The action is a continuation of IPA support to non-majority communities with the aim of stabilising their socio-economic and employment prospects and exclusion for non-majority communities. This is in line with the Europe 2020 priorities particularly "Inclusive growth: fostering high employment economy delivering social and territorial cohesion". Furthermore the SEE 2020 strategy specifies that the objective of the Inclusive Growth pillar is to enhance employment through skills development, employment creation and labour market participation.

The Indicative Strategy Paper for Kosovo 2014-2020 (Part III) points out that human rights and inclusion of non-majority communities and vulnerable groups remains one of the key priority sectors. IPA II will support effective implementation of the legal framework for the protection of human rights and minorities, including the creation of sustainable livelihoods and durable integration for returnees, Internally Displaced Persons (IDPs) and refugees wishing to settle in Kosovo.

The EU Progress Report for Kosovo 2013 broadly illustrates the continued need for measures to improve Kosovo's business environment, support the private sector and address structural weaknesses in the labour market so as to reduce unemployment. The report goes on to specifically indicate that in relation to non-majority communities that more resources and greater efforts are needed to make progress in implementing the Roma, Ashkali and Egyptian strategy and the action plan including support to entrepreneurship and socio-economic development.

Component II

Component II of this action is also fully in line with the Indicative Strategy Paper for Kosovo 2014-2020. Part II of the strategy paper notes that some 17,000 individuals belonging to different ethnic groups are still believed to be displaced within Kosovo.

Furthermore under Part IV (EU Assistance During the period 2014-2020), Sub-sector: Fundamental Rights and Minorities notes that there is a lack of inter-ministerial and inter-institutional (central-local level) co-ordination. The sustainability of the return process continues to be undermined by real and perceived security threats, limited access to property, blocked or delayed property restitution proceedings, limited access to public services, and a lack of economic opportunities.

The closure of CCs will continue to strengthen Kosovo institutions, particularly MCR, in developing their capacities to implement human rights and protection of minorities' legislation. To this end the sub-sector further notes that there is a need to continue assistance for the return and reintegration process and the stabilisation of minority communities. In addition, there is a need to find durable solutions for refugees from Croatia and Bosnia-Herzegovina who have been living in collective centres throughout Kosovo since 1994/1995. The main objective of IPA II will be to enable sustainable livelihoods and the durable integration for returnees, IDPs and refugees.

Addressing the issue of displacement is one of the key areas to support regional cooperation and relations as noted in the Enlargement Strategy and Main Challenges 2013-2014 document under Part III (Conclusions and Recommendations) note that regional cooperation and good neighbourly relations are essential elements of the Stabilisation and Association process. Issues related to past conflicts, including war crimes and refugee return, as well as the treatment of minorities and ensuring equal rights for all citizens remain key challenges to stability in the Western Balkans and need to be fully addressed.

Return process and durable solutions continue to be impeded by a number of issues detailed also in the 2013 Progress Report such as real and perceived security threats (both in Albanian majority and Serb majority communities) which undermine the sustainability of the process. Furthermore limited access to property, blocked or delayed property restitution proceedings, limited access to public services, and a lack of economic opportunities also continue to be major obstacles to sustainable return and reintegration. In January 2014, the Government of Kosovo endorsed the MCR Strategy for Communities and Returns (2014-2018) support for the displaced currently residing in collective centers remains one of the priorities.

SECTOR APPROACH ASSESSMENT

As concern the **support to the communities**, the action will be directly linked with the National Strategy for Communities and Returns 2014-2018. It specifically addresses two of the four main Strategic Objectives namely "1.Sustainable return of internally displaced persons, displaced persons in the region: Serbia, Montenegro and the former Yugoslav Republic of Macedonia" and "2. Empowerment and stabilization of communities in Kosovo" as the activities described in further detail below target support to both these objects by providing social/economic assistance packages to returnees, members of the communities of return and non-majority community members.

Furthermore it will contribute to National Strategy for the Integration of Roma, Ashkali and Egyptian Communities in Kosovo 2009-2015 commits the government to "introduce temporary measures facilitating transfer of informal economic activities into formal(-ised) economic activities." The action not only is designed to support entrepreneurship among these communities but also will provide support and incentive for the formalisation of economic activities.

The proposed action builds on previous actions funded and implemented jointly between the MCR and the EU (IPA 2009 and IPA 2011-on-going), thereby contributing to the sectorial approach defined by the Strategy for Communities and Returns 2014-2018, targeting both returnees and members of non-majority communities in recognition of their very real need for extended support mechanisms. The MCR has shown strong ownership of this Strategy, continuously increasing its financial commitments

and has also directly implemented a line of community stabilisation programming in this sector funded by the British Embassy. The action will be closely coordinated with relevant actors and donors in these two sectors including those from the international community as well as local entities.

In line with the Kosovo National SMEs Development Strategy, approved in 2011, which focuses on improving the overall competitiveness of the Kosovo private sector by directly addressing the identified needs of the SMEs, including limited access to finance and low productivity the action will provide support for up-scaling businesses to increase the quality, consistency and level of production to meet market demands and enable them to be more competitive on local markets and beyond. The activities of the action will specifically target efforts to support small businesses/ associations and create market linkages to increase market activity in effort to decrease Kosovo's dependence on import.

The action contributing to the **closure of collective centres** falls under the Strategy Paper Sub-Sector "Fundamental Rights and Minorities", and is in line with the MCR priorities and objectives as detailed in the recently approved Strategies for Communities and Returns 2014-2018. The MCR strategy under its recommended approach states that during the period of this strategic plan, MCR will identify the needs of current residents of collective centres with the aim of closing all collective centres and finding accommodation solutions for the families.

The assessment conducted by UNHCR in May 2013 on CCs and individuals residing there highlights the need of Kosovo institution to address this issue and find durable solutions for these individuals. While there are 18 CCs located in the Northern municipalities in Kosovo, the assessment shows that the other 50% are in regions South Mitrovicë/a (5 CCs), Gjilan/Gnjilane region (7 CCs) and Prishtinë/Priština region (6 CCs).

Thus, MCR suggests a phased approach to closure of CCs in Kosovo, and has prioritized the municipality of Shtërpce/Štrpce (5 CCs), due to its strong willingness to allocate public land and their commitment to the action. The 5 proposed CCs are located at the tourist area that is due to be privatized and undergo further development. Therefore the closure will serve the wider development purpose which is also set to have multiplier effects. In addition the MCR is fully supportive to this process as shown with their request to include all 5 CCs in this programming cycle. (for further information see annex 2 – MCR justification on HQs comments).

MCR remains very committed to the proposed action both financially and institutionally. MCR continuous to coordinate sector related policies and actions directly with Shtërpce/Štrpce municipal authorities and has indicated to contribute with co-financing. The action will also provide technical assistance and capital investment support to Shtërpce/Štrpce municipality.

LESSONS LEARNED AND LINK TO PREVIOUS FINANCIAL ASSISTANCE

Component I

Above mentioned similar actions (IPA 2009 and IPA 2011) have been monitored by the Results Oriented Monitoring (ROM) mission and they received very strong scores. The ROM monitors noted that "The project represents a good example of a successful and strong partnership between the Contractor, MCR and local authorities" and further indicated that the action should prioritize projects that have the greatest potential for growth and employment generation, such as the production oriented businesses, which the current action directly addresses.

The Action directly address recommendations from the "Thematic Evaluation of EU's Support to Refugees in Bosnia Herzegovina, Kosovo, Montenegro and Serbia" that states identified opportunities should be reviewed and converted into livelihood support initiatives submitted for approval by the EU-funded project. Ideally, municipal authorities and institutions are to be involved with an implementation or monitoring role. For individual or collective (such as cooperatives) small business support, an appropriate level of start-up support should be envisioned. This may embrace: Set-up of a business plan, including detailed needs (vocational training, market survey, value chain analysis...).

The involvement of local economic actors is expected to create linkages with targeted IDPs/refugees and entrepreneurs.

Furthermore the evaluation also recommends “In order to achieve more impact and sustainability, both of the return and integration process, it is recommended to plan..... concerted actions aimed at ensuring that economic opportunities benefit both the returning and receiving communities (in the case of return). The specific activities of the action directly target supporting both returnees and members of their community of return as well as non-majority community members including those from the Roma, Ashkali and Egyptian (RAE) communities also highlighted in the Evaluation. In addition the above mentioned Evaluation recommends that “a systematic follow up of the return process actively involving the local authorities” as staff of the action will conduct outreach alongside the relevant municipal officials.

Based on best practices as indicated in the CARDS funded publication regarding community stabilisation programming “Paths Towards Community Stabilisation: A compendium 2002-2008” the action fully takes into consideration the following aspects of implementation: 1) Outreach: “The best option to reach isolated communities and identify appropriate projects according to needs and priorities is having mobile outreach teams in the field as some communities face freedom of movement difficulties”; 2) Transparency: the action should create and enforce “clear criteria and standards to promote the complete involvement and participation of the community as well as to [ensure] that projects would be sustainable within the foreseen conditions” and 3) Highly participatory: “The participation of the community in the decision making process enabled people to become active partners and have a degree of power in the revitalisation of their communities.”

Furthermore in terms of lessons learned from previous similar actions the participation of stakeholders and beneficiaries is an important element in ensuring the quality and sustainability of the ventures supported as well as ‘buy-in’ at both at the community and individual levels. When practical, the action requires the participation of the beneficiary in the project with the aim of increasing the ownership and long-term sustainability. On the income generational level, this generally means that the beneficiary will purchase a complementary piece of equipment that will be used in the supported business or association. It can also mean that they directly contribute to the purchasing of the requested equipment. At the community level the municipality should be required to contribute to the project by either providing a portion of the funding required for completing the project or using its funds to complete a portion of the project prior to the action’s contribution.

Component II

MCR with its years of experience in working with returning IDP’s, lessons learned from other projects, including three phases of the project RRK and also the recent closure of Cesim Lug, Osterode and Leposavic camps, have shown that the need for municipal authorities to be on board with allocating land is vital. Otherwise, this may prevent families from reaching their durable solution and remaining in displacement. Both the MCR and Štrpce/Shtërpe municipality have expressed their willingness and the commitment to the closure of five CCs which is paramount for the success of the action. Furthermore, past projects have indicated that socio-economic integration remains a challenge for sustainable integration particularly considering high unemployment and the general lack of investment. This action will continue to look at the best ways to offer employment possibilities and income generation activities, and ensure individuals make use of the full assistance provided to thrive in the existing Kosovo environment.

These activities build on previous EU assistance to support voluntary return and reintegration of ethnic minorities under both IPA and CARDS instruments.

2. INTERVENTION LOGIC
LOGICAL FRAMEWORK MATRIX

OVERALL OBJECTIVE	OBJECTIVELY VERIFIABLE INDICATORS (OVI)	SOURCES OF VERIFICATION	
<p>To increase the integration of members of non-majority communities, by creating income-generating opportunities and provide individual housing solutions for displaced families living in collective centres.</p>	<p>Number of economic opportunities created and supported for members of the non-majority and IDP communities which remain viable.</p> <p>% of returnee beneficiaries remaining in Kosovo after one year of receiving assistance.</p>	<ul style="list-style-type: none"> •Reports and Statistics from the MCR /MOCRs particularly in terms of reports on the returns to Kosovo and the annual report. •Statistics and reports generated by UN Agencies OSCE, IOM and other concerned actors. •External evaluation of the programme. •Reports from OSCE, UNHCR and other international actors •Results oriented monitoring conducted by donor. <p>Official reports and statistics by MCR and UNHCR; Contractor's reports.</p>	
SPECIFIC OBJECTIVE	OBJECTIVELY VERIFIABLE INDICATORS (OVI)	SOURCES OF VERIFICATION	ASSUMPTIONS
<p>Component I To create income-generating opportunities for non-majority communities throughout the value chain in key economic sectors in Kosovo thereby enhancing their (re) integration prospects.</p>	<ol style="list-style-type: none"> 1. Increase in small business activity in the target communities. 2. % of supported businesses involved in higher value added production and processing 3. Number of business agreements resulting from facilitated contacts between supported businesses and majority value chain actors 	<ul style="list-style-type: none"> •Action documentation, applications, proposals, Implementation Agreements, Field monitoring reports, monthly reports to the EU office in Kosovo, Reports from the MCR, Training reports and schedules, Action activity photos; •External evaluation at the end of the action cycle 	<ul style="list-style-type: none"> •The security situation remains sufficiently stable to implement the planned action activities

<p>Component II</p> <p>To provide individual housing solutions to displaced families in CCs by facilitating their exit from collective centres towards a dignified life.</p>	<p>Vulnerable displaced families provided with durable solutions and enhanced housing living conditions</p> <p>Collective centres closed</p>	<ul style="list-style-type: none"> •Action final report •Results oriented monitoring conducted by donor. <p>Official reports and statistics by MCR and UNHCR; Contractor's reports.</p>	<p>Solid partnership with Shtërpce/Štrpce Municipality, MOCR and Centres for Social Welfare, which stay committed to the resolution of the problems of the displaced and take active role in the process.</p> <p>Close co-operation and coordination with the MCR, UNHCR, Contractor and Štrpce/ Shtërpce Municipality as well as other relevant stakeholders..</p>
<p>RESULTS</p>	<p>OBJECTIVELY VERIFIABLE INDICATORS (OVI)</p>	<p>SOURCES OF VERIFICATION</p>	<p>ASSUMPTIONS</p>
<p>Component I</p> <p>1. Non-majority and inter-ethnic business associations are created and supported to establish new value added production and processing higher in value chain, i.e. producing not only raw materials but also securing markets for finished products.</p> <p>2. New or operational non-majority entrepreneurs supported to establish/enhance production and processing in economically advanced and high potential sectors, with a special focus on vulnerable groups such as returnees, women, and members of the Roma, Ashkali and Egyptian</p>	<p>No of business associations created in targeted areas are supported to establish new value added production higher in value chain assistance</p> <p>No of start-up and operational businesses in the target areas established through the disbursement of assistance by the end-of-the action.</p> <p>No of priority community development</p>	<ul style="list-style-type: none"> •Contacts with members of business associations, local municipal administrations and other stakeholders; •Proposals and business plans received and approved •Business registry records; •Assessment and support for realisation of community projects resulting in tangible improvements in the quality of life 	<p>Willingness of business people from all communities to establish and maintain business relationships;</p> <p>Economic environment remains sufficiently stable for businesses to function maintain employment levels;</p> <p>Municipalities are willing and able to allocate sufficient resources to ensure maintenance and</p>

<p>communities.</p> <p>3. Social (re)integration of community members facilitated through community actions of joint interest.</p> <p>Component II</p> <p>1. Closure of three collective centre/s and durable housing solutions provided to displaced families</p> <p>2. Provision of socio-economic support for up to 35 displaced families</p> <p>3. Support to community development and improved infrastructure in Shtërpce/Štrpce Municipality.</p>	<p>projects funded for the benefit of the wider communities in targeted areas</p> <p>No of sustainable longer-term employment positions</p> <p>No of collective centres closed</p> <p>No of socio-economic assistance packages</p> <p>No of community and infrastructure projects</p>	<ul style="list-style-type: none"> •Feedback from beneficiaries and market organisations and beneficiaries, market linkages created •Action surveys •Unemployment registration records in the targeted municipalities <p>Same as above</p> <p>Beneficiary assessments, technical assessments, official reports and statistics by MCR and UNHCR; Contractor's reports.</p>	<p>sustainability of community projects;</p> <p>Relations between returnee and receiving communities are adequately secure.</p> <p>Sufficient quality proposals submitted by returnee communities to warrant selection</p> <p>Shtërpce/Štrpce Municipality allocates land, and provide technical documentation, permits as well as access to proper infrastructure.</p> <p>Support from local and central authorities.</p>
ACTIVITIES	MEANS	OVERALL COST	ASSUMPTIONS
<p>Component I</p> <p>To achieve Result 1:</p> <p>1.1 Identify key economic sectors with high potential and assess gaps in the relevant value chains within each for targeting support.</p> <p>1.2 Engage with associations and individuals in the target municipalities;</p> <p>1.3 Provide support to non-majority and inter-ethnic business associations to leverage economies of scale for groups of producers.</p> <p>1.4 Facilitate contacts between supported producers and</p>	<p>EU – Delegation Agreement with International Organisation for Migration</p> <p>MCR-Agreement with IOM</p>	<p>Total amount : €2.2 million</p> <p>EU contribution: €2 million</p> <p>MCR contribution: €200.000</p> <hr/> <p>Total Action: €2.200.000</p>	<p>Key stakeholders from the communities and central to local government offices sufficiently involved in the needs assessment to ensure accuracy and community commitment.</p> <p>Sufficient number of technically sound and feasible proposals submitted by target groups;</p>

<p>processors as well as majority value chain actors.</p> <p>To Achieve Result 2:</p> <p>2.1 Provide support for new and operational individual businesses to upgrade and fill value chain gaps.</p> <p>2.2 Provide support to start-up businesses for production to fill market gaps.</p> <p>2.3 Organize targeted professional training as needed for beneficiaries <i>(Also in support of Result 1)</i>.</p> <p>To Achieve Result 3:</p> <p>3.1 Coordinate with MOCR and community leaders/representatives to identify needs in their respective communities;</p> <p>3.2 Implement community level projects in coordination with local authorities to ensure ownership and sustainability of intervention.</p> <p>Component II To achieve Result 1:</p> <p>1.1 Beneficiary Selection 1.2 Housing assistance</p> <p>To achieve Result 2:</p> <p>2.1. Provision of harmonized return packages 2.2 Provision income generation grants.</p> <p>To achieve Result 3:</p> <p>3.1 Implementation of community and infrastructure projects 3.2. Beneficiaries have access to basic services.</p>	<p>EU - Grant Contract with Danish Refugee Council (DRC)</p> <p>MCR- Agreement with DRC</p>	<p>Total amount: €3.7 million</p> <p>EU contribution: €3.6 million</p> <p>MCR contribution: €100.000</p> <hr/> <p>Total Action: €3.700.000</p>	<p>Action teams have unimpeded access to potential and actual beneficiaries;</p> <p>There is sufficient consensus among community members in identifying priority areas of intervention;</p> <p>If Activities are completed, what assumptions must hold true to deliver the Results</p> <p>The political and security situation in Kosovo remains stable. Shtërpce/Štrpce Municipality allocates proper land for potential beneficiaries</p> <p>Beneficiaries are willing to move from CCs. Target groups and main stakeholders are willing to participate in planning, implementation and monitoring;</p>
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ADDITIONAL DESCRIPTION

Component I

The action should revolve around three main results further detailed below.

In order to achieve result 1 the action should provide support to collective/associated businesses to leverage economies of scale for groups of producers. This activity will provide support to developing associations and collective business operations both in terms of productive assets/ business equipment that can be used by members of the group and in terms of specialised training to assist these groups in effectively working together to maximize the strengthened position.

In support of Result 1 and 2 the action will provide support for established non-majority businesses to upgrade and fill value chain gaps through the provision of productive assets. This activity seeks to support currently operational businesses with the capacity to produce more specialised or products of a higher value. This activity would support these businesses with equipment enabling them to take the business forward in terms of product output and the value of the good or services produced, while at the same time generating greater levels of employment within the operation.

To achieve result 1 and result 2 the action should facilitate contacts between supported producers and processing as well as majority value chain actors. These business linkages will be essential in supporting business expansion, sourcing materials to create added value to final products and ultimately distribution and sales of the final products. Efforts will be made to connect beneficiary/non-majority producers with those with greater operational access to the markets in Kosovo and beyond.

These activities foresee the provision of specialised training to groups of individuals so that they can increase the efficiency and effectiveness of their operations in order to both increase the profitability of their ventures and diversify their markets and product range. The training will be sector or business specific, rather than general, to best address the needs and operations of business operating in the targeted sector.

Focus will be placed on sectors that indicate a strong potential for growth in the context Kosovo’s economy as identified through earlier phases of the programme including but not limited to: Agro-Business: fruit and vegetable greenhouses, vineyards and wine packaging ;orchards and growers associations; horticulture; collecting, processing and packaging of herbs; Livestock: meat dairy production and processing; fish processing and packaging; Craft/construction: carpentry, processing/finishing wood products; construction materials; crafts activity; Tourism: including developing cultural heritage and eco-tourism.

To achieve result 3 the action should implement community level projects in coordination with local authorities to ensure ownership and sustainability of intervention. Community projects are able to support a broad range of initiatives that broaden the overall impact of the programme. These projects represent an opportunity to address broader community concerns and involve several communities in project outputs.

Risk	Mitigation Measures
Political tensions and security concerns diminish ability of the action to access potential and actual beneficiaries.	In the event that tensions persist and the situation continues to deteriorate, potential reallocation of funds to non-affected areas will be considered.

Lack of technically sound and feasible proposals submitted by target group	The action should take measures to ensure that potential beneficiaries receive the necessary support to develop viable proposals including active outreach to the targeted communities.
Lack of consensus among community members in identifying priority areas of intervention	The action will conduct open ended meetings with community and members in order to reach an appropriate solution. If tensions persist then the action will explore alternative allocation options.

General Preconditions:

- *There is relative political stability in Kosovo.* The government continues to hold consensus and political authority throughout the targeted areas.
- *Willingness and interest among the members of the target groups to actively participate in the programme and to take ownership of the activities and outputs.* This will materialise through the submission of business plans and community project proposals provide to the action.

Component II

Component II will contribute to the sound implementation of strategies for displaced families in CCs by supporting the realisation of durable solutions for their social and economic integration. It will in particular provide individual housing solutions to displaced families in CCs by facilitating their exit from collective centres towards a dignified life.

Three main results are expected: closure of five collective centre/s and durable housing solutions provided to displaced families; provision of socio-economic support for up to 120 displaced families; support to community development and improved infrastructure in Shtërpce/Štrpce municipality.

The action will developed through multi-faceted interventions aimed at supporting a dignified and sustainable integration of up to 120 families (315 individuals) residing in CCs. Activities in different sectors (housing, humanitarian assistance, income generation, social integration) will be implemented in parallel as follows:

Beneficiary Selection: a multi-stakeholder approach will be employed to ensure adequate information provision, assessment, and selection of beneficiaries of action in Shtërpce/Štrpce municipality.

Housing & Infrastructure: housing opportunities will be provided for individuals based on the family size, following the Manual for Sustainable Returns (MSR) adopted by the MCR. This involves physical relocation of up to 120 families (315 individuals). Proper infrastructure will be also provided, as per municipality urban planning.

Income Generation: income generation assistance and job placement opportunities will be provided to families/individuals to generate family businesses. A member of the family will undergo business development trainings to create an appropriate business plan, based on market needs and beneficiary capability. Guidance will also be provided throughout the life of the action. Apprenticeships, internships and vocational education opportunities will be provided for beneficiaries.

Access to services: the action will provide assistance to all families/individuals to ensure they have proper access to all services available including health and schooling. Further technical support will be

provided to Shtërpce/Štrpce Municipality as necessary to ensure they are efficiently addressing the families/individuals needs.

Community Development: the action will implement community outreach, disseminate information, facilitate open community meetings for constructive dialogue, and implement community development through joint social activities.

Risk	Mitigation Measures
Deterioration of the political and the security situation in Kosovo.	In the event that the political and security situation deteriorate, an appropriate and flexible response would need to be employed, which may include the reallocation of funds.
Lack of interest among displaced families/individuals residing in CCs to relocate and integrate.	Field assessments conducted by UNHCR confirmed the preliminary interest of displaced families to relocate and integrate. The action will conduct proper outreach and provide appropriate information and psycho-social support to the displaced in the collective centres. Municipality will be engaged to support this process.
Lack of sustainable economic reintegration	The economic situation may jeopardise the reintegration process. Close attention will be paid to developing a strategy on economic integration and delivering the economic initiatives with the Municipality and MCR.

Risks and Preconditions

- During the kick -off phase of the action, the implementing agency seeks to develop and obtain the MoU signed between the implementing agency, the municipality of Shtërpce/Štrpce and MCR to ensure maximum impact of planned activities.

-The political situation in general and the security and stability in action areas remain sufficiently stable to allow action implementation.

-The MCR and Shtërpce/Štrpce Municipality continue to support and commit to action activities, particularly land allocation.

-Continued interest of displaced families/individuals residing in CCs to move and integrate. Up to 120 displaced families (315 individuals) agree to participate in the action.

3. IMPLEMENTATION ARRANGEMENTS

ROLES AND RESPONSIBILITIES

Component I

At the central level the main institutional stakeholders of the action are the Ministry for Communities and Returns and the European Union office in Kosovo who will have the broad mandate for overseeing the action. At the local level the Municipal Officers for Communities and Returns

(MOCRs) will be the main stakeholders in the action and have a broad role for supporting action activities/implementation, project identification and initial selection in coordination with the implementing partner. As implementing partner the International Organisation for Migration (IOM) who will oversee the daily operations of the action and ensure the timely and prudent delivery of assistance to the beneficiaries.

Other stakeholders include the Ministry for Labour and Social Welfare (MLSW) as in line with their broad mandate the action seeks to increase employment levels. Various United Nations agencies and international actors in the sectors, particularly UNHCR as the activities of the action are complementary to supporting their general mandate, will be stakeholders of the action. Local civil society organisations (CSOs) and local and international NGOs concerned with supporting returnees and non-majority communities including but not limited to OSCE, DRC, KAAD, DT as well as locally established and developing business associations will all be stakeholders of the action.

Component II

The main institutional stakeholders involved in this action are: (i) Ministry of Communities and Returns which has an overall mandate for communities and voluntary return; (ii) Ministry for Labour and Social Welfare which will provide employment and vocational services as well as social protection services particularly for children; and (iii) Shtërpce/Štrpce Municipality where individuals are residing in CCs and for which is allocating land and facilitating the integration of these individuals.

In addition, other stakeholders will be involved in the process: (i) DRC which has been successfully implementing EU-funded return projects in Kosovo and in the region, including the closure of collective centres in Serbia; (ii) United Nations High Commissioner for Refugees (UNHCR) – supervises and coordinates protection issues for vulnerable groups; and (iii) families/individuals who are the beneficiaries in the integration process and without whose collaboration integration could not take place.

Action Steering Committee will be comprised of all relevant stakeholders, including Ministry of Communities and Return, EU Office in Kosovo, and other stakeholders identified during the inception phase of the action and as deemed necessary.

IMPLEMENTATION METHOD(S) AND TYPE(S) OF FINANCING

Component I

The action will be implemented through Indirect Management Delegation Agreement (IMDA) with the International Organisation for Migration (IOM) which is in line with Articles 58(1)(c)(ii) and 185 of the Financial Regulation (FR). In close cooperation with the Ministry the organisation has successfully implemented the past phases of the EU Community Stabilisation Programming (EU-CSP & EU-CSPII) as well as EU-Return and Reintegration in Kosovo (EU-RRK) III and will be implementing EU-RRK IV. The existing synergies between the EU-CSP and EU-RRK programmes will be further enhanced during this phase, creating a broader and deeper impact of both programmes on the target beneficiaries and their communities. The organization has significant experience with implementing this particular type of programming from the initial post-conflict phases of Community Stabilisation Programmes (2002-2008 under CARDS funding) to the current action (2010 to current under IPA funding). Financing for the action should be provided in the form of an IMDA for the full amount including 2 million Euros from the European Union to IOM, and a further 200,000 Euros provided by the Ministry for Communities and Returns to insure adequate funding is provided to this action.

Component II

This action is proposed to be implemented, through direct grant award, by Danish Refugee Council (DRC) due to its experience in the sector. This is in line with Articles 128 and 190 (RAP) of the FR.

DRC is a long-lasting partner of the MCR and the EU in the minority rights and return/reintegration sector. In previous actions, DRC has proven to be an excellent and reliable partner. They have established excellent relations with the Kosovo authorities both at central and local levels, and have been praised by all stakeholders for their prudent management of the action.

In addition, DRC has been particularly engaged in the management and closure of several CCs in the Western Balkans region through funding provided by the EU. Due to their in-depth knowledge and experience of closures of CCs, their established cooperation with Shtërpce/Štrpce municipality and the close and trustful relationship with displaced persons in Kosovo, DRC is particularly suited for the implementation of this action.

The EU Office will sign a grant contract of €3.6 million with DRC by means of a direct award for the implementation of this action. The MCR will co-finance the action with an addition €100,000.

Actions under components I and II are expected to be implemented over a period of 24-30 months.

4. PERFORMANCE MEASUREMENT

METHODOLOGY FOR MONITORING (AND EVALUATION)

Component I

The action foresees regular monitoring from the MCR and the EU office in Kosovo through direct participation in the action approval committee as well as regular reporting provided by the implementing agency. The action further foresees monitoring from the Results Oriented Monitoring (ROM) teams from the EU.

The implementing agency will be responsible for: regular monitoring of the programme beneficiaries to ensure that they are sufficiently supported and that regular contact is maintained in order to address any issues that might arise or to take remedial actions that may be required in order to ensure the supported enterprise, association or project remains operational. The implementing agency will be required to conduct an evaluation to assess the overall impact of the action and its ability to provide the needed support. The assessment will be used to provide suggestions for the future implementation of similar programming and draw out lessons learned from the current phase.

Action monitoring and evaluation will be based on a periodic assessment of progress in delivering specified action results and achieving action objectives.

INDICATOR MEASUREMENT/COMPONENT I

Indicator	Description	Baseline (2010)	Last available (2014)	Milestone 2017	Target 2020	Source of information
Continued support for the stabilisation of different communities in Kosovo through socio-economic and livelihood measures.						
<i>SO 1 indicator</i> - Number of new businesses and associations registered as a result of the action.	This refers to the overall number of businesses associations, start-up and existing businesses to be supported through programme activities.	47	185	335	485	The action will use available data from the Kosovo Business Registration Agency (KBRA) to confirm business and association registration.
<i>SO 2</i> - % of supported businesses involved in higher value added production and processing.	This refers to the percentage of businesses engaged in activities that that improves value of products or services to customers.	5%	10%	20%	20%	The action will assess/monitor supported business actively involved in value added activities.
<i>SO 3</i> - Number of business agreements resulting from facilitated contacts between supported businesses and majority value chain actors.	This refers to the number of actual binding agreements, reached between businesses headed by minority community members and businesses/actors in the wider community (retailers, distributors and traders).	4	15	30	50	The action will assess and monitor the agreements reached by the businesses supported through the action.

Component II

The action foresees regular monitoring from the MCR and the EU office in Kosovo through direct participation in the action steering committee meetings as well as regular reporting provided by the implementing agency. The action further foresees monitoring from the Results Oriented Monitoring (ROM) teams from the EU.

The implementing agency will be responsible for: (i) regular monitoring of the action beneficiaries to ensure that they are sufficiently supported and (ii) regular coordination with Shtërpce/Štrpce municipality. The implementing agency will be required to conduct an evaluation to assess the overall impact of the action and its ability to provide the needed support. The assessment will be used to provide suggestions for the future implementation of similar programming and draw out lessons learned from the current phase.

Action monitoring and evaluation will be based on a periodic assessment of progress in delivering specified action results and achieving action objectives.

INDICATOR MEASUREMENT/COMPONENT II

Indicator	Description	Baseline (2012)	Last available (2013)	Milestone 2017	Target 2020	Source of information
Progress made towards meeting Copenhagen criteria						
SO 1 – Facilitation of durable solution	This indicator measures the increase in the No of families residing in CCs who have found a durable solution	0 families	0 families	120 families	120 families	UNHCR assessment of CCs; UNHCR Statistics
SO 2 – Closure of the CCs	This indicator measures the increase in the No of CCs closed	0 CCs closed	0 CCs	5 CCs	5 CCs	UNHCR assessment of CCs

5. CROSS-CUTTING ISSUES

ENVIRONMENT AND CLIMATE CHANGE (AND IF RELEVANT DISASTER RESILIENCE)

Component I

In general, support should be provided to projects and businesses that have a very limited or indeed a potentially net positive environmental impact. In relation to Rio Marker on mitigation the activities of the action qualify as “significant” in that the equipment provided will help businesses to produce less greenhouse gases, while the Rio Marker on adaptation is not targeted. Furthermore, the newer more technologically advanced equipment provided to the enterprises is in general more efficient producing less waste materials and using less resources to operate and thus reduce the impact of the machinery, and by extension the business activities on the environment. They increase the efficiency of land use producing more vegetables per square meter of land and they reduce the strain on water resources using drop by drop watering technology as opposed to open field watering where water is lost through evaporation. Finally the polyurethane plastic sheeting used in the greenhouses can be recycled when it is time for it to be replaced. Due to the production orientation of the businesses to be supported through the action communities will be less vulnerable to external forces and better able to cope in the case of disasters.

Component II

Environmental issues shall be actively mainstreamed throughout the action. Action staff shall include a short-term environmental specialist to define environmental protection strategies and ensure close follow-up throughout action life. In line with the EU Directive, any work involving the reconstruction of dwellings and 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. Disaster resilience and risk prevention and management should be integrated in the planning, preparation and implementation of the action.

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

Component I

The action is designed to actively engage with and seek out cooperation with a wide swathe of civil society actors including business associations, business networks, local NGOs and civil society organisations from the communities in order to identify in which ways they might benefit from the actions outputs/support. The action is positioned to provide a variety of support to these groups including the provision of business related trainings/technical assistance for business associations/networks as well as productive assets to enhance their functionality. Through the line of community projects support the action will be able to provide assistance to the civil society organisations and local NGOs.

Component II

Involvement of civil society has been an integral part of previous return and (re)integration related projects and will continue to remain so under the proposed action. Civil society organisations provide assistance in inter-ethnic dialogue facilitation, community outreach, information dissemination, conducting joint trainings for returnee and receiving communities, and implementing community development through joint social activities.

EQUAL OPPORTUNITIES AND GENDER MAINSTREAMING

Component I

The action will specifically target female headed enterprises and business associations. Women oriented organizations and NGOs will be contacted regarding the support available and actively encouraged to apply for support. By reaching out to women's organisation the action will better be able to support entrepreneurship amongst women as they have tended to be underrepresented in economic activity in Kosovo and therefore will benefit from the guidance and encouragement of these organisations. These applications for support will be prioritised throughout the application and support processes. Facilitating the participation of women in income generating activities further assists the stabilisation of communities as incomes earned by women tend to be invested in the household, rather than elsewhere. This is particularly true in the more remote areas covered by the action. Furthermore, by accessing and operating in isolated areas too remote for financial institutions to access and monitor/service their loan portfolios the action provides a mechanism to better facilitate the participation of rural women in economic activities.

Component II

Gender issues shall be actively mainstreamed throughout the action within both target institutions/organisations and activities/outputs. At the municipal level, decision making processes shall take place in full consultation with displaced individuals/families (women, and particularly displaced minority women). Efforts shall be made to further empower the gender focal points already established within Shtërpce/Štrpce municipality. The action will take into account different gender needs when implementing the harmonized family assistance package. Socio-economic measures will be tailored to equally take into consideration the specific needs of male and female beneficiaries.

MINORITIES AND VULNERABLE GROUPS

Component I

The action specifically sets out to address the needs and aspirations of non-majority community members. The target groups for the action are members of minority communities including Serbian, Roma, Ashkali, Egyptian, Gorani, Bosniaks, Turks, and Croats throughout Kosovo and Albanian Communities living in Northern municipalities of Kosovo. The action also foresees the active engagement and participation of vulnerable groups from these communities. Through the intensive outreach projects to support these communities and vulnerable groups will be identified, supported at the municipal level and implemented.

Component II

The action primarily targets minority families willing to integration in their place of displacement in Kosovo. Kosovo's Constitutional Framework provides for protection of linguistic rights and the project will, wherever necessary, make use of different community languages. 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 action when negotiating with municipalities their co-financing contribution to the action. Tailored measures / positive actions shall be considered to counteract the high level of discrimination these communities are exposed to.

6. SUSTAINABILITY

Component I

Under IPA I the MCR was fully involved in all aspects of programming, financing, contracting and implementation of similar actions compared to CARDS (2002-2008) where there was limited government participation due to the developing capacities of government institutions (the MCR having been established only in January 2005). This approach is set to continue under IPA II as the MCR will continue to fund the action as well as improve the inter-institutional cooperation particularly with the

involved municipalities. At the local/municipal level the Municipal Offices for Communities and Returns (MOCRs) will work closely with the staff of the action in both field activities outreaching to potential beneficiaries. The MOCRs will further be engaged in the screening and pre-selection of ventures and projects to be supported by this action. The final approval will take place at central level under the chairmanship of the MCR in the committee comprised of representatives from the MCR, the EU Office and the implementing partner. The MCR staff will also conduct regular monitoring in the field with action staff and management in order to be actively engaged in the positive outputs of the action. The net benefit of this active engagement not only means that the ministry has increased ownership of the outputs but also plays a greater role in the activities that ministry staff will increasingly and ultimately take over from the international actors.

From the view point of the impact in the ground, previous similar actions have shown very positive results in terms of longer-term sustainability with over 80% success rate of the business supported as reported in the impact assessment of 2008 (EU-CARDS). While actions jointly funded under IPA I have over a 90% success rate of the ventures supported. In the impact assessment conducted following the implementation of IPA 2009 action, 92% of the beneficiaries interviewed indicated that they intended to expand their business operations, which speaks to their sustainability and the intentions of beneficiaries to continue to develop their businesses over the longer-term.

The action will support sustainable employment by providing small business ventures in the targeted communities with productive business assets and equipment. The effective selection process is applied to start-up ventures and to the expansion of operational businesses which, through their expansion are able to generate new long-term employment while at the same time securing the longer-term employment of those currently employed in the enterprise. The community projects will secure employment by providing equipment used at the community level by members of the returns and receiving communities.

The action will build-up support from the most basic technical level to the economic and on to the social and policy levels. Through the consultations and trainings provided to beneficiaries and the specialized equipment provided to the associations or individual businesses, the action introduces new technology and techniques to the communities upgrading their technical capacities. The action promotes the integration and diversification of the local and wider Kosovo economies through creating linkages and encouraging cooperation across geographic, cultural, and, ethnic boundaries. Moreover, by involving relevant authorities both at central and local level, the action will ensure broad-based ownership of the whole process.

Component II

MCR remains committed to fulfilling its mandate within the return and reintegration process, and addressing one its priorities to close CCs, and will be fully involved in the action. This creates a sense of ownership and responsibility in the process. MCR has confirmed that it will co-finance the action with €100,000.

In addition, Shtërpce/Štrpce municipality will allocate land for the construction of housing with the view of closing all 5 collective centres. The official municipal decision for land allocation should be ensured before indicative start of action implementation i.e. Q2 2015. Shtërpce/Štrpce municipality is fully committed to assist during the implementation of the proposed action and the integration process. Investment commitment from two key authorities is likely to ensure future interest and thus sustainability of the long term social integration of these families/individuals. Of a particular importance for sustainability of the action is the involvement of municipal authorities in facilitating access to health, social services and education needs for the families, which has been very well supported in other projects.

The comprehensive approach of the action, incorporating housing, economic development, social integration and capacity building, has been specifically designed to foster a long-term sustainable

solution for the overall livelihoods of the beneficiaries. In light of this commitment, the EU will consider the possibility to finance the closure of the remaining two collective centres under IPA 2015.

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 beneficiary, and shall be funded from the amounts allocated to the Action.

The EU Office in Kosovo has developed clear visibility guidelines and ensures that all actions which are implemented in Kosovo are fully in line with these guidelines. Action visibility is also clearly stipulated in all contractual documents whereby the contractors/implementers are obliged to adhere to all EU visibility requirements, as stipulated 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 sectorial monitoring committees.