

KOSOVO¹

ETF COUNTRY PLAN 2009

Summary

The overall objectives of the ETF 2009 Work Programme in Kosovo are to:

- support the European Commission in the development and deployment of external assistance; and
- support the continuing enhancement of partner country capacities in human capital development. The focus will be on specific initiatives emerging from current developments in education and training and employment and active labour market policy.

"Kosovo is a profoundly European matter. The EU is ready to use all instruments to help Kosovo realise its European perspective. Organising the donor conference is an important Commission contribution to mobilising funding for Kosovo's socio-economic development. Bringing growth and prosperity to the poorest part of Europe will help secure stability in the Western Balkans²",



In Kosovo the new role of the EU (replacing UNMIK) and the opportunity for comprehensive education sector reform is expected to require a high level of investment in 2009 from the ETF. The European Commission is considered an essential and active partner of the government of Kosovo and the Ministry of Education in the promotion of quality education in Kosovo. As the largest donor to Kosovo, the EU has a specific role in supporting the government to develop a strategic framework for lifelong learning as an overarching concept covering all contexts (formal, non-formal, informal) and levels (pre-school, primary, secondary, tertiary, adult and continuing) of education and training with costed prioritised actions.

The ETF, in its support to the European Commission, will be working very closely with the Kosovo government to facilitate their policy dialogue on the design of the human capital development policy interventions, paying special attention to policy implementation, key indicators and monitoring performance outcomes.

The country specific activities will focus on four main areas of intervention. Firstly, the ETF will support the Ministry of Education, Science and Technology in the IPA 2008 sector wide approach to education to: i) have a single comprehensive lifelong learning sector strategy focusing on VET and adult education; ii) build a comprehensive capacity development plan, and iii) improve sector and donor coordination. Secondly to assist in building the capacities of the national body in charge of the development of a national qualification framework to ensure that due reference is taken of European reference levels and transparency between national and sectoral qualifications. Thirdly to facilitate, jointly with the EC, the World Bank and other key donors, policy discussions and interventions on the "job agenda" and enhancement of human

¹ Under UNSCR 1244/99

² Enlargement Commissioner Olli Rehn. At the Donors' Conference in Brussels, Belgium 11 July 2008

capital. This policy dialogue will be based on the findings of the 2008 World Bank and ETF reports on youth employment. Fourthly to contribute to policy dialogue among Kosovo stakeholders for improving and agreeing on a strategic employment framework, governance issues – in terms of structure, staff and resources – and social partnership.

Kosovo will also participate in regional activities on social inclusion in education and training which will be complementary to the activities at country level, entrepreneurship learning, teaching and learning, and all three components of the mutual learning programme.

All the above mentioned activities are aimed at supporting the implementation of the present multi annual indicative planning document 2007-2009 for Kosovo and hence the priorities of the Plan on European Integration 2008-2010³.

1. Socio-economic background

Kosovo is one of the poorest economies in Europe. Its economy is expanding at a very slow pace compared to other transition countries. According to data of the Ministry of Economy and Finance, real GDP growth in Kosovo was estimated at 3.8% in 2006 and 1.7% in 2007. Despite economic growth and a business-friendly environment, unemployment in the country continues to increase. By the end of 2007, the number of registered with the Kosovo public employment services (PES) unemployed reached 334,600, or a 2.6% increase compared with the previous year. Most registered unemployed were aged between 25 and 39 (147,400 people) but 98,700 of them were in the age group 15-24⁴.

The increase in per capita GDP in 2000-05 was fuelled by foreign assistance and remittances from abroad but failed to have a major impact on employment or on reducing unemployment, which remained the highest in Europe (estimated at 45% in 2006 according to the SOK, 2007a), with young people particularly affected. Kosovo has the youngest population in the region and a population that is growing faster than any other population in Europe. Given the young age structure, more and more young people will enter the labour market every year, putting enormous pressure on the economy to generate productive employment opportunities.

Labour force participation in Kosovo is at a normal level for men (at 68%) and remains very low for women - at some 30% (SOK, 2007b). The low labour force participation of women is evident all over the country but is much lower in remote areas of Kosovo. This extremely low level of participation by women in the labour market is a consequence of the gender division of labour in families, with - among other barriers - gender stereotypes confining women to the private sphere. With regard to age, 71% of boys and 54% of girls aged 15-19 are in school. For the age group 20-24 some 16% of men and 14% of women attend school or university (SOK, 2007b). A large proportion of young people who do not continue their education remain, however, outside the labour force, because they simply stop seeking work out of despair, having lost faith in finding employment. Inactivity among minorities is widespread as a consequence of low education levels. The unemployment rate is particularly high among young people, women and minorities, at over 60% for all these groups, with some variance depending on the data source and category.

The informal ("grey") sector of economy is a serious problem in Kosovo and a crucial one to address in relation to its future economic and social development. Transforming informal activities into formal ones is a key objective concerning the effectiveness of the implementation of reforms as well as the impact of EU support. Minorities remain marginal to the services of employment administration. Kosovo Serb communities do not cooperate with Kosovo government public authorities on policy and service delivery and parallel education arrangements continue to be a challenge⁵.

Fiscal fragility and the lack of ability to borrow externally have also been factors contributing to complexities in social protection, alongside the effects of war, disability, gender issues,

⁴ Arvo Kuddo "Labor market and employment policy options for youth in Kosovo", World Bank Report on Kosovo Youth Employment, Washington D.C 2008

⁵ European Commission ,Multi-annual Indicative Planning Document (MIPD) 2007-2009 for Kosovo under UNSCR 1244, June 2006

rural/urban divides, regional disparities, ethnicity, and demographic factors. There is still no poverty reduction framework in place in Kosovo although the Kosovo Development Strategy contains reference to social exclusion.

Kosovo's population trends have a big impact on the country's education and employment policies and related expenditure throughout the system. So far the Kosovo economy has been supported by remittances from the Diaspora. These have been filling a major gap in Kosovo's balance of payments, but also providing an informal social safety net for poor households, making up for the absence of a welfare state. Remittances and pensions from abroad form a significant source of income for Kosovars' in general, and Kosovo Albanians in particular. But the generosity of the diaspora is weakening and the first signs are already there⁶. The current high poverty and unemployment rates continue to make migration an attractive option for many people, especially the young. Surveys show that about 50% of Kosovo's young people – and the share is similar among all ethnic groups – would emigrate if they could. The main reasons for seeking to migrate are greater economic opportunity and the chance for a better life in general⁷.

The socio-economic and demographic background described above indicates several important issues related to human capital in Kosovo. People are confronted with the changing realities of the labour market, migrants from rural to urban areas are confronted with social exclusion, and those left behind are faced with poverty. Given the global trends where the labour market conditions and working contexts are becoming more and more divided between knowledge-intensive jobs on the one hand and more repetitive work on the other - Kosovo citizens are faced with the need and opportunity to constantly adapt their knowledge and skills. Therefore human capital development policy responses and underlying macro-economic framework need to address the whole in consistent fashion.

2. Key policy issues and strategies in human capital development

Almost a decade after the war and a few months after the declaration of independence, the Kosovo authorities, find themselves at yet another turning point. Human capital development is now one of the priority sectors for reform and is relatively ready to help increase social cohesion and the employability of the population. Education and training, vocational training in particular, employment and active labour market policies, as well as cross-cutting policy issues related to the equity and social inclusion, competitiveness and innovation policies, all provide the framework for human capital development in Kosovo.

i) Key policy issues and strategies in education and training

Education is one of the four pillars designated as Kosovo government priorities (along with energy, the economy and Europe). It is also included in the priorities on economic development through helping to reduce unemployment and the need to improve human capital development and service delivery (especially in education) and place more emphasis on the world of work⁸.

The education sector in Kosovo will continue to remain a top government and parliamentary priority and is likely to receive more government and donor funding over the coming years. Building an inclusive education system and human capital that is internationally competitive are necessities for Kosovo's development and accession to the EU in the long-term. In order to fulfil this mission there has to be a significant improvement of sector implementation and performance at all levels.

There are sufficient development needs and challenges facing the education sector to motivate massive government investment and donor support. The development needs relate to major issues and targets such as:

⁶ European Stability Initiative (ESI), Cutting the Lifeline: Migration, Families and the Future of Kosovo (Berlin–Brussels–Istanbul: ESI, 18 September 2006).

⁷ UNDP Kosovo, Human Development Report 2006 (Pristina, 2006).

⁸ Government of Kosovo, "Medium Term Expenditure Framework(MTEF (2009-2011)),June12,2008, Prishtina

- reducing the number of shifts in schools by building more primary and secondary schools;
- improving quality in teaching; revising curricula and teaching materials and improving capacity building and accreditation of teachers;
- providing universal secondary education in the long term;
- establishing vocational training institutions at tertiary level adapted to labour market needs;
- improving the quality of higher education through quality control, application of European standards and revised academic organisation;
- establishing research institutions at universities which can also provide services to the private sector.

The Kosovo authorities, supported by development partners in Kosovo, are in the process of reviewing all the education strategic documents. The process will be enhanced by the operationalisation of the findings of the feasibility study undertaken by the Ministry of Education, Science and Technology with support from the Swedish International Development Agency (SIDA). This study, entitled *Kosovo Road Map for Improved Education Sector Performance and Aid Effectiveness*, will enable the Kosovo authorities to depart from fragmented strategic documents and move towards a strategic framework for lifelong learning as an overarching concept covering all contexts (formal, non-formal, informal) and levels (pre-school, primary, secondary, tertiary, adult, continuing) of education and training.

Some of the issues identified in the government's education strategic documents:

The introduction of free schooling has undoubtedly had a significant positive effect in meeting the broad goals of inclusion and equity and in terms of reducing barriers to access. However, the teaching in many schools is done by poorly paid and often under-qualified teachers; children continue to go to overcrowded schools and class time has gone down to 30-35 minutes (instead of 45). The introduction of grade nine a few years ago and the implementation of new curricula for grade five has helped to improve the diversity and quality of provision but has also aggravated some of the key problems and difficulties of the sub-sector. Enrolment in upper secondary education (general and vocational) has increased but will need consolidating before the highly ambitious quest for universal upper secondary education. Despite significant increases in the absolute and relative enrolment of girls, gains in gender equity are largely limited to lower primary education. At other levels significant gender disparities persist and generally increase with age, notably at secondary levels where dropout and completion rates remain a problem.

No additional upper secondary schools have been constructed for three decades, its teaching staff are underpaid and more than 18% of teachers are unqualified in general schools (and even more in vocational schools) and there is a severe lack of workshops, IT rooms and science laboratories⁹. In 2008, the government has made the construction of school facilities a top priority and has committed itself to doing away with 'container schools' together as well as reducing the number of shifts. Funds for capital investment have been increased four-fold and an ambitious construction programme has started. The introduction of ICT equipment is a current priority in the pre-university strategy, but Kosovo schools at the moment have the lowest number of computers and trained teachers in the region.

There is more emphasis on social inclusion in education and training of ethnic groups by international partners in Kosovo. The ethnic groups are not only diverse, but also mixed. They are often geographically concentrated, either in the proximity of the kin-state border or in ghettoised settlements. Poverty and vulnerability assessments indicate that ethnicity is one of the significant factors in shaping poverty. Although enormous efforts are made to promote the rights of ethnic communities, there are still serious obstacles, such as people living in secure enclaves, big discrepancies in access to education, health and employment, and parallel systems of services for different ethnic groups. The inclusion of minority and discriminated

⁹ Kosovo Ministry of Education, Science and Technology and International Swedish Institute for Public Administration(SIPU), "Kosovo Road Map for Improved Education Sector Performance and Aid Effectiveness", May 2008

groups needs to be made more explicit and given more emphasis in the sector strategic and implementation plans. These issues should be the responsibility of Kosovo authorities as well as development partners and all stakeholders active in the field of education. Awareness raising and capacity building on how to promote inclusive education should be given policy priority.

More needs to be done to enhance public sector capacity. Institutional weaknesses include a lack of suitably qualified personnel, limited incentives for public sector employment and inadequate physical infrastructure and communications. It is one of the key issues of the Kosovo system of education, which has also been addressed by development partners (especially the World Bank and IMF), requiring that a new merit based salary system is put in place together with the teacher licensing system. These factors present significant constraints to improving the coverage and quality of basic service delivery and the development of better public sector management systems¹⁰.

Progress has been made in the development of the Education Management Information System (EMIS) system which enhances the management, monitoring, follow-up and evaluation of the education policies. The lack of reliable data for informed planning and decision making is a real problem for the education system at all levels, so the Ministry of Education has asked the World Bank for support. Other donors such as UNICEF and Swisscontact have been asked by Ministry of Education to assess the existing situation and advise on policy options and their implementation.

There are no pathways to link VET with higher education. At present, there is no higher level of vocational training provision (at ISCED Level 4A) to which students can progress after completing upper secondary school-based programmes, and there are no post-secondary technician institutions in the VET system. A new framework for vocational education and training has been introduced but VET still functions quite separately from general secondary education. The VET system is predominantly school-based and is not yet aligned with the emerging needs of a market economy. Kosovo needs a good and comprehensive career guidance and professional orientation system to provide assistance to the unemployed, students and other groups of population in determining appropriate work fields and employment opportunities.

Post-secondary and continuing education and training provision are almost non-existent, partly as a result of a failure to promote adult learning. Formal provision is almost entirely lacking and, whatever provision may have existed in the past, there has been a tendency for recent development to focus almost entirely on university provision to the virtual exclusion of all else. In this respect, Kosovo compares unfavourably with other European countries where the promotion of continuing vocational training and lifelong learning occupy a central place in economic, social and human resource development strategies. Not only is it important for the government to make a major investment in formal adult education provision, there is also a need to stimulate the development of non-formal education provision by providing a legal basis and a supportive environment within which new initiatives can be developed.

Vocational education which is the responsibility of the Ministry of Education and mainly concentrated at secondary education, presents a significant challenge for the future development of a skilled and productive labour force in Kosovo. Allowing well-performing students in the secondary vocational education track to proceed into higher education will ensure that the vocational stream is not seen as last option by prospective students. Lifelong learning policy values learning in all settings and should ensure a well-functioning training market and a broad skills base. Post-secondary VET is an integral part of this, and therefore, the Kosovo government has put this as a major part of its policy in education and training.

Post-secondary education is a new intervention section in which ETF will need to focus more intensively in the mid-term perspective. There are at least two important reasons: at the donor meeting in July, the Ministry of Education will present the strategic document in which they request donor support to set up centres of excellence such as secondary and post-secondary education centres. Under the IPA 2009 sector, the government has expressed its need for support for this in order to consolidate the VET sector in the country. They have already started the mapping of vocational secondary schools within the ongoing EMIS system, as well as the

¹⁰ Human resources development country analysis – Kosovo, Lida Kita, European Training Foundation, Draft working paper Manuscript completed on 22 May 2008

mapping of universities and/or institutions that offer post-secondary VET¹¹. On the other hand there quite a few donors who have committed themselves to supporting the Ministry of Education in its initial steps in the field of post-secondary education¹².

All higher education institutions are governed by the Law on Higher Education. The University of Pristina has made important qualitative changes since the end of the war. The Kosovo Strategy for Higher Education for the period to 2005-2015 gives priority to the implementation of the Bologna process. Kosovo is currently not eligible for direct membership in the Bologna Process as it is not a state that has ratified the European Cultural Convention. Kosovo is, for the time being, attending Bologna Ministerial meetings on an observer basis. Two overall long-term processes, the Stabilisation and Association Agreement and the process of building the European Higher Education Area, have shaped Tempus cooperation since 2001. Driven by the dynamics of both processes, the priorities for co-operation are updated on a yearly basis. The Kosovo Strategy for Higher Education gives priority to the implementation of the Bologna process and also recognises the importance of the Tempus programme as a major instrument for securing real progress. Higher education has adopted the Bologna Declaration and the implementation of European Credit Transfer System (ECTS) is ongoing. Since 2001, study programmes in the fields of Agricultural Sciences, Computer Sciences, Economics, European Studies, Law, Mechatronics and Medical Sciences have been developed under Tempus projects. Lifelong learning courses have been developed in the field of education and teacher training. Information management systems, institutional evaluation, university-industry links and quality assurance have also been supported through Tempus. Tempus has supported new cooperation and increased the international cooperation skills of staff within the faculties. The students involved in Tempus feel that they have strongly improved their qualifications compared to fellow students. They have access to laboratories, computers, their studies are EU-compatible and they have noted an improvement in the quality of teaching. Student numbers and success rates are increasing and the dropout rate is decreasing in those faculties where Tempus has been operating¹³.

However, progress has been slow, contents and teaching are still unsatisfactory, while important actions in the quality control and management are to be undertaken. Education in Kosovo is characterised by a parallel system, with educational services provided separately for the main ethnic groups. The Kosovan higher education system operates through two state universities, the University of Prishtina and the University of Mitrovica.

No significant progress can be recorded in the accreditation system. The Ministry of Education priorities for higher education include the urgent need to undertake the official accreditation of higher education institutes in Kosovo. Currently both the public and the private universities in Kosovo are not officially accredited.

Nevertheless, a few initiatives for improvement have begun, namely Ministry of Education, in cooperation with the British Council, has asked the British Accreditation Council to carry out an external evaluation of the country's 33 private higher institutions, having regard to national law, international standards and the Bologna process. The report published and disseminated in mid-July revealed the weaknesses of private higher education in Kosovo and resulted in the decision of the government to suspend the enrolment of new students in private higher education institutions for the academic year 2008/09. From a legal point of view the private higher education providers are still licensed to operate, but the extension of the licence is subject to previous accreditation by the Kosovo Accreditation Agency. The report gives some recommendations of how to improve the regulation of higher, technical and vocational education in Kosovo in such a way as to ensure a first-class, relevant and high-quality private sector for the years to come.

Quality assurance remains an issue for the whole education system. There is still very limited knowledge of what students are learning and able to do, and comparisons with other countries cannot be made as Kosovo has never had the opportunity of participating in an international student assessment. The Ministry of Education carried out the external assessment of 9th

¹¹ This VET school mapping is being supported by Swisscontact Office in Kosovo following the request of the MEST.

¹² EC funded KOSVET III

¹³ Kosovo <http://ec.europa.eu/education/programmes/tempus/countries/impact/kosovo.pdf>

grade students and matura at the end of the upper secondary cycle. Kosovo society was “reminded” of the importance of quality assurance challenges when they read about the matura exam results held on 7 June, which only 44.7% of students of general and VET schools managed to pass. Students of VET scored much lower. The 9th grade exam results were no more encouraging either - only 47.4% of the total number of students passed.

Improving and monitoring quality in education and training is a challenge that Kosovo society needs to address sooner rather than later. Quality management of public programmes has improved recently, thanks to EU support and other international programmes providing extensive quality management training to officials, regional education officers and school directors, but there is still considerable space for improvement. In 2004 a pilot National Quality Assurance Framework (NQAF) for VET was developed with EU assistance. Also, the Pedagogical Institute was established thanks to the Italian government’s provision of support for the development of education and training methodologies.

Entrepreneurship learning is gaining more space on the Kosovo policy agenda. The first initiative has been the development of the entrepreneurship education and training strategy which embraces the entire education and training programme from primary school to university and non-formal learning, including teacher and trainer training. In order to enhance the implementation of the strategy as well as to provide meaning to the standards developed, module descriptors/curricula and teacher/trainer guides for all levels (primary to post-secondary education) have been developed. Implementation and sustainability as these EU programmes close, remain issues that the Kosovo authorities supported by the development partners, need to address in the immediate future.

The role of the social partners and the private sector in education and training is very low. The private sector does not yet participate systematically and comprehensively to defining policies, setting priorities or implementing vocational training. Also, with many businesses finding it difficult to operate in the market, it is safe to assume that the role of businesses as providers of workplace training opportunities is not significant. To date, there is no evidence of a combination of public-private partnership forms of financing VET. Besides public funding, donor funding of VET has been and continues to be crucial for this sub sector.

Finally support to education and training reform is donor-driven and still in ‘pilot phases’. Donor support to the sector comes in the form of fragmented project support with a significant amount of technical assistance for which there is limited demand. The Kosovo authorities need to move towards a systemic approach and policy implementation mainstreaming.

The overwhelming part of donor support to the education sector takes place “off budget”. Some of it is not even reported to government, but channelled to institutions and NGO’s. There are a number of challenges in establishing improved coordination: development partners sometimes have overlapping and unclear inputs. There is an urgent need to put in place structures which bring the Ministry of Education, development partners and other stakeholders together on a more regular and systematic basis. In addition, other information tools should be developed or better utilised - such as a comprehensive rolling database on donor investment in education, newsletters, and the ministry’s website.

On 11 July 2008, the European Commission and the World Bank organised the Kosovo Donor Meeting in Brussels. The Kosovo government presented its strategic policy note, where support for human capital development is named as one of the four main pillars of Kosovo society. At the conference, donors pledged against financial needs identified in the Medium Term Expenditure Framework for Kosovo adopted by the government on 12 June 2008. For the period 2008-2011, the Medium Term Expenditure Framework identifies an overall external need for development assistance of around €1 billion, and a further €400 million to build up a reserve to help Kosovo face contingency liabilities.

Donor pledges reached €1 billion to cover gaps in financial needs in the years 2009-2013. The EU pledged €500 million over the next three years. Implementation remains an outstanding issue. The donor community will wait to see results since there are concerns on Kosovo’s absorption capacity.

The Kosovo government has applied to become a member of the International Monetary Fund and World Bank Group, which is under consideration given its proclaimed independence.

ii) Key policy issues and strategies in employment and active labour market policies

Employment policy reforms in Kosovo have only recently been initiated. Significant progress has been made in terms of an improved policy framework and advanced employment, labour and vocational education and training (VET) legislation. Responsibility for employment policy rests with the Ministry for Labour and Social Welfare, although strategically important policy documents have to be approved and adopted by the government. There is some degree of interministerial cooperation and social partner involvement, particularly in the employment policy programming process. Implementation is broadly implemented via the Public Employment Service (PES). However, on comparing the number of unemployed people involved in Active Labour Market Measures (ALMMs) with the total number of unemployed people, one might rightly conclude that implementation is, perhaps, the weakest part of the employment policy. In the past, furthermore, insufficient attention has been paid to monitoring and evaluating employment policies, so these topics have only recently become a subject of discussion.

In recent years both the Kosovo government and donors have produced a number of analyses related to employment and unemployment issues in Kosovo. All of them emphasise the fact that the country is facing huge labour market challenges. Compared to EU standards, both labour market participation and employment rates are very low and the unemployment rate is very high. All government documents agree that unemployment among young people should be seen as a primary challenge for employment policies in Kosovo and as an issue which requires immediate action.

The 'jobs deficit' presents a particular challenge on the road to full employment. Decreasing unemployment levels and reducing poverty requires a carefully planned combination of reforms in various areas in order to support job creation. School-to-work transition and youth access to the labour market is extremely difficult. Although youth employment remains high on the government's agenda, the policy-making process remains characterised by lack of coherence and coordination between ministries and between central and local government. Hence, the most disadvantaged areas of Kosovo have difficulties in translating the objectives of the youth employment policy into programmes that address the multiple disadvantages faced by young people. Women often have low participation and employment rates, frequently because of attitudes and culture (at least among certain ethnic groups), but also because of labour market inflexibility and the skills acquired. Kosovo is home to an informal economy and precarious employment. Estimates put informal employment at some 50% of total employment. Job security, employment protection, health and safety as well as options for professional development for those working in the informal economy are likely to be minimal.

A second factor affecting quality at work is that 60–70% of salaried workers are in part-time or temporary employment. Workers' protection and access for the unemployed to social protection and employability measures are limited. Currently, access to employment services in Kosovo is open to all registered jobseekers, although registration is mandatory only for social assistance beneficiaries. The current legislation does not cover unemployment benefits, and the social safety net is based only on a basic pension system and social assistance scheme. Institutional arrangements for the development, implementation and monitoring of employment policies are poor or non-existent. Kosovo has highly centralised institutional settings in terms of both policy development and policy implementation. Given that employment policies cover a number of different policy areas (such as economic development, social policy, and education and training policies), a first requirement for their successful development and implementation is to achieve strong interministerial cooperation in planning, implementing, monitoring and evaluating. However, the development of social dialogue and partnership on education and training issues is particularly low. Trade unions are not very interested in, or prepared for, negotiations on human resource development issues.

The Kosovo authorities are becoming more and more aware of the need to promote balanced regional socio-economic development. Partnerships that mobilise local actors and respond to local needs and particularities have been supported by a number of EU and other donor-funded projects. However, these activities have not yet become part of a policy-development and

policy-delivery mechanism; in other words, there is space for Kosovo to promote more inclusive and participatory policy-making and policy-delivery mechanisms.

In summary, labour market reform is an important challenge for Kosovo. Institutional capacity needs to be strengthened with regard to the development, management, monitoring and evaluation of employment policy, which should progressively be modelled on the European Employment Strategy.

iii) Summary of key policy issues and challenges in human capital development

Providing good quality education is an important complement to employment policy for a number of reasons. First, education reduces the probability that individuals will become unemployed and require social assistance. Second, it will reduce the average length that people require assistance, since good education increases people's abilities to seize new job opportunities. This is particularly important in a world of rapid technological change and globalisation, with constant reallocation of labour among sectors of the economy. Third, to the extent that better education results in higher employment levels and higher productivity, it can also help to alleviate financing pressures. Finally, appropriate education policies can also help to reduce the restrictions to social mobility and prevent poverty and social exclusion from being persistently passed on from parents to their children (European Commission, 2008).

The future challenge for Kosovo is to raise the importance of human capital in the overall policy agenda for socio-economic development and ensure a well-functioning and well-steered education system that caters to the needs of the population. A broad consensus on the direction of education and employment policies, government commitment to their implementation and the availability of sufficient resources through the mobilisation and better use of public/donor and private funds are necessary.

With regard to education, training and employment Kosovo faces following challenges:

- Formulating a strategic framework for lifelong learning as an overarching concept covering all contexts (formal, non-formal, informal) and levels (pre-school, primary, and secondary, tertiary, adult and continuing) of education and training with costed prioritised actions;
- More emphasis should be given to a better balance between general and vocational education at secondary level, introducing curricula that develop the competences required by the current socio-economic system and leaving education options open; diversifying higher education with the introduction or enhancement of post-secondary vocational education and professionally oriented university programmes and ensuring better links between universities and enterprises;
- The strategic framework should enable the environment for the development of adult learning that provides opportunities and incentives for adults to enhance their skills and hence their adaptability and employability;
- Improving the quality of basic education in order to enhance access and ensure better learning outcomes for all children, and in particular for children from disadvantaged socio-economic backgrounds; broadening access to education of socio-economically vulnerable ethnic groups, particularly among young people;
- Outreaching and utilising the access to information on key EU policy orientations in education, including the EU's Copenhagen process and the wider Education and Training 2010 agenda, as a basis for national commitments, capacities and institutional readiness to take forward reform plans within this perspective;
- Responding to new occupational needs, promoting a more entrepreneurial culture; reinforcing entrepreneurship education and training; addressing key competences and future skill requirements by improving the definition and transparency of qualifications, their effective recognition, and the validation of NQF/Informal learning;

- Facilitating school-to-work transition and broadening youth access to the labour market, tackling the labour market relevancy of school curricula, facilitating the acquisition of work experience and supporting young people in setting up their own businesses;
- Creating more and better jobs by supporting the development of the private sector, enhancing the capacity of economy to innovate and grow, and reducing the informal economy;
- Broadening access to employment policies (including both social protection and employability measures), thus reducing labour market precariousness and facilitating the transitions between different statuses and jobs;
- Improving the institutional arrangements for the development, implementation and monitoring of employment policies, and enhancing the administrative capacity of institutions involved in programming and managing employment policies;
- Attracting and retaining more women in employment, in particular low-skilled women, and tackling the gender bias in education, training and recruitment. Improving employment opportunities for socio-economically vulnerable ethnic groups whose disadvantages often have to do with the remoteness, rural nature or economic deprivation of the areas in which they live, but also with their history, traditions, types and levels of skills, patterns of living and working etc.;
- Strengthening social partners and involving them more in the education and employment policies programming and implementation is imperative in Kosovo¹⁴.

3. EU and other donor policies and interventions

The EU has been a very important donor supporting Kosovo's education and employment systems. Assistance since 1999 totals over €45 million and covers primary and secondary education, vocational education and training, and higher education. The EC is currently going through the approval process of support to primary, secondary and higher education and employment under the Instrument for Pre-accession Assistance (IPA) 2007 and 2008 programme for Kosovo. The indicative funding available for the period 2007–09 amounts to €199.1 million for the Transition Assistance and Institutional Building component and the cross-border cooperation component.

CARDS programmes will run until end of 2009. The management of the running programmes has passed from European Agency for Reconstruction (EAR) to the European Commission's local office in Prishtina. The most important programmes in education and training and employment are KOSVET III which provides a basis for modernising the VET system in line with EU and international standards and KOSVET IV which supports the establishment of a demand-led skills development programme for training in Kosovo. These programmes are being implemented through Ministry of Education, Labour and Kosovo Chamber of Commerce. The final aim is to ensure effective links to employers' needs and the demands for vocational training.

In 2007 Kosovo started to benefit from the Instrument for Pre-Accession Assistance (IPA). Through IPA 2007, the Kosovo government is addressing interculturalism and the Bologna Process (EU contribution €1.4 million). The project aims to advance the establishment of sustainable conditions for strengthening multicultural understanding among all communities in Kosovo based on mutual respect and human rights. Through IPA 2008, the EU is providing support to the Kosovo government in improving the quality and efficiency of the provision of education and training services in a lifelong learning and employability perspective. The total estimated amount is €10 million. This programme focuses on education and employment and will support the improvement of the education and training system both in terms of internal and external efficiency. Component 1 will basically contribute to enhancing the management and

¹⁴ Human resources development country analysis – Kosovo, Lida Kita, European Training Foundation, Draft working paper Manuscript completed on 22 May 2008

quality of the *general education system*, through the development and implementation of a sound *sector-wide approach*, while Component 2 will focus on improving the *employability* of young people, through a comprehensive *VET strategy* responsive to labour market needs, and *company-based training services*.

The World Bank is one of the longest-standing development partners supporting the education sector, and has been present since the end of the war in 1999. It has given substantial support to the sector. Building on the success of the previous World Bank funded projects and recognising the critical importance of education in the new status of Kosovo, in December 2007 the Bank granted the Kosovo government a new US\$10 million Institutional Development for Education Project to support the earmarked components of the two education strategies.

Kosovo receives substantial support from other international development partners, mostly in the form of grants. Key development partners active and/or indicating possible interventions in the sector include the Austria Development Agency (ADA), the Canadian International Development Agency (CIDA), Danish Danida, the European Commission, German GTZ, the Organisation for Security and Co-operation in Europe (OSCE), the Swiss Agency for Development and Cooperation (SDC), the Swedish International Development Agency (SIDA), the United Nations Children's Fund (UNICEF) and other United Nations agencies, and the United States Agency for International Development (USAID). USAID is considering the allocation of a substantial amount for education in Kosovo. SIDA is considering its overall involvement and it is likely that education could become a key sector for support. Other development partners including ADA, Danida, GTZ, SDC, and UNICEF are currently providing support and have indicated that the sector could occupy a prominent role in their future programmes. This list of donors in the education sector is not exhaustive and does not include all development partners in education in Kosovo. In addition many NGOs (including also higher learning institutions) are involved in education sector development activities either as donors or as implementing agencies. As mentioned earlier, in 2008, SIDA has funded a feasibility study on the development of a genuine education SWAp in Kosovo. The final results and recommendations will have a direct influence on the content of the SWAp, and how development partners will shape their support in the education system.

Strengthening Vocational Training is a programme supported and implemented by Lux Development and the Ministry of Labour and Social Welfare. The Grand Duchy of Luxembourg has launched a support programme aiming at strengthening the capacity of public, private, and not-for-profit sectors to provide pertinent vocational training in Kosovo. By the end of 2007, the project had been restructured to focus on the basic needs of the vocational training centres (VTCs): skill training, modernisation of obsolete equipment, rehabilitation of workshops, and transport subsidies for poor trainees in rural areas. The main objective of the programme is to contribute to the long-term reduction of poverty by providing fair and impartial access to good-quality training.

For the up-coming period additional donors are in the process of entering agreements to support the sector or have expressed interest to do so. More notably the World Bank will enter the sector and EU is expected to increase their support. Other donors like Sweden (Sida), Denmark (Danida) and Canada (CIDA) are showing an interest in supporting a SWAp. On the other hand, the UK (DFID) has indicated a preference for aid modalities on an overall government or multi-sector level, rather than towards a specific sector-like education.

Recognising that unemployment is and will remain for a while the most acute challenge for the Kosovo government, different donors have been very active in providing financial assistance in the last years. The ILO has been assisting the Ministry of Labour since 2001 in the design, monitoring and evaluation of youth employment policies and programmes, including responses to child labour and trafficking. From 2005 to 2007, the UNDP Employment Generation Project (EGP) assisted the PES in delivering employment programmes aimed at improving youth employability through labour market training and work experience. The World Bank has been assisting the Ministry of Culture, Youth and Sport in the design of the youth development policy and fostering of youth entrepreneurship. The IOM is implementing a programme to promote the development of small and medium size enterprises in the Mitrovica region.

Active labour market programmes are supported and implemented by UNDP, the Ministry of Labour and Social Welfare and the ILO (capacity-building of PES). The active labour market programme builds on the lessons learnt from the two previous years of the so-called

Employment Generation Project (EGP) financed by UNDP. In 2007, the EGP changed into the 'Active Labour Market Programme for Youth'. The project envisioned five measures: on-the-job training; pre-employment training; employment subsidies; internship schemes; and (introduced in 2007) a scheme for vocational training offered by a private provider (Don Bosco training centre). The programme was implemented over 12 months. Its main objectives were: (i) to provide young people with skills and experience required for the labour market; (ii) to strengthen the capacity of the PES to organise its interventions along the lines of individual case management; and (iii) to provide direct assistance to unemployed youth through a number of active measures, rigorously designed, implemented, monitored and evaluated.

Youth employment through ALMMs is being promoted by ministries of labour, youth and education. This project will last 2.5 years and will start in January 2009. The project builds on the knowledge and experience of the UNDP-led EGP and the Youth Business Development Programme implemented by the Ministry of Youth, Culture and Sport and funded by the World Bank. The public employment service will provide counselling and advisory services to unemployed young people in the form of individual action plans and will identify employers who are willing to train or recruit beneficiaries. The programme will offer on-the-job training, vocational training, temporary employment, self-employment opportunities, and internships to beneficiaries. The main objectives are: (i) to increase the employability of young people through business skills training, (ii) to support entrepreneurship in Kosovo, (iii) to provide support and follow-up coaching to newly established businesses; (iv) to develop the quality and capacity of public and private training providers; (v) to strengthen the capacity of PES frontline officers; (vi) to provide individualised and integrated counselling and guidance service to beneficiaries.

UN Agencies in Kosovo currently finalising their joint strategic support programme totaling US\$6,661,607 for a period of 36 months. The programme document, *Kosovo: from Migration Options to Decent Work for Youth* identifies the promotion of employment opportunities in depressed areas and among vulnerable groups as one of the joint strategic outcomes. The programme, to be jointly implemented by ILO, IOM, UNDP, UNICEF, UNV and the World Bank, will address youth employment and migration challenges by supporting Kosovo institutions in achieving the targets set by the Youth Employment Plan as well as supporting young people by increasing their income-generating opportunities and raising their awareness about migration options and risks. The activities centre around providing capacity-building for youth employment policy management; improving systems for analyzing employment and migration data; strengthening labour administration; assisting in the design, monitoring and evaluation of targeted labour market programmes; and developing replicable models for self-employment and entrepreneurial support. The programme will address the needs of young people aged 15–24, who face multiple barriers in the labour market (young people in jobless/poor households, with low education, ethnic minority and victims of trafficking).

i) Challenges in relation to mainstreaming of donors assistance with national polices

Donor coordination in Kosovo in general and in the education sector in particular has long been limited, and there is scope for improvement in this area. Some first, promising steps have recently been taken in this direction, however. From the government side, a Donor Coordination Centre has been set up as part of the prime minister's office, and at the sector level, an Education Aid Coordinator has been nominated, a post which still needs to be strengthened and to have a clear status within the Ministry of Education. From the donor side, progress has also been made by the World Bank, whose new US\$10 million Institutional Development for Education project clearly supports earmarked components of the education sectoral strategies and grants space for complementary funding on certain activities. Other development partners active in education have agreed to explore sector-wide approach (SWAp) possibilities. At this point, SIDA funded a joint feasibility study on the development of a genuine education SWAp. The findings of the feasibility study have been shared with the Kosovo authorities and all the development partners in education. The final results and recommendations will have a direct influence on the content of the SWAp, bearing in mind that, in the context of Kosovo, SWAp is for the moment to be understood as the process related to a national, coherent sector strategy supported by partners, but not yet through national budget channels.

A strengthening of donor coordination in the Ministry of Education, Science and Technology is likely to increase the support for the education sector, e.g. in its Pre-University and University Education Strategy. Supporting the education sector through a SWAp rather than a compartmentalised project would provide an opportunity for the EC to assist the government in steering and sequencing the reform activities, using the available resources efficiently and effectively, and focusing on outcomes. Aligning development partners' activities behind a single strategic plan will be a pre-condition for supporting the education sector. This will be vital to developing greater ownership, leadership and support the building of a stronger institutional environment.

There is a clear need to build capacity in post-conflict environments to ensure that aid is used effectively. Effective and functioning institutional structures must be supported and enhanced. Through their external assistance, donors need to ensure that expatriate provided services do not substitute but transfer know-how knowledge to local institutions.

4. ETF intervention strategies in the mid-term perspective

i) ETF initiatives in Kosovo in 2008

Throughout 2008, ETF analysis, reports, enhanced policy dialogue with Kosovo stakeholders and continuous expertise provision has aimed at enabling the Kosovo authorities to better prioritise the strategic policy choices to support human capital development. The ETF has supported the local authorities in empowering them to take the lead in donor coordination in the sector.

Since the second half of 2007 and throughout 2008, the ETF, as a response to the Kosovo government and an EC request, supported the Ministry of Education, Science and Technology in cooperation with the Donor Coordination Centre, Kosovo Office of the Prime Minister to:

'present the government and development partners with analysis and instrumental and feasible proposals that will provide the basis for increased, more effective, and better coordinated support for the education sector in Kosovo' (terms of reference, October 2007)

The ETF was nominated as an EC family representative of the Technical Group supporting the Ministry of Education in preparing the terms of reference for the feasibility study¹⁵ "Kosovo Road Map for Improved Education Sector Performance and Aid Effectiveness" and providing policy advice in finalising the outcomes of the study. The feasibility study focused on the identification of potential ways for development partners to support the implementation of the government strategies, plans and priorities for education. This study linked aspects, findings and concerns between the aid effectiveness agenda and better education outcomes or improved sector performance. To this end consideration for moving towards a sector wide approach (SWAp) provides an opportunity to move towards greater coordination and harmonisation. In particular, the study looked at the possibilities of moving towards a SWAp including the development of a road map for an inclusive education system which will be internationally competitive and fulfils Kosovo's aspirations and its development goals for accession to EU.

Kosovo has been and continues to benefit from a number of ETF regional projects. These projects have enhanced policy dialogue among Kosovo stakeholders and supported them in developing their capacities.

Support to alignment with Education and Training 2010. The main thrust of the ETF's work has so far been laid on disseminating information about key EU policies and instruments in VET (Copenhagen/ Maastricht process). A series of regional and national events were held which stimulated debates on key reform issues of mutual partner country/EU interest. In addition, the ETF produced several newsletters to keep national counterparts up-to-date on EU policy developments.

¹⁵ Kosovo Ministry of Education, Science and Technology and International Swedish Institute for Public Administration(SIPU), "Kosovo Road Map for Improved Education Sector Performance and Aid Effectiveness", May 2008

Since 2006, the ETF has been supporting the capacity building of key Kosovo stakeholders related to issues linked with the EU Education and Training 2010 agenda through the ETF peer policy learning tool. As a policy learning initiative, in 2006, 2007 and 2008, the ETF supported policy dialogue in Kosovo to better cope with the challenges of VET policy design and implementation. Policy dialogue has been facilitated in the country with regard to education decentralisation and school autonomy based on outcomes of the ETF 2006 and 2007 peer learning exercises.

The ETF 2008 Work Programme established that the 'facilitation of access by policymakers and stakeholders in the IPA region to systematic information on the purposes and developments of the EU policy priorities subsumed under the so-called Education and Training 2010 agenda' will remain a priority area for the ETF in the forthcoming years. The ETF made information and expertise available to support policy learning initiatives in Kosovo which volunteered to participate in the Policy Progress Report on the Copenhagen policy priority areas for vocational education and training 2006-08.

In 2008 the Kosovo authorities launched the development of the VET strategy as part of the Strategy for the Development of Pre-University Education in Kosovo. Within this framework they asked the ETF to carry out a progress review of the VET system as a whole with particular attention to lifelong Learning, national qualifications frameworks, career guidance, curriculum development and teacher training.

This progress report on the Copenhagen policy priority areas for vocational education and training 2006-08 will be used as policy discussion papers for the short, mid and hopefully long term development of the VET sector in Kosovo.

Capacity development and peer policy learning have been in the focus of the activities during the implementation of the community of practice in teaching and learning, which has been initiated in a number of vocational schools, the promotion of Kosovo's engagement in benchmarking, reporting and regional cooperation within the framework of the European Charter for SME's, the identification of challenges in the employment governance and administrative capacities, and the development of human resources development policy options in the area of social inclusion.

Support to capacity development and improved employment policies- in 2008, the Kosovo government asked the World Bank and the ETF to carry out an assessment on youth employment in Kosovo. The ETF report on the employment institutions in general and more specifically of the institutions involved in providing employment services to young people, is one of the background papers of the World Bank Report¹⁶ on Youth Employment in Kosovo. The ETF's institutional assessment provides the Kosovo authorities and donors with information which will lead to the identification of areas requiring short, mid and long term improvement in policy and administrative capacities of Kosovo central and local employment institutions.

The added value of this joint report is both a better profiling of disadvantaged youth groups through adequate analysis and respective evidence-based policy recommendations to target the specific needs of these groups. It provides information, assessment and policy options for the Kosovo government to improve policy prioritisation, governance - in terms of structure, staff and resources - and social partnership for an efficient conduct of reforms and management of change in the employment policy area.

It will be up to the Kosovo authorities to decide whether these needs are to be addressed alone or with the support of the main donors in the employment sector such as the World Bank and EC. The measures identified in the analyses carried out by the World Bank and the ETF and different policy options proposed on how to improve the situation will take years to be implemented and give the desired outcomes. The national action plan and the measures proposed will be operational, either through national budget, IPA programming or World Bank and other donors who are considering the establishment of a donor joint trust fund to support the government in its interventions in the employment sector.

¹⁶ The final World Bank Report which consists of two volumes: Volume I containing the main findings on youth employment situation in Kosovo and Volume II includes 3 background papers - ETF's background report on [Institutional Assessment: "Governance and Administrative Institutional Capacity](#) of the employment institutions, World Bank's report on Labour Force Survey and Active Measure Labour Programmes.

ii) Key policy issues in ETF intervention strategy

The ETF considers Kosovo to be a priority country and this is reflected in the comprehensive listing of interventions and resource allocation that it is planning for its mid-term strategy. Major goals will be to work with policymakers and stakeholders so as to better identify the problems to be addressed in the human capital development sector, the policy and administrative capacities of the existing institutional infrastructure, the respective roles of the various actors in the system, the concrete steps that can be taken and the timetables to be established for the achievement of objectives and measurable outcomes, as well as how these goals can be supported through the various ETF policy and capacity support/activities at Kosovo and regional level.

The ETF mid-term perspective for Kosovo is shaped by two policy areas:

- assisting the government in taking steps towards human capital development through an improved Strategic Planning Proposal (government document) for a single sector policy the implementation of a strategic planning framework into prioritised and costed actions with a clear time schedule;
- facilitating and supporting national initiatives (through sector policy dialogue/advice, policy learning activities and expertise) to enhance national policy processes and administrative capacities in order to strengthen and improve human capital development sector policies, analyses and reform processes and policy implementation in Kosovo .

In the period 2009-11 the ETF aims to assist Kosovo in shaping policies and their implementation in education and training, employment and social inclusion by applying following measures:

- updating country intelligence and providing inputs and advice for country-based activities to support the decentralised management of EU funds, as well as reinforcing stakeholder networks by creating operational links with IPA country stakeholders on human capital development sectoral issues;
- providing policy analyses/country analyses of the current situation in regard to policy issues as requested by the EC in order to identify best options/proposals for different interventions in human capital development;
- policy monitoring in the sector of education and training, employment and labour market policies and linking with on-going implementation of government strategies and with running EC human capital development sector programmes;
- facilitating policy dialogue in regard to EU Education and Training 2010 and Copenhagen process policies and to apply major EU instruments such as the Common Quality Assurance Framework, the European Qualifications Framework, Education and Training 2010 benchmarks and indicators, teacher training, career guidance for policymakers, etc.;
- providing support to the Kosovo authorities to coordinate donor interventions in the education sector;
- facilitating the development of instruments and tools for the design and planning, implementation and monitoring of active labour market policies with particular attention to adult learning and skills development;
- facilitating the development of instruments and tools that identify the needs of the most vulnerable groups, which will provide input to national stakeholders and EC services with regard to measures for reducing social exclusion, and which will assess, among other issues, the condition of minorities in employment and education¹⁷. %%%%

¹⁷ HRD country analysis – Kosovo, Lida Kita, European Training Foundation, Draft working paper Manuscript completed on 22 May 2008

iii) ETF mid-term intervention strategy in Kosovo

Support the Commission to provide input into the IPA08 and IPA09 programming, with the aim of contributing to promote the ownership and national responsibility for the identification and implementation of assistance; and focusing on the priorities and recommendations identified in the ETF Kosovo HRD Analyses and in close consultation with Kosovo stakeholders and other donors active in the sector.

ETF in support to the European Commission which is regarded an essential and active partner of the Government of Kosovo and the Ministry of Education (MEST) in the promotion of quality education in Kosovo, will support the EC Office in Prishtina in designing and monitoring the implementation of the SWAp component under IPA08. The coming IPA programming will support education sector in Kosovo in a sector wide approach. ETF in support to EC will work mainly in i) improved strategic planning and base-line data (short, mid and long term for the period 2008-2012) and supporting the Kosovo authorities in building a comprehensive Capacity Development plan and improved TA utilization for the same period.

The ETF has been asked by EC Office in Prishtina and on its behalf to be part of the donor discussions and ensure that EU support to the sector is complimentary to the other donors' interventions. The three year roll-out operational plan under preparation will be the basis for any support in education.

In brief, the ETF's mid term strategy in education in Kosovo will be focused in its support to EC Office in Prishtina and policy dialogue and consultations with the Kosovo government on the design of the education and employment programming, implementation of the education strategic plan (action work plans will need to be developed) against jointly (Government and donors) determined performance indicators, implementation and monitoring of the performance outcomes of the human capital development setor strategy, ETF will continue its policy dialogue with Kosovo authorities and offer expertise to the government on the policy response if performance is unsatisfactory and needs to be improved.

It has been agreed with DG ELARG-Kosovo Unit and the EC Delegation Office in Prishtina that from 2008, the ETF will be one of the formal contributors to the Commission Kosovo Progress Reporting on human capital development issues. This reporting will be done in wide consultation with the Kosovo authorities and other stakeholders, where civil society is a main player. The process will be carried out every year.

Support to Kosovo education and employment stakeholders by facilitating policy discussions and exploring all pre-accession tools in order to increase the Kosovo stakeholders' capacity in agreed areas. The main focus of ETF's work has so far been laid on disseminating information about key EU policies and instruments in VET (Copenhagen/ Maastricht process) and employment.

In the period 2009-2011, the ETF will continue its strategy of assisting Kosovo in determining reform priorities, mobilizing cross-stakeholder engagement, establishing consensus and commitment and creating the necessary level of policy knowledge in the education and employment reform areas considered of mutual Kosovo/EU interest.

Expected results under Education and Training 2010 initiatives include:

- Kosovo stakeholders have reached a consensus on the findings of the National Report on progress towards the Copenhagen Maastricht priorities and use the analysis to identify priorities and develop phased out reform plans ;
- Further development of the NQF process, ensuring that the necessary national bodies (being it Council of Vocational Education and Training which was established in 2007 or National Qualification Authority, which is being established according to the NQF Law approval in May 2008) receive the initial capacities and institutional support to take forward a phased reform plan;
- Kosovo authorities continue their initial efforts for realisation of an NQF with due reference to a) the common European reference levels, b) ensuring coherence and transparency

between national and sectoral qualifications, c) enhanced and applied cooperation at regional and EU level ensuring NQF developments are fit-for-purpose.

Teaching and learning, and entrepreneurship learning: Education in Kosovo must first and foremost help to develop and enable students to fit into the changing context of the society. Skill needs change at an accelerating rate following close global competition and the development of knowledge, technology and organisations. Thus, learning-to-learn skills, entrepreneurship learning and other key competences become more and more important in Kosovo vocational educational and training, as part of the broader framework of teaching and learning. Paying particular attention to entrepreneurship and putting the emphases on the individual learner with a view of innovation and competitiveness is important part of ETF mid-term intervention in Kosovo.

The ETF activity on teaching and learning is partly a transnational learning network discussion forum among the countries of the Western Balkans and Turkey, and partly a capacity building activity to enable national institutions and schools to develop methods and learning practices. It will in particular look into the measures that the government needs to put in place in overcoming supply-side restrictions and provide for enhanced adaptability of the individuals. Combination of tools and instruments developed in the framework of EU Education and Training 2010 with concrete national policy initiatives will be used to improve teaching and learning, as well as entrepreneurship learning in the country. The process will be based on ETF policy learning tools and tools available for facilitation of policy dialogue. The major goal will be to identify issues and actions from the stakeholders' perspectives that shape the teaching and learning issues, as well as entrepreneurship learning in Kosovo. For this purpose the principal stakeholders will be the Ministry of Education and Ministry of Economy.

Support to enhance the governance and administrative capacity in employment institutions' objective is to improve governance and administrative capacity in the field of HRD. At the end of the period (2011), ETF will have contributed to policy dialogue among Kosovo stakeholders for improving and agreeing on their strategic employment framework, governance issues –in terms of structure, staff and resources- and social partnership establishment at all levels for an efficient conduct of reforms and management of change in the employment policy area of Kosovo.

ETF has agreed with Kosovo Authorities (Ministry of Youth, Sport and Culture and Ministry of Labour and Education), EC office in Prishtina, World Bank and DFID to support the Kosovo authorities and facilitate their policy discussions on how to follow up on the findings of the World Bank/ETF joint report and other donor reports by organising capacity building workshops/expertise support based on the findings of the ongoing policy and institutional framework assessment/analysis.

Social inclusion and ethnic groups-The European Training Foundation has launched a three-year project (2007-2009) on the social inclusion of ethnic groups through education and training. Its objective is to enhance the capacity of national stakeholders in the WB countries to design and implement inclusive education and training policies specifically targeted at vulnerable ethnic groups.

Kosovo stakeholders have confirmed their interest to be supported in policy analysis and advice on social inclusion issues with a specific focus on the access and participation of disadvantaged ethnic groups in education and training. As regards Kosovo, the ETF 2009 IPA SOC will support some of the requested activities:

- Continuation of the capacity building of national actors in policy learning context;
- Development of action plans for the implementation of the national strategic policy documents;
- Feeding in the national IPA programming cycle in Kosovo with main findings and conclusions drawn within the framework of the advisory groups;
- Conducting workshops with national authorities in the Western Balkan countries, Kosovo being an active partner, to discuss a set of priority areas to be addressed in the short and

long-run on the issue of inclusion of ethnic groups through education and training as an input to IPA country programmes;

- Participating as member of a Western Balkan regional policy group on social inclusion of ethnic groups through education and training as a forum for co-operative exchange and mutual learning between the Western Balkan countries regarding the common challenges they are facing in the field of social inclusion of ethnic groups;
- Utilising policy peer learning tool as a way for Kosovo to learn from the other countries in the region and from other old and new EU member states. The combination could be candidate, potential candidate new and old EU member states.

Through its policy dialogue, expertise and capacity development support, ETF in continuous dialogue with the Kosovo stakeholders, EC and other donors active in the human capital development will ensure that cross-cutting issues-the inclusion of minority and discriminated groups to be made more explicit and given more emphasis in the Kosovo strategic documents. Explicit reference will be given not just to gender as a cross-cutting issue but also of Roma, Ashkali, Egyptian (REA), children and adults with disabilities, language minorities such as Serb Minority population, the Turkish and Boshnjak minority.

The ETF will ensure that capacity building support is realistic in its ambitions and, therefore, identify a select and limited number of essential areas and thematic initiatives.

The approach and methodology for the capacity building actions (e.g. coaching, hands-on training, advice, peer learning) will be an important determinant in levels of success. The capacity building will be closely tailored to the needs and specific functions of the human capital development responsible Ministries, Ministerial Departments, departments or units in the municipalities, without neglecting schools and the communities round them.