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# Swiss Cooperation Programme for Kosovo 2022–25



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# Foreword

The stability and prosperity of the Western Balkans constitutes a fundamental aim of Swiss foreign policy. Switzerland's engagement in the region was initiated in the 1990's, when it provided humanitarian assistance and refuge for many people affected by conflicts. Since then, Switzerland and the Western Balkans have developed close political, economic and cultural ties, as evidenced by a comprehensive cooperation programme and a sizeable diaspora living in Switzerland.

Starting with humanitarian assistance in 1998, Switzerland's cooperation with Kosovo has gradually shifted towards supporting transition processes and progress towards European standards and values. In 2008, Switzerland was one of the first countries to recognize the republic of Kosovo and to establish diplomatic and consular relations. Switzerland and Kosovo have since then developed a trusted partnership based on mutual interests and rooted in the spirit of the cooperation agreements between the two governments. Today, Switzerland is Kosovo's third largest bilateral cooperation partner.

Kosovo has made progress towards political and macroeconomic stability. Certain achievements remain however fragile, and many important challenges still lie ahead. The COVID-19 pandemic and ensuing crisis have accentuated existing concerns and needs. The Swiss Cooperation Programme Kosovo 2022-25 lays out Switzerland's commitment to continue supporting Kosovo in this frame, in line with the priorities

defined by its government. The Programme focuses on three thematic areas: Democratic Governance and Peace; Sustainable Economic Development; and Climate Change, Water and Health. Switzerland has proven experience and expertise in all three areas, and is confident that the activities in the three thematic areas represent an added value to the bilateral relations with Kosovo and to the cooperation and development efforts in the country. The total amount of Swiss funds for Kosovo comprises of CHF 86 million for 2022-25.

The Cooperation Programme 2022-25 was jointly developed by the Swiss Agency for Development and Cooperation (SDC), the FDFA State Secretariat and the State Secretariat for Economic Affairs (SECO), in consultation with the State Secretariat for Migration (SEM). Involving three Federal Departments, it represents a good example of a Whole-Of-Government Approach. All the institutions closely cooperate in the implementation of the Cooperation Programme through partnerships with government offices, civil society and the private sector, led and coordinated by the Swiss Embassy in Kosovo.

We are confident that the goals and priorities set out in this Programme are relevant and will contribute to the sustainable development of Kosovo and the well-being of its people.

Bern, December 2021

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# 1. Development context

## Political developments

The lively democracy, the modern legal framework and freedom of expression of the Republic of Kosovo stand out in the Western Balkans. But the young country has also faced manifold challenges that have rendered institutional reforms and European and regional integration difficult and lengthy.

In particular, the domestic political situation has been characterised by political polarisation, frequent changes of government and low institutional representation of women and of Kosovo's non-majority communities.<sup>1</sup> Progress has been made, but widespread corruption persists, the rule of law remains weak, and implementation of the legal framework is lagging behind. Locally, while municipal governments and institutions have visibly improved their performance, transparency and downwards accountability remain limited. Until recently, peaceful gatherings have frequently expressed dissatisfaction with and distrust in politics and the public administration.

Kosovo fully participates in the Regional Cooperation Council and the South-East European Cooperation Process.<sup>2</sup> However, on the whole, progress towards European and regional integration have not made great strides since the end of the war with Serbia in 1999 and the declara-

tion of independence in 2008, mostly due to the country's disputed political status.<sup>3</sup> Since the entry into force of a Stabilisation and Association Agreement in 2016, EU-related reforms have been hampered by a volatile political context. Progress towards European integration also depends on normalising relations between Kosovo and Serbia. But the EU-facilitated dialogue has not yet culminated in a comprehensive, legally-binding agreement. Parallel Serbian structures still exist in Kosovo, and the integration of Serb majority municipalities, in particular in the North, has progressed very slowly. While inter-community relations are marked by mistrust and social interactions are minimal, violent incidents involving Kosovo Albanians and Kosovo Serbs have declined over recent years.

Parliamentary elections were held in February 2021. The results were a landslide victory for Lëvizja Vetëvendosje and demonstrated a strong desire for change and participation, in particular among youth and among women who now hold more power in politics than ever before.<sup>4</sup> Looking ahead, the population, the large Kosovo diaspora and the international community are hopeful that the new leadership and change agents will provide stability, and that calmer political waters will offer opportunities to improve democratic governance,



1 The Constitution of the Republic of Kosovo uses the term non-majority communities for minority groups.

2 The Regional Cooperation Council and the South-East European Cooperation Council refer to Kosovo with an asterisk (\*) and the following footnote: "This designation is without prejudice to positions on status and is in line with United Nations Security Council resolution 1244 and the International Court of Justice Opinion on the Kosovo declaration of independence".

3 Non-recognition by five EU member states as well as by Serbia and Bosnia and Herzegovina

4 In the February 2021 elections, women won more seats in Parliament than ever before - nearly 40% of the total. The majority of them obtained a seat irrespective of gender quota (30%)

reduce corruption, improve economic development prospects and strengthen public service delivery. Yet, politics is likely to remain polarised. Caution and patience will be required.

European integration will remain an undisputed main objective of Kosovo's foreign policy and a clear driver of change and incentive for peace. But EU accession is a long way off. No imminent breakthrough is expected in the dialogue with Serbia. Dealing with the past is complex and building trust a lengthy process, and the situation in North Kosovo will likely remain challenging. But, overall, the security situation is expected to remain stable

## Socio-economic developments

Kosovo has a population of 1.8m composed of diverse ethnic groups, of which Kosovo Albanians make up the vast majority (approximately 85%). The main non-majority communities are Serbs, Bosniaks, Turks, Roma, Ashkali, Egyptian and Gorani. Kosovo is the youngest country in Europe. According to estimations for 2021, around 40% of the population is under the age of 25. As a result of the war and because of limited economic opportunities, roughly 800,000 citizens live outside Kosovo.

Kosovo's economy has progressed towards a market-based system. Despite its small geographic size and the country's disputed status, Kosovo has managed to graduate to an upper middle-income country, with a gross domestic product (GDP) per capita of EUR 3,776 in 2020.<sup>5</sup> Its close proximity to Western Europe has helped, as have substantial remittances from abroad and diaspora spending within the country. Kosovo has also succeeded in maintaining macroeconomic stability. Public debt, for instance, has been the lowest in the region. But Kosovo remains one of the poorest countries in Europe with 24.9% of the population living on less than USD 5.5 per day.<sup>6</sup> Women have a higher incidence of poverty and unemployment compared to men.

The business sector remains characterised by an overwhelming majority of small- and medium-sized enterprises (SMEs) and a large informal sector, which account for around 30% of GDP. The business environment has improved, partly thanks to a considerable degree of digital transformation. Certain sectors have shown positive growth trends, notably service sectors such as information and communications technology (ICT), business development services and tourism. Yet, overall, the economy has struggled to provide sufficient jobs. Kosovo has one of the highest unemployment rates in Europe. According to national statistics, 25.9% of the active labour force was unemployed in 2020. Kosovo has also struggled to improve the quality of education and address skills gaps in the labour market. In 2020, a troubling 33.2% of young women and 34% of young men were not in employment, education or training.

The COVID-19 pandemic has significantly eroded economic and fiscal gains. In 2020, GDP declined by 6.9%. Public and private investments decreased by an estimated 12%. Even though remittances transferred through official channels were on the increase (14.2% of GDP), non-resident spending in Kosovo dropped from EUR 1.2bn in 2019 to EUR 470m. Since the outbreak of the pandemic, many SMEs have ceased operations; job vacancies have plummeted and tens of thousands of jobs have been temporarily discontinued. Average household incomes are estimated to have declined. The COVID-19 pandemic has also challenged public ser-



vices, in particular the health system. Health indicators, already among the poorest in Europe, are declining even more because of broad disruptions to essential health services, a factor that has particularly affected people living with non-communicable diseases (NCDs). Anticipated health sector and health financing reforms, including the launch of an insurance scheme, have been further delayed.

Disparities within society have grown further. Reasons are multiple. Nepotism, ethnic affiliation, language, gender norms, age, disabilities, educational and income levels, and neglect of rural areas have caused inequalities, as has the prevalence of COVID-19. As in other countries of the region, the Kosovo Roma, Ashkali and Egyptian (RAE) communities are stigmatised as "gypsies", which affects their livelihoods and puts them greatly at risk of poverty. Despite modern and ambitious gender equality policies and legislation, Kosovo remains a patriarchal society and duty-bearers have not demonstrated gender-transformative ambitions. Women in rural areas and from non-majority communities, especially the RAE communities, are particularly disadvantaged. COVID-19 has led to a marked rise in domestic violence owing to lockdowns and a reduction in services.

Looking ahead, prospects for regaining macroeconomic stability and a rapid economic recovery from the COVID-19 pandemic are meagre, despite the continued stability of remittances and the prospect of modest investments thanks to an anticipated stable political framework and improved economic framework conditions. Because of an increase in public spending and declining tax revenues, the budget deficit is anticipated to soar. The labour market will remain seriously affected and it will take time to achieve pre-pandemic employment levels. The creation of additional jobs will be even more challenging. Incomes will remain low.

With the assistance of development partners, the government is likely to move ahead with health and education

<sup>5</sup> IMF, World Economic Outlook Database, April 2021

<sup>6</sup> World Bank Macro Poverty Outlook, May 2021

reforms, as well as economic reforms. It is expected to address the skills mismatch in the labour market. But, against the backdrop of negative impacts of the pandemic on health and human capital, tangible and inclusive improvements will need time. Emigration and brain drain to Western Europe is expected to continue. Disparities in Kosovo society will continue to grow.

## Environment and climate change

Political commitment to safeguarding the environment and protecting the climate has been quite low. Public infrastructure frequently does not meet EU standards and natural resources management is substandard. The continued high level of pollution stemming from poor waste management and high dependency on fossil fuels has seriously affected the environment and the health status and well-being of the population. Cities have been growing, in terms of construction and number of inhabitants. While they present economic opportunities for Kosovo, cities are also the main carbon dioxide (CO<sub>2</sub>) emitters. Climate change is a threat. In particular, Kosovo's agriculture and industry sectors are vulnerable to water insecurity, heatwaves, droughts and floods. Poorly regulated land use and construction have exposed businesses and citizens to natural hazards that are fuelled and amplified by climatic change.

Looking ahead, high levels of pollution and damage to the environment remain very problematic. Stronger efforts will be required to address environmental degradation, and especially to save water and to reduce ground and water pollution. To this end, some improvements to water and wastewater services can be expected.

Awareness of climate change among authorities and the public, including the younger generation, is increasing, which will set a good basis for increased attention to climate change mitigation, adaptation and resilience. Renewable energy sources in Kosovo are quite limited, but gradual increases in the proportion of renewable energy use and improvements in energy efficiency are anticipated, factors that will help reduce CO<sub>2</sub> emissions and bolster the socio-economic development of the country.



## 2. Swiss foreign policy objectives and donor context

The focus of Swiss engagement in the Western Balkans, and thus in Kosovo, is on supporting stability, security and sustainable development, as well as strengthening the progress towards European standards and values. Switzerland provided humanitarian assistance during the war with Serbia and, since October 1999, the Swiss Armed Forces have been part of the respected international Kosovo Force (KFOR) peace support mission. In 2008, Switzerland was one of the first countries to recognise the Republic of Kosovo and to establish diplomatic and consular relations. Switzerland and Kosovo have since enjoyed close bilateral relations, founded on geographic proximity and the large Kosovo diaspora of around 180,000 living in Switzerland and an increasing number of persons with dual citizenship.

Capitalising on fruitful relations for more than 20 years, Swiss cooperation with Kosovo falls within the framework of the Sustainable Development Goals (SDGs) and responds to national policy priorities as set out in the Kosovo National Development Strategy (NDS) 2030 and relevant sectoral policies and strategies. It is guided by the Swiss Foreign Policy Strategy 2020–23 and Switzerland’s Strategy for International Cooperation 2021–24, which aims to achieve change in the areas of economic development; the environment and climate change; human development, including reducing irregular migration and improving the protection of migrants; and peacebuilding and governance. It is aligned with the Swiss Migration Strategic Framework for the Western Balkans 2020–23.

Switzerland adds value to Kosovo’s development through its neutrality and credibility. Cooperation also serves Swiss interests. Switzerland is particularly interested in preventing and de-escalating political tensions which could destabilise the region and also affect Switzerland, e.g. through irregular migration. It is interested in a stable and reliable political and economic framework, which will open up new markets and investment opportunities for Swiss businesses and lead to increased trade. Cooperation with Kosovo also underpins Switzerland’s commitment to supporting climate action under the Paris Agreement (2016).

Switzerland applies a whole-of-government approach to its cooperation with Kosovo. Three federal ministries are involved: the Federal Department of Foreign Affairs (FDFA) with the Swiss

Agency for Development and Cooperation (SDC) and the FDFA State Secretariat, including the Peace and Human Rights Division (PHRD) and the Eurasia Division (EURA); the Federal Department of Economic Affairs, Education and Research (EAER) with the State Secretariat for Economic Affairs (SECO); and the Federal Department of Justice and Police (FDJP) with the State Secretariat for Migration (SEM). Several Swiss non-governmental organisations (NGOs) are also active in development cooperation. Only a handful of Swiss companies are active in Kosovo, mainly due to unfavourable framework conditions for doing business and the small size of the Kosovo market.

Kosovo is highly dependent on the international community for financial and technical assistance. In 2019, net official development assistance (ODA) was significant, at USD 345.3m

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### Swiss International Cooperation Objectives 2021-24

*Contribute to sustainable economic growth, development of markets and the creation of decent jobs*

*Address climate change and its effects and manage natural resources sustainably*

*Save lives, ensure quality basic services, especially in relation to education and healthcare, and diminish the causes of forced and irregular migration*

*Promote peace, the rule of law and gender equality*

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or 4.3% of gross national income (GNI)<sup>7</sup> and approximately 14% of government expenditure.<sup>8</sup> The role of the international community in supporting Kosovo’s development agenda is therefore still very important. The top five donors are the EU, the United States, Germany, Switzerland and Sweden (2018–19 average), of which the EU and the United States are also politically influential players. The work of the United Nations development system in Kosovo is guided by the United Nations Sustainable Development Cooperation Framework 2021–25. There have been good coordination and partial co-funding among donors. With the current government, improving formal coordination will be vital for coherence and a clear division of labour.

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7 2017: USD 392.4m (5.3%); 2018: USD 345.1m (4.3%)

8 Government expenditures in 2019 EUR 2,152.6m

# 3. Key results and lessons learnt

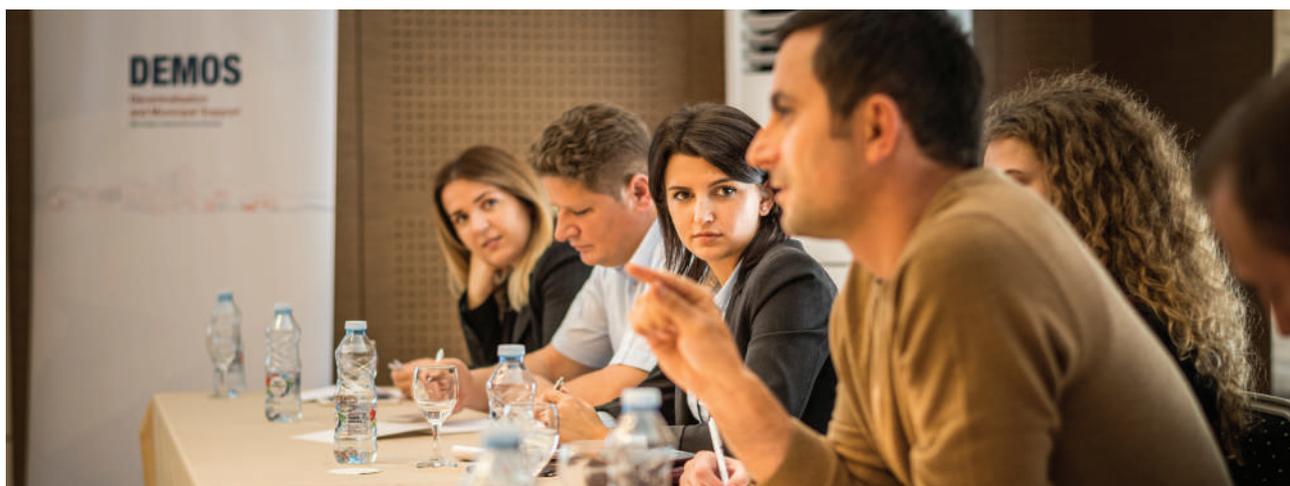
## 2017–21

The goal of the Swiss Cooperation Strategy for Kosovo 2017–20 (extended for one year) was to contribute to the progress of Kosovo on its path towards regional integration and progress towards European standards and values. To this end, Switzerland engaged in constructive policy dialogue and focused its cooperation on the areas of democratic governance and human security; economy and employment; water and climate change resilience; and health. The strong migration collaboration, based on the Migration Partnership between Switzerland and Kosovo<sup>9</sup>, continued. A number of important results were achieved and lessons learnt.

### Democratic governance and human security

To improve municipal services and the lives of citizens, Switzerland has been a core supporter of local governance where it made increasingly strong contributions to the reform agenda and to strengthening the local government system. The national Municipal Performance Grant (MPG) scheme was institutionalised, co-financed by the government and scaled up countrywide, including thanks to additional funding mobilised from the governments of Norway and Sweden. Over half a million citizens (of which 50% women and 9.4% non-majority communities) benefited from better municipal services and MPG-funded municipal infrastructure projects.

Good progress was made in improving the enabling environment for civil society. At the policy level, contributions were made to an NGO law in line with international best practices and to the Government Strategy for Cooperation with Civil Society 2019–23. Civil society organisations (CSOs) were awarded 89 grants through a Swiss-Danish civil society promotion scheme from 2015 to 2018. In 2019, Switzerland helped to establish and has since contributed to a multi-donor pooled fund that supports civil society empowerment as a contribution to fostering a democratic society.



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<sup>9</sup> Memorandum of Understanding between the Swiss Federal Council and the Government of Kosovo Establishing a Migration Partnership between the Swiss Confederation and the Republic of Kosovo (2010).

Swiss cooperation has also supported interventions that address systemic weaknesses relevant to strengthening policy and technical mechanisms for preventing corruption and improving sanctioning including through investigative journalism. A vast array of e-tools was put in place to increase institutional transparency, integrity and efficiency.<sup>10</sup> A focus on recovery of hidden stolen assets was introduced.

Switzerland has applied innovative approaches to improving inter-community relations in Kosovo, and has been actively involved in promoting dialogue and building trust among senior politicians and parliamentarians from Kosovo and Serbia, thus complementing the efforts of the EU. In relation to dealing with the past, it promoted a transformative approach in its support to the establishment of a Truth and Reconciliation Commission. Furthermore, it supported the creation of a community-inclusive database of survivors of conflict-related sexual violence. It also supported family members of missing persons and relevant institutions in Kosovo, as well as challenging one-sided narratives in dealing with the past. Furthermore, capacities of the National Preventive Mechanism within the Ombudsperson Institution of Kosovo have been strengthened, which is recognised as one of the best mechanisms in the region and has contributed to protecting human rights in Kosovo. Democratic processes have been supported, for instance, through election observation missions, support for civil society election observation and parliamentary cooperation.



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<sup>10</sup> For instance, a practical e-tool has increased the ability of the Anti-Corruption Agency to manage a higher number of preliminary corruption investigations. Also, an e-declaration system for senior public officials' asset and income declarations has reduced the possibility of human error.

## Economy and employment

Switzerland has contributed to laws, regulations and procedures that govern economic activity. At the national level, after the update of the central registry of licences and permits, it worked with line ministries responsible for 60% of all licences and permits in Kosovo. Eighty recommendations were made for simplifying over 140 licences and permits and, subsequently, 42 licences have been streamlined. In addition, interventions to simplify administrative procedures for businesses at the municipal level in Prizren and Lipjan resulted in cost compliance savings of over USD 900,000 for local businesses. Furthermore, Switzerland contributed to the law on business inspection that is expected to render the inspection process more efficient. It supported amendments to the insolvency law and strengthened public capacities to administer the insolvency process. Improvements to the legislation related to the payment system increased competitiveness among operators and e-money service providers and reduced transfer costs.

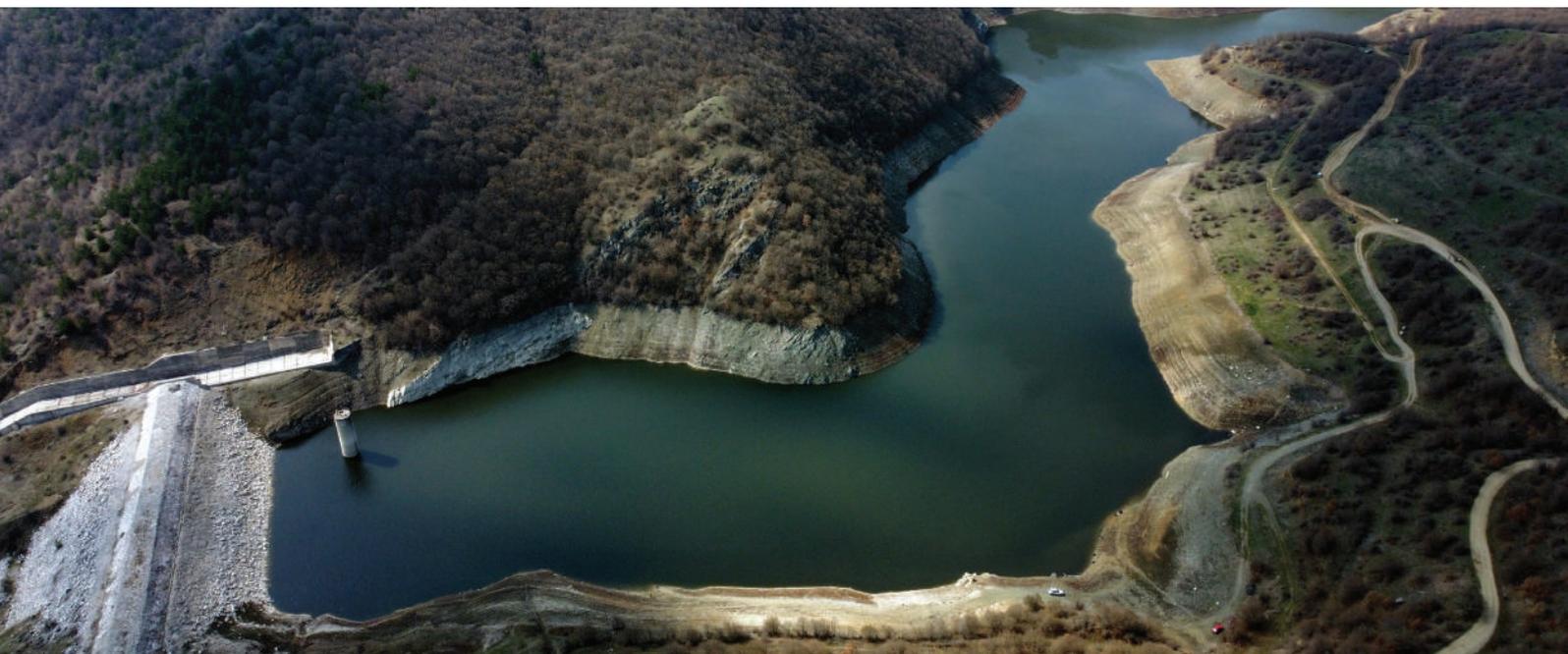
Swiss support for private sector development mostly focused on SMEs in the food and natural ingredient and tourism sectors, both of which showed positive growth trends in terms of GDP, exports and jobs prior to the pandemic. Production was increased through expanding contract farming to more than 1,102 hectares of production area (640 farms); and through a scheme for stabilising prices and increasing farmers' access to markets. In the tourism sector, new products and sales channels are expected to lead to higher revenues. In the area of vocational skills development (VSD), Switzerland assisted non-formal training providers to become more competitive through innovative business models. Nearly 8,000 young people (48% women) received labour market-relevant training, of which nearly 1,500 persons (41% women; 10% non-majority communities) were employed six months later. Formal vocational education and training (VET) was also strengthened. Career centres and career guidance services were established in nine VET schools, and regulations for workplace-based learning were approved. In addition, Switzerland promoted job matching, and in par-

ticular professionalisation of recruitment in the private sector through job portals. As a result, nearly 2,000 jobs were matched (29% women; 38% non-majority communities).

Overall, Swiss interventions in the areas of private sector and skills development led to gainful employment for over 8,000 people (38% women; 17% non-majority communities). Smart partnerships with local SMEs with innovative business ideas elicited investments amounting to over CHF 7m.

## Water and climate change resilience

The government of Kosovo and key water stakeholders have appreciated Swiss engagement in the water sector. Cooperation focused on two central themes: water governance and water and sanitation service improvement. In particular, contributions were made to the establishment and functioning of the secretariat of the Inter-Ministerial Water Council (IMWC), the highest decision-making mechanism in the water sector located within the Office of the Prime Minister. The IMWC has raised the profile of the water sector and is an important mechanism for sector policy development and coordination. Furthermore, water policies, integrated water resources planning and drought management and structures such as regional water companies (RWCs) were improved. Switzerland also co-financed with the government the construction and upgrading of rural water and sanitation systems; supported urban wastewater treatment plants for three municipalities along with the KfW Development Bank and the European Bank for Reconstruction and Development (EBRD); and supported water quality monitoring. Thanks to considerable Swiss support since 2005, the vast majority of the population now has access to safe water and sanitation services, including approximately 600,000 citizens in rural areas (over one third of the entire population of Kosovo). While the quality of drinking water is satisfactory, the quality of discharged wastewater remains substandard.

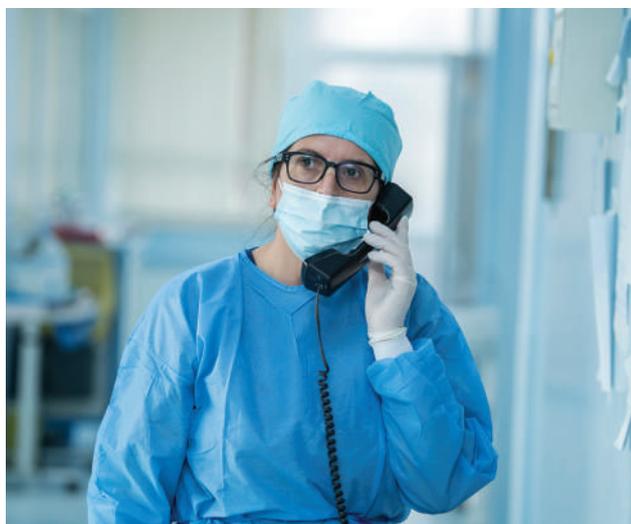


## Health

Swiss contributions to health sector reforms during 2017–21 focused on putting in place policies and systems to enhance the financial protection of the poor, particularly through an improved mechanism to exempt the poor. Technical assistance was provided for designing and implementing comprehensive health financing and pharmaceutical reforms. Along with increased public health funding, such reforms reduced the out-of-pocket payments to around 31% of total health spending. At the local level, Switzerland contributed to improved access to and quality of primary healthcare (PHC) services in 12 municipalities, covering around onethird of Kosovo's population. Utilisation increased by 40% between 2018 and 2019. Additionally, the emphasis was shifted towards NCDs through the development of service packages for diabetes and hypertension. NCD prevention was also at the centre of individual, community and population-level health education that reached around 800,000 persons, with specific efforts for the benefit of RAE communities through community sessions. Consequently, the 2020 knowledge, attitudes, practices and behaviour study confirmed an increase in the level of knowledge about risk factors, early signs and preventive measures related to NCDs and patients' rights.

## Migration Partnership

Strategic links between development cooperation and migration policy were created. Under the Migration Partnership, Swiss interventions continued to strengthen migration management, including by finding solutions to migration challenges, promoting the opportunities migration offers for development, and creating synergies between the different stakeholders. In particular, annual migration dialogues took place, which proved to be a useful platform for discussing issues of mutual interest and identifying areas of support. Switzerland also contributed to the development of a National Strategy on Migration. It supported and financed the procurement of biometric equipment for the Kosovo border police which is essential to verify and register migrants' identities. Overall, national institutions responsible for migration increased their capacities. Cooperation on returns and the re-integration of repatriated persons have worked well.



## Swiss response to COVID-19 in Kosovo

Implementation of the Swiss Cooperation Strategy 2017–21 was affected by the outbreak of the COVID-19 pandemic in early 2020, particularly in the areas of private sector development, jobs and health. The private sector has been badly hit by the effects of the pandemic, first and foremost the tourism sector. In general, job vacancies have dropped significantly, which has made it more difficult to place people in the labour market. Jointly with other donors, Switzerland provided emergency support to the health system by procuring life-saving ventilators and disseminating general and targeted infection-prevention messages. In response to the pandemic, programmes were adapted to new needs and dynamics. Especially in the area of economy and employment, digitalisation of channels and services and virtual training and coaching has proven to be one of the most efficient ways to overcome the crisis.

## Lessons learnt

The following lessons are of particular importance for the Swiss Cooperation Programme 2022–25: (1) policy dialogue with the government is most effective when coordinated with likeminded partners; (2) building and reforming institutions and market systems and strengthening citizen participation is complex and time-consuming, especially in an uncertain political environment, and requires a high level of flexibility to adapt strategies and interventions; (3) programmatic flexibility fosters strong partnerships and timely and relevant responses to crises such as the COVID-19 pandemic; (4) working with municipalities helps avoid central-level bottlenecks and facilitates implementation; (5) using country systems shows long-term benefits; (6) co-funding with other donors mitigates reputational and fiduciary risks; (7) examining gender implications in relation to dominating social norms helps find the necessary gaps as well as possible measures and solutions to gender disparities (8) root causes of exclusion must be understood for relevant and effective social inclusion and leaving no one behind (LNOB); (9) more reliable data collection and strong statistical and analytical capacities are necessary for evidence-based policymaking and programming; (10) the high level of digital infrastructure serves well to leverage development results, while taking care that digitalisation does not further exclude vulnerable groups.



# 4. Implications for the Swiss Cooperation Programme 2022–25

Hopes are high that the current government of Kosovo will be more predictable than previous ones, and that it will have a long-term vision in place. The years 2022 to 2025 will most likely see a steady pace of reforms and recovery from the COVID-19 pandemic in an environment of relative political stability. Yet, multiple uncertainties and complexities remain present. Social divisions are likely to increase, and only in the best-case scenario will progress towards European integration accelerate.

The programmatic emphasis of the Swiss Cooperation Strategy 2017–21 remains relevant to Swiss priorities and the needs of Kosovo in the coming years. The COVID-19 pandemic is a new major challenge, but also an opportunity to support Kosovo to “build back better” and to develop a society that is peaceful, just, climate-smart and inclusive.

Improving democratic governance and fighting corruption are important in many ways – for example building citizens’ trust and increasing service uptake and promoting and sustaining investments – and will remain central elements of Swiss cooperation. As a matter of priority, Switzerland will continue reinforcing and working through local authorities to strengthen democracy, protect the environment and provide high-quality services. A performance-based approach will further enhance transparency, participation and service provision at the municipality level. Cooperation with Kosovo over the next years will also build on the open environment for civil society and the large Kosovo diaspora in Switzerland to accelerate change.

Switzerland will continue to support the normalisation process with Serbia. It will contribute to an enabling environment and trust among senior decision-makers and civil society in both countries, and to keeping communication channels open. Switzerland will also retain its lead role among donors regarding an inclusive and transformative approach to dealing with the past. It will contribute to improved inter-community relations. Switzerland is a reputable donor in the economic sphere, combining SDC and SECO interventions. Support for economic development and employment will continue and be adjusted to back the recovery from the COVID-19 pandemic and secure previous results. Initiatives for improving the business-enabling environment and investment climate will be key. Additionally, there is scope for introducing new initiatives to improve public-private dialogue. Market system development still has its merits, and Switzerland intends to carve out further niches and identify

good partners in its focus sectors. The emphasis on employment is very much appreciated, as especially youth employment and integration of women and non-majority communities in the labour market remain challenging but bear clear economic potential. An extension of the current support for VSD is considered to include working towards a dual-oriented VET system, building on Swiss experience in the Western Balkans.

Switzerland will continue supporting the water and health sectors to improve human health, the state of the environment, livelihoods and trust in the public sector. It will maintain its role as lead donor in the water sector with a focus on promoting ownership and sustainability. In the future, it will strengthen its focus on integrated water resources management as well as corporate development of utilities, including access to finance and climate resilience. In line with Switzerland’s Strategy for International Cooperation 2021–24, improved climate change mitigation, adaptation and resilience will be a prominent objective, achieved through targeted policy dialogue and interventions on the ground and mainstreamed as appropriate across the entire Swiss portfolio, for example in private sector development and VSD. Work in climate change will be scaled up with new support for renewable energy and energy efficiency and sustainable and climate-smart cities.

The COVID-19 pandemic has justified putting health sector reforms higher up on the development agenda. Switzerland will continue as an important partner in the health sector. It will expand its engagement in PHC to secondary care, with a focus on availability and quality of integrated services to the population, while remaining focused on NCDs, health literacy and citizen participation for more accountable service provision. Moreover, the Migration Partnership and migration dialogue remain relevant for discussing, managing and developing interventions of mutual interest to the two countries. Social inclusion is an important principle in all areas of work. Recognising that many citizens are struggling, particularly vulnerable groups that must not be left behind will be identified – e.g., the RAE communities and women in rural areas. Root causes of exclusion will be analysed, and equal opportunities to benefit from Swiss interventions and targeted support will be provided. The needs of the large cohort of youth will be integrated where feasible, and be specifically targeted through activities aimed at promoting youth employment, participation of youth in democratisation or supporting youth from non-majority communities.

# 5. Strategic orientation of the Swiss Cooperation Programme 2022–25

The overall goal of the Swiss Cooperation Programme for Kosovo 2022–25 is to foster an inclusive and peaceful democratic society and contribute to sustainable economic development and the advancement of climate change mitigation and adaptation. Cooperation will pursue tangible results in three mutually reinforcing portfolio outcome areas.<sup>11</sup> Ensuring a culture of adaptive management will be important.

## 5.1 Democratic governance and peace

During 2022–25, the SDC and PHRD will work in the area of democratic governance in line with the Kosovo NDS 2030, the Strategy of Local Governance 2016–26, the Government Strategy for Cooperation with Civil Society 2019–23 and the Anti-Corruption Strategy 2021–23, and aligned to Swiss International Cooperation Strategy sub-objectives 8, 9 and 10 (see Annex 2).

To strengthen the supply side and accountability, Switzerland will engage in policy dialogue and continue enhancing institutional capacities for the promotion of democratic governance and human rights principles and compliance with integrity systems. On the demand side, it will continue to strengthen the role of CSOs and their constituency relations in order to increase their influence in policymaking. In a conflict-sensitive manner, citizens will be mobilised to become more engaged in public affairs. Capacities at the local level and related central levels will be boosted by applying a performance-based approach and introducing new digital tools. By strengthening professional capacities of rule-of-law institutions and improving the policy framework and legislation, Swiss cooperation will support the fight against corruption with a focus on recovering stolen assets

Switzerland is committed to strengthening inclusive democratic processes and promoting multilingualism, cultural diversity and improved inter-community relations in Kosovo society. A holistic approach to dealing with the past and inclusive processes for normalising relations with Serbia will be supported.

## 5.2 Sustainable economic development

During 2022–25, the SDC and SECO will work together in the area of sustainable economic development in line with the Kosovo NDS 2030 and the Economic Reform Programme (ERP) and aligned to Swiss International Cooperation Strategy sub-objectives 1 and 2 (see Annex 2).

Switzerland will contribute to an enabling business environment by supporting reforms that aim to reduce the administrative burden for businesses and enhance transparency in business processes, including through digital solutions. Resilient market systems will be promoted through the development of business services and the building up of an ecosystem to help SMEs and young entrepreneurs increase their competitiveness, mainly, but not only, in agriculture, tourism and ICT. Swiss cooperation will also support a macroeconomic framework that enables the private sector to grow and create additional jobs and incomes.

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### Swiss portfolio outcome 1:

**Women and men enjoy the benefits of strengthened democratic governance and peace**

*Outcome 1.1: State institutions are more accountable and citizens are more engaged in public affairs*

*Outcome 1.2: Inclusiveness and inter-community relations are improved and the normalisation process with Serbia is advanced*

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### Swiss portfolio outcome 2:

**Women and men benefit from inclusive and sustainable economic development and decent employment**

*Outcome 2.1: A resilient market system, supported by business-friendly framework conditions, enables private sector growth*

*Outcome 2.2: Equitable use of market-relevant skills is increased and labour market services function effectively*

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<sup>11</sup> Annex 1 visualises the strategic orientation of the Swiss Cooperation Programme for Kosovo 2022-2025

In order to improve labour market outcomes for women and men, Switzerland will continue to enhance the quality and equitable uptake of VSD by improving market-relevant training opportunities for young people and facilitating dialogue between public and private sector actors to develop joint solutions for reducing existing skills gaps. This will include improving access to labour market information, job matching and contributions to the overall VET reform.



## 5.3 Climate change, water and health

With the aim to ensure inclusive access to high-quality services and benefit from a better environment and quality of life, the SDC and SECO will work in the area of climate change, water and health, in line with the Kosovo NDS 2030 and Climate Change Strategy (CCS) 2019–28, and aligned to Swiss International Cooperation Strategy sub-objectives 3, 4 and 7 (see Annex 2).

Switzerland will contribute to mainstreaming climate change mitigation and adaptation for better preparedness and resilience to climate change-related impacts.<sup>12</sup> To reduce greenhouse gas emissions, it will support and develop the capacities of relevant institutions and stakeholders at different levels to introduce energy efficiency measures, and will promote greater use of renewable energy. Authorities will be supported to undertake integrated urban planning and development. Switzerland will also continue to engage in the advancement of water sector reforms. An important focus will be on integrated resources management and wastewater treatment in order to protect and efficiently utilise water resources, thus improving the aquatic environment and the overall status of water resources in Kosovo. The corporate development of RWCs to ensure sustainable operations and maintenance as well as climate resilience will be a particular focus.

Switzerland's cooperation with the health sector will focus on PHC, integrated health services and health education. Continued Swiss support for clinical, managerial and governance processes in PHC will be extended to selected general hospitals with a view to improving the availability and quality of services and the continuum of care for the population, while remaining focused on NCDs. Support for health promotion and disease prevention approaches should improve health literacy and change care-seeking practices and behaviours. Civic engagement will be supported through feedback mechanisms that foster dialogue, transparency and accountability in decision-making for health services that are needs- and rights-based.

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### Swiss portfolio outcome 3:

**The population benefits from improved climate change resilience, sustainable water resources management and equitable access to high-quality public services**

*Outcome 3.1: Key institutions mitigate climate change and implement adaptation measures*

*Outcome 3.2: Sustainable water resources management and equitable access to high-quality water and wastewater services are strengthened*

*Outcome 3.3: Equitable access to high-quality health services is strengthened*

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<sup>12</sup> Risks from climate change, environmental degradation and natural hazards are assessed using Climate, Environment and Disaster Risk Reduction Integration Guidance (CEDRIG) and thematic climate-mainstreaming guidelines.

## 5.4 Transversal themes: gender and governance

Reducing gender-based discrimination and aiming for transformative change is both a goal and a pre-condition for development and peace, and therefore, gender equality and women's empowerment will be mainstreamed. In Kosovo, Switzerland seeks to empower women and facilitate their access to and control over resources. Specifically, gender is mainstreamed to promote women's inclusion in governance and civil society participation; to improve women's labour market and economic participation; and to satisfy equally women's and men's special needs as regards health and water and sanitation.

Good governance, including social inclusion and LNOB, is a strategic objective and a transversal theme, which has already been considerably stressed in the past, while working with different public and private institutions and engaging in different processes (e.g. policy dialogue in water governance). Governance principles cut across all Swiss interventions, especially the principles of transparency and accountability. Gender, governance and social inclusion are systematically addressed in all Swiss-supported projects, informed by sound analyses and disaggregated data.



## 5.5 Special focus: Migration

Migration will remain an important topic. The Migration Partnership will provide the overall framework for engaging in migration dialogue and strengthening migration policy development and migration management, in particular regarding third country migrants. Switzerland will also work across the migration-development nexus. It will continue supporting the government of Kosovo to cultivate relations with its citizens abroad and motivate them to be an important part of change and to ensure an effective reintegration of migrants returning to Kosovo.

# 6. Management and implementation modalities

## Cooperation modalities

Cooperation modalities are chosen for their effectiveness to strengthen national systems, institutions and capacities, so that Kosovo's partners (public, private and civil society) are in the driver's seat and define their own priorities. Switzerland will continue to engage in policy dialogue and strengthen country systems and ownership. Swiss performance-based grants for municipal development and government co-financing, for example in the rural water sector, can be considered best practice in this regard. Switzerland will also continue to support Kosovo's commitment to fostering regional peace, stability and cohesion, through various initiatives and programmes.

A balanced mix of mandates and contributions to Swiss, national, international and multilateral organisations has proven useful in the past for leveraging partners and their competences and networks. This strategy will be continued, in addition to seeking close cooperation with other development partners, for instance through pooled funding, and with Swiss or international expertise, in providing peer-to-peer technical assistance and backstopping. While Switzerland has also worked with individual United Nations agencies as project implementers, in future it will put more emphasis on supporting United Nations reforms and a stronger United Nations country team to strengthen multilateral cooperation at the country level.

Switzerland's Strategy for International Cooperation 2021–24 recognises that poverty reduction and sustainable development require the involvement of all actors: the state, the private sector and civil society. Sufficiently strong local companies are few in number in Kosovo and there are only a handful of Swiss companies present. However, further possibilities for engaging with the local and international private sector, including diaspora entrepreneurs, will be explored, not only in the areas of sustainable economic development and employment, but also in health, water and climate change.

## Conflict-sensitive programme management

Across all projects and programmes, Switzerland will apply a conflict-sensitive programme management (CSPM) approach to address elements of fragility, build trust and promote social cohesion across communities. Based on the principle of territoriality of Kosovo and inclusiveness, in given circumstances and upon additional risk assessments, it will implement programme interventions in the Serbian majority municipalities, including in North Kosovo.

## Donor coordination and collaboration

Kosovo is a small country with a large donor presence. To ensure that Swiss contributions to Kosovo's development add value, Switzerland will continue to coordinate assistance and pooling funds with like-minded donors and will support the government in establishing better formal donor coordination and division of labour. In particular, Switzerland remains available to lead donor coordination in water and local governance.

## Complementarities and synergies

Switzerland's foreign policy instruments will be applied in a complementary manner to achieve the objectives of the Swiss Cooperation Programme for Kosovo 2022–25. Synergies will be sought within and among the different areas of the Swiss cooperation portfolio between the SDC, SECO, PHRD and SEM. The transversal theme of governance in particular serves to connect targeted activities on democratic governance and peace with other strategic priorities. Staff in the Swiss embassy in Kosovo and government staff in Bern will continue to organise and participate in regional exchanges and knowledge sharing within the Western Balkans region. The SDC regional thematic advisers for the Western Balkans play an important role.

## Digitalisation

Switzerland's Strategy for International Cooperation 2021–24 recognises that technological innovation, digitalisation and automation open up unprecedented opportunities. In Kosovo, the potential of further digitalisation connects all areas of Swiss work and will be explored in the design and implementation of all supported programmes and projects. Contributing to digital literacy and further innovations in the public and private sectors is a great opportunity that will be approached cautiously in order not to create a digital divide or an increase in inequalities.

## Financial planning

Total indicative allocations for implementing the Swiss Cooperation Programme 2022–25 for Kosovo (including small actions) amount to CHF 71.4m (see Annex 3). Funding is provided by the SDC (72%), the PHRD (6%) and SECO (21.0%). The planned budget allocation for governance and peace is approximately CHF 21.7m for the four-year period (30.0%); CHF 14.6m for sustainable economic development (21.0%); and CHF 34m for health, environment and climate change (48.0%) and CHF 1.1m for small actions (1%). In addition, the SEM has allocated CHF 2m for implementing the Swiss Migration Strategic Framework for the Western Balkans 2020–23 in Kosovo; CHF 12.3m has been allocated by the SDC Institutional Partnerships Division to benefit Swiss NGOs working in Kosovo.



## 7. Strategic steering

The international cooperation team of the Swiss embassy in Kosovo is responsible for the implementation, monitoring and steering of the Swiss Cooperation Programme 2022–25. A comprehensive monitoring system contributes to documentation of the progress, learning and reporting of Swiss development cooperation. It allows for evidence-based decision-making and adapting in order to keep the effectiveness and relevance of the Swiss programme portfolio on track.<sup>13</sup>

The cooperation programme results framework (see Annex 2) constitutes the main reference for the programme's monitoring and steering. The results framework includes Swiss portfolio outcomes with related indicators for each outcome (with target values and baseline values) and country development outcomes to which the Swiss portfolio contributes. Half of the indicators measure the programme's contribution to the Swiss Strategy on International Cooperation 2021–24 and the 2030 Agenda for Sustainable Development.

The annual report provides an account of yearly progress made towards achieving the results outlined in the results framework. It includes an assessment of a wider country context

based on the SDC's monitoring system for development-relevant changes (MERV)<sup>14</sup> and whenever relevant a political economy analysis is done as part of project appraisals and planning. Steering decisions and priorities for the following year are made based on the assessment of the progress for both Swiss portfolio and country development outcomes. Monitoring visits are organised at least twice a year to project partners, stakeholders and beneficiaries. These visits are done to assess the progress and impact of different interventions, and are used for accountability, reporting and learning purposes.

Financial monitoring is done continuously, by monitoring financial planning and disbursements. In addition, partner risk and internal control system assessments are used to identify and mitigate the risks related to implementation partners and their administrative and financial compliance and transparency, and for ensuring the cost-effectiveness of supported interventions. A mid-term review will be realised to assess the relevance and progress of the cooperation programme. It will report on key results, identify any necessary adaptations and feed into the planning of the next Swiss cooperation programme.

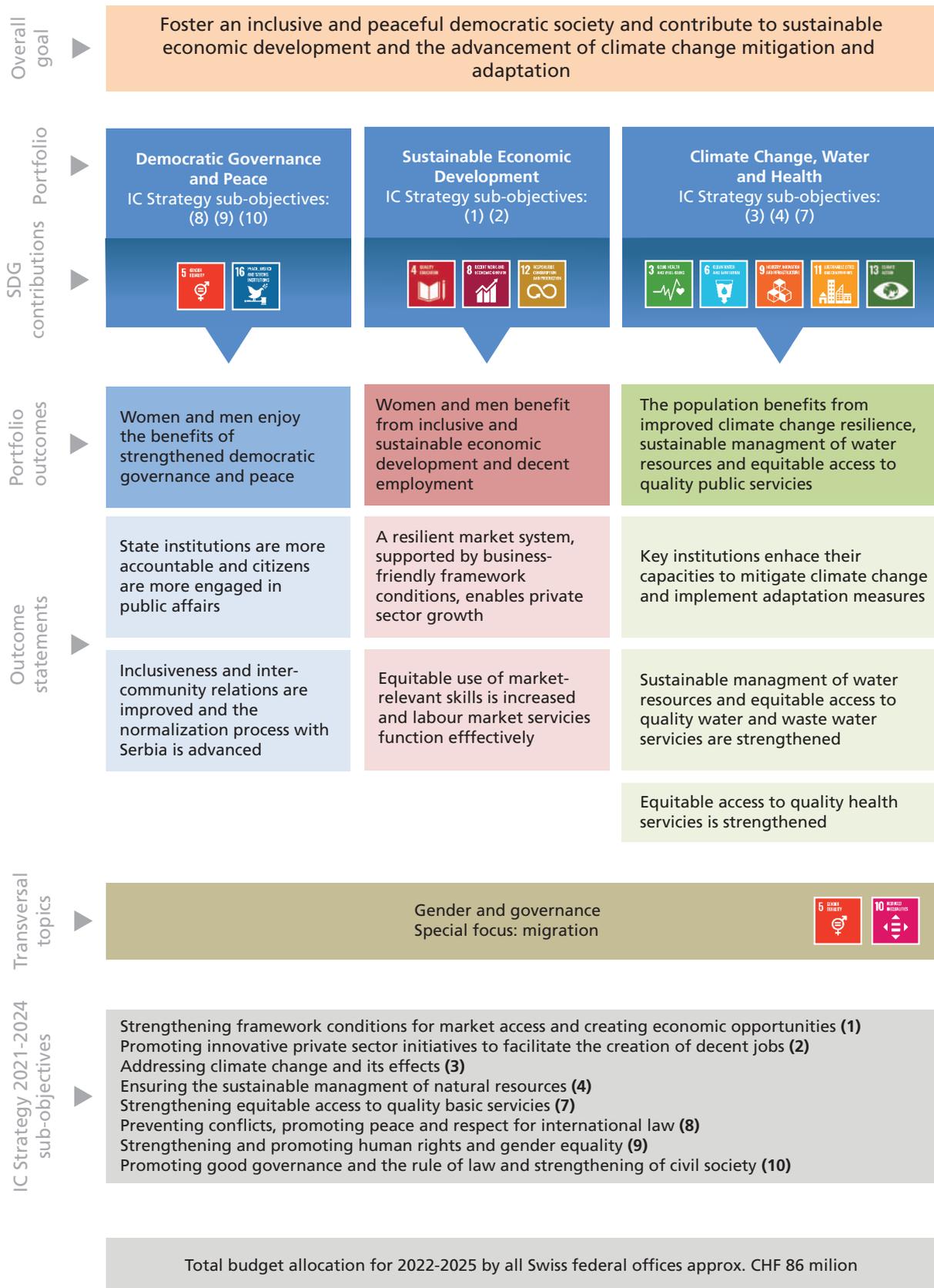


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<sup>13</sup> See Annex 4 for further details on the monitoring system

<sup>14</sup> MERV tracks economic, social, environmental and political developments and how they affect Swiss cooperation.

# Annex 1: Swiss cooperation programme at a glance



# Annex 2: Cooperation programme results framework

Democratic Governance and Peace (SDC, PHRD)		
<b>Swiss Portfolio Outcome 1:</b> Women and men enjoy the benefits of strengthened democratic governance and peace		
Contributing to:	<b>IC Strategy Sub-objective 8:</b> Preventing conflicts, promoting peace and respect for international law (link with SDGs 5, 16) <b>IC Strategy Sub-objective 9:</b> Strengthening and promoting human rights and gender equality (link with SDGs 4, 5, 10, 16) <b>IC Strategy Sub-objective 10:</b> Promoting good governance and the rule of law and strengthening of civil society (link with SDG 16)	
(1) Swiss Outcomes	(2) Contribution of the Swiss Programme	(3) Country Development Outcomes
<p><b>Outcome 1.1: State institutions are more accountable and citizens are more engaged in public affairs</b></p> <p><b>Indicators:</b></p> <p>GOV ARI 2: Number of supported local authorities which have benefited from increased budget resources:</p> <ul style="list-style-type: none"> <li>- thanks to formal and regulated transfer services</li> <li>- thanks to local tax income and private investments</li> </ul> <p>Baseline (2021): 0 local authorities            Target (2025): 37 respectively 30 local authorities<sup>15</sup></p> <p>Level of CSO engagement in policy drafting processes at local and central levels</p> <p>Baseline (2020): 19.8% of surveyed CSOs<sup>16</sup>            Target (2025): 27.0% of surveyed CSOs</p> <p>Number of new cases issued by the Prosecution Office on corruption charges</p> <p>Baseline (2020): 0            Target (2025): 1,600</p>	<p>Swiss support under outcome 1.1 contributes to national development and governance reform priorities and targets through a focus on democratic governance, civil society empowerment and participation, and the fight against corruption.</p> <p>Swiss institutional and financial assistance and engagement in policy dialogue enables the development of a more effective local governance system and improvements to municipal performance throughout Kosovo (including municipalities with Serb minorities).</p> <p>A broad range of grants enables CSOs to strengthen constituency relations with citizens, networking and alliance building, and, thus, civil society influence in policymaking, contributing to increased trust of citizens across different generations</p> <p>Switzerland supports an effective fight against corruption through improvements to the policy framework, better professional and technical capacities for rule of law institutions and civic engagement.</p> <p><b>Assumptions:</b></p> <ul style="list-style-type: none"> <li>- Continued government commitment to MPG funding and management</li> <li>- Local elections in autumn 2021 run smoothly in terms of process and results (as also in previous cycles)</li> <li>- The government demonstrates high integrity and quickly approves new legislation and strategies on anti-corruption and encourages judiciary independence</li> </ul>	<p><b>Outcome 1.1:</b></p> <p><b>Increase civil society participation in policymaking (Government Strategy for Cooperation with Civil Society 2019-2023: Objective 1)</b></p> <p><b>Creating a good governance framework to ensure democratic representation of citizens and an efficient municipal administration (Strategy of Local Governance 2016-2026: Objective 2)</b></p> <p><b>Improve legislation and strengthening institutional capacities for prevention and fight against corruption (Anti-Corruption Strategy 2021-2023: Objective 3)</b></p> <p><b>Indicators:</b></p> <p>Average annual performance of municipalities in the framework of MPG</p> <p>Baseline (2021): 46.0%            Target (2025): 60.0%</p> <p>Citizens' trust in civil society</p> <p>Baseline (2020): 42.0%            Target (2025): 50.0%</p> <p>Transparency International Score</p> <p>Baseline (2020): 36            Target (2025): 40</p>

15 Including Serb majority municipalities.

16 MERV tracks economic, social, environmental and political developments and how they affect Swiss cooperation.

	<p><b>Risks:</b></p> <ul style="list-style-type: none"> <li>- Political polarisation and instability lead to government instability or ineffectiveness</li> <li>- CSOs are opportunistic, driven by donor projects and/or political party agendas and the reputation of CSOs decreases</li> <li>- Lack of capacity and leverage and blockages of legislation in Parliament that impede fast reforms in the rule of law area and in the fight against corruption</li> </ul>	
<p><b>Outcome 1.2: Inclusiveness and intercommunity relations are improved and the normalisation process with Serbia is advanced</b></p> <p><b>Indicators:</b>  FCHR TRI 1: Number of civil society initiatives that contribute to preventing or reducing conflicts  Baseline (2021): 10  Target (2025): 30</p> <p>FCHR TRI 2: Number of processes or policies that increase societies' capacities to resist and mitigate all forms of violence, or that strengthen coping mechanisms, state-society relationship and social cohesion  Baseline (2021): 6  Target (2025): 10</p> <p>POV ARI 1: Number of persons from left behind groups benefiting from projects to reduce exclusion, discrimination and inequality  Baseline (2021): 0 RAE  Target (2025): 10,000 RAE (50% women)</p>	<p>Swiss support under outcome 1.2 contributes to a comprehensive approach to dealing with the past, improved inter-community relations and inclusiveness, and to the normalisation process with Serbia.</p> <p>Through enhancing inclusiveness, improving intercommunity relations and contributing to advancing the normalisation process with Serbia, Switzerland contributes to equal access to services and justice for all, safety for all communities, cultural diversity and good neighbourly relationships.</p> <p><b>Assumptions:</b></p> <ul style="list-style-type: none"> <li>- Stable political situation with the government finishing a full term</li> <li>- No escalation of tensions between the communities or between Kosovo and Serbia</li> <li>- Government respects community rights</li> </ul> <p><b>Risks:</b></p> <ul style="list-style-type: none"> <li>- Flare-up of nationalist narrative and security incidents as a reaction to trials at the Kosovo Specialist Chambers</li> <li>- Lack of progress in the normalisation process between Kosovo and Serbia</li> </ul>	<p><b>Outcome 1.2: Pillar II "Human capital and equal society" and Pillar IV "Rule of law and good governance" of the Kosovo NDS 2030 Concept</b></p> <p><b>Note</b></p> <ul style="list-style-type: none"> <li>- Equal access to the services of the central and local institutions</li> <li>- Safe non-majority communities</li> <li>- Equal access to justice</li> <li>- Cultural diversity and cultural heritage</li> <li>- Good neighbourhood and regional cooperation</li> </ul> <p><b>Indicators:</b>  National Strategy for Transitional Justice developed through an inclusive process, adopted and in implementation</p> <p>Baseline (2021): National Strategy for Transitional Justice in government plan  Target (2025): National Strategy for Transitional Justice adopted and being implemented</p> <p>Quality of interactions at different levels between Kosovar and Serbian representatives, and between all communities in Kosovo  Baseline (2020): N/A  Target (2025): N/A</p> <p>Change in public attitudes towards social inclusion of RAE communities in Kosovo  Baseline (2020): 30.0% feel comfortable with their children attending school with RAE children  Target (2025): 51.0% feel comfortable with their children attending school with RAE children</p>

<p><b>(4) Lines of intervention (Swiss Programme)</b></p> <p><b>Theory of change:</b></p> <p>If state institutions are more accountable and citizens are more engaged in public affairs and if inclusiveness and inter-community relations are improved and the normalisation process with Serbia is advanced, then women and men will enjoy the benefits of strengthened democratic governance and peace. Progress will be achieved through policy dialogue and developing institutional capacities for the promotion of good governance and human rights principles and compliance with integrity systems; providing grants for strengthening the role of CSOs and their constituency relations; and supporting a holistic approach to dealing with the past and inclusive processes for improving inter-community relations and normalising relations with Serbia.</p> <p>The main assumptions on which this theory of change is based are a stable and committed government; smooth local elections; and no escalation of tensions between the communities or between Kosovo and Serbia. Lack of performance of Parliament that impedes reforms and an opportunistic, political party-driven behaviour of CSOs are risks that could undermine the success of the Swiss programme.</p> <p><b>Key interventions include the following:</b></p> <ul style="list-style-type: none"> <li>• Supporting an effective local governance system and improved performance through technical assistance, financial support and policy dialogue.</li> <li>• Improvement of the legislative framework in line with anti-corruption standards and increasing professional capacities of anti-corruption institutions by offering training and empowering with tools to suppress corruption.</li> <li>• Options for new interventions will be explored in view of the new political leadership and government agenda thematically related and complementary to existing focus areas: for example, strengthening of local assemblies, gender equality, support to the central level.</li> <li>• Provision of grants for CSOs to strengthen constituency relations, create alliances and increase participation of CSOs and citizens in public policymaking.</li> <li>• Implementation of interventions that contribute to respect for and protect and fulfil human rights and community rights and improve inter-community relations.</li> <li>• Strengthening democratic institutions through building capacities and a culture of accountability, pluralism, inclusiveness and rule of law.</li> <li>• Promotion of a holistic approach in dealing with the past in institutional and civic processes.</li> <li>• Promotion of an inclusive dialogue that contributes to the process of normalisation with Serbia.</li> <li>• Improving housing, education and employment for non-majority communities, improving policies and institutional frameworks for social and economic inclusion of RAE communities, and addressing anti-gypsyism institutionally.</li> </ul>
<p><b>(5) Resources, partnerships (Swiss programme)</b></p> <p>Financial resources: CHF 20.7m (SDC) and CHF 1m (PHRD).</p> <p>Human resources: The portfolio will be managed by 2.5 National Programme Officers, supervised by the Head of Cooperation and the Human Security Adviser.</p> <p>Main implementing partners: International organisations and local partner organisations such as Helvetas, Swiss Intercooperation, United Nations Development Programme, Kosovo Civil Society Foundation.</p> <p>Main national counterparts: Ministry of Local Governance, Ministry of Finance, municipalities, Assembly of Kosovo, Association of Kosovar Municipalities, Ministry of Justice, Kosovo Anti-corruption Agency, Division for Transitional Justice, Office of Language Commissioner, Government Commission for Missing Persons, Government Commission for Recognition and Verification of Victims of Sexual Violence, etc.</p> <p>Projects are coordinated with other development partners active in the same field - e.g., EU, United States, Germany, United Kingdom. Co-funding and pooled-funding with EU, Sweden, Norway and possibly others.</p>

<b>Sustainable Economic Development (SDC, SECO)</b>		
<b>Swiss Portfolio Outcome 2: Women and men benefit from inclusive and sustainable economic development and decent<sup>17</sup> employment</b>		
<i>Contributing to:</i>	<p><b>IC Strategy Sub-objective 1:</b> <i>Strengthening framework conditions for market access and creating economic opportunities (link with SDGs 5, 8, 9, 10, 17)</i></p> <p><b>IC Strategy Sub-objective 2:</b> <i>Promoting innovative private sector initiatives to facilitate the creation of decent jobs (link with SDGs 5, 8, 9, 10, 17)</i></p>	
(1) Swiss Outcomes	(2) Contribution of the Swiss Programme	(3) Country Development Outcomes
<p><b>Outcome 2.1: A resilient market system, supported by business-friendly framework conditions, enables private sector growth</b></p> <p><b>Indicators:</b></p> <p>IED ARI 2: Number of persons in new or better employment<sup>18</sup>            Baseline (2021): 0            Target (2025): 6,500 (of which at least 40% women and at least 10% non-majority communities including RAE)</p> <p>IED TRI 1: Change in average yearly net income (salary/wage) of individuals, adjusted for inflation            Baseline: TBD            Target (2025): CHF 1,057 additional average net income per individual; CHF 3,700,000 in salary/wage cumulative.            Disaggregated:            - at the level of individual employees            - at the level of self-employed</p> <p>SI 1: Measures for improving the regulatory and institutional framework            Baseline (2020): 13            Target (2025): 30            Target (2025): 30<sup>19</sup></p>	<p>Swiss support under outcome 2.1 also contributes to national development and economic reform priorities and targets by benefiting the Kosovo private sector, with the aim to reduce inefficiencies and increase competitiveness and job and income creation.</p> <p>Switzerland is supporting economy-wide and sector-specific reforms in the sectors that have demonstrated a potential to grow and generate jobs, mainly, but not only, in agriculture, tourism and ICT. Specific support is provided to develop business services that improve quality standards, access to new markets, modernisation and digitalisation of companies' operations and products and services. In addition, Switzerland continues its support to reforms aimed at improving the business environment, revenue mobilisation and macroeconomic framework conditions at national and subnational levels by providing expertise for developing relevant legislation, building capacities and driving forward the policy discussion.</p> <p><b>Assumptions:</b></p> <ul style="list-style-type: none"> <li>- Public and private sectors engage in an effective dialogue for better policymaking</li> <li>- Political commitment to economic reform</li> <li>- State institutions are functional and reform-related legislation is well on track</li> <li>- Government gradually lowers fiscal deficit and budget share of public capital investments remains at least at the current levels</li> </ul> <p><b>Risks:</b></p> <ul style="list-style-type: none"> <li>- The government of Kosovo is overwhelmed by political priorities and gives less attention to economic reform</li> <li>- Foreign investments do not increase as envisaged due to slow pace of reforms and lack of legal predictability</li> <li>- Due to an unstable political situation, labour migration increases and creates a shortage of skilled labour, undermining the growth potential of the private sector</li> </ul>	<p><b>Outcome 2.1: Pillar I "Sustainable economic growth" of the Kosovo NDS 2030 Concept Note</b></p> <p><b>ERP 2021–23 Measure 5: Increasing competitiveness in the tourism and hospitality sectors</b></p> <p><b>Indicator:</b>            Number of jobs by accommodation activities and food services            Baseline (2019): 6.4%            Intermediate indicator (2021): 6.8%            Target (2023): 7.5%</p> <p><b>ERP 2021–23 Measure 7: Improvement of the business environment by reducing the administrative burden and inspections reform</b></p> <p><b>Indicator:</b>            Reduction of permits and licenses and of inspection bodies            Baseline (2019): 480 permits and licences; 36 inspection bodies            Intermediate indicator (2021): At least 10.0% of licenses and permits simplified, merged and/or abolished; 36 inspection bodies            Target 2023: no target on permit yet; 18 inspection bodies</p> <p><b>ERP 2021–23 Measure 10: Reducing the informal economy</b></p> <p><b>Indicator:</b>            Increase in tax revenues compared to the previous year            Baseline (2019): +10.4%            Intermediate indicator (2021): +3.5%            Target (2023): +7.5%</p>

17 The definition of decent employment follows the ILO standard and is formulated as follows: Decent work represents new jobs, work that is productive and delivers income above minimum wage (in Kosovo), provides security in the workplace and better prospects for personal development and social integration, freedom to express concerns and equality of opportunity and treatment for all women and men.

18 This indicator reports on results from all Swiss interventions in Kosovo that increase the number of persons in new or better employment.

19 International Finance Corporation Investment Climate, Debt Resolution and Business Exit Programme. Support to Revenue Administration Reform in South-Eastern Europe

	<ul style="list-style-type: none"> <li>- Government keeps increasing social transfers and salaries' cost, while level of capital investment deteriorates, therefore generating less economic growth and jobs</li> <li>- Resumption of the COVID-19 pandemic</li> </ul>	
<p><b>Outcome 2.2: Equitable use of marketrelevant skills is increased and labour market services function effectively</b></p> <p><b>Indicators:</b></p> <p>IED ARI 1: Number of persons enrolled in new or better VSD Baseline (2020): 9,000 (43% women and 15% non-majority communities) Target (2025): 12,000 (at least 40% women and at least 5% non-majority communities and in particular RAE)</p> <p>IED TRI 2: Number of companies or professional organisations contributing to relevant VSD Baseline (2021): 0 Target (2025): 50-60</p> <p>IED TRI 3: Number of contributions towards a more inclusive or more labour-market relevant VET system Baseline 2021: 0 Target (2025): 4-5 contributions</p>	<p>Swiss support under outcome 2.2 contributes to national development and economic reform priorities and targets in the broad area of VSD, including the introduction of dual-oriented VET, and job-matching, particularly for the benefit of youth, women and persons from non-majority communities.</p> <p>Switzerland contributes to enhancing the quality and equitable uptake of VSD by providing technical support and expertise for the delivery of VSD, including the formal VET reform. Support to the reform is accompanied by establishing a dialogue between public and private sector actors that will contribute to better policymaking outcomes, and to developing joint solutions, e.g., through digitalisation, to address existing skills gaps. Furthermore, to facilitate employment, Switzerland provides its expertise in order to contribute to more and better access to labour market information and services, e.g., through improved career guidance and job mediation services.</p> <p><b>Assumptions:</b></p> <ul style="list-style-type: none"> <li>- The new government is committed to improving the VET system</li> <li>- The economy and private sector recover from the COVID-19 recession</li> <li>- Private sector remains interested in engaging in VSD and takes a proactive role in policymaking and contributes its own resources (in-kind and financial)</li> </ul> <p><b>Risks:</b></p> <ul style="list-style-type: none"> <li>- Low capacity of the government to implement the VET reform</li> <li>- Inability of the economy and private sector to recover rapidly from the COVID-19 pandemic, thus being unable to generate sufficient jobs for skilled people</li> <li>- Inability of the private sector to engage in VSD, especially as a consequence of the pandemic</li> </ul>	<p><b>Outcome 2.2:</b> <b>Pillar II “Human capital and equal society” of the Kosovo NDS 2030 Concept Note ERP 2021–23 Measure 16: Implementation of the new curricular framework in the VET system</b></p> <p><b>Indicator:</b> % of students in vocational education participating in workplace-based learning Baseline: 2021: 10.0% Intermediate indicator (2022): 20.0% Target (2023): 30.0%</p> <p><b>ERP 2021–23 Measure 18: Improving and expanding public employment services and increasing the employment of the long-term unemployed youth, women and other vulnerable groups</b></p> <p><b>Indicator:</b> % of young people who benefit from participation in active labour market measures out of the total number of active labour market measures offered per calendar year Baseline (2019): 33.0% Intermediate target (2021): 34.0% Target (2023): 36.0%</p>

<p><b>(4) Lines of intervention (Swiss Programme)</b></p> <p><b>Theory of change:</b></p> <p>If the business environment enables a resilient market system and private sector growth and if people (especially youth, women and non-majority communities) are equipped with market-relevant skills and access to efficient labour market services, then the population will benefit from inclusive and sustainable economic development and the economy of Kosovo will grow. Progress will be achieved through improvements to the institutional, policy and regulatory framework; strengthening dialogue and collaboration between public institutions and the private sector; and the introduction and use of new business services and the creation of new and better jobs.</p> <p>The main assumptions on which this theory of change is based are a stable government that is committed to economic reform and recovery from the COVID-19 pandemic and a mutual willingness of the public and private sectors to engage. An increase in labour migration, which would create a shortage of skilled labour and undermine private sector growth potential is a risk that could undermine the success of the Swiss programme.</p> <p><b>Key interventions include the following:</b></p> <ul style="list-style-type: none"> <li>• Support institutional reforms in the area of VSD by facilitating dialogue among public, civil society and private actors, and by connecting training providers and private companies/employers to help them develop joint solutions to address the skills gap in the labour market.</li> <li>• Provide expert support to formal and non-formal training providers in order to improve their training offer in line with labour market needs.</li> <li>• Facilitate access to labour market information system and services to ease the transition from school to work for young people, e.g., through improved career guidance services.</li> <li>• Provide technical support to the authorities in the area of business enabling environment in order to reduce administrative barriers such as inspection and business licences and permits, to improve the insolvency framework, to promote environmental and sustainable governance practices.</li> <li>• Provide technical support to public institutions dealing with public financial management and financial sector strengthening, including for the Tax Administration and safe and formal remittance transfer.</li> <li>• Support the establishment of a functioning market system and related services, including digitalisation of their products and services in order to modernise their businesses.</li> <li>• Facilitate the development of an entrepreneurship/start-up ecosystem.</li> </ul>
<p><b>(5) Resources, partnerships (Swiss programme)</b></p> <ul style="list-style-type: none"> <li>• Financial resources: CHF 12.2m (SDC) and CHF 2.0m (SECO).</li> <li>• Human resources: The portfolio will be managed by 1.5 National Programme Officers, supervised by the Regional Adviser for 'Inclusive Economic Development'.</li> <li>• Main implementing partners: Swisscontact, Helvetas and multilateral organisations such as the World Bank, International Finance Corporation, International Monetary Fund.</li> <li>• Main national counterparts: Office of the Prime Minister, Ministry of Industry, Entrepreneurship and Trade, Ministry of Education and Science, Ministry of Finance Labour and Transfers; Kosovo Chamber of Commerce and other similar sector organisations.</li> <li>• Interventions will be implemented through a combination of aid modalities: Mandates and contributions to implementing partner organisations, contributions to like-minded donors, partnerships and engagements with the private sector (local, Swiss, international, diaspora) that will leverage additional resources and expertise, knowledge transfer and enable the piloting of new innovative business models with the aim to achieve better results.</li> </ul>

Climate change, water and health (SDC, SECO)		
<b>Swiss Portfolio Outcome 3:</b> The population benefits from improved climate change resilience, sustainable water resources management and equitable access to high-quality public services		
Contributing to:	<b>IC Strategy Sub-objective 3:</b> Addressing climate change and its effects (SDG 6,7,12,13) <b>IC Strategy Sub-objective 4:</b> Ensuring the sustainable management of natural resources (SDG 6, 12, 15) <b>IC Strategy Sub-objective 7:</b> Strengthening equitable access to high-quality basic services (SDG 1, 2, 3, 4, 5, 6, 7, 10, 11, 16)	
(1) Swiss Outcomes	(2) Contribution of the Swiss Programme	(3) Country Development Outcomes
<p><b>Outcome 3.1: Key institutions mitigate climate change and implement adaptation measures</b></p> <p><b>Indicators:</b><sup>20</sup></p> <p>CCE TRI 4/SI 10: Reduction of greenhouse gas emissions in Mt CO2            Baseline (2018): 10 Mt CO2            Target (2025): tbd</p> <p>SI 7: Number of cities with measures for sustainable urban development and number of inhabitants benefiting            Baseline (2020): 0            Target (2025): tbd</p> <p>SI 4: Number of staff of public utilities, municipalities and national institutions trained (disaggregated by gender)            Baseline (2020): tbd            Target (2025): tbd</p>	<p>Swiss support under outcome 3.1 contributes to national development and climate change priorities and targets in the areas of climate change mitigation and adaptation and sustainable urban development, which are necessary preconditions for EU accession.</p> <p>Switzerland supports the government of Kosovo by implementing measures at regional and local levels for better preparedness and resilience to climate change-related impacts. Furthermore, greenhouse gas emissions will be reduced through measures to increase energy efficiency and promote renewable energy. Switzerland also supports responsible authorities to undertake integrated urban planning and development, including spatial planning, energy management and urban mobility.</p> <p><b>Assumptions:</b></p> <ul style="list-style-type: none"> <li>- The government of Kosovo is more aware and committed to policymaking and implementation to address environmental and climate change issues</li> <li>- CCS and spatial/urban development policies are used as key documents for the government to plan their actions, public investments, and steer country's development. Moreover, budget planning is based on priorities arising from national and local policies and evidence-based decision-making</li> <li>- The government enacts necessary legislative reforms to effectively address environmental and climate change issues</li> <li>- Political will for environmental and climate change reforms at national and local level improves</li> </ul> <p><b>Risks:</b></p> <ul style="list-style-type: none"> <li>- Responsible institutions at local and central levels face economic difficulties due to lack of finances and/or political influences</li> <li>- Ad hoc decisions related to public investments continue to guide country's development</li> <li>- Political interests, weak institutions and corruption delay important reforms in the public sector</li> </ul>	<p><b>Outcome 3.1: Kosovo is capable of adapting to climate change by effectively mitigating its causes and anticipating and responding to the impacts of climate change</b> (Source: CCS 2019–28; in line with the Kosovo NDS 2030 Concept Note (Clean environment and sustainable resources))</p> <p><b>Indicators:</b></p> <p>Policies for climate change that meet Kosovo's obligations under the United Nations Framework Convention on Climate Change and the EU (CCS 2019–28)            Baseline (2020): Incomplete policy framework            Target (2025): Policy framework available and priorities related to reduction of greenhouse gas emissions implemented</p> <p>Reduction in greenhouse gas emissions (CCS Specific Objective 2)            Baseline (2018): 17.0%            Target (2027): 34.0%</p> <p>Coverage of Kosovo's territory with municipal spatial/urban development plans and with public transportation services (Indicators for Spatial Planning in Kosovo, Institute for Spatial Planning, MESPI)            Baseline (2020): tbd            Target (2025): tbd</p> <p>Capacity-building of central and local stakeholders to integrate climate change issues and adaptation to development processes (CCS 2019–28)            Baseline (2020): Climate change action plan available            Target (2025): Climate change action plan updated and implemented</p>

<sup>20</sup> SDC and SECO are in the process of identifying new projects. Baseline and target values will be determined upon project approval

<p><b>Outcome 3.2: Sustainable water resources management and equitable access to highquality water and wastewater services are strengthened</b></p> <p><b>Indicators:</b>  WAT TRI 3: Proportion of the watershed area being managed in an integrated manner  Baseline (2020): 0 or 0% RBMP<sup>21</sup>  Target (2025): 4 or 100% RBMP</p> <p>WAT ARI 1/WAT ARI 2/SI 8: Number and % of people in supported areas benefiting from improved water supply and sanitation</p> <p><b>SDC (water and sanitation):</b>  Baseline water (2018): 907,000 or 82.25%  Target water (2025): 1,021,104 or 92.6%</p> <p>Baseline sanitation (2018): 348,000 or 31.56%  Target sanitation (2025): 788,160 or 71.5%</p> <p>SECO (sanitation/urban wastewater treatment plants)  Baseline (2020): 3.5%  Target (2025): 45.0%</p> <p>SI 4: Measures for improving institutional and professional capacity/skills<sup>22</sup>  Baseline (2020): tbd  Target (2025): tbd</p>	<p>Swiss support under outcome 3.2 contributes to national development and water sector priorities and targets in the area of sustainable water resources management to protect and efficiently utilise water resources.</p> <p>Switzerland supports policy dialogue to advance water sector reforms. It also supports capacity building and particularly corporate development of RWCs in order to enhance their operational and financial performance as well as their ability to cope with adverse climate change impacts</p> <p>Comprehensive planning followed by corresponding pilot measures (generated by the river basin management plans) combined with investments in wastewater treatment, will be instrumental in reducing pollution of water bodies, thus improving the aquatic environment and the overall status of water resources in Kosovo.</p> <p><b>Assumptions:</b></p> <ul style="list-style-type: none"> <li>- Countrywide coordination in the water sector is in place;</li> <li>- Project partners (institutions, RWCs and other entities at central and local levels) show high commitment and leadership to undertake reform processes on water sector industry including water resources management;</li> <li>- Effective implementation of law on waters and national water policy and strategy;</li> <li>- Political stability and stable government institutions established.</li> </ul> <p><b>Risks:</b></p> <ul style="list-style-type: none"> <li>- Unstable political situations and weak governance hinder investments;</li> <li>- Sector-related institutions at national and regional level face economic difficulties due to lack of finances (no cost coverage, lack of government funds for capital investment);</li> <li>- Corruption, clientelism and political influences by boards of directors within utility sector;</li> <li>- Model of regional management of the water service sector is questioned by the new government authorities</li> </ul>	<p><b>Outcome 3.2: Provide sustainable development and utilisation of water resources that are necessary for public health, environmental protection and socio-economic development of the Republic of Kosovo</b> (Source: National Water Strategy 2017–36 Strategic Objective 1; in line with the NDS 2030 Concept Note (Clean environment and sustainable resources))</p> <p><b>Indicators:</b>  Area of country covered by complete river basin management plans (RBMP) (in %)  Baseline (2020): 0  Target (2025): 100.0%</p> <p>Percentage of non-revenue water<sup>23</sup>  Baseline (2020): 55.0%  Target (2025): 45.0%</p>
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21 RBMP - River Basin Management Plan.

22 Baseline and target values will be determined upon new project approval by SECO.

23 National average (as SDC supports all RWCs). In addition, average rate for SECO supported areas will be measured.

<p><b>Outcome 3.3: Equitable access to high-quality health services is strengthened</b></p> <p><b>Indicators:</b>          HLT ARI 2: Number of persons reached through health education sessions related to the prevention of NCDs</p> <p>Baseline (2020): 788,960          Target (2025): tbd<sup>24</sup></p> <p>Establishment of a national NCD policy (SDC/WHO/NCDs)          Baseline (2020): NCD policy not available          Target (2025): National NCD policy available and implemented</p> <p>Number of hospitalisations for diabetes and hypertension in general hospitals (GHs), disaggregated by gender and minorities</p> <p>Baseline (2020): tbd          Target (2025): tbd<sup>25</sup></p>	<p>Swiss support under outcome 3.3 contributes to national development and health sector priorities and targets with a focus on PHC, health education and integrated health services for patients with NCD conditions.</p> <p>The Swiss portfolio strengthens clinical, managerial and governance processes in PHC and selected GHs in secondary healthcare with a view to improving the availability and quality of services to the population. Improving the referral and coordination mechanism between PHC and SHC helps consolidate the envisaged gatekeeping role of primary care and improves the continuum of care for patients with NCD conditions. By supporting health promotion and disease prevention approaches, Switzerland changes behaviours and improves health literacy including timely and appropriate care-seeking practices, rights' awareness and empowerment of the general population. Civic engagement will be supported through the development of feedback mechanisms that foster dialogue, transparency and accountability in decision-making for health services that are needs- and rights-based.</p> <p><b>Assumptions:</b></p> <ul style="list-style-type: none"> <li>- Political commitment to the health sector reforms;</li> <li>- Partner institutions at national and local level show willingness and commitment to strengthen health system's response to NCDs;</li> <li>- Health managers are willing to include the perspectives of service users in shaping and improving the services.</li> <li>- No other crises will hit the health system in the foreseeable future and the unfolding crisis will subside very soon with no major achievements' losses without causing major disruptions</li> </ul> <p><b>Risks:</b></p> <ul style="list-style-type: none"> <li>- Weak capacities and willingness of national level institutions to effectively push forward the implementation of the health sector reforms</li> <li>- Improved health literacy does not always lead to the adoption of healthier lifestyles</li> <li>- Overwhelmed by competing priorities, the government allocates insufficient budget to health</li> </ul>	<p><b>Outcome 3.3: Improve the health status and satisfaction of the population by promoting healthy lifestyles and ensuring high-quality health services that are easy to access, equal and cost-effective</b> e          (Source: Health Sector Strategy 2021; in line with the Kosovo NDS 2030 Concept Note (human capital and equal society))</p> <p><b>Indicators:</b></p> <p>Change in number of PHC visits          Baseline (2019): 127,545 average visits per municipality          Target (2025): n/a</p> <p>Proportion of total current expenditure on health paid by households out-of-pocket</p> <p>Baseline (2017): 30.6% of total health expenditures          Target (2025): n/a</p> <p>Life expectancy of the population          Baseline (2018): 72.1 years; women 74.5 years; men 70 years          Target (2025): n/a</p>
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24 Baseline and target values will be determined during the inception phase of the Integrated Health Services project.

25 Baseline and target values will be defined during the inception phase of the Integrated Health Services project.

<p><b>(4) Lines of intervention (Swiss Programme)</b></p> <p><b>Theory of change:</b></p> <p>If key stakeholders and institutions are strengthened in (i) water resources management; (ii) climate change mitigation and adaptation; and (iii) provision of high-quality services in the areas of water and health, then the population will benefit from equitable access to high-quality services and the country will progress towards climate-smart development and sustainable management of natural resources. This, in turn, will improve the environment, enhance the public health status and advance the socio-economic development of Kosovo. Progress will be achieved through RWCs that operate and maintain services sustainably; cities that are planned and developed in a climate-smart manner; water resources that are efficiently protected and utilised taking into account climate change impacts; and enhanced health system capacities and health literacy.</p> <p>The main assumptions on which this theory of change is based are political stability and institutional commitment and leadership at national and local levels; an openness to taking decisions based on evidence and considering the perspectives of the population and service users; and no major disruptions from COVID-19. Economic difficulties due to lack of funding, corruption and political influence is a risk that could undermine the success of the Swiss programme.</p> <p><b>Key interventions include the following:</b></p> <ul style="list-style-type: none"> <li>• Capacities of national and local institutions are strengthened through capacity building, technical assistance and limited capital investments to efficiently address mitigation/adaptation challenges through energy efficiency measures, sustainable urban planning and management and urban mobility.</li> <li>• Support for public utilities (RWCs) to increase access to water/sanitation and improve wastewater treatment infrastructure.</li> <li>• Strengthen capacities of public utilities (RWCs) to improve operational and financial performance and therefore enable environmental protection and increased resilience.</li> <li>• Support for national and local institutions through capacity building, technical assistance and limited capital investments to plan and manage water resources in a sustainable manner and cope with adverse climate change impacts.</li> <li>• Contribute to improving policy dialogue and inter-ministerial coordination to sustainably manage water resources and water services.</li> <li>• Strengthen health system capacities to improve the availability and quality of integrated NCD services.</li> <li>• Consolidate support to partner municipalities for improving access to and quality of care provided at PHC level.</li> <li>• Enhance the health literacy of the population and empower citizens' participation in dialogue with the government for more social accountability.</li> </ul>
<p><b>(5) Resources, partnerships (Swiss programme)</b></p> <ul style="list-style-type: none"> <li>• Financial resources: CHF 21.4m (SDC), CHF13m (SECO).</li> <li>• Human resources: The portfolio will be managed by 2.5 National Programme Officers, supervised by the Deputy Head of Cooperation.</li> <li>• Key counterparts: Ministry of Economy, Ministry of Finance, Ministry of Environment, Spatial Planning and Infrastructure, Ministry of Health, GHs, public utilities (RWCs), municipalities, SHUKOS, AKM, national agencies and CSOs.</li> <li>• SECO instruments will be applied, especially in the water and wastewater sector, energy efficiency, non-revenue water reduction, urban planning and renewable energy.</li> <li>• Co-financing: Co-funding by KfW, EBRD and others. Where appropriate, co-financing by project partners/line ministries. Opportunities for co-funding/blending of programmatic and policy support grants with international finance institution loans will be explored.</li> <li>• Aid modalities: The majority of interventions will be implemented in the form of mandates or contributions to implementing partner organisations, including domestic and international/Swiss private consultancies. Partnerships between Swiss and Kosovo</li> </ul>

**(6) Management/performance results, including indicators (Swiss programme)**

**1. Switzerland systematically engages in policy dialogue and strengthens government ownership and sustainability**

- Extent to which sensitive issues related to Swiss-supported projects are raised, in cooperation with the Swiss ambassador
- Number of projects/project phases with government co-financing and amounts
- Where appropriate, number of signed project agreements with state institutions, which define their roles and responsibilities

**2. Switzerland maintains its contributions to (government-led) development partner coordination**

- Stakeholder satisfaction with Switzerland's lead role in water and climate change resilience
- Stakeholder satisfaction with Switzerland's lead role in local governance
- Level and quality of Swiss participation in coordination around other topics relevant to implementing the cooperation programme

**3. Transversal themes are systematically addressed in all Swiss-supported projects**

- Extent to which all new projects/new project phases are planned based on gender analyses and disaggregated data
- Extent to which all new projects/new project phases include relevant governance aspects and are informed by social inclusion analyses and disaggregated data

**4. Selected other important topics are systematically considered in all Swiss-supported projects**

- Extent to which project-related risks from climate change, environmental degradation and natural hazards are assessed using the CEDRIG tool and thematic climate-mainstreaming guidelines
- Extent to which the potential of private sector engagement is explored in the design of new projects/new project phases
- Extent to which the potential of digitalisation is explored in the design and implementation of new projects/new project phases
- Extent to which CSPM is applied in all new projects/project phases

**5. Switzerland optimises its collaboration and partnerships with other development partners**

- Number of projects/project phases implemented in close cooperation/commonly financed with other development partners (e.g., pooled funds)
- Balanced mix of mandates and contributions

# Annex 3: Financial planning

Swiss Cooperation Programme for Country/Region: Kosovo								
Duration of Cooperation Programme: Jan 2022 until Dec 2025								
Financial Year:	SDC				PHRD	SECO	Total 2022-25	in %
	2022	2023	2024	2025	2022-25	2022-25		
Break down of budget allocation according to Portfolio Outcomes:								
Promotion of democratic governance and peace	3,550,500	4,471,000	4,763,250	4,893,750	4,000,000		21,678,500	30%
Promote sustainable economic growth and increased employment	3,024,500	2,630,000	3,523,500	3,001,500		2,500,000	14,679,500	21%
Support sustainable management of natural resources and access to quality public services	6,246,250	5,786,000	4,502,250	4,893,750		12,500,000	33,928,250	48%
Small Actions	328,750	263,000	261,000	261,000			1,113,750	1%
<b>Total budget allocation (to Intl. Cooperation Office(s))</b>	<b>13,150,000</b>	<b>13,150,000</b>	<b>13,050,000</b>	<b>13,050,000</b>	<b>4,000,000</b>	<b>15,000,000</b>	<b>71,400,000</b>	<b>100%</b>

General overview of indicative budget allocation by Swiss Federal Offices (for information purpose only):							
Financial Year:	2022	2023	2024	2025	2022-25	2022-25	Total 2022-25
<b>Budget allocated to IC-Office(s) thereof:</b>	13,150,000	13,150,000	13,050,000	13,050,000	4,000,000	15,000,000	71,400,000
SDC-Eastern Cooperation	13,150,000	13,150,000	13,050,000	13,050,000			52,400,000
SECO-Economic Cooperation						15,000,000	15,000,000
PHRD					4,000,000		4,000,000
SDC-Institutional Partnerships	2,993,000	3,086,000	3,247,000	3,000,000			12,326,000
<b>Total budget allocation by federal offices:</b>	<b>16,143,000</b>	<b>16,236,000</b>	<b>16,297,000</b>	<b>16,050,000</b>	<b>4,000,000</b>	<b>15,000,000</b>	<b>83,726,000</b>

In addition, CHF 2 Mio. are made available for KOS by SEM within the Swiss Migration Strategic Framework for the Western Balkans 2020-2023. Furthermore, Kosovo benefits from regional programmes of the SDC's Global Cooperation Divisions Climate Change and Environment and Migration.

The final allocation of funds will depend on the identification of suitable interventions, the absorption capacity as well as the efficiency and effectiveness of the cooperation with the relevant partners in the country. Accordingly, the following information on planned budget for the four-year period is indicative. This information serves merely as a basis for the forward spending plans that are reviewed each year by the Swiss Parliament.

# Annex 4: Monitoring system

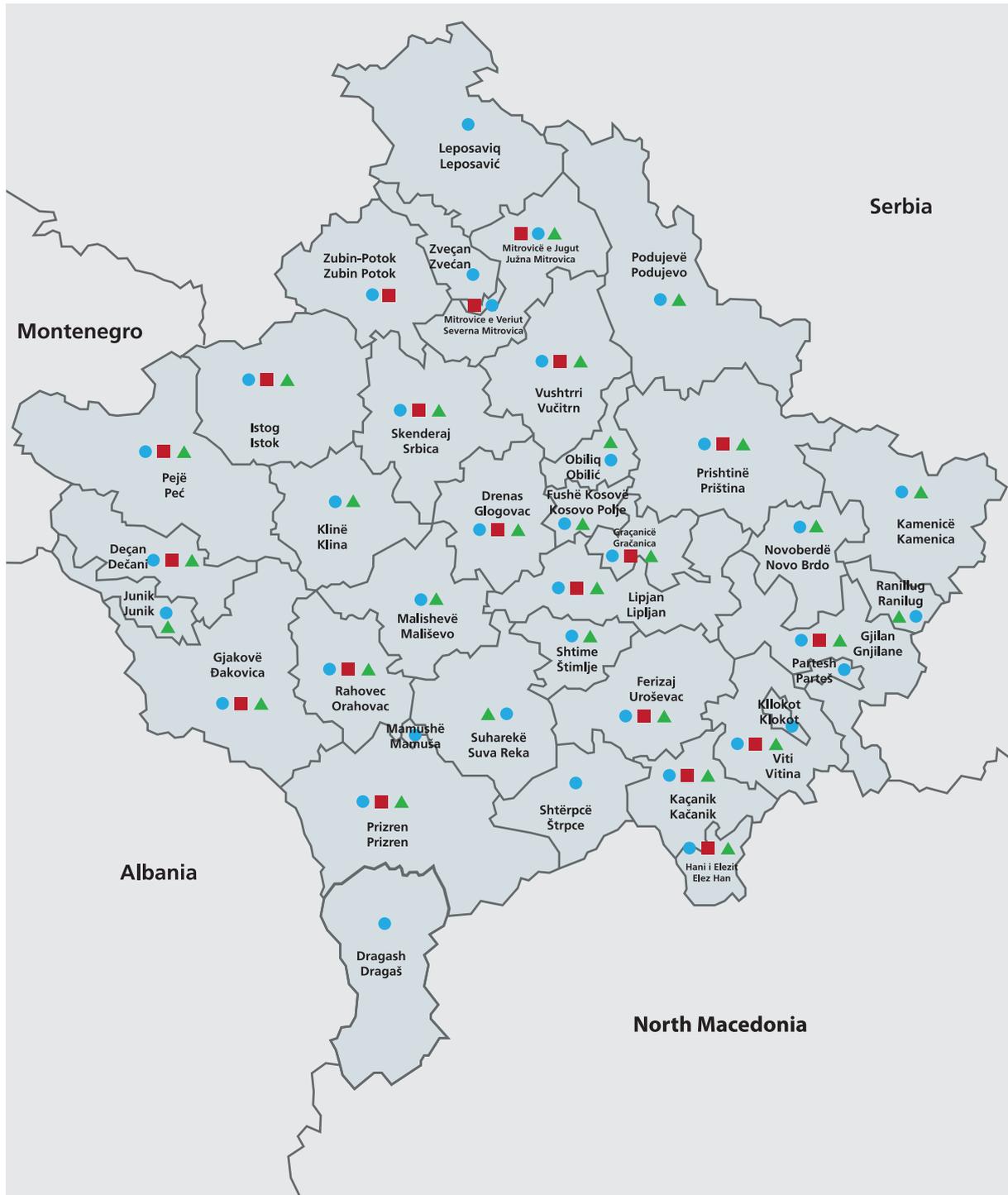
The monitoring system of the Swiss cooperation programme is a management tool that serves the following main purposes:

- Accountability - reporting on results to different target groups, including the Swiss public and decision-makers as well as the public, beneficiaries and government in Kosovo, and other interested parties.
- Steering - ensuring that the Swiss cooperation programme remains relevant, efficient and effective and produces sustainable results.
- Learning - by capitalising on lessons learnt within the programme and with external partners for evidence-based policy dialogue in the relevant reform areas.

The monitoring system observes three dimensions: the country context, the Swiss results framework and programme management. Different monitoring instruments are used and adapted as needed to monitor the three dimensions:

Dimension	Monitoring Area	Instrument	Periodicity
Country context	Analyse the political, socio-economic and environmental trends to identify changes relevant to the cooperation programme	MERV	Annually in September
	Context monitoring and discussion, as a basis for programming	Cooperation team meetings	Weekly
Results framework	Assess progress in achieving expected Swiss and country development outcomes, including the transversal themes, based on the results framework	Annual report	Annually in October
	Assess the achievement of intended outcomes and outputs and identify short-term adaptations of the annual programme	Mid-year review	Annually in June
	Review of the cooperation programme's relevance, lessons learnt and results achieved, as a basis for planning the subsequent Swiss cooperation programme	Mid-term review	2024
Programme management	Ensure efficiency and effectiveness of programme management and compliance with aid principles	Operational annual planning	Annually in January
		Project monitoring visits	At least twice a year
		Internal control system report	Annually in September
		External audit report	Annually in April
		Partner risk assessments	Before signing contracts

# Annex 5: Map of Kosovo



## Interventions at national and municipal level

- Democratic Governance and Peace
- Sustainable Economic Development
- ▲ Climate Change, Water and Health

## Annex 6: Abbreviations and acronyms

ARI	Aggregated reference indicator
CCE	Climate change and environment
CCS	Climate Change Strategy
CEDRIG	Climate, Environment and Disaster Risk Reduction Integration Guidance
CSO	Civil society organisation
CSPM	Conflict Sensitive Programme Management
EBRD	European Bank for Reconstruction and Development
ERP	Economic Reform Programme
EUn	European Union
FDFA	Federal Department of Foreign Affairs
FCHR	Fragility, conflict and human rights
GBV	Gender-based violence
GDP	Gross Domestic Product
GHs	General hospitals
GOV	Governance
HLT	Health
IC	Strategy Switzerland's International Cooperation Strategy
ICT	Information and communication technologies
IED	Inclusive economic development
IMWC	Inter-Ministerial Water Council
KFOR	Kosovo Force
LNOB	Leave No One Behind
LVV	Lëvizja Vetëvendosje
MPG	Municipal Performance Grant
NDS	National Development Strategy
PHC	Primary healthcare
PHRD	Peace and Human Rights Division
POV	Poverty
RAE	Roma, Ashkali and Egyptian
RWCs	Regional Water Companies
SDC	Swiss Agency for Development and Cooperation
SDG	Sustainable Development Goal
SECO	State Secretariat for Economic Affairs
SEM	State Secretariat for Migration
SI	Standard indicator
SMEs	Small- and medium-sized enterprises
TRI	Thematic reference indicator
VET	Vocational education and training
VSD	Vocational skills development
WAT	Water

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