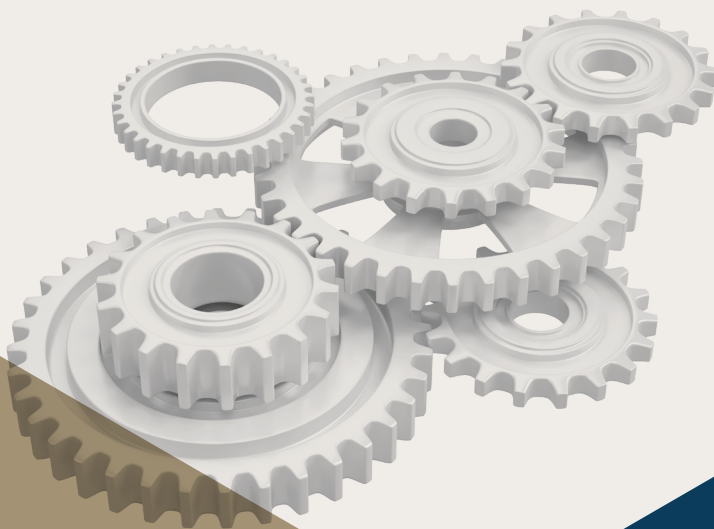




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*Qeveria - Vlada - Government*  
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Zyra për Planifikim Strategjik - Kancelarija za Strateško Planiranje – Strategic Planning Office

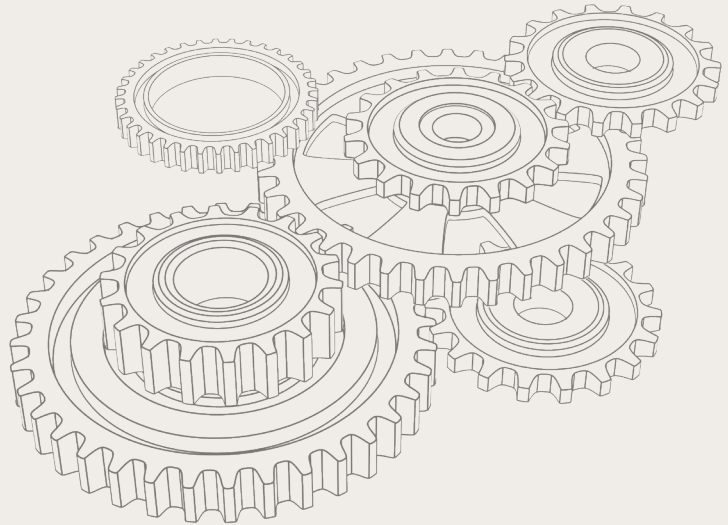
# MANUAL FOR PLANNING, DEVELOPING AND MONITORING STRATEGIC DOCUMENTS AND THEIR ACTION PLANS



PRISTINA, JANUARY 2019



# MANUAL FOR PLANNING, DEVELOPING AND MONITORING STRATEGIC DOCUMENTS AND THEIR ACTION PLANS



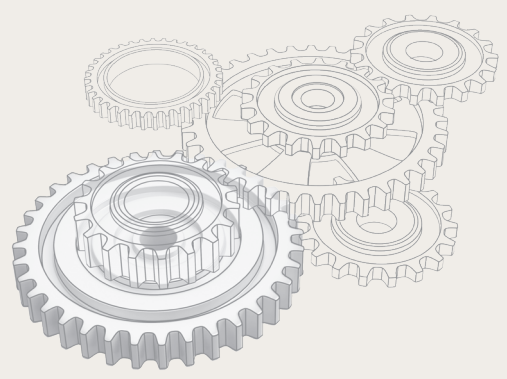
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# 01



# I INTRODUCTION

## 1.1 Purpose and scope of the Manual

The Manual for Planning, Developing and Monitoring Strategic Documents and Their Action Plans (the Manual) has been drafted to support the implementation of the Administrative Instruction 07/2018 on Planning and Drafting Strategic Documents and Action Plans (Administrative Instruction).<sup>1</sup> The **purpose** of this Manual is to set, explain and promote a unified approach, process and requirements that apply to the development of strategic documents across public institutions in Kosovo. It also highlights the importance of linking strategy development and the budgeting process.

The Manual was drafted taking into account the requirements set forth in the Administrative Instruction, extensively using the practice and recommendations provided in the Toolkit for preparation, monitoring, reporting and evaluation of PAR and sector strategies developed by SIGMA<sup>2</sup>, the National Development Strategy of Kosovo 2016-2021 (NDS) and Regional School of Public Administration (ReSPA) costing methodologies, as well as other international practices in strategy development.

The Manual **applies for** strategic documents and action plans developed by ministries and other public institutions authorised to develop such documents and present them to the Government of the Republic of Kosovo (GoK) for adoption. It also applies to any amendments and reviews prepared by these institutions.

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\* This designation is without prejudice to positions on status, and is in line with United Nations Security Council Resolution 1244/99 and the Advisory Opinion of the International Court of Justice on Kosovo's declaration of independence.

<sup>1</sup> Administrative Instruction (GRK) No. 07/2018 on Planning and Drafting Strategic Documents and Action Plans <http://kryeministri-ks.net/wp-content/uploads/2018/04/UDH%C3%8BZIMI-ADMINISTRATIV-QRK-NR.-07-2018-P%C3%8BR-PLANIFIKIMIN-DHE-HARTIMIN-E-DOKUMENTEVE-STRATEGJIKE-DHE-PLANEVE-T%C3%8B-VEPRIMIT-28-03-2018.pdf>

<sup>2</sup> SIGMA Paper No. 56.

Through the implementation of Administrative Instruction 07/2018 and this Manual, the development of strategic documents becomes more forward-looking, strategic, centrally guided and top-down to ensure better implementation of Government priorities, National Development Strategy and European Integration. This Manual strengthens the strategic role of the Strategic Planning Office (SPO). The SPO will guide the initiation process and will make the final proposal on the need to develop strategic documents to the Strategic Planning Committee (SPC). No institution is allowed to start the development of a strategic document before it is included in the Strategic Documents Annual Plan (SDAP) and Government Annual Work Plan (GAWP). Such process allows the policy planning process to be not only more strategic (linked to the key strategic documents of the country), but also more efficient (no need to draft documents that do not significantly support strategic priorities of the country). In this way, proposing bodies will think strategically and several years ahead as they will have to propose strategic documents to be developed for the next calendar and two following years.

This Manual guides the staff of central Government institutions in Kosovo throughout the process of strategic document management – its initiation, development, adoption, monitoring, reporting and evaluation. The primary target audience of the Manual are the members of the Drafting Teams, which are established by the Secretary-General of a respective ministry in charge of the development of strategic documents. The Leader of the Drafting Team and its members will ensure that the recommendations provided in this Manual are followed to the maximum extent and that the principle of proportionality is applied when necessary.

The Manual includes stages from development to evaluation; in particular, it describes the following stages: planning and development of strategic documents and their action plans, public and inter-ministerial consultations, approval, monitoring, reporting and evaluation. They explain the steps to be taken in each stage, the key stakeholders involved and their roles, as well as interconnection between strategy and budget documents.

The Manual may also serve as a guiding resource for the elaboration or revision of training programmes for capacity building in strategy development and budget preparation. The Manual will be a living document and will be updated and revised to take into account the lessons learned and progress achieved in the application of the Manual across the public sector.



## 1.2 Cycle of strategic document

Developing, monitoring, reporting and managing strategic documents in Kosovo is a complex, iterative and interactive process by which the Government – in co-operation with stakeholders – decides on the need for policy intervention (strategic document), identifies problems, defines policy objectives, plans activities to achieve those objectives (including the calculation of their costs and identification of financing sources) and sets a measurement framework (with targets) to validate progress. The strategic document process in Kosovo includes the following stages:

- 1 **Initiation and planning development of a strategic document** – The Government of Kosovo decision on the need to develop a sector, cross-sector or sub-sector strategic document aimed at solving specific emerging problems and challenges as well as establishing an institutional set-up to develop strategic document and its action plan. This stage will include the following steps:
  - a **Initiation of strategic document** – raising the idea and consideration of the need for a strategic document;
  - b **Inclusion of strategic document into planning procedure** – proposing to include the development of a strategic document into the annual and multi-annual plan.
- 2 **Establishment of institutional set-up for development of a strategic document.**
- 3 **Development of strategic document, which includes the following steps:**
  - a **Problem analysis** – Analysis of the current state of affairs (achievements, challenges, and opportunities) in a sector, preferably also based on lessons learned from previous reform monitoring and evaluation reports, if they exist;
  - b **Objective setting** – Identification and definition of key policy areas to be addressed through a strategic document, with a focus on the selected problems identified in the previous step;
  - c **Definition of indicators with baselines, milestones and targets** – Development of ways to measure the attainment of the defined objectives, as well as the setting of measurable targets that express the expected level of performance;
  - d **Action planning** – Identification of key activities (along with their timeline and implementation responsibilities) designed to achieve the objectives and lead to the desired change;
  - e **Costing of planned activities and reforms** – Calculation of financial and non-monetary costs necessary to execute the planned actions, as well as identifying the sources of

financing for the set actions;

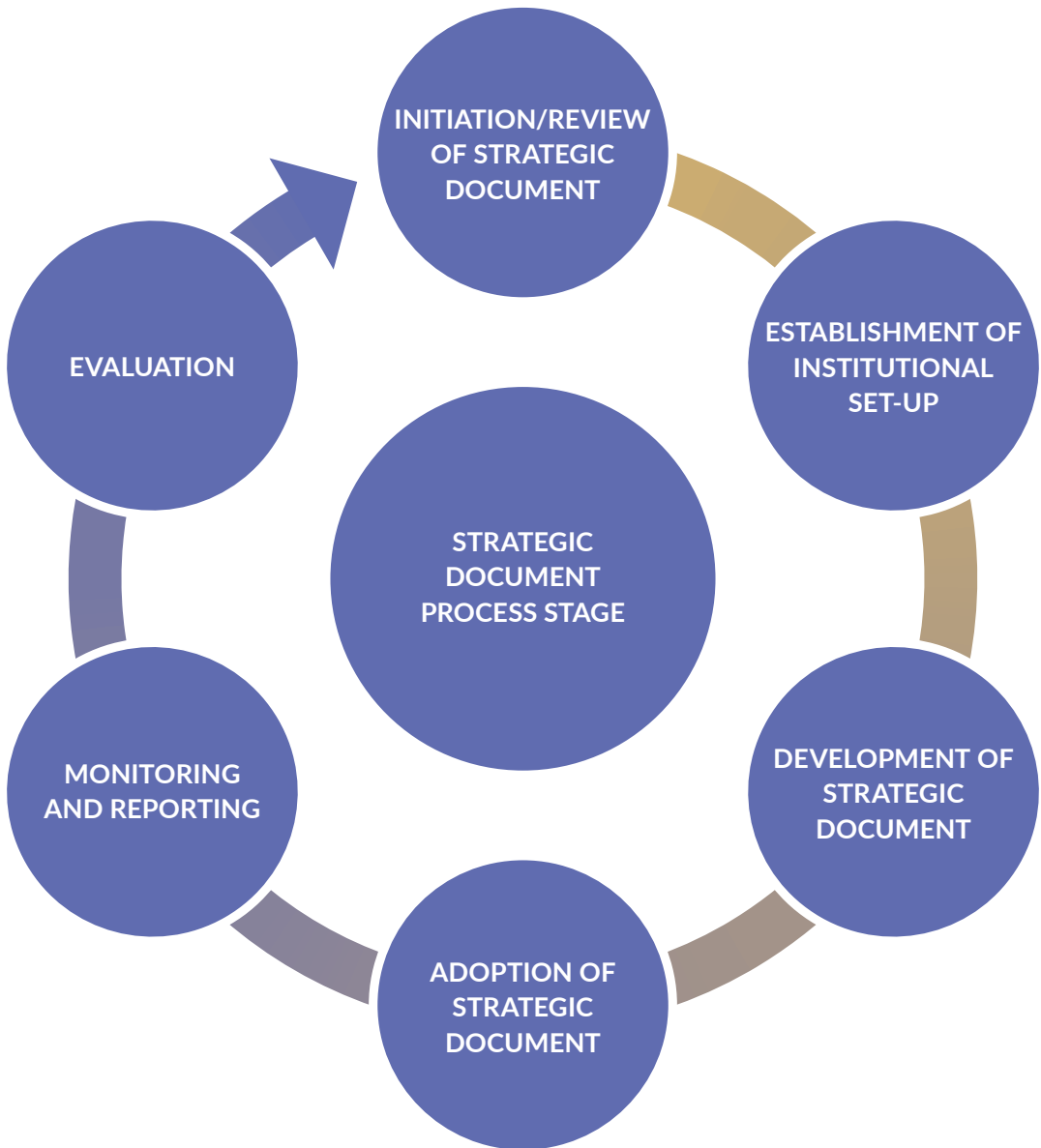
- f **Inter-ministerial and public consultations** – Agreement on key problems, strategic document intervention logic and budget, including trade-offs made in the course of consultations, among the key governmental and non-governmental stakeholders.
- 4 **Adoption of strategic document** – The Government of Kosovo’s deliberation and subsequent adoption of a strategic document submitted by the proposing body/lead institution following the above-described steps. This stage also includes publication of the adopted strategic document;
- 5 **Monitoring and reporting** – Regular assessment of progress against objectives, targets and actions to determine achievements, gaps and remedial actions;
- 6 **Evaluation** – Assessment of the attainment of the envisaged objectives, in particular focusing on effectiveness and efficiency, in order to adjust, refine or halt certain interventions or to support the development of a new strategic document.

Each above-listed stage is described in detail in Sections 5 to 9 of this Manual. In addition to these strategic document process stages, there exist important additional aspects, namely the Monitoring, Reporting and Evaluation, which are described in Sections 10 and 11.

The core stages of strategic document process are illustrated in the Figure below.

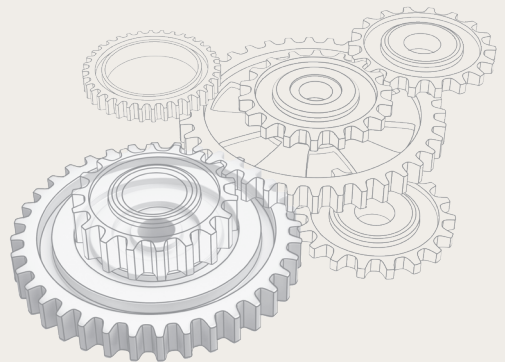


FIGURE 1: STRATEGIC DOCUMENT PROCESS STAGES





# 02



## 2. TERMINOLOGY AND DEFINITIONS

This section lists and provides brief definition of the main terms used in this Manual.

Strategic Document means any document defining the planned objectives and actions of the Government to be undertaken for a broad and interrelated policy field addressing one or more problems for a specified period of time, regardless of the denomination of document. The strategic document may be sectoral, cross-sectoral and sub-sectoral:

- **Sectoral strategic document** is a document covering objectives, indicators and activities relevant to only one sector. A sector is a distinct area of the country's economic and social activity, e.g. health, education, social protection, energy, transport. A sector in the context of Government strategy planning can be defined as an area having a common objective, clear boundaries of institutional responsibility (e.g. a respective ministry/minister) and designated resources, usually within the budget of one ministry and its related subordinated institutions.
- **Cross-sector strategic document** is a document covering objectives, indicators and activities that have an impact on other sectors, as well as institutions. Cross-sector in the context of Government strategy planning can be defined as an area having its own distinct objective with a direct impact on the development of other sectors. Such cross-sectors as digital transformation, diaspora mobilisation or EU integration have their own distinct objectives, which are independent from other sectors; however, their impact on the progress of other sectors can be significant. Cross-sector may have its own designated resources, and these can be dispersed across a number of sectors. For example, digital transformation developments have a significant impact on the quality of Government services provided in a number of sectors; it may have resources allocated to a lead ministry/agency to develop country-wide systems (e.g. interoperability system) and to other ministries/agencies to develop sector-wide systems (e.g. e-recipe or e-patient in the health-care sector).
- **Sub-sectoral strategic document** is a document referring to the development of sub-sector within a sector, e.g. higher education, roads management, renewable energy.

**Proposing body** – the Office of the Prime Minister (OPM), ministry, the SPO or any other public institution having the right to formulate policies in Kosovo.

**Lead institution** – an institution (ministry, Government agency, Office) having a mandate to formulate policy in the area of its jurisdiction and hence having the right to lead and co-ordinate the efforts of other related institutions, leading to a draft strategic document and its implementation.

**Problem analysis** – analysis of the current situation with the purpose of identifying problems and their causes, challenges and opportunities for reform.

**Vision** – a statement of the desired future state in relation to the sector in question.

**Objective** – a basic statement that defines the direction of reforms specific to identified challenges in such a way that it informs the direction of reform actions and defines the desired future state in a tangible manner.

**Strategic objective** – represents a more general and longer-term aspiration in the form of a statement about the preferred conditions that a government is committed to achieving by improving a specific sector. It covers a wider, but well-defined and clearly set, area of reforms and hence serves to direct a series of reform actions aimed at achieving this envisaged future condition.

**Specific objective** – specifies more concrete results, focusing more narrowly on an aspect of a sector defined under a strategic objective, usually with a shorter-term (or medium-term) perspective.

**Action/activities** – the means by which a country (usually, but not exclusively, that country's government) implements its policies. An action is a tangible activity or set of activities/measures that are directly linked to the use of inputs (human, financial or material resources), in order to produce certain pre-defined deliverables or to reach specific policy goals.

**Impact** – the overall and long-term effect of achieving outcomes. It expresses the ultimate improvement or changes in people's lives, such as reducing poverty or improving quality of life. Impact is directly linked with strategic objective of a strategic document.

**Outcome** – the intended or achieved short- and medium-term effects of implemented actions, as well as external factors. These are changes in institutional performance or behaviour among individuals or groups triggered by the outputs. Outcomes should relate clearly to specific objectives. Outcomes are "what we intend to achieve". For example, increased employment, decreased infant mortality or decreased drop-out of basic school will be outcomes.

**Output** – the final tangible result occurring as a result of implemented activities. For example, an improved teacher assessment system and increased vaccination of children will be outputs.

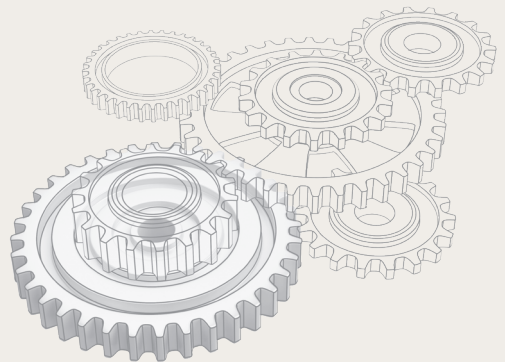
**Indicator** – refers to the means by which an objective or action can be assessed as having been achieved/implemented or not. Indicators are directly tied to objectives and actions (including activities or so-called measures) within a strategic document. They serve as yardsticks by which to measure the degree of success in achieving an objective, or to check whether an action has been implemented and what it has delivered.

**Baseline value** – the situation just before or at the outset of a new strategic document, against which progress is measured or comparisons are made as part of the monitoring and evaluation process. In most instances, a baseline is the level of performance recorded in the previous year or period.

**Target** – the value of an indicator expected to be achieved at a specified point in time.



# 03





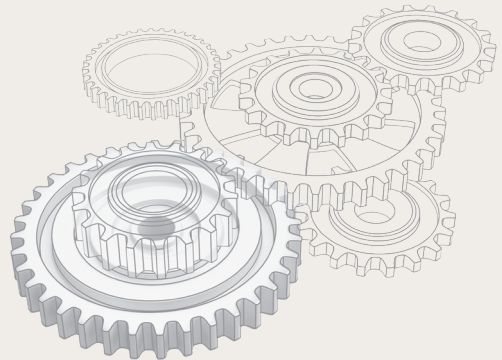
### 3. BASIC PRINCIPLES

Strategic planning in Kosovo will follow several basic principles, as stated in Article 4 of the Administrative Instruction. The basic principles are the following:

- **Policy coherency** – Strategic documents shall comply with other central Government planning documents, such as Government priorities (Government Programme), comprehensive development strategies (e.g. National Development Strategy), Medium-Term Expenditure Framework (MTEF), Economic Reform Programme (ERP), and National Plan for Implementation of Stabilisation and Association Agreement (NPISAA), as well as other relevant planning documents for EU accession. This principle means that objectives and measures envisioned in the strategic document will be in line and support implementation of the aspirations, objectives and measures of central Government planning documents. Policy coherency will also mean harmonisation of strategic document with other existing strategic documents. If the harmonisation requires the amendment of existing strategic documents previously adopted, this shall be proposed along with the strategic document.
- **Policy comprehensiveness** – All fields and aspects of a sector, sub-sector or cross-cutting sector in question will be addressed in one strategic document without a need to develop another strategic document for the same sector, sub-sector or cross-cutting sector. Complying with this principle will allow reaching an optimal number of strategic documents without overlaps, duplication and hence contradiction.
- **Inclusiveness** – All relevant Government institutions shall be involved in the process of developing and implementing a strategic document, and they will provide support and cooperate with the lead institution. Inclusiveness means active participation in the work of a Drafting Team; provision of all necessary information, data and ideas; and pro-active implementation of assigned measures.
- **Proportionality** – This Administrative Instruction shall be applied in proportion with the broadness and complexity of strategic documents and policy fields covered by the strategic document. Proportionality principle will apply in the stages of problem analysis, consultations, development of supporting documents for adoption, monitoring, reporting and evaluation. This principle means that the depth and complexity of the problem analysis will depend on the complexity of the issue in question. For complex problems a more thorough analysis including primary data collection may be applied, while for less complex problems only available data can be analysed. For a sector with multiple stakeholders (e.g. in compulsory education it will be parents, teachers, students, principals, local governments, policy makers, etc.) an inclusive and lengthy consultation process may be applied to elicit the views of all groups of beneficiaries on the problems, priorities and measures, while for a narrower sector it may involve several rounds of consultations.



# 04



## 4. INTEGRATED PLANNING FRAMEWORK IN KOSOVO

In Kosovo, the development of strategic documents is not an isolated process. Strategic documents can be influenced by long-term policy country-level or budget documents that may shape as well as limit the objectives, indicators and activities. For example, in addition to challenges and problems, the content of strategic documents is shaped by the NDS, EU integration-related documents and medium-term annual budget documents. Similarly, strategic documents may have an influence on the scope and content of the other planning documents, such as ministerial plans and programme budgets.

The link between policy and budget planning documents is very important since national priorities have to be backed by realistic budgets. Hence, an integrated planning and budgeting process is the key for determining strategic direction and the allocation of resources. The aim is to provide a broad planning framework within which the Government's core policy and financial planning processes function in a coherent, efficient and integrated manner.

In Kosovo, the development of strategic documents is shaped mainly by the following documents:

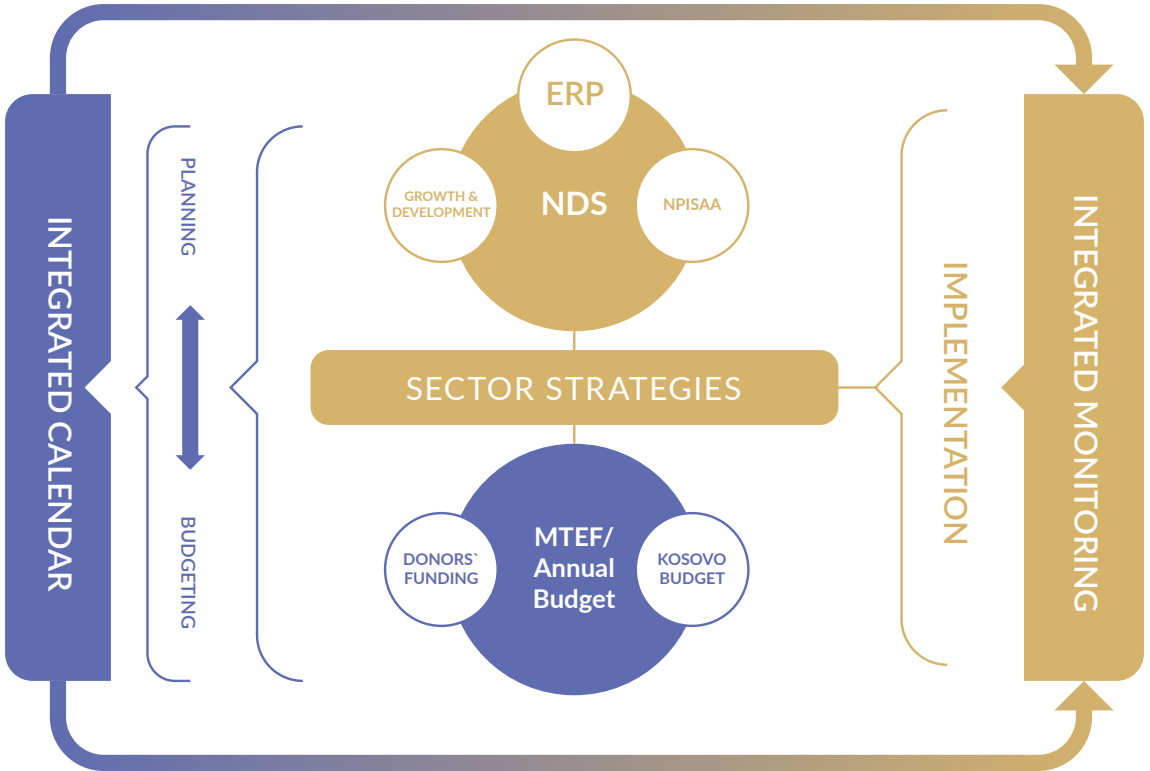
- Strategjia Kombëtare e Zhvillimit të Kosovës 2016-2021
- National Development Strategy of Kosovo 2016-2021
- Government Programme
- NPISAA
- Medium-Term Expenditure Framework
- Ministry Plans
- Programme Budgets
- Annual budget.

The framework in which the development of strategic documents is happening is presented in the Figure below.



FIGURE 2: INTEGRATED PLANNING FRAMEWORK FOR STRATEGIC DOCUMENTS

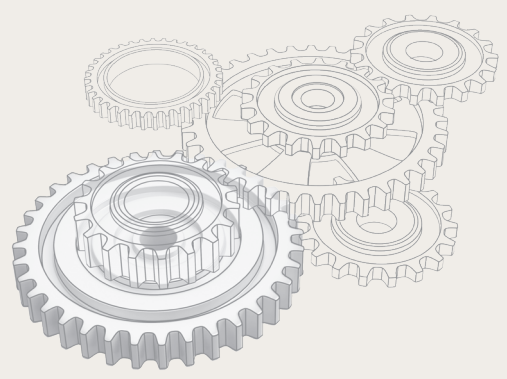
### IPS ARCHITECTURE AND PROCESSES







# 05



## 5. INITIATION OF STRATEGIC DOCUMENT

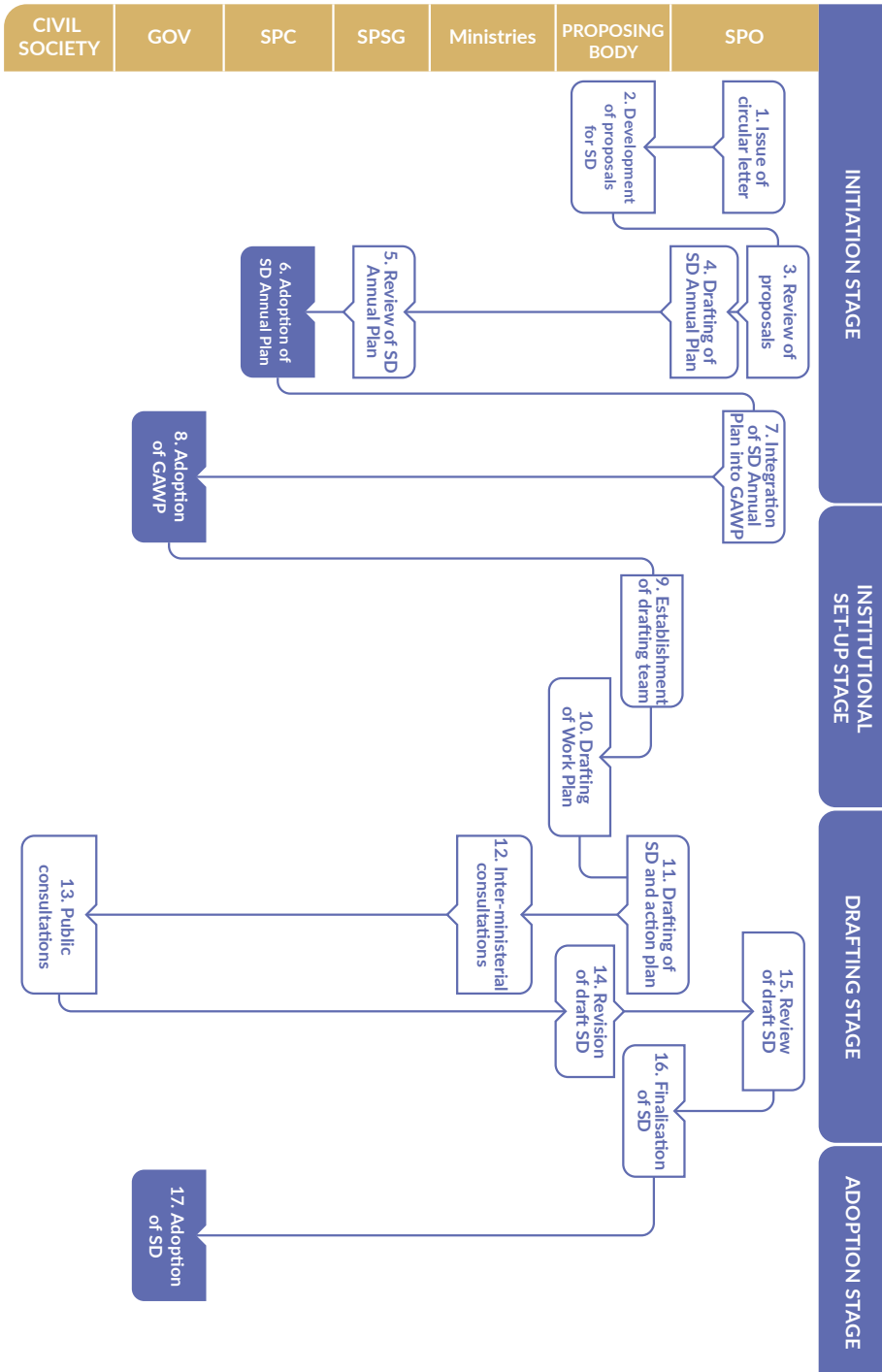
Prior to starting the drafting of a strategic document in Kosovo, it will have to undergo an initiation procedure, to ensure that public resources are used in the most efficient way and that strategic documents are developed only when there is a need. Initiation will consist of two major phases:

- 1 Planning for development of strategic document,
- 2 Inclusion of strategic document in the planning procedure.

In a nutshell, the initiation stage will include several steps as presented in the Figure below.



**FIGURE 3: INITIATION PROCESS IN A NUTSHELL**





## 5.1. Planning for development of strategic document

Development and implementation of a strategic document is a costly process and requires significant human and financial resources from public administration. Hence, the decision to develop a strategic document should be well discussed and justified.

The decision whether to develop a new strategic document will be taken following the questions provided in Annex 2 “Form for Proposing Strategic Documents” of the Administrative Instruction. In particular, the proposing body will carefully consider the following:

- Reason why the strategic document is necessary?
- Relation to Government priorities and key policy and strategic documents?
- Previous strategic document that addressed this issue?

In the planning stage, the ministries should hold consultations with the SPO on the need for new strategies. The ministries should always keep in mind that several options are available:

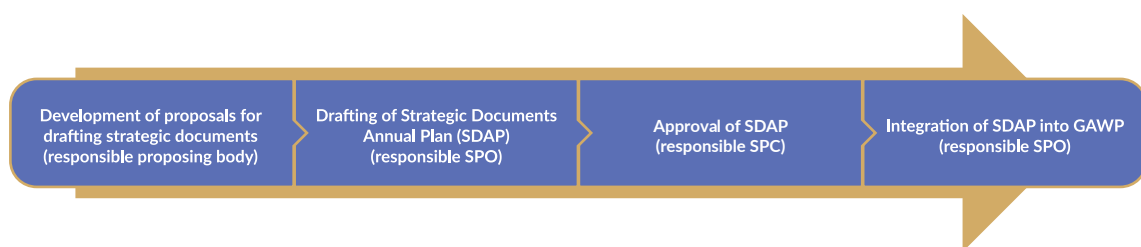
- Develop a new strategy to be adopted by the GoK;
- Develop a new strategy to be adopted by the minister;
- Integrate the policy in question into another existing strategic document;
- No-strategy option.

The planning stage should be forward looking, i.e. ministries should discuss strategies that are to be developed not only in the next calendar year, but also in the two following years. This will require reviewing the strategies that will expire in the near future and considering whether there is a space for rationalisation of the number of strategies. The decision to develop a new strategic document should assume that there is enough time and human resources to do it in timely manner.

If it is decided that there is a need for a new strategic document, the proposing body will proceed with the preparation of a proposal.

## 5.2 Inclusion of strategic document in the planning procedure

Inclusion of a strategic document in the planning procedure will follow the requirements set forth in the Administrative Instruction (Article 6 and 7) and guidance provided by the SPO (e.g. circular letter or other instruction). Inclusion of strategic document into the planning procedure will involve the following main steps:



### 5.2.1 Development of proposals for drafting strategic documents and submission to the SPO

Inclusion of strategic document into the planning procedure will start with the SPO's issuing a circular letter to all ministries and other proposing bodies. The circular letter will detail the process of proposing strategic documents for the coming year and two following years, the information to be provided, the deadlines to be respected and any other relevant information. The circular will be issued well in advance of preparation of the GAWP to allow enough time for inclusion therein. As required in the Administrative Instruction (Annex 2), only those strategic documents that will solve significant problems – as well as support implementation of Government priorities, NDS and European Integration – will be proposed for development. The proposing body for each proposed strategic document will prepare the “Form for proposing strategic document” as required by Articles 6 and Annex 2 of the Administrative Instruction.

Each ministry, proposing body and the OPM have the right to propose strategic documents to be included in the planning procedure. Ministries, other proposing bodies, and the OPM will propose strategic documents that fall within the limits of their formal jurisdiction. The SPO, in consultation with line ministries, will have the right to propose strategic documents, which will support implementation of Government priorities or previous Government decisions and which have not been proposed by any of the proposing bodies. In this case, the SPO will ask the lead ministry to prepare the “Form for proposing strategic document”.

The ministries shall submit to the SPO their proposals for drafting strategic documents after consulting on such proposals in the Strategic Management Group (SMG) prior to the final drafting of the SDAP as an annex to the GAWP.

The proposal will include strategic documents to be developed in the next calendar year and two following years and must comply with the requirements for “Form for proposing strategic document”, as described in Annex 2 of the Administrative Instruction and any other additional instruction provided in the circular letter.

## **5.2.2 Development of Strategic Documents Annual Plan**

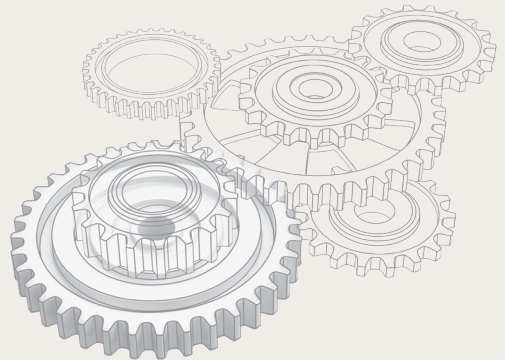
The SPO will review the proposals of proposing bodies and will make a final decision on whether to include them in the SDAP. Based on the review results, the SPO will draft the SDAP in line with requirements set forth in the Administrative Instruction (Article 7). It will also be in charge of presenting the SDAP to the SPC for adoption as well as integration of it into the GAWP. The recommended template for the SDAP is presented in Appendix 1 of this Manual.

## **5.2.3 Approval of SDAP and integration into the GAWP**

As required by the Administrative Instruction (Article 7), the SDAP, drafted by the SPO, shall be reviewed by the Strategic Planning Steering Group (SPSG) and shall be processed for further discussion and approval by the SPC in line with timelines for GAWP preparation. The strategic documents proposed to be drafted in the coming year shall be part of activities of GAWP for that year.



# 06



## 6. DEVELOPMENT OF STRATEGIC DOCUMENT

After inclusion of a strategic document in the planning procedure, the next stage is to start developing the document. This stage can be divided roughly into two main phases:

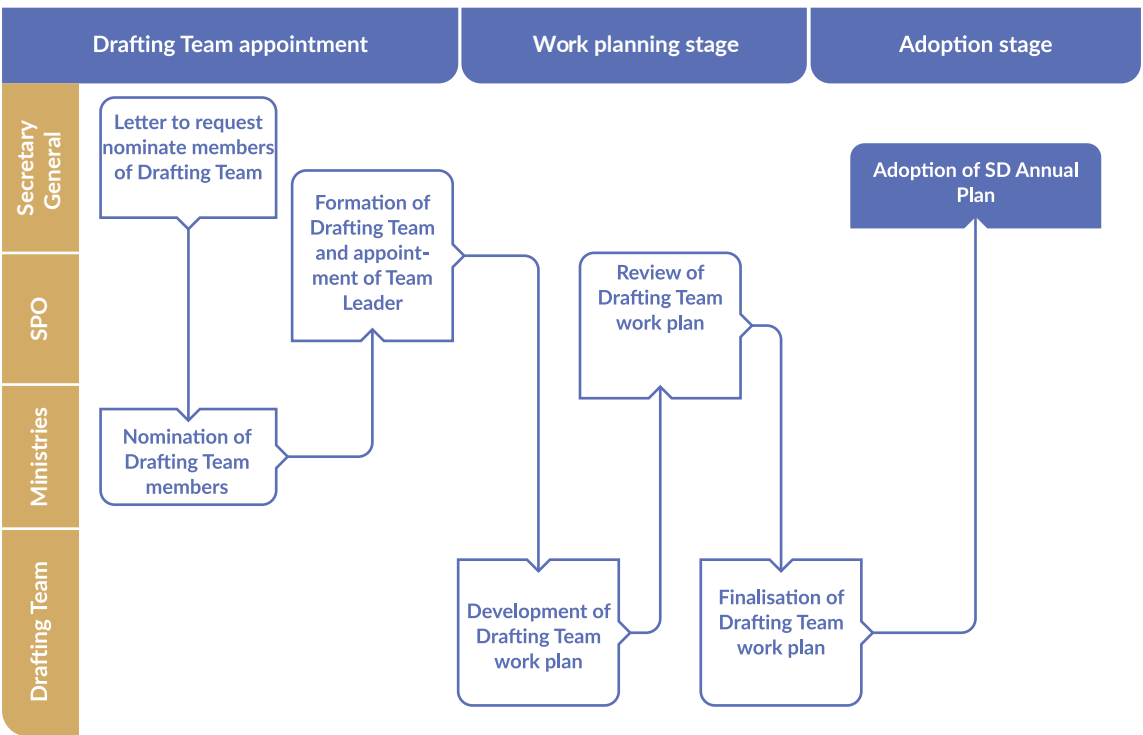
1. Establishment of institutional set-up for drafting strategic document and its action plan (Drafting Team);
2. Drafting of strategic document and its action plan.

## 6.1 Establishment of institutional set-up

Establishment of the institutional set-up will include establishment of the Drafting Team for drafting a strategic document and its action plan and the development of its work plan, as shown in the Figure below.



FIGURE 4: ESTABLISHMENT OF DRAFTING TEAM PROCESS IN A NUTSHELL



### 6.1.1 Establishment of Drafting Team to develop strategic document

The establishment of the Drafting Team to develop a strategic document will follow the requirements set forth in the Administrative Instruction (Articles 8 and 9). It will start with the appointment of the Drafting Team and its Team Leader.

#### 6.1.1.1 Appointment of Drafting Team

The Drafting Team is established only after the adoption of the GAWP following the requirements set in Article 8 of the Administrative Instruction. The Secretary-General of the lead ministry is responsible for the formation of the Drafting Team and selection of the Team Leader, in consultation with the SPO. The size of the Drafting Team may vary from 7 to 10 or more, depending on the complexity of the

policy in question. The more cross-cutting the area, the more members there will be on the Drafting Team. It should be taken into account that the most constructive and effective work is done with a team of under 10 members.

In addition to the representatives of the subject matter branch of the lead institution, the Drafting Team will always have the following members (Article 8 of the Administrative Instruction):

- Department for European Integration and Policy Co-ordination of relevant ministry;
- Department responsible for the budget of relevant ministry;
- Other units of relevant ministry, if the document is related to their responsibilities;
- Strategic Planning Office, Office of the Prime Minister;
- Legal Office, Office of the Prime Minister;
- Ministry of Finance;
- Ministry of European Integration;
- Ministries directly or significantly affected by the strategic document;
- Civil society representatives, academics, advisors or external experts (according to Regulation no. 05/2016 on Minimum Standards for the Public Consultation Process).

The Secretary-General of the lead ministry will identify and discuss the potential composition of the Drafting Team with the staff of the ministry policy unit in question, as well as the SPO. The role of the policy unit in question will be to advise on the inclusion of the members from other ministries as well selection of the most relevant Civil Society Organisations (CSOs).

After consultation of the potential composition of the Drafting Team with the SPO, the Secretary-General of the lead ministry will require the respective institutions to appoint their representatives as members to the Drafting Team. The respective institutions will have seven working days to assign their representatives in line with Article 8 para. 3 of the Administrative Instruction.

The respective institutions will appoint the members of the Drafting Team who have adequate knowledge of the policy in question, as well as analytical and communication skills. The appointing institution will ensure that its representatives have the adequate capacity to participate effectively in the drafting process.

In the process of developing a strategic document, the members of the Drafting Team will represent the co-ordinated position of the institution they represent, with any necessary prior consultation with relevant senior officials in their respective institution. The responsibilities of the Drafting Team are described in Box 1 below.

In the case of complex issues, the SPO has the right to require the establishment of a Drafting Team at the Government level following the Regulation on Rules and Procedure of the Government.

### 6.1.1.2 Selection of a Team Leader

The **selection of the Team Leader** is a crucial step to ensure the smooth, analytical, inclusive and timely strategic document development process. Hence, the selection of the Team Leader may include the following principles and criteria:

- Knowledge and expertise. The potential Team Leader should know the subject matter in question. He/she should have good knowledge and experience in the sector and be familiar with the key beneficiaries and stakeholders.
- Authority. The potential Team Leader should have formal authority to co-ordinate the work in the subject matter in question.
- Leadership experience. Ideally, the potential Team Leader should have leadership experience involving multiple organisations and good collaboration skills.
- Public management. Ideally, the potential Team Leader should be familiar with policy analysis and development aspects and be aware of the tools used in policy analysis and development.
- Motivation. The potential Team Leader should be motivated to change the situation in the subject matter in question.
- Availability. The potential Team Leader should be able and willing to allocate enough time to effectively perform the Team Leader role.

The recommended responsibilities of the Team Leader are illustrated in the Box below.

### Box 1. Recommended responsibilities of the Drafting Team members

The recommended responsibilities of the **Team Leader** may be the following:

- a Lead the planning of the work of the Drafting Team.
- b Call and lead the meetings of the Drafting Team.
- c Allocate the tasks for the members of the Drafting Team.
- d Co-ordinate collection and analysis of the data and information required for development of strategic document.
- e Ensure the drafting of the strategic document text by allocating tasks to the members of the Drafting Team.
- f Co-ordinate and organise consultations of the draft strategic document.
- g Submit the draft of the strategic document to respective bodies.

The recommended responsibilities of the members of the **Drafting Team** may be the following:

- h Collect and provide data and information for problem analysis in the area of his/her responsibility.
- i Draft the respective sections of the strategic document as directed by the Team Leader.
- j Consult the position of the institution he/she represents and present it to the Drafting Team.
- k Participate in the meetings of the Drafting Team as called by the Team Leader.



## 6.1.2 Starting the work of Drafting Team

The Drafting Team will start its work after appointment of its Team Leader and members. Realistic planning is crucial for timely preparation of strategic document and hence effective work of the team. The drafting of the strategic document may take a long time – usually between 9 and 18 months. It is very important to map the activities of the Drafting Team and allocate enough time for each of them. Hence, the team will start its work with the development of its detailed Work Plan, as indicated in Article 9 of the Administrative Instruction. The recommended template for the Work Plan of the Drafting Team is provided in Appendix 2 of this Manual.

The Work Plan will include the following elements:

- a **Roles of the Drafting Team members.** The roles of the Drafting Team members will be proposed by the Team Leader. Recommended roles of the team members are illustrated in the Box below.
- b **Data collection and analysis activities.** The Drafting Team will have to identify the data to be collected, the sources of data collection, the tools for data collection and responsible members for data collection. Data collection might be the most time- and labour-intensive process in strategic document drafting, hence it might be useful to draft a data-collection map to understand time demands. An example of data mapping is provided in Appendix 3 of this Manual.
- c **Problem analysis.** The Drafting Team, based on the data-collection schedule, will have to plan the key milestones for problem analysis and their schedule.
- d **Identification of objectives and indicators.** The Drafting Team will include activities needed to compile a list of objectives, their indicators and baseline and target values.
- e **Development of action plan.** The Work Plan will also include the key milestones for development of the draft action plan.
- f **Consultations.** This will include both public and inter-ministerial consultations. Public consultations will list indicative target groups and methods, as well as the schedule.
- g **Finalisation of the strategic document based on consultations.** The Work Plan will also provide an indicative timeline for the finalisation of the draft strategic document following public consultations.

All the steps and milestones in the Work Plan will include indicative deadlines and responsible members of the Drafting Team. It may also include the resources needed to complete the tasks. The deadlines for drafting of the strategic document must be fully in line with the SDAP, as indicated in Article 9 of the Administrative Instruction. The Work Plan will be approved by the Secretary-General of the lead ministry. Any issues raised by the SPO representative in the Drafting Team shall be resolved by the Secretary-General before its approval.

Preparation of the Work Plan is important, as it increases the chances of drafting strategic document in a timely way.

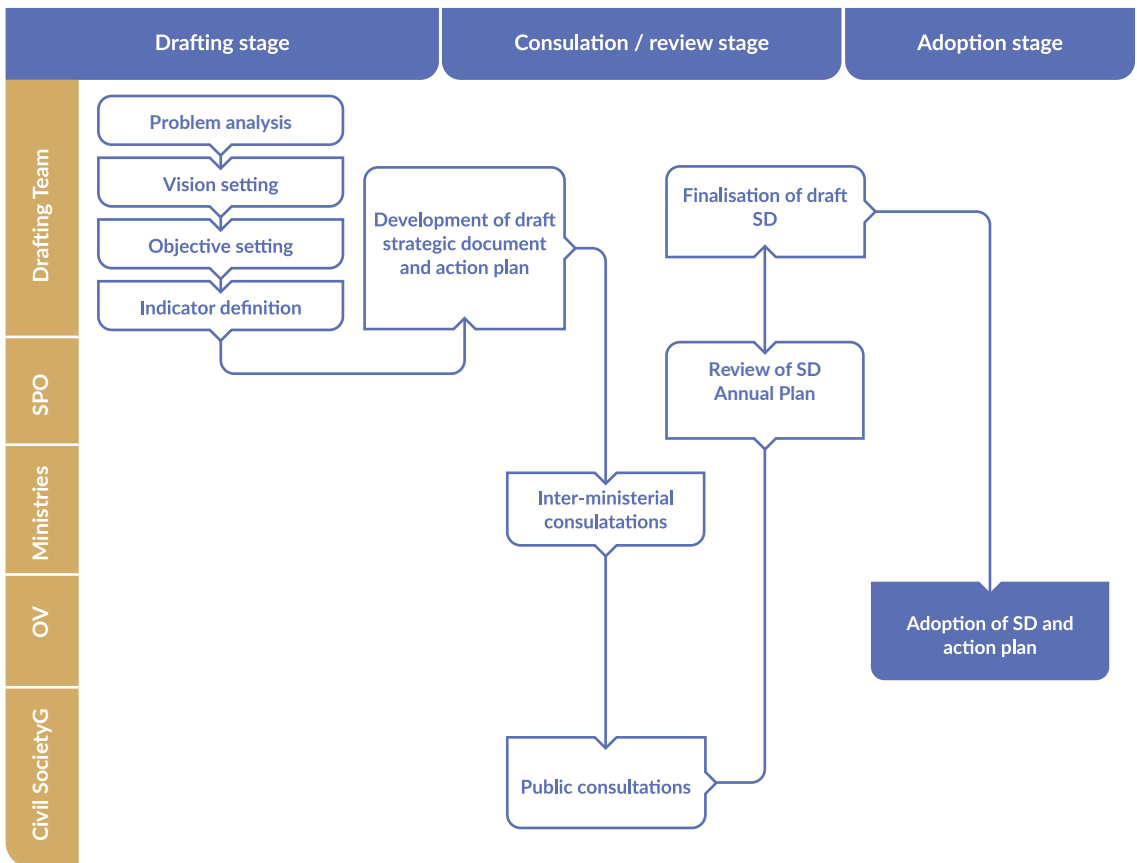
## 6.2 Drafting of strategic document

Drafting of strategic documents is a comprehensive process starting from problem analysis and ending with public consultations, after which the draft strategic document is submitted to the Government for adoption. Hence, the drafting process includes the following steps:

- 1 Problem analysis
- 2 Setting the vision
- 3 Setting objectives
- 4 Developing indicators
- 5 Developing action plan
- 6 Costing of planned activities and reforms
- 7 Inter-ministerial and public consultations.



FIGURE 5: DRAFTING PROCESS IN A NUTSHELL



In drafting a strategic document and its action plan, the Drafting Team will follow the main requirements provided in the Administrative Instruction (Article 10):

- Proposed strategic document will cover a period of at least five years;
- Action plan will cover three years;
- Structure and content of strategic document and actions plan will follow the requirements set forth in Annex 1 “Structure and Content of Strategic Document and Action Plan” of the Administrative Instruction.

Recommendations and short examples on how to draft a strategic document based on Annex 1 of the Administrative Instruction are provided in Appendix 4 of the Manual.

### 6.2.1 Problem analysis

The first phase of the strategic document-development process is the **analysis of the current situation**, with the purpose of identifying problems and their causes, challenges and opportunities for reform. During this phase, supporting evidence related to the identified problems, challenges and opportunities has to be collected and provided by the Drafting Team developing the strategic document. Evidence is any available fact, data or information indicating whether a stated belief, judgement or proposition is true or valid.

This phase is a key part of strategic document development because the results of the analysis are used later for objective-setting and identification of actions/measures.

The results of the problem analysis will be summarised and provided in the “Background” Section of the strategic document and will follow the recommendations and template provided in Annex 1 of the Administrative Instruction. The analysis should be concise and to the point and should present only analytical, not descriptive, information. Additional information and supporting data can, if needed, be provided in a separate annex to the strategy document. The Box below provides an example of a problem description/narrative.

## Box 2. Problem description/narrative examples

### Employment and Vocational Education and Training

The Labour Force Survey data for 2016 shows that only 38.7% of the working-age population participate in the labour market (38.7%). The reasons for inactivity include participation in education or training and discouragement, believing that there is no work (16.3% and 14.1% of the working age population in 2015), while in the case of women in particular, the key reasons are related to family responsibilities. On the other hand, any incentives for women to combine the work and engage with the family life are missing. The unemployment rate in Kosovo in 2016 was 27.5%, whereas among the unemployed, 65.6% were long-term unemployed.

In 2016, among the employed 22.9% were unpaid family workers and self-employed persons without employees, considered as unsustainable employment. Almost one-fourth of the employees had no employment contract, whereas among them only 29.5% had a permanent employment contract. There are also cases of loss of life of workers in their workplace in the absence of basic security equipment.

Inactivity and unemployment are particularly high for women. Women have a participation of three times lower in the labour market (18.6%, compared to 58.3% for men) and face a higher unemployment rate (31.8% compared to 26.2% for men).

In 2016, the youth unemployment rate was 52.4%. In addition to the low demand for employment and the demographical structure (high number of youth entering the working age population annually), the poor employment performance of young people is the result of many factors: (i) the quality of education at all levels and the inconsistency of educational programs with market requirements, (ii) the lack of practical work at school and enterprise, which is particularly important in the case of vocational education, (iii) limited information on labour-market demands, (iv) lack of career counselling and orientation, and (v) the lack of work experience and contacts (networking) with potential employers, which is also related to the lack of practical work mentioned above, thus making the transition from school to work difficult. Moreover, from the youth working, only slightly above half (54.8%) have an employment contract.

At present, there is no regular labour-market demand assessment system in Kosovo. Currently, the VTCs, on a non-regular basis and for internal needs, conduct studies on market demand for professions in their regions. In the absence of data, there is no accurate evidence whether in the current content, the VET training provided is required in the labour market. Moreover, there is a lack of data on the professions that the labour market requires and that are not provided by the VTCs. Information on the job vacancies are missing because of the lack of contacts with employers and lack of announcements in portals.

MLSW does not operate a system for regular evaluation of the quality of training provided by VTCs.

On the other side, the enrolment in VET-schools is seen as a second option for those who have not managed to enrol in general secondary schools/gymnasiums, and the numbers of

students enrolling in vocational schools in recent years has dropped and is now below 50% of the upper secondary student population. The relation between vocational education and the labour market remains a challenge that requires immediate action because at least 30% of vocational schools specialise in trades for which there is little demand in the market.

The budget per student in VET is insufficient to cover basic needs. Moreover, public vocational schools have serious limitations in terms of income generation. The financial constraints impacting on VET hamper investment opportunities in infrastructure and in equipment, even for specialist skills for which there is a demand in Kosovo.

Despite some progress in labour-market data collection, the lack of career guidance and counselling centres at school, municipal and national level, and the lack of information from the labour market remain significant challenges. So far, there is no inter-ministerial agreement to facilitate this co-operation and enable the development of student internships.

Issues that need attention in VET include capacity building of teaching staff, ensuring co-operation between schools and enterprises, review of existing occupational standards, and introducing the missing standards. Other challenges are the development of Core Curriculum for VET, the framework for vocational profiles, modularisation of the existing VET curricula and development of new competency-based modular curricula according to professional standards, the quality of practical teaching and training in VET schools, and support for VET teachers from professional development programmes.

(Adapted from the Kosovo Education Sectors Strategy and Sector Strategy for Ministry of Labour and Social Welfares)

### 6.2.1.1 Responsibility for conduct of problem analysis

In most cases the problem analysis will be carried out by the Drafting Team. However, in some cases the team may need to outsource either all or some parts of the analysis to a non-governmental organisation (NGO) or private-sector service provider. Reinforcement for problem analysis can also be provided by technical assistance or other donor support. The external assistance should be used in cases when the expertise and skills required to carry out analysis are not available within lead and other institutions. In such case, the Drafting Team, with involvement of the lead institution, will develop the Terms of Reference (TOR) to properly target the scope and define the methodology for analysis.

Whatever set-up is chosen for the analysis (internal or outsourced), it is important to consult various stakeholders for data collection and analysis, as well as on the results of the analysis. The stakeholders to consult can be decision makers, implementing staff, external service users, NGOs and others. Broad consultation will allow for problems to be identified “on the ground” and for policy solutions to be developed based on the needs of service users or the direct beneficiaries of the strategic document.

The Drafting Team should be aware that proper analysis takes time: on average between two to six months, sometimes more. The time allocated to carrying out the planned problem analysis depends on the particulars of the available resources and the complexity of the consultation process needed to develop/validate the findings of the analysis. Most importantly, they depend on the availability of sufficient and reliable evidence. Hence, the crucial aspect is to allow the necessary time for analysis and reflect this in the Drafting Team Work Plan.

### 6.2.1.2 Analytical tools for policy analysis

Problem analysis can either employ a number of methods and tools or be a less tool-intensive (and simplified) process. The complexity of the problem analysis will depend on the complexity of the problems and availability of data and information on the causes and impacts. Whatever approach is chosen, the methodology used for problem analysis should be summarised and described in Section III of strategic document “Methodology” (as required by Annex 1 of the Administrative Instruction). In this section the Drafting Team will have to summarise the analytical approach, methods used, and institutions or stakeholders involved in analysis. This section should be no longer than one page.

A simplified process is an option when there is shortage of in-house skills, analytical expertise and financial resources. In such cases the recommendation is to identify the key areas of analysis and simply start listing and describing results achieved, gaps, problems and their root causes. In this case proper and wide-ranging consultations are of particular importance, as they allow for sharing and validating the results of the analysis. Consultations can also be used to further enrich the analysis by providing additional data, information and insight.

The use of specific **methods and tools** requires resources, preparation and co-ordination. The most frequently used tools to structure and organise the analysis are:

- Analysis of Political, Economic, Social, Technological, Legal and Environmental factors (PESTLE)
- Analysis of Strengths, Weaknesses, Opportunities and Threats (SWOT)
- Problem-tree analysis.

The Drafting Team can use any of the analysis tools, including those not described in this Manual. The most critical aspect is to structure the problem analysis so that it captures the most important aspects and leads to identification of real problems.

### 6.2.1.2.1 PESTLE

**PESTLE** analysis is a framework for the analysis of the external environment of the policy in question. It comprises a checklist of areas to be examined when analysing the environment. It is used to determine the external factors that have or will have an enabling and/or hindering impact on the policy and that are later either translated into opportunities and threats in the SWOT analysis or used independently. Some of the questions that can be used to structure a PESTLE analysis are presented in Box 3.

#### Box 3. Questions for structuring a PESTLE analysis

##### Political

- What is the impact of the political agenda (for example, elections, government programmes and political priorities) on the policy?
- Are there any (new) political commitments that should be addressed by the policy?
- How might other policy areas (for example, taxation, competition and regional development) affect the policy?

##### Economic

- How might current or projected economic development (consumption, employment, inflation, income levels, etc.) affect the policy and its target group?
- Is the current position of the target group going to deteriorate, improve or stabilise and will it require new solutions?

##### Social

- How might demographics, cultural limitations, levels of education and health affect the policy and its target group?
- What changes and solutions should be sought?

##### Technological

- How might technology impact the policy and its target group, either positively or negatively?
- Are there any new technologies that could be used to make the policy more effective and efficient?

##### Legal

- Are there any legal bottlenecks that are delaying the implementation of envisaged activities and reforms? If so, where are they?
- How significant is the regulatory burden in a given field, and might there be any legal bottlenecks affecting the implementation of reforms?

**Environmental**

- How might the interventions of the strategic document affect the environment?
- Are there any environmental laws, regulations or standards with which interventions of the strategic documents will have to comply? What will be indicative compliance costs?

Box 4 shows a hypothetical example of a PESTLE analysis summary.

**Box 4. Example of a PESTLE analysis – VET Education, Training and Employment****Political**

- There is a strong political commitment to invest in the improvement of the VET education and labour-market needs assessment. Both commitments are expressed in the National Development Strategy, Education Sector Strategy, Labour and Social Welfares Strategy. The Government has set an ambitious target to reach a 5% of economic growth, which will have a direct impact on unemployment.
- However, the political stability in the country due to the recent developments in the region remain a challenge.

**Economic**

- The average Kosovo's economic growth since 2009 has been 3.2%, generally higher than in the countries of the region. Growth has been driven mainly by high public investment rates, continuity of foreign aid, increasingly large private investment and diaspora remittances. Also, throughout this period, Kosovo has marked other positive macroeconomic indicators such as the moderate inflation rate, the low level of public debt and the stability of the financial sector
- However, Kosovo's economy continues to face major challenges that do not enable economic growth to be followed by the increase in employment and welfare. The main challenge remains the low level of private-sector development, which remains focused on services (mainly trade) both in low value-added activities and in non-tradable goods.

**Social**

- The Labour Force Survey data for 2016 shows that only 38.7% of the working-age population participate in the labour market (38.7%). The reasons for inactivity include participation in education or training and discouragement, believing that there is no work (16.3% and 14.1% of the working age population in 2015), while in the case of women in particular, the key reasons are related to family responsibilities. The unemployment rate in Kosovo in 2016 was 27.5%, whereas among the unemployed, 65.6% were long-term unemployed.
- The latest Household Budget Survey (HBS, 2015) shows that annual household consumption dropped.
- Statistics show that poverty remains high. Despite economic growth, about 30% of Kosovars live with less than € 1.70 per day (the absolute poverty line), while 10.3% are



extremely poor. Poverty is particularly high for the following groups: families headed by women (40%), persons with low levels of education (36% for those who have not completed formal education and 33% for people with primary education) (30%), children (33%), people with disabilities (79%) or retired (44%), unemployed (36%) and families with more than four children (34%).

### Technological

- Kosovo is a country with a high rate of Information and Communication Technology (ICT) use. According to a report of the Kosovo Association of Information and Communication Technology (STIKK) it is estimated that 76.6% of Kosovo population are Internet users, mainly for entertainment purposes. On the other hand, in Kosovo schools there is one computer per 46 pupils, while 57% of the teaching staff have ECDL training. Such a situation requires swifter movement towards the application of ICT in classrooms because the opposite may reduce the importance of the school to students' future. It is expected that the use of ICT in the next five years will take other dimensions, which, for now, cannot be predicted.

### Legal

- The sector legislative framework is rather advanced, but reforms are required, above all for the transposition of the EU Acquis on minimum standards in the areas of labour law, equality, health and safety at work and against discrimination.
- Kosovo's legislation regulating the employment and social policy area is partly aligned with the EU Acquis and with the main principles of EU law. The concrete plan for further transposition of European legislation is concretised in the NPISAA.

### Environmental

- There is no direct relationship between the employment strategy interventions and environment. However, the low level of economic development, high level of unemployment and lack of long-term vision for tackling poverty are factors limiting environmental improvement in Kosovo.

### 6.2.1.2.2 SWOT

The **SWOT** analysis is one of the most popular tools for analysing the external and internal environment of the policy in question. It is a quick and simple technique that can be used to support the preparation or amendment of strategic document, and it often follows on from a PESTL analysis. S (strengths) and W (weaknesses) represent internal factors (for example, the capacity of the implementing organisations, finance and legal aspects), while O (opportunities) and T (threats) cover external enablers and limitations (for example, awareness of beneficiaries, social norms, demography and the economy).

SWOT analysis is done through brainstorming sessions, workshops or focus groups involving a wide range of stakeholders and representatives from related organisations. Some advance preparation will be needed to conduct a successful SWOT analysis (for example, facilitation questions, prior discussions with stakeholders and reading on the subject). The results are presented in a SWOT table (Box 5 shows an example).

The biggest challenge in SWOT analysis is confusion as to whether something should be considered a strength or an opportunity, or rather a weakness or threat. This judgement should always be the result of the deliberative discussion of the stakeholders. It should be noted that no factor should appear under more than one category.

**Box 5. SWOT analysis – Employment strategy**

S	W
<ul style="list-style-type: none"> <li>● State policies on employment are closely interlinked with the EU integration agenda.</li> <li>● The sector legislative framework is rather advanced.</li> <li>● Institutional structures for employment services and social assistance are consolidated.</li> <li>● Apart from being a political priority in Kosovo's strategic documents, employment and social welfare are also a priority of donors and development agencies.</li> <li>● The National Qualifications Authority (NQA) is functional.</li> <li>● Centres of Competence have been established, with some very positive developments in terms of infrastructure, capacity building, development of occupational standards, and competency-based modular curricula and teaching materials.</li> </ul>	<ul style="list-style-type: none"> <li>● There is a high level of unemployment and activeness among population particularly among youth and women.</li> <li>● A labour-market demand assessment system is absent.</li> <li>● Low demand for employment and the low employment of young people are factors.</li> <li>● The numbers of students enrolling in vocational schools has decreased in recent years.</li> <li>● The budget per student in VET is insufficient to cover basic needs.</li> <li>● Career guidance and counselling centres are lacking at the school, municipal and national levels.</li> <li>● Co-operation between schools and enterprises is lacking.</li> <li>● Teacher capacity is insufficient.</li> <li>● A quality and specific VET core curriculum is lacking.</li> </ul>
O	T
<ul style="list-style-type: none"> <li>● SAA requires specific measures in the field of employment, first of all in the alignment of Kosovo's legislation with the EU Acquis.</li> <li>● The Government of Kosovo is committed through adequate allocation of resources, and other stakeholders, both local and international, are engaged in the field of employment.</li> <li>● Employment in Kosovo is identified as a priority in the strategies of EU, World Bank and other development partners.</li> <li>● Kosovo has marked positive macroeconomic indicators, such as the moderate inflation rate, the low level of public debt and the stability of the financial sector.</li> </ul>	<ul style="list-style-type: none"> <li>● The IMF projects economic growth of around 4% in the medium term, but Kosovo's economy continues to face major challenges that do not enable economic growth to be followed by an increase in employment.</li> <li>● Government performance may not be sufficient to address the causes of low competitiveness, which consequently reduces labour demand and income level in the economy.</li> <li>● Students will continue to consider enrolment in VET Education as a second option.</li> <li>● VTCs may continue to remain unmotivated and unable (in the absence of material for finalising the products) to engage in generating their own revenues.</li> </ul>

### 6.2.1.2.3 Problem-tree analysis

The **problem-tree**<sup>3</sup> method assists in analysing an existing situation by identifying the major problems and their main causal relationships. The output of the analysis is a graphical presentation of problems, their causes (reasons behind the problem) and their effects (consequences of the problem).

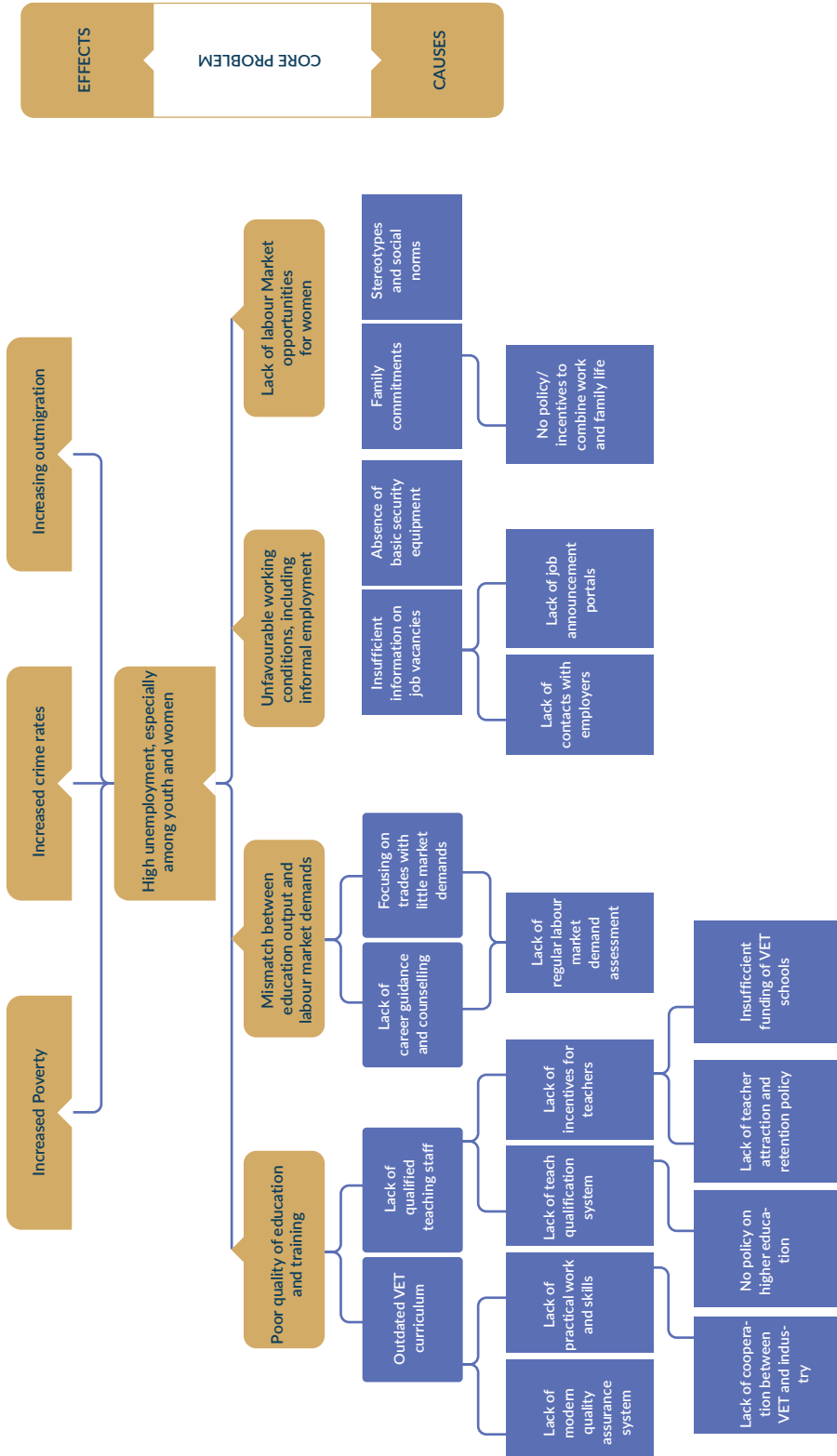
The construction of a problem tree is an interactive exercise that involves brainstorming sessions to identify problems and their causal relationships. It is recommended that the main stakeholders (drawing from the members of civil society, academia, the private sector and government institutions) be invited to participate in the exercise, so that the problem tree represents a negotiated and shared view of the situation. An experienced facilitator might be needed to conduct a successful problem-tree analysis. The first task is to identify focal problems, then the main causal relationships between them are visualised using a problem tree. An example of problem-tree analysis is illustrated in the Figure below



**FIGURE 6: EXAMPLE OF PROBLEM-TREE ANALYSIS**

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<sup>3</sup> The problem-tree analysis method is also used in the Guidelines and Manual for Developing Concept Documents (Section 1).



When doing a problem-tree analysis, it is important to not confuse problems with causes and effects, which is the most frequent mistake in this process. It might be an iterative process, moving the identified factors up and down in the problem-tree drawing until the members of the Drafting Team agree upon a position.

At the end of the problems analysis, the Drafting Team will have to summarise and structure the results of the analysis so that the problems appear clearly and are supported by evidence and facts. More importantly, particular attention should be paid to “unlocking” the causes of the problems, as they will be crucial in defining the actions to achieve the objectives of the strategic document. Good problems analysis makes the identification of objectives and development of action plan an easier task.

The results of the problem analysis should be summarised and provided in Section IV of the strategic document “Background” (as required by Annex 1 of the Administrative Instruction). The description of the problems should include definition of the problems, description of the problems, comparative data, causes of the problems and their impacts, identification of which causes are beyond the Government’s control and previous attempts to address the problems. The summary narrative text should also provide graphs and images, as well as be substantiated by data and references.

The “Background” Section should be concise and clearly structured (problem by problem clearly separating each) and should not exceed five pages (excluding graphs and images). An even shorter and concise strategic summary of problems will be provided in Section I “Executive summary” of the strategic document (as required by Annex 1 of the Administrative Instruction).

An example of problem description is provided in Appendix 4 of this Manual.

### **6.2.1.3 Methods for data collection**

The Drafting Team will also have to decide how to collect data and information for problem analysis. Several data-collection methods can be used. The most appropriate and widely used methods for the analysis of the current state of affairs include:

- desk research (monitoring, evaluation or other reports, regulatory review, use of national statistics and administrative data, etc.);
- brainstorming;
- focus groups;
- interviews.

Most often, the sound application of any of the analytical tools described in Section 7.1.2 requires the use of a mixture of various data-collection methods. It allows for a more solid methodological approach and may lead to a stronger and sounder evidence base, as well as the establishment of a shared understanding of the problems among the involved stakeholders. An example of the use of different data-collection methods is illustrated in the data-mapping example in Appendix 3 of this Manual (under the column Sources of information/data collection methods).

When different methods yield conflicting results or conclusions (for example, if implementation or statistical data collected show that everything is on track, but external sources/stakeholders

flag specific problems during interviews), it is necessary to investigate the issue further, either by collecting additional data or by organising additional consultations/fact-finding workshops, in order to understand the problems better.

It is worth remembering that in most cases there exists a preceding strategic document; thus, the level of ambition of the new strategic document should be set with clear references to the outcomes of the previous one. When monitoring or evaluation reports are available, their results and evidence should have been used during the analysis. Of course, if evidence shows that the preceding strategic document was of poor quality or not implementable, it should be used only to a very limited extent to set the new strategic ambitions.

The use of data-collection tools and methodology will be briefly summarised and described in Section III “Methodology” of the strategic document (as required by Annex 1 of the Administrative Instruction).

## 6.2.2 Setting the vision

Vision is the most abstract-level direction given to the strategic document. The vision has to be time-framed and ambitious enough to inspire and drive changes, yet still be achievable. In the case of a strategic document, it should cover a period of at least five years.

The vision can first be drafted by the Drafting Team and then be shared with wider stakeholder groups. The main techniques used in visioning are the interactive methods of brainstorming and roundtable discussions. In the process of developing a strategic document, this is usually done after the problem analysis has been carried out. However, sometimes it might also be done prior to the analysis in order to encourage creative and progressive thinking. In such a case, the vision statement can be adjusted later, where necessary, to take fully into account the results of the problem analysis.

The vision statement should be concise, short, clearly written and easy to remember, and it should clearly provide future direction. The best vision statements are considered to be only one or two sentences long. While lengthy vision statements should be avoided, some additional explanation can be provided to support the vision statement, if deemed necessary. Some examples are provided in Box 6.

### Box 6. Vision examples

**EDUCATION.** Well-resourced, internationally competitive, values-based system that develops critical thinking, life-long learners who are productive and successful and can effectively contribute to an improved quality of life at the personal, national and global levels.

**PRIMARY HEALTH CARE.** Primary health-care service that improves people's health, keeps them well, and is easy to access. Primary health-care services will focus on better health for the population and actively work to reduce health inequalities among different groups.

**TRANSPORT.** Creating a single integrated transport network accessible to everyone. OR: A well-developed network of roads and railways, with adequate capacities to handle the transport demand.

## 6.2.3 Setting objectives

The next step after problem analysis in drafting a strategic document is to set the objectives. A strategic document will have two levels of objectives: **strategic objectives and specific objectives.**

A **strategic objective** represents a more general, at least five-year, aspiration in the form of a statement about the preferred conditions that the GoK will be committed to achieve. The document will have no more than five strategic objectives, which will be linked to identified problems and their causes.

Implementation of strategic objective will be operationalised through **specific objectives.** A specific objective specifies more concrete results, focussing more narrowly on an aspect of an area (or set of areas) defined under a strategic objective, usually with a shorter-term (or medium-term) perspective. On the one hand, specific objectives are defined to provide more exact directions for actions, and each one is to be achieved through the implementation of two or more actions. On the other hand, they should be linked to a general objective and represent a means to achieve it.

### 6.2.3.1 Linking problems with objectives

Overall, all objectives (strategic or specific) should be:

- directly linked to identified problems and their causes and strive to address them;
- mutually aligned;
- a basis for defining indicators.

Examples of strategic and specific objectives and how to link problem analysis to objectives are presented in Table 1 and Figure 7 below.



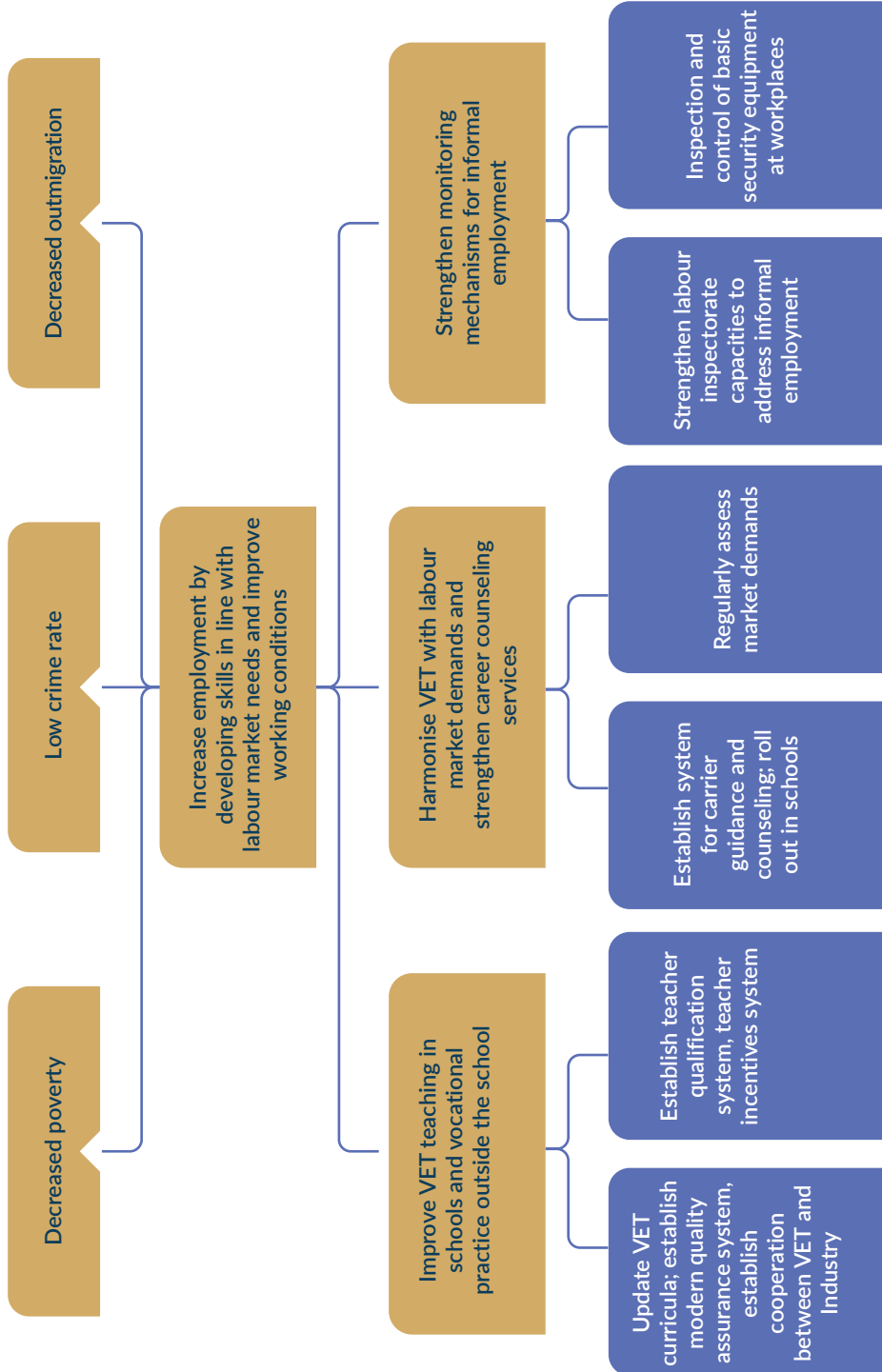


**TABLE 1: LINKING PROBLEMS WITH OBJECTIVES**

Problems and their causes		Strategic and specific objectives
<b>PROBLEM:</b> High unemployment, especially among youth and women.	→	<b>Strategic objective:</b> Increase employment by developing skills in line with labour market and improving working conditions.
<b>CAUSE:</b> Poor quality of education and training.	→	<b>Specific objective:</b> Improve the quality of VET teaching in school and vocational internship outside the school.
<b>CAUSE:</b> Mismatch between education output and labour-market demands.	→	<b>Objektivi specifik:</b> Harmonizimi i arsimit dhe aftësimit profesional me kërkesat e tregut të punës dhe ofrimi i këshillimit për karrierë.
<b>CAUSE:</b> Unfavourable working conditions causing informal employment.	→	<b>Specific objective:</b> Strengthen monitoring mechanisms for reducing informal employment and improve working conditions.



FIGURE 7: EXAMPLES OF OBJECTIVES



### 6.2.3.2 SMART objectives

Objectives should be formulated in a brief, clear and understandable way. The suitability of objectives should be tested against the “SMART” model. Objectives should be:

- SPECIFIC – an objective must be concrete, describing the result to be achieved, and focused, contributing to the solution of the problem;
- MEASURABLE – an objective should be expressed numerically and quantitatively in relation to a specific benchmark, and should allow the progress of implementation to be tracked;
- ACTION-ORIENTED/ATTAINABLE/ACHIEVABLE – an objective should motivate action, and it should state what is to be improved, increased, strengthened, etc., but it also should be reachable;
- REALISTIC – an objective should be realistic in terms of time and available resources;
- TIME-BOUND – the realisation of the objective should be specified in terms of a time period.

In many cases, it is the associated indicators with their baselines and targets that make an objective measurable and time-bound. In addition, it is important to keep this model in mind in order to set simple, clear and easy-to-read objectives.

### 6.2.3.3 Setting objectives in iterative way

Objective-setting and writing is an **iterative process**, and it may be necessary to revise the objectives several times before they are finalised. They may be revised in several iterations:

- After setting indicators with their corresponding baseline and targets and indicator passports detailing their measurement method, as some objectives may be too narrowly or too widely defined;
- After planning and costing the actions, due to some objectives’ appearing to be too ambitious and unachievable under the given circumstances and available resources;
- After a review of the objectives, if it reveals that their formulation is not clear enough.

Each objective will have at least one indicator (indicators are discussed in Section 7.2.2). A general objective may be associated with either an impact or an outcome level indicator, while the specific objective will be associated with an outcome level indicator.

Both objectives and indicators will be presented in Section V “Objectives” of the strategic document following recommendations provided in Annex 1 of the Administrative Instruction. This section should not exceed five pages. The Drafting Team will have to ensure that the requirements provided in Annex 1 of the Administrative Instruction are followed to the maximum extent.

## 6.2.4 Developing indicators

Strategic and specific objectives should be accompanied by at least one indicator for measuring the attainment of objectives. In the case of a strategic objective, the indicator may be set at the impact level. Indicators should also have a **baseline value and target values**. Strategic-document indicators should have **at least two target values**: a medium-term target and the final-year target in line with the period of the strategic document as required by Annex 1 of the Administrative Instruction (requirements set for Section V).

Developing indicators, their baseline and targets is a crucial stage in drafting a strategic document. Indicators with their related baselines and targets are used to measure the level of success and progress against the set general and specific objectives and often also concrete actions.

No indicator captures the entirety of any reform objective. They are rather illustrations to give a tangible and comparable explanation of the progress made through the course of the reform(s). Put simply, an indicator expresses progress, success or failure much in the same way that a thermometer measures the temperature, from cold to warm to hot.

### 6.2.4.1 Types of indicators used in strategic documents

Strategic document will have two types of indicators: **impact and outcome level indicators**. To measure the attainment of an action, **input or process indicators** will also be provided to measure the implementation of the action plan. Hence, the Drafting Team will have to develop three types of indicators – impact, outcome and input – to ensure successful measurement of progress and success. The examples of the above-mentioned types of indicators are shown in Table 2.



**TABLE 2: EXAMPLES OF INDICATORS**

Indicator type	Example
<p><b>Output indicators</b></p> <ul style="list-style-type: none"> <li>• Products or goods and services produced through the activities.</li> <li>• Activity-oriented, measurable, and usually under managerial control.</li> <li>• “What we produce or deliver.”</li> </ul>	<p><b>Examples</b></p> <ul style="list-style-type: none"> <li>• Number of students benefiting from career counselling.</li> <li>• Number of updated modules for VET.</li> <li>• Number of hours of practical work and professional practice for students.</li> <li>• Number of carried out inspections at the workplace.</li> </ul>
<p><b>Outcome indicators</b></p> <ul style="list-style-type: none"> <li>• Intended or achieved short- and medium-term effects of an action’s outputs.</li> <li>• Changes in institutional performance, or behaviour of individuals or groups, triggered by the outputs.</li> <li>• Should clearly relate to a given objective of the strategy.</li> <li>• External forces may limit managerial control over the attainment of outcomes, but managers are still responsible for their overall attainment.</li> <li>• “The results we intend to achieve.”</li> </ul>	<p><b>Examples</b></p> <ul style="list-style-type: none"> <li>• Employment rate of graduated students (%)</li> <li>• Number of students in deficit study fields (%)</li> <li>• Percentage of young people neither employed nor in education or training (NEET) (%)</li> <li>• Number of injuries in workplaces (%)</li> </ul>
<p><b>Impact indicators</b></p> <ul style="list-style-type: none"> <li>• Overall and long-term effect of achieving specific outcomes.</li> <li>• Express the ultimate improvement or change in the quality of people’s lives and services.</li> <li>• Usually have a direct influence on customer satisfaction (as a consequence of the reforms, among other things).</li> <li>• Can also be developed using international indexes such as the World Bank Worldwide Governance Indicators or the Global Competitiveness Report.</li> </ul>	<p><b>Examples</b></p> <ul style="list-style-type: none"> <li>• Population in extreme poverty (%)</li> <li>• Youth employment rate (%)</li> <li>• Informal employment rate (%)</li> </ul>

The impact and outcome indicators can be **quantitative and qualitative**. Quantitative indicators are measured using pure numbers, indexes, ratios or percentages. They are used more often than qualitative ones as they give clear measure of success and can be compared. They are also easier to calculate since they use mechanical methods of calculation of values.

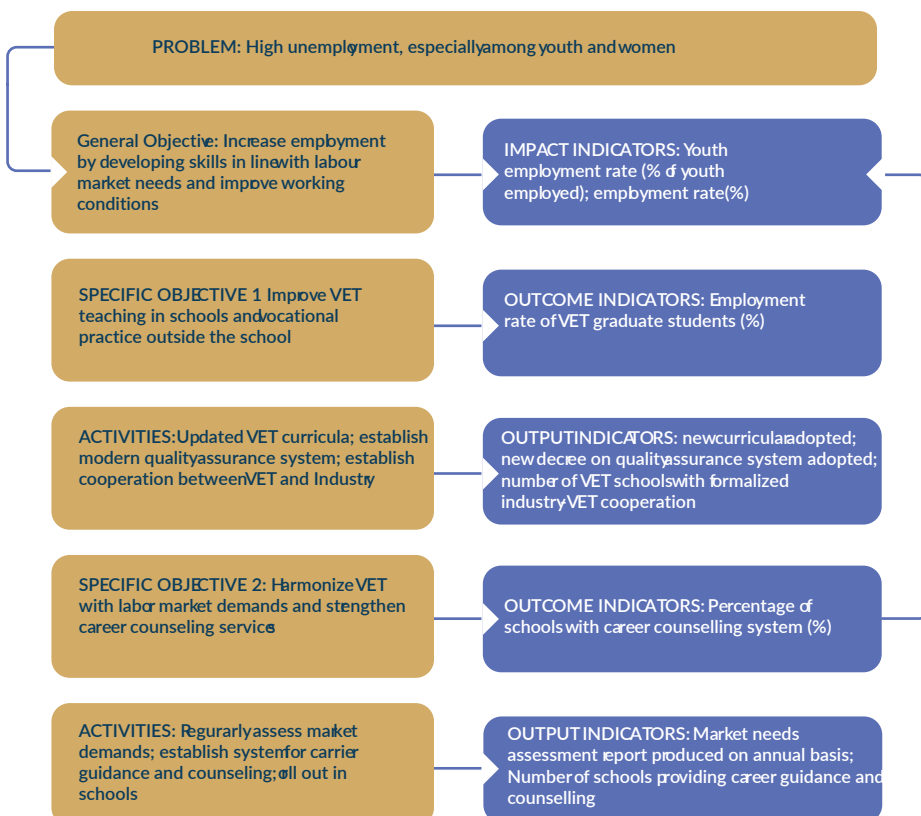
Qualitative indicators, in contrast to quantitative ones, depict the status of impacts and results in more subjective way. They are measured using some qualitative findings proposed by experts, and often the value given to them is binary (yes/no) or graded (from excellent to poor).

### 6.2.4.2 Logical framework

The indicators to be used by Drafting Team will be linked through a **logical hierarchy** (a “logical framework”), as shown in Figure below. The delivery or attainment of certain outputs leads to the achievement of a change, which is in turn described as a particular outcome. Achieving outcomes can trigger an overall change in the wider stakeholder environment, described as an impact.



**FIGURE 8: EXAMPLE OF LOGICAL FRAMEWORK SHOWING LINKS BETWEEN OBJECTIVES AND INDICATORS**



After the selection of indicators, the Drafting Team will have to set **target values**. The first step in setting targets is to identify a **baseline value**. The baseline value can be taken from various sources such as national statistics, administrative data and international sources<sup>4</sup>. However, some indicators may be new, and in order to set the baseline value, the Drafting Team will have to collect new data and calculate new indicators. In some cases, the baseline value may be set at “0” where a new system or process is being introduced.

Alternatively, it may be impossible to set a baseline, due to the data’s being unavailable or very costly to collect retrospectively. In these cases, the baseline value will be set as “not available”, “not applicable” or “to be determined”. The baseline value should be set as “not available” or “not applicable” in exceptional cases only. In cases when such values are used, the strategic document must clearly indicate in which year the exact baseline value will be calculated, and every effort should be made to ensure the establishment of this baseline value at the earliest possible date.

Once the baseline has been established, the second step is to set the **target**. An indicator target is usually set by taking into account the following aspects and information:

- **Priorities of the government/institution** – Has the objective to be measured been declared as a priority by the government or institution? Is there public pressure to substantially improve performance? If the objectives have been given a high priority and/or public pressure is strong, then the target may be more ambitious than what would be arrived at through a straight extrapolation of past trends.
- **Peer average** – What is the level of performance of other similar institutions or jurisdictions? If there is a big gap between the peers, then the strategy may set a more ambitious target to decrease or eliminate the gaps.
- **Available resources** – What is it possible to achieve using current resources, and should resources be re-allocated? If the achievement of a target is directly linked to financial resources (support to access to SMEs, for example, has direct financial implications), the target should take into account the projected necessary budget.
- **National or international performance standards** – Are there any benchmarks established by national or international organisations for measuring the expected performance? For example, benchmarks can be established in renewable energy, recycling, CO2 emissions, etc.
- **Past trends** – What is the performance trend for the last several years (say three, five or more years), and what are the reasons behind any ups and downs in performance? This aspect has particular importance, as substantial additional resources and focus are usually required in order to bring about improvements where longstanding performance levels are entrenched.

The indicators, baseline and target values will be presented in a table format in the Section “Objectives” of the strategic document (as required by Annex 1 of the Administrative Instruction). The template for presentation of the indicators is provided in Annex 5 of this Manual.

<sup>4</sup> For example, in the case of economic development, the Global Competitiveness Reports can be used.

## 6.2.5 Developing Action Plan

In parallel to drafting the strategic document, an action plan should also be drafted, unless otherwise provided by legislation. The draft strategic document and its action plan should be submitted, discussed and approved jointly. One of the most difficult steps in developing a strategic document is to produce a relevant and impactful action plan. The major challenges are the following:

- lengthy action plan with a long list of actions, often leading to its being unrealistic;
- focus on business-as-usual actions rather than reform actions;
- poorly written actions without conveying clearly the message, often bureaucratic and long formulations.

Hence, the Drafting Team should strive to design, as far as possible, **reform-oriented, new and innovative** actions. Furthermore, actions should be effective ways of solving the problems and causes that were identified during the problem-analysis stage, as well as linked to a problem-tree analysis if this method is used. Actions that are, or should be, already routinely implemented should be avoided. The non-exhaustive list of control questions for checking whether or not an action is new and/or innovative, and whether it has the potential to bring about the expected level of impact or change, is presented in Box 7.

### Box 7. Questions to test the novelty and impact of actions

- 1 Is the action new, or does it have a precedent of any kind?
- 2 Does the action change the whole system or one or more elements?
- 3 Is the action complex or simple in terms of both in its implementation and the variety of factors it will affect?
- 4 Is the action comprehensive (i.e. a set of interlinked activities)?
- 5 How big is the target group that will be affected by the change or new action?
- 6 How significant is the change? Will it affect only internal factors such as administrative procedures, or will it also affect the external environment in terms of such factors as quality and timeliness of service?
- 7 How big is the budget for implementation of the action?
- 8 How much time is needed to implement the action?



### 6.2.5.1 Types of actions

The identification of actions involves thinking about the different policy instruments that could be applied by the public sector to solve problems. The Drafting Team may use the framework for policy instruments presented in the Box below.

#### **Box 8: Framework for identifying policy instruments**

**Regulatory instruments** – setting forth rights, obligations, restrictions, or standards stipulated in laws and secondary legislation

**Administrative instruments** – including direct or indirect (i.e. outsourced) provision of services, infrastructure investment, capacity development (training), inspection, etc.

**Informative instruments** – including information dissemination campaigns, publications and the development of new information websites, etc.

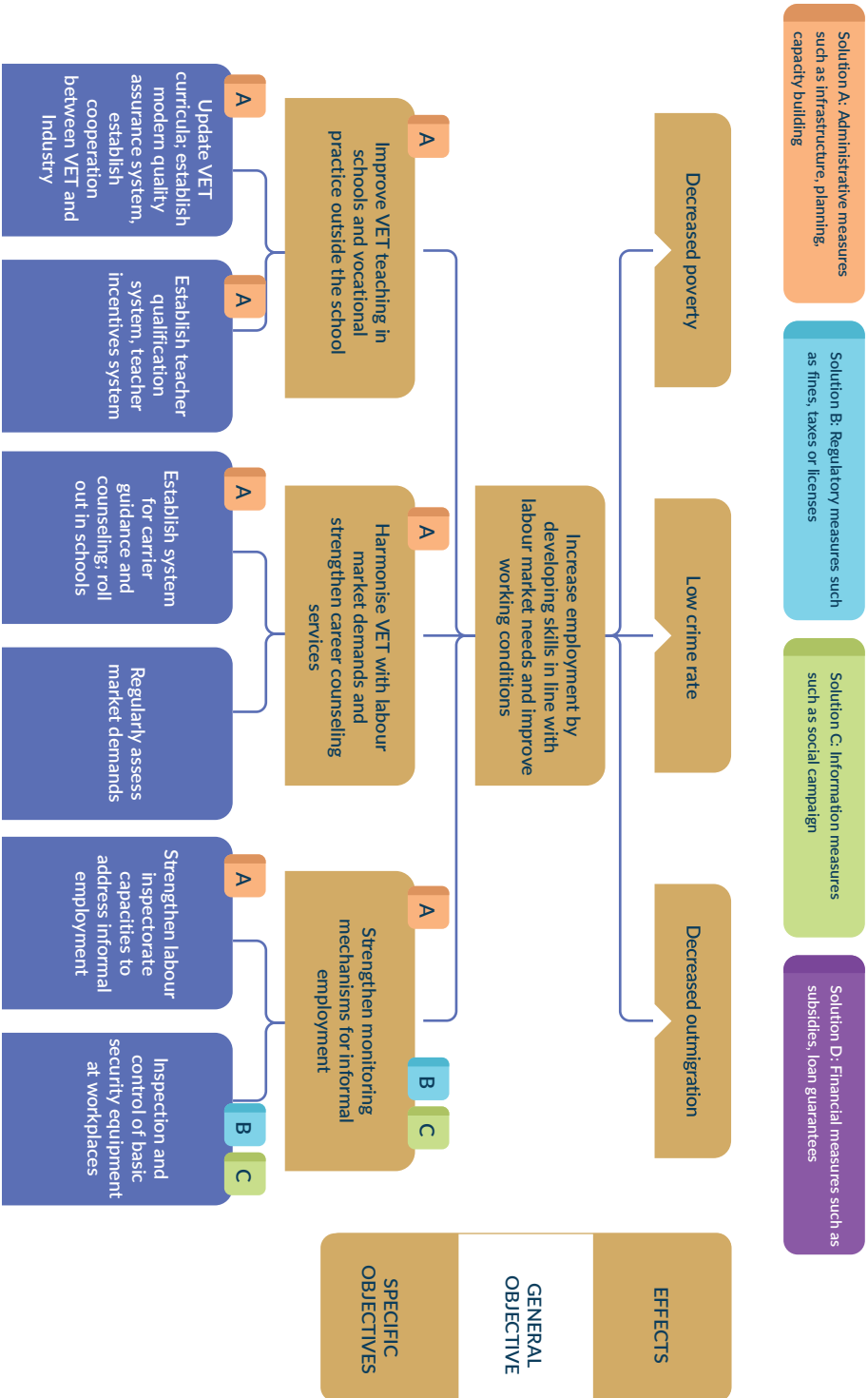
**Institutional instruments** – including the establishment or rearrangement of public institutions to ensure the fulfilment of necessary state functions or provision of public services and to improve service quality.

**Financial instruments** – including subsidies, tax deductions, guarantees, favourable trade conditions, etc. In PAR these are seldom used, however, although new fines or financial incentives may be introduced.

The examples of policy instruments are illustrated in Figure below.



FIGURE 9: EXAMPLE OF POLICY INSTRUMENTS



### 6.2.5.2 Action plan document

The action plan for the implementation of a strategic document is prepared in parallel with the strategic documents, unless otherwise specified by legislation. Both the strategic document and action plan should be adopted jointly. The action plan should cover a **three-year implementation period, with an annual review option**.

The action plan will be prepared in the form of a table reflecting the objectives, their respective indicators (outcome and impact), baseline and target values (interim and final year) and including all the information regarding the actions needed for efficient implementation, monitoring and reporting, clearly linked to the objectives it is intended to support. This includes:

- a brief description of the action;
- the deadline(s) for implementation (possibly multiple or phased and, if close monitoring and accountability is required, specified by quarter or month);
- the required financial and human resources for implementation and sources of funding (e.g. national budget, donor funding);
- responsibility for implementation in terms of the entities/units in charge and any institutions contributing to the implementation;
- output-/process-level indicators for each action;
- reference to central-level strategic documents, such as MTEF, NPISAA, other national strategies in order to ensure their full alignment.

The Drafting Team must ensure that envisaged actions are duly reflected in the forthcoming **Medium-Term Expenditure Framework and annual budget**. In addition, any actions of national importance should be included in central Government planning documents, such as GAWP.

The development of an action plan is an iterative process, and the Drafting Team should be ready to undertake several rounds of discussions and adjustments.

The Drafting Team may use the recommended template for action plan presented in Appendix 6 of the Manual.

### 6.2.6 Costing of planned activities and reforms

Once the objectives have been set and the necessary actions to achieve these objectives crafted, it is crucial to calculate required financial resources for implementation. Such calculations need to be checked against the estimated available funding before the strategy is finalised, as it could all too easily turn out that the calculated costs of implementing the envisaged actions exceed not only the available resources, but also what can be realistically expected in terms of support from external sources (such as from development partners like the EU, individual EU member countries, or international organisations like the International Monetary Fund [IMF] or the World Bank). The member of the Drafting Team representing the Ministry of Finance will have to ensure that such checking against the estimated available resources is done in due time.

The Administrative Instruction requires that the action plan provide the following information for each activity:

- financial resources required for implementation of activity;
- sources of funding (budget, donor or both) and their proportion.

In addition, the cost of implementing each activity is provided separately for each year for the whole period of the action plan, according to the MTEF planning. Any additional cost of the implementation of the action plan for the three-year period and the breakdown of costs into economic categories according to the Law on Public Financial Management should be indicated in the submission.

To arrive at the estimates as required by the Administrative Instruction, the Drafting Team will have to identify the types of costs of each activity and calculate the indicative cost. To do this, the Drafting Team may need, if necessary, to break down the actions of the action plan into smaller costable activities, services or outputs in order better to understand required financial inputs. Any additional more detailed plan will be treated as internal working document.

The costing of the action plan will follow the requirements of any formally adopted methodology by the GoK. In addition, the Drafting Team may use the guidance provided in the ReSPA methodological publications<sup>5</sup>. In Sections 7.6.1 and 7.6.2, only some basic principles and practical steps are provided.

### 6.2.6.1 The typology of costs and some approaches to their calculation

When costing the actions, activities, services and outputs within a strategy, it is necessary to identify what types of costs will be incurred as a result of their implementation. In most costing approaches, expenditure is classified as either **direct vs. indirect costs** or **fixed vs. variable costs**.

**Direct costs** are expenditures that are directly related to the fulfilment of functions or provision of services. These can include, among other things, wages, materials and training.

**Indirect costs** are expenditures that are incurred indirectly (for example, office rents, maintenance expenditures and other overheads). They are incurred by an implementing institution, such as a ministry, in the course of carrying through their overall mandate, and are therefore difficult to associate with a particular activity because they are shared across different activities. Indirect costs cannot be fully or easily associated with specific services or outputs. For example, in processing applications for citizens' passports, examples of direct costs might include:

- Wages for the officers dealing with passport applications and the production of passport documents
- Purchase of materials used for producing the passports
- Training of officers to handle applications and the production of passports

Some examples of indirect costs would be:

- Use of electricity, water and heating
- Cost of ICT and telephones.

<sup>5</sup> Methodological guide for costing of Government strategies and Methodological guide for costing of PAR strategies calculation toolkit.

**Variable costs** are expenses that vary depending on the volume of outputs, activities and services provided. They can include costs to acquire materials, communication costs, training costs, etc. **Fixed costs** are constant and do not vary depending on the volume of the given activity (for example, office rents, utilities and overheads). Taking the same service of passport application handling and provision of passports to citizens, examples of variable costs could include:

- Purchase of materials used for producing the required passports
- Training of officers to handle applications and production of passports

Examples of fixed costs might be:

- Wages for the officers
- Use of electricity, water and heating
- Cost of ICT and telephones

When costing the strategic document, it is more important to calculate direct or variable costs, as they usually constitute a financial burden that is **additional** to the existing base budget. Wages of civil servants are taken into account only when new institutions are to be established or additional civil servants recruited as a consequence of a planned action. **Other fixed costs** (be they direct or indirect) such as wages of civil servants already employed, utilities or telephones are, as a rule, **not included** in the costing of a strategic document.

Another aspect to take into account when calculating the costs is to understand whether the action is **standard** or **project-based**. If the action can be standardised (e.g. vaccination of a child, construction of road kilometre, production of a passport, etc.), then calculation can be done by finding the **average cost per unit of output** and multiplying it by the planned number of such units. However, this costing method can be applied only to services that can be standardised. Unit cost calculations cannot, therefore, be undertaken for all services, since in many cases the services are different and therefore their unit cost is not standard. For example, the foreign direct attraction missions, establishing visitors' centres, or putting in place a modern traffic control system cannot be standardised. In such cases **activity or project-based costing** should be used. These approaches allocate costs to a particular project or activity resulting in a set of products or services.

The above-described approaches to cost typology will allow identification of the additional direct costs for each planned action in the action plan. For budgeting purposes, it will be necessary to classify the costs according to **economic category**. Broad economic categories are:

#### Recurrent

- Services and goods
- Travel
- Office supplies and expenses
- Interest on loans
- Subsidies
- Other transfers
- Social expenditures

#### Capital (non-recurring)

- Acquisition of fixed assets
- Loan repayment

### 6.2.6.2 Practical costing steps

The first practical step is to break down the action into costable services or goods. This can be done using Excel spreadsheets or any other tool that allows easy modifications and calculations. An example of how to separate actions into further activities and their inputs is provided in Table 3, columns A to D.

Once the activities and inputs have been identified, it is necessary to **define prices and calculate the required budget**. This step involves turning the inputs into financial costs. The activities and inputs can be turned into costs in several ways:

- 1 Applying the average unit cost method.
- 2 Applying historic costs of similar services (i.e. the same type of costs for similar past activities).
- 3 Applying average reference prices received through a survey or from other external sources. If the inputs are goods or services to be purchased from the private sector (for example, obtaining a feasibility study, conducting training or purchasing social media advertising), the cost of the specific input can be identified by requesting quotes from a few potential service providers (perhaps through telephone calls or e-mail enquiries). The quotes can then be used to calculate an average price, which will then be used as the estimated cost of the given input in the strategy costing process.

When turning the inputs into financial costs, it is also critical to take into account how often the cost will be incurred. If the cost is to arise only once (for example, in the case of one round of training or a one-off investment in the development of an IT system), it is called a **one-off cost**. On the other hand, if an input will be required several times during the course of the implementation of the given activity or may recur after the implementation of an activity, it is considered to be a **recurring cost**. If the cost will be incurred for several years running, the total cost for those years should be given (by providing the annual amount and the number of years it may be incurred). An example of the costing of activities and inputs is provided in Table 3, column E.

It is important that all key input elements are presented and that the calculation of the final cost of implementation of the given action is **clearly traceable** in the detailed table used for costing. The details of such a costing table (or tables) can be **aggregated** at the level of activities, and maybe even at the level of each defined objective, to ease the presentation of the ultimate costs of the reforms to the final decision makers and external readers of the strategic document.



**TABLE 3: EXAMPLE OF COSTING (REDUCTION OF UNEMPLOYMENT)**

No	A	B	C	D	E
	Action	Output	Activity	Input	Cost
1	Developing instruments/incentives for stimulating companies to admit students for internships.	Instruments/incentives for stimulating companies to admit students for internships are in place.	Developing a study for the identification and development of incentives/instruments for companies offering professional practice for VET students. Designing a joint platform/database between the parties (schools, companies).	Inputs by civil servant. Service price.	Costs will be employee wages in base budget (no additional cost). One-off activity. Cost to design joint platform/database between the parties (schools, companies). Total cost is EUR 200 000.
2	Development and implementation of core curricula in a modular format, according to VET priority sectors.	Core curricula and modular curricula for VET subjects have been developed and all teachers have been trained for their implementation.	Development of the core curriculum for VET. Teacher training for the implementation of modular curricula.	Inputs by civil servants. Service price.	Costs will be employee wages in base budget (no additional cost). Outsourcing service by the government. Standard average cost per training is EUR 2 000 (3 000 teachers/20 teachers per group) 150 groups x EUR 2 000. Total cost is EUR 300 000.

An example of costing of a full road-safety component is presented in Appendix 4 of this Manual.

The results of the costing will be presented in the action plan itself as well as summarised in Section VIII of the strategic document “Budgetary Impact of Strategy Implementation” (as required by Annex 1 of the Administrative Instruction). The action plan will indicate the financial costs activity by activity. Section VIII of the strategic document will provide an overall assessment of the costs:

- a Total estimated costs of the action plan for three years, indicating the amount for each year;
- b Estimated costs for each strategic and specific objective following economic classification (goods and services, wages, capital and subsidies);
- c Funding sources (indicating secured funding and gaps) with reference to the MTEF and annual budget. Funding sources will include budget, loans from International Financial Institutions, EU funds and other support from development partners.

After the Action Plan is fully costed, as per the Article 15 of the AI 07/2018, the leading institution has to prepare the Budget Impact Assessment as required by the Rules of Procedure of the Government. In this regard, the Administrative Instruction (GRK) No. 03/2015 on Budget Impact Assessment for New Government Initiatives determines the methodology, criteria and procedures for assessing the potential impact of new initiatives proposed for approval before the Government Meeting or individual government bodies have on the Budget of the Republic of Kosovo. The AI (GRK) No. 03/2015 applies to all new initiatives proposed for adoption at the Government Meeting or by individual government bodies, as well as other initiatives for which proposing bodies seek funding during the regular budget process.



## 6.2.7 Inter-ministerial and public consultation

Both the inter-ministerial and public consultations will be carried out in line with requirements provided in the Rules of Procedure of the Government<sup>6</sup> and Regulation on Minimum Standards for Public Consultation Process<sup>7</sup>.

The Drafting Team will have to ensure that the requirements for consultations are applied throughout the entire process of development of strategic document and its action plan.

The draft strategic document and its action plan will be adjusted based on inter-ministerial and public consultations. Comments that are not addressed will be summarised and presented in a separate report together with the draft strategic document and its action plan.

The results of consultations will be summarised in Section III of the strategic document “Methodology” (as required by Annex 1 of the Administrative Instruction).

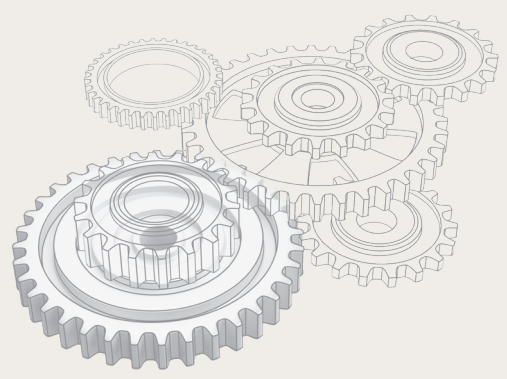
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<sup>6</sup> Regulation No. 09/2011.

<sup>7</sup> Government Regulation No. 05/2016.



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## 7. APPROVAL OF STRATEGIC DOCUMENTS

The approval of the strategic document and its action plan will follow the requirements as stated in the Rules of Procedure of the Government and Administrative Instruction (Article 13-15). The strategic document and its action plan can be approved by either the Government of Kosovo or by the lead ministry as defined in the Administrative Instruction (Article 14 paragraph 2). In either case, the lead ministry must obtain the written mandatory opinion of the SPO before the approval.

The draft strategic document and its action plan, as finalised by the Drafting Team, will be submitted by the Secretary-General of the lead ministry to the SPO. The draft strategic document will be submitted to the GoK together with other accompanying documents as required by Article 15 of the Administrative Instruction:

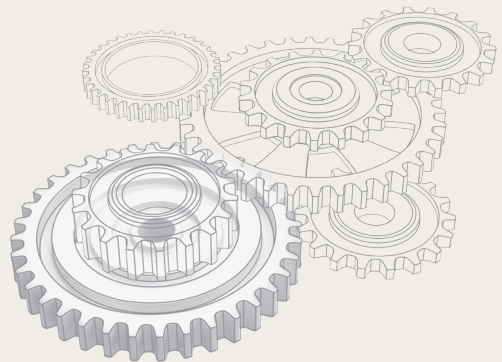
- a **Official recommendation** signed by the lead Minister stating briefly the action that the Government is recommended to take (e.g. in this case approval of the strategic document) as provided by article 34.1 of the Rules of Procedures of the Government;
- b **Statement of compliance** with the provisions of the Rules of Procedure of the Government in a format prescribed by the Secretary-General;
- c **Budget impact assessment** as required by the Rules of Procedure of the Government;
- d **Opinion of the Ministry of European Integration** to ensure that the proposed policy document complies with reform priorities and activities for EU integration and the relevant acquis;
- e **Confirmation of the SPO** on compliance with strategic priorities of the Government and with this instruction, in terms of requirements, processes and quality;
- f **Final report of the public consultation** process that includes data from the consultation process relying on the comments received and their addressing. The report shall be prepared in the form as specified by the Rules of Procedure of the Government.

The SPO will provide its opinion within 15 days. The SPO may conclude that the draft strategic document and its action plan meet the requirements of the Rules of Procedure of the Government and Administrative Instruction and may be submitted to the GoK or lead ministry for adoption. If the SPO concludes that the draft strategic document and its action plan do not meet the requirements of the Rules of Procedure of the Government and Administrative Instruction, however, it will provide its comments and recommendations for further improvement and revisions.

The lead ministry will amend the strategic document and its action plan according to the recommendations provided by the SPO and will inform it of all amendments. If the lead ministry does not agree with the opinion provided by the SPO, the draft strategic document and its action plan will be presented to the Strategic Planning Steering Group, which will present the draft to the Strategic Planning Committee for decision.



08



## 8. MONITORING AND REPORTING

After adoption of the strategic document and its action plan, the implementation starts. Effective implementation includes appropriate institutional arrangements, and timely and quality monitoring and reporting.

### 8.1 Institutional set-up for monitoring and reporting

The main institutions involved in monitoring and reporting of strategic documents and their action plans in Kosovo are the following:

- Lead ministry
- Inter-ministerial co-ordination body
- Strategic Planning Office
- Strategic Planning Committee
- Government of Kosovo.

The **lead ministry** is responsible for continuously monitoring the implementation of the approved strategic document and undertaking actions, if necessary, to ensure timely and effective conduct of the activities set out in the action plan.

The key functions of the lead ministry in the process of monitoring and reporting are the following:

- Establish an effective monitoring and reporting mechanism in line with monitoring and reporting requirements and ensure its application.
- Collect information from participating ministries on the implementation of the strategic document and its action plan.
- Prepare regular annual reports on the implementation of the strategic document and biannual reports on the implementation of the action plan.
- Organise the work of inter-ministerial co-ordination body, for which they provide secretariat functions.
- Initiate discussions of problematic issues, if needed.
- Publish regular reports on the website of the ministry after its endorsement by the respective body.

The lead ministry shall initiate the establishment of the **inter-ministerial co-ordination body** to ensure regular monitoring of the implementation of strategic documents and conduct interim reviews and a final evaluation of the strategic document. The inter-ministerial co-ordination body will be comprised of representatives of the (1) lead institution (2) institutions implementing strategic document (3) Ministry of Finance (4) Strategic Planning Office (5) civil-society organisations (6) other relevant institutions. The inter-ministerial co-ordination body will be chaired by the representative of SPO/lead ministry.

The key roles of the inter-ministerial body in the process of strategy implementation are the following:

- On a regular basis meet and discuss the progress in implementing objectives, indicators and actions of the respective strategic document.
- Identify challenges and bottlenecks to successful implementation and propose corrective measures to be taken by implementing institutions.
- Discuss and endorse regular reports to be submitted to the SPC.

The inter-ministerial co-ordination body will meet at least twice a year to discuss the progress and biannual reports. If needed, additional meetings will be organised. The lead ministry will be the secretariat to the inter-ministerial body and will support in convening the meetings and preparing the material to be discussed.

The **Strategic Planning Office** is the institution co-ordinating at expert technical level the implementation of all strategic documents. The key functions of the SPO are the following:

- Provide regular methodological support to ministries in monitoring and reporting on the process and preparing progress and biannual reports.
- Participate in the work of the inter-ministerial co-ordination bodies.
- Review annual reports to analyse and compare progress, analyse and identify critical risks to implementation of strategic documents and propose corrective measures to the SPC for endorsement.
- Based on annual reports submitted by the lead ministries, prepare a draft comprehensive report on the implementation of all strategic documents and submit it to the SPC for discussion after its discussion at the Strategic Planning Steering Group.

The **Strategic Planning Committee** provides advice to lead and implementing ministries and steers the implementation of strategic documents. The key functions of the SPC are the following:

- Discuss and endorse annual and biannual reports, if issues are unresolved by the inter-ministerial co-ordination body.
- Take corrective measures and decisions to strengthen the implementation of strategic documents, taking into account risks associated with implementation.
- Resolve any issues between different institutions in implementing strategic documents if the resolution has failed at the lower levels (e.g. at the inter-ministerial co-ordination body or between different institutions).

The **Government of Kosovo** is the ultimate body in steering the implementation of strategic documents. It can direct the efforts of lead and other institutions, resolve the disputes between different institutions, and adopt any necessary measures and solutions to improve the implementation of strategic documents.

The key functions of the Government of Kosovo in the process of monitoring and reporting are the following:

- Hear and adopt regular reports.
- Adopt corrective measures to improve the implementation of strategic documents if implementation of such measures requires Cabinet-level decisions.
- Resolve any issues between different institutions in implementing the strategic documents.

## 8.2 Frequency of monitoring reports

As required by Article 16 of the Administrative Instruction, the lead ministry will prepare two reports:

- Biannual reports on implementation of action plan
- Annual report on implementation of strategic document.

### 8.2.1 Biannual reports

The biannual reports are prepared to follow the implementation of the action plan. They are prepared by the end of the month following the reporting period. The first biannual report will cover the first 6 months of the year while the second will include an account of 12 months.

The focus of the action plan report is on the completion of actions as foreseen in the action plan, the reasons for delays, risks associated with implementation of actions and next steps. The report is used by the lead ministry and inter-ministerial co-ordination body to steer implementation and take any corrective measures to handle problems (delays or limited implementation) and risks. The six-monthly report will be drafted by the lead ministry based on the inputs provided by participating ministries through the platform of the inter-ministerial body. It will be discussed by the inter-ministerial co-ordination body and presented for approval to the Secretary-General of the lead ministry.

The template for biannual report is presented in Appendix 8 of this Manual.

### 8.2.2 Annual reports

An annual report is prepared to provide an account on the implementation of the strategic document. It is prepared by the end of the first quarter of the following year.

The focus of the annual report is on the following:

- Attainment of objectives compared against the indicator targets (at least for the two past years)
- Timely completion of actions undertaken
- Use of financial resources
- Main implementation obstacles
- Corrective measures.

The annual progress report will be drafted by the lead ministry based on the inputs provided by participating ministries through the platform of the inter-ministerial body. It will be submitted to the inter-ministerial co-ordination body before approval by the Secretary-General. If the matters related to implementation of the strategic document are solved and agreed upon in the inter-ministerial group, the progress report will be submitted to the SPC for decision-making as requested by Article 16 of the Administrative Instruction.

The annual progress report should lead to decisions to mitigate the risks and improve the implementation. It is important to formulate actionable recommendations. They should lead to concrete decisions and/or specific actions by institutions.

In addition to the annual progress report, the lead ministry will prepare one final report at the end of the implementation period of the strategic document. The final report will be prepared within three months following the expiry date of the strategic document as required by Article 16 of the Administrative Instruction. The lead ministry will submit the final report to the SPO with an assessment of the implementation of objectives based on actions, and proposals for next steps. The final report will also be submitted to the SPC. In case of a disagreement on the assessment, the SPO may submit to the SPC its own independent assessment and opinion.

The template for the annual progress report is provided in Appendix 9 of this Manual.

### 8.3 Comprehensive report

The SPO shall be responsible for drafting a comprehensive annual report. The comprehensive report will be based on progress reports of all strategic documents prepared and submitted by the lead ministries. The draft comprehensive report will be discussed by the SPSP before submitting it to the SPC. If necessary, the SPO may request additional reports from the relevant ministries to finalise the comprehensive report.

The purpose of the comprehensive report will be to analyse the progress achieved by sector strategic documents and to compare it with the vision and targets in the NDS and Government priorities. The analysis will be done comparing the progress against objectives and associated indicator in the NDS and Government priorities on the one hand, and those in the strategic documents on the other. Gaps, conflicts and deviations will be analysed and highlighted. In addition, key success areas with significant progress will be highlighted as well as areas where progress is required. The comprehensive report will be a meta-report to identify strategic discrepancies and gaps rather than monitor compliance between Government central-planning documents and strategic documents. An indicative list of questions to focus the analysis in drafting the comprehensive report are provided in the Box below.



### Box 9: Analytical questions guiding the preparation of comprehensive report

- 1 What are the key priority areas in the NDS and Government priorities?
- 2 What sector and cross-cutting strategic-document objectives and indicators support the achievement of the NDS (the same or related to NDS priority areas) and Government priorities?
- 3 What is the progress achieved against objectives and indicators, as well as key commitments?
- 4 Which areas lag behind in analysing progress against strategic documents?
- 5 Which NDS priority areas and Government priorities are the most successful?
- 6 Where are the gaps? Which NDS and Government priority areas require significant progress and attention of the institutions?
- 7 What are the overall risks associated with implementation of the NDS vision and objectives (including related sector and crosscutting objectives) and Government priorities?
- 8 What should be the steps/actions to overcome these risks? Who should implement these steps/actions?

## 8.4 Quality of reports

It is important to highlight that the quality of reports has immense impact on their usefulness by the decision-making bodies and officials. Reports are more than tools for ensuring accountability for and visibility of the pace of implementation of the reforms. Reports also allow:

- **Taking decisions** to solve problems and speed up implementation of delayed or lagging reforms and activities. For this purpose, reports should include an account of major bottlenecks and challenges, focusing on systemic challenges at the strategic level (as well as proposed corrective measure to address them), while also including information on specific, sometimes even one-off, operational difficulties at the operational level. Major bottlenecks and challenges may relate to lack of financing, public procurement procedures, disagreements between institutions, etc.
- **Searching for better ways** to achieve the set objectives not only through data collection and analysis for report writing, but through the synergy of different perspectives and ideas that can be achieved through high-level discussions among key government and external stakeholders. To support such policy design enhancement purposes, the reports should be presented attractively and in a way that stimulates strategic thinking.

Achievement of these aims of monitoring and reporting depends on the analytical capacity and creative skills of civil servants to produce reports that are strategic, as opposed to merely descriptive, and to present them in an accessible way, as opposed to the traditional ways of presenting all information without prior selection and systematisation or in the form of slides full of text. Overall, it can be said that the quality of discussions and decisions on the issues of PAR or sector depends to a large extent on the quality and presentation of the reports supporting such discussions and decision making.

Some of the key problems with reports are that they are:

- too long and focused on the descriptive provision of administrative information only;
- lacking in analytical insights and analysis of the causes of underperformance or bottlenecks;
- not visually attractive and lacking in structural simplicity and visual tools.

**Box 10. Example of a process focus vs. a results focus**

Process description	Results description
<p>The working group on informal employment met four times during 2015. It has prepared an Action Plan for fighting informal employment. The action plan was the subject of consultation with ministries, key Government agencies and civil-society organisations. The Government adopted the Action Plan in September 2015. The Action Plan covers a period of three years and lists a number of activities envisaging the actions of Government to fight informal employment.</p>	<p>It is estimated that the impact of the Action Plan on reducing informal employment has been significant – the measures implemented allowed for the reduction in informal employment by 10% within the first two years of implementation. It is expected that a 20% reduction will be achieved by the end of 2019. As a result of decreased informal employment, the national budget within the first two years collected EUR 1.5 million in taxes. By the end of 2018 it is expected that EUR 2.5 million will be collected.</p>

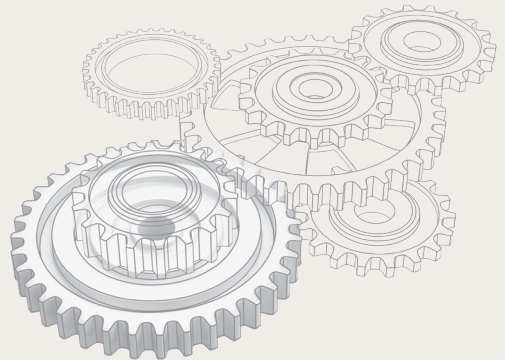
A good strategy monitoring report should therefore be:

- **Visually attractive and easy to read.** Creative presentation of data and information through the use of graphs, pictures, tables and other modern visualisation tools used for strategic communication is growing.
- **Short and well-structured.** No-one will read a long, descriptive account of activity implementation, but most will skim through a short paper with informative and catchy headings, a few bullet points, and a number of graphs and tables. Additional information or more lengthy justifications can be presented in annexes, if needed. This approach to presentation has a better chance of attracting the attention of decision makers.
- **Results-focused.** The most important aspects are what has changed in a particular policy area (i.e. the impact made since the adoption of the strategy or since the last report), how far the planned commitments have been achieved at the time of reporting, what has not worked well and why, and what needs to be changed and how (i.e. recommendations for corrective measures or action).
- **Factual.** The statements within the report should be based on facts, verified information and valid proof.
- **Analytical.** Reports should be written in a way that helps readers to reach conclusions and that tells a story about both the achievements and, especially, the difficulties and their underlying causes.

Strategic document reports should be a narrative on **performance**, using **evidence**. For developing such a narrative, the **filtering** or **selection** of relevant information is crucial. In the course of monitoring and data collection a vast amount of detail is collected. The civil servants responsible for report drafting need the ability to judge what kind of information/data should be used and in what form (e.g. aggregated or calculated based on raw data). Although the set actions, activities and objectives (along with related evidence in the form of indicators and targets) are the basis for the narrative text, they do not necessarily all need to be presented in the same level of detail. Only those with the **biggest reform impact** or where the most pressing **problems or shortcomings** are being experienced merit a deeper analysis. In addition to this focused narrative, a summary or synthesised description of the progress on each activity should be provided, where relevant, in the given reporting cycle. For example, instead of giving an account on implementation of all listed activities for a given objective, it is recommended to select the ones with most impact and provide a generalised picture of positive/negative performance against the objective.



09



## 19. EVALUATION

Evaluation is the more elaborate process of analysing the success of the strategy implementation, identifying what went right, examining the reasons behind what went wrong, and then re-adjusting the strategic direction accordingly. The design and execution of the evaluation stage is usually independent of the regular monitoring and reporting framework. Evaluation involves forming **evaluation questions**, collecting and analysing data to get **answers** to those questions, and gathering evidence to formulate **conclusions and recommendations**. The purpose of evaluation is to improve strategic policy implementation or its design.

As in the case of monitoring and reporting, evaluation requires specific **skills**:

- methodological skills to structure the evaluation framework (mainly the definition of the evaluation questions);
- analytical skills to be able to handle data collation and analysis;
- the ability to translate technical information into practical recommendations;
- networking skills, since data collection will require reaching out to many stakeholders;
- presentation and communication skills to explain technical and complex issues in simple language and avoiding jargon.

## 9.1 Types of evaluation

The lead ministry will carry out two evaluations:

- mid-term (interim) review of the action plan;
- ex-post (final) evaluation of strategic document.

A mid-term review is carried out for an action plan that is in the process of implementation. The purpose of such a review is to improve the design, efficiency and implementation of the action plan. Ex-post evaluation is carried out immediately after completion of the strategic document. The purpose of ex-post evaluation is to assess whether the results foreseen in the strategic document have been achieved effectively and whether they meet the needs of the beneficiaries.

## 9.2 Method of interim review

The interim review of an action plan will be carried out by comparing the implementation of actions in the action plan and use of the budget. It will focus on implementation and will be used to provide recommendations on the scope and ambition of the action plan. The results of the interim review will be used to adjust the action plan, if necessary: to review the scope and implementation deadlines of activities.

## 9.3 Method of final evaluation

The method of conduct evaluation may be:

- **In-house evaluation**, carried out within and by the staff of ministries and institutions in charge of strategic document.
- **Outsourced evaluation**, where the staff of the lead ministry drafts the Terms of Reference for evaluation and outsources the evaluation from the private or non-governmental sector service providers.
- **Mixed evaluation**, where the ministries and institution responsible for evaluation may be assisted by independent external experts in completing certain tasks, for example data collection and analysis.

The choice as to whether to have in-house, outsourced or mixed evaluation depends also on the objectives of the evaluation process:

- **Organisational self-reflection and learning** – an in-house evaluation is more suitable as it allows better insider insights.
- **Determining which policy option is the most cost effective** – an outsourced evaluation is more suitable as it requires more sophisticated evaluation methods and more objective and independent insights.
- **Verifying that activities and outputs have been delivered as envisaged** – an outsourced evaluation is more appropriate as it such verification may require more objective and independent insights.

## 9.4 Dimensions of evaluation

The **dimension of evaluation** is another issue that the ministry conducting evaluation has to decide. Evaluation may include all or only some of the dimensions. The selection of dimensions will depend on timing of evaluation (mid-term or ex-post), duration (how much time is available) and needs (what are the key problems of the policy under evaluation).

The dimensions of evaluation are the following:

- 1 **Relevance** – the compliance of programme goals and objectives with public needs and Government priorities;
- 2 **Effectiveness** – the compliance of the achieved strategy results to the planned results, as well as the needs of direct and indirect beneficiaries;
- 3 **Efficiency** – the achievement of results at the lowest costs (the ratio of results to the costs [resources] required or used to achieve them shall be determined);
- 4 **Implementation** - the quality of implementation process and structures;
- 5
- 6 **Impact** – the intended and unintended impacts;
- 7 **Sustainability** – long-term results and impacts the strategy.

To focus the evaluation it is necessary to define **evaluation questions**. Ideally, evaluation questions should be discussed at the point at which strategic document is being prepared in order to ensure that it is suitable for evaluation. They certainly need to be clarified before starting the evaluation. Evaluation questions are those that the evaluators must answer in their evaluation report. They help the evaluators focus their work and as such, evaluation can add value.

Evaluation questions play a key role in the evaluation process. If evaluation questions are missing, the evaluators can choose to analyse any of the multitude of aspects that can be analysed for any public intervention. Evaluators (policy unit in charge of evaluation or evaluation taskforce) will formulate specific evaluation questions for each evaluation exercise taking into account the implementation shortfalls, the findings of the monitoring reports and the needs of decision-makers.

The table below shows the evaluation questions when applying each dimension.

**TABLE 5: EVALUATION DIMENSIONS AND QUESTIONS**

Criteria	Questions
Relevance	<ul style="list-style-type: none"> <li>● Are the objectives of the strategy still valid?</li> <li>● Does the strategy respond to the needs?</li> <li>● How well do the actions/outputs of the strategy respond to the problem/objectives?</li> <li>● How well adapted is the reform to subsequent changes in the context in which the reform is framed (changes in needs, in policies, etc.)?</li> </ul>
Efficiency	<ul style="list-style-type: none"> <li>● Is the action/activity cost-efficient?</li> <li>● To what extent are the costs involved justified, given the changes/effects which have been achieved?</li> <li>● Which other ways of using resources have produced more results or have used resources sparingly, while maintaining the same level of achievements?</li> <li>● Could the same results be achieved through using fewer resources or through a better/different combination of the resources used?</li> <li>● How efficient (smooth) is the implementation process?</li> </ul>
Effectiveness	<ul style="list-style-type: none"> <li>● To what extent were the objectives achieved/are likely to be achieved?</li> <li>● Are/were the objectives achieved on time?</li> <li>● To what extent do the observed effects correspond to the objectives?</li> <li>● What are the major reasons why the objectives are not being achieved?</li> <li>● What are the reasons behind success?</li> </ul>
Impact	<ul style="list-style-type: none"> <li>● What has happened as a result of the strategy?</li> <li>● What difference did the strategy make to various groups of beneficiaries (and the wider public)?</li> <li>● How were the various target groups affected?</li> </ul>
Sustainability	<ul style="list-style-type: none"> <li>● Will the benefits continue after the implementation of the strategy?</li> <li>● Are the impacts likely to be long-lasting?</li> <li>● What can be done to ensure that they remain sustainable?</li> <li>● Which institutional arrangements allow for maintaining the benefits achieved?</li> </ul>



Since conducting an evaluation usually takes time and effort, it is important to **plan ahead**. If the implementation of a strategic document is envisaged to take several phases (expressed in consecutive action plans), it is advisable to introduce the evaluation process into the design of the monitoring, reporting and evaluation framework in conjunction with the adoption of the document. This will allow the results of a medium-term evaluation to be used in the development of a new action plan and even the interim fine-tuning of the overall strategic framework (i.e. checking the validity of the originally envisaged and set objectives and indicator targets, as well as success of implementation). Also, evaluation is a cost in itself as well and needs to be considered from the outset.

## 9.5 Responsibilities in evaluation

Evaluation of strategic document will be carried out by a **lead ministry** in charge of a respective document. The ministry in charge of the evaluation will define the purpose, dimensions and questions of evaluation and will ensure collection and analysis of data. It will also be in charge of drafting an evaluation report. The evaluation report will be submitted to the minister in charge of the strategic document for endorsement and to the inter-ministerial co-ordination body, as well as SPC for discussion and decision purposes. The evaluation report will be published on the website of the ministry.

For the purpose of evaluation, an **evaluation taskforce** may be established. Such a taskforce may be established if several ministries and institutions participate in the implementation of the strategic document. The decision on the establishment of the evaluation taskforce will be adopted by a lead (co-ordinating) ministry. The evaluation taskforce, based on the initial proposal by the lead ministry, will define the purpose, dimensions and questions of evaluation and will ensure collection and analysis of data. It will also be in charge of drafting an evaluation report.

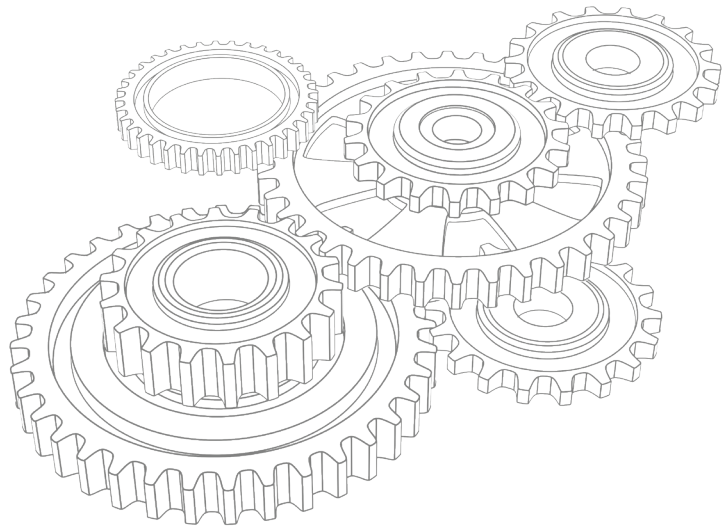
Responsibility for conducting evaluation will be vested in the ministries and institutions that will perform the following functions:

- Organise evaluation according to the evaluation provisions foreseen in the sectoral and cross-sectoral strategic documents or other decisions of the minister or Government;
- Set up an evaluation workgroup/taskforce;
- Participate in the evaluation process;
- Draw up (or be involved in the drawing-up) of the evaluation report and proposals on the implementation of recommendations and deliver them to respective minister or the Government, if needed;
- Consult the evaluation results with key stakeholders;
- Publish evaluation results;
- Ensure the timely implementation of recommendations.

# APENDIXES



# MANUAL FOR PLANNING, DEVELOPING AND MONITORING STRATEGIC DOCUMENTS AND THEIR ACTION PLANS



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# I INTRODUCTION

The Appendix to the Manual for Strategic Planning, Developing and Monitoring (the Manual) provides a list of templates and forms to facilitate the drafting of strategic documents and their action plans. The templates and forms presented in these Appendixes set minimum standards and requirements; hence, the public institutions drafting strategic documents are free to add any additional information that may clarify the strategic document and its action plan.

## APPENDIX 1: TEMPLATE FOR STRATEGIC DOCUMENTS ANNUAL PLAN

The Strategic Documents Annual Plan (SDAP) is prepared by the Strategic Planning Office (SPO) to plan the preparation of all strategic documents initiated by the ministries and other public bodies. The SDAP will include all strategic documents to be developed in the next calendar year and following two years. The SDAP will include the information as presented in the template below. The SDAP will not only include the strategic documents to be developed and adopted in the next calendar year, but also provide a planning horizon for the following two years.

No.	Title of strategic document	Sectors/sub-sectors to be covered	Lead and participating ministries	Link to strategic documents	Adoption level	Indicative date of adoption		
						Year N	Year N+1	Year N+2

## APPENDIX 2: RECOMMENDED TEMPLATE OF DRAFTING TEAM WORK PLAN

The Template below is a tool to help structure and plan the work of the Drafting Team. It is of a recommended nature and can be further elaborated, adjusted or changed by the team. The work plan may include the following sections:

- a **Purpose of the work plan**  
In this section, the purpose of the work plan is described.
- b **Tasks of the Drafting Team members**  
In this section, the main responsibilities of the members of the Drafting Team are defined. These should be general tasks; more specific tasks will be listed in the section below.
- c **Key milestones for drafting strategic document**

This section will include the key milestones and activities required to complete for drafting of a

strategic document. The milestones listed in the table below are indicative and may include more or fewer activities depending on the complexity of the strategic document. The work plan will be drafted taking into account the proportionality principle: the more complex and broader the strategic document, the more detailed the work plan will be.

No	Key milestones and activities	Deadline	Responsible member	Resources required
<b>1</b>	<b>Problem analysis</b>			
1.1	Defining the scope of problem analysis			
1.2	Data collection			
	Collection of data on X			
	Collection of data on Y			
	Collection of data on Z			
1.3	Analysis of data			
1.4	Discussions of draft analysis (verification and adjustments)			
<b>2</b>	<b>Identification of objectives (based on the analysis)</b>			
2.1	Identification of objectives for all identified problems			
2.2	Prioritisation of objectives, if needed			
2.3	Consultations within the Drafting Team and related ministries			
2.4	Consultations with external stakeholders, if needed			
<b>3</b>	<b>Identification of indicators (including values and targets)</b>			
3.1	Finding and designing the indicators for objectives			
3.2	Calculating the baseline values			
3.3	Defining the targets			
3.4	Consultations within the Drafting Team and related ministries			
3.5	Consultations with external stakeholders, if needed			
<b>4</b>	<b>Development of the action plan corresponding the defined objectives</b>			
<b>5</b>	<b>Costing of the action plan</b>			

5.1	Breaking down of actions into steps and deliverables and costing			
5.2	Drafting Team discussion on the availability of the budget for action plan			
5.3	Revision of the action plan if needed to adjust to budget availability			
6	Finalisation of the first draft of strategic document			
6.1	Final adjustments to the strategic documents			
6.2	Final adjustments to the action plan			
6.3	Preparation of supporting documents			
7	<b>Inter-ministerial consultations</b>			
8	<b>Finalisation of the draft strategic document and its action plan based on inter-ministerial consultations</b>			
9	<b>Public consultations</b>			
	Web-based consultation			
	Workshop with X target group			
	Round-table with Y group			
10	<b>Finalisation of the draft strategic document and its action plan based on public consultations</b>			

## APPENDIX 3: MAPPING DATA COLLECTION

Below is a template and example of data collection mapping for development of the strategic document for social integration of former criminal offenders. The example and template include the area of analysis (based on the problem analysis) and the data to be collected to analyse the situation in that particular area. It also encourages users to identify the sources of data and institutions that could provide such data. The mapping of data collection allows identification of the data needed for development of the strategic document and establishment of a realistic timeline.

The objective of the analysis is to identify the opportunities, practices and needs of former offenders for vocational training, employment and social integration.



Analysis area	Information needed	Who can provide?	Sources of information/ data collection methods	Who/when	Risks	Prior preparations
1. Analyse opportunities for and needs of offenders for vocational training and provide recommendations for improvement	Identify training opportunities provided to offenders; determine needs of offenders for vocational training; needs of the labour market (in relation to former offenders)	Ministry of Justice; Ministry of Education; Ministry of Labour; vocational training institutions; employment agencies; prisons; offenders	Desk research; survey of offenders; interviews with ministry, prisons and training-centre officials; interviews with offenders; site visits to prisons	Drafting Team member X; external analyst	Access to offenders is limited; unwillingness of offenders to participate in evaluation; inappropriate selection of interviewers	Authorisation from Ministry of Justice to gain access to offenders; preparation of questionnaires; selection and training of interviewer
2. Analyse practices, opportunities and barriers for employment of former offenders and provide recommendations for improvement	Information on employment situation of former offenders; possibilities and barriers for employment of former offenders; incentives for employers to employ former offenders	Ministry of Labour; Ministry of Finance; employers' agencies; employers' associations; offenders (including recidivists as a separate group); former offenders;	Desk research; survey of former offenders, employers, job centres; interviews with former offenders (including recidivists), employers, employment policy officials	Drafting Team member X; external analyst	Access to former offenders; finding former offenders integrated/not integrated into labour market; Offenders and former offenders unwilling to participate in study; inappropriate selection of interviewers	Preparation of questionnaires; selection and training of interviewers
3. Analyse possibilities and challenges for social integration of offenders in prisons and detention centres and after release	Opportunities for social rehabilitation in prisons; social benefits for former offenders; attitude of society towards former offenders; opportunities and challenges in social rehabilitation, support from local governments to former offenders	Ministry of Justice; Ministry of Labour, Ministry of Health; local governments; prisons; rehabilitation centres; shelters; families of (former) offenders	Desk research; survey of offenders, rehabilitation centres, local governments; Interviews with (former) offenders and their families, social rehabilitation officials, local government officials	Drafting Team member X; external analyst	Access to offenders; finding former offenders not using social rehabilitation services; unwillingness of (former) offenders and their families to participate	Selection and training of interviewer; preparation of the questionnaires

## APPENDIX 4: EXAMPLE OF STRATEGIC DOCUMENT

Below is an example of an Energy Strategy, which was developed based on several strategy sources. It is a hypothetical example whose purpose is to demonstrate what information should be included in the strategy, what level of detail it should include and how it could be structured. This example is to give an idea, but it must not be copied.

The example follows the structure as required by Annex 1 of the Administrative Instruction. It does not represent a comprehensive and exhaustive strategy; rather, it describes one of the energy sub-sectors only.

### I. EXECUTIVE SUMMARY

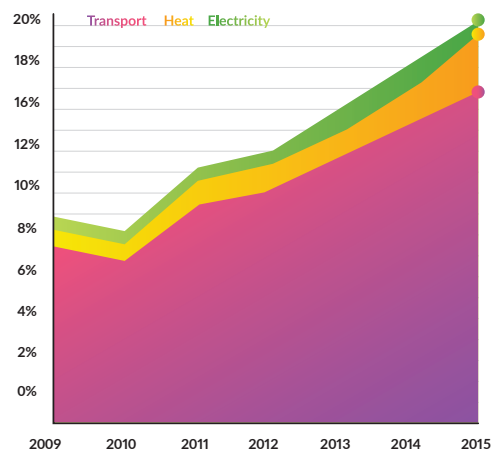
Technological transformation, changing consumer preferences and demands, a growing focus on the critical role energy plays in business competitiveness, volatile commodity prices, the need to transition to a lower carbon economy – all these factors are playing an important part in the ever-changing domestic and international energy context.

Maximising the value we obtain from energy use enhances business performance, minimises household costs and benefits our economy as a whole. There are more opportunities for improving energy efficiency and productivity than ever.

Our electricity system represents only about 25% of consumer energy demand. The majority of the other energy that we use is sourced from fossil fuels such as oil, coal and gas, which is why the gains to be made lie beyond electricity generation. At the same time, our country and most nations have committed to reducing the use of fossil fuels. In this context providing affordable, secure and sustainable energy in the country is a challenge.

Community space heating is a significant contributor to greenhouse gas (GHG) emissions. Community heating with fossil fuels produces about 190,000 tonnes of GHG per year, or approximately 13% of total country emissions. Space heating in our country is primarily fuelled by heating oil, propane and renewable biomass. The public consultations confirmed that the Government should support greater use of renewables for heating to make heating more affordable and sustainable.

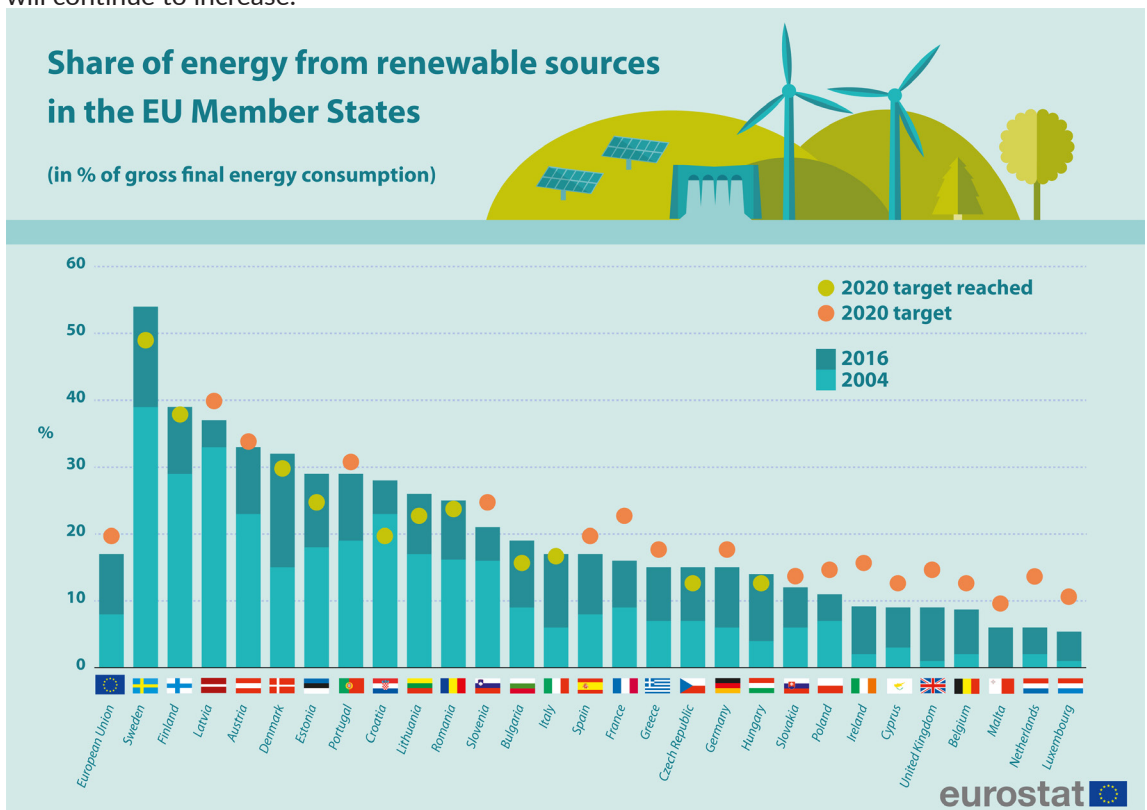
In 2015, energy use from renewable sources was estimated to have contributed 18.1% of final energy consumption and should reach the objective of 22% in 2020. Looking beyond 2020, the intention is to increase the share of renewable energy to at least 30% by 2030.



There is a significant cost-effective potential for renewable electricity and renewable heating to further reduce natural gas use in a number of sectors. Notably, a fuel switch to indigenous renewable heating sources can displace significant amounts of imported fuels. As with infrastructure, the bulk of the investment in this area should be made by the private sector.

Energy efficiency is the most cost-effective way to reduce emissions, improve energy security and competitiveness, make energy consumption more affordable for consumers as well as create employment, including in export industries. Above all, it provides tangible benefits to citizens: average energy savings for a household can amount to EUR 1 000 per year. We are a long way from achieving the 20% energy savings objective. The new strategy therefore calls for reinforced political commitment to achieving it through a clear definition of the objective to be reached and strong compliance monitoring. All levels of government must intensify their work to implement adequate policies and to make full use of the available tools.

In the long term, the risks of the availability of energy sources will increase, and the emergence of an imbalance of the demand and supply is expected during the timeframe of the Energy Strategy. As a result, the costs of the extraction of energy sources and of the production of utilisable energies will continue to increase.



Owing to the continued growth of the share of electric technologies, the share of electricity within the total energy consumption will increase steadily, and new areas of application will emerge (transport, heating/cooling).

On the other hand, the national and international obligation to address climate change has created an opportunity. The technology needed to transition to a lower-carbon economy – such as renewables and energy storage – is becoming less expensive, more secure and more suitable for use in our communities. This changing landscape offers an opportunity to build a more secure, affordable and sustainable country energy system.

The development of renewable energy and energy efficiency is central to the overall energy policy. Renewable energy and energy efficiency reduce dependence on fossil fuels, improve security of supply and reduce GHG emissions, thus creating environmental benefits while delivering green jobs to the economy, contributing to national competitiveness and the jobs and growth agenda. Climate change, energy security and competitiveness are interrelated challenges that will be addressed through transforming the country's economy from one based on a predominantly import-based fossil-fuel dependence to a more indigenous, low-carbon economy based on energy efficiency, renewable energy and smart networks.

This Energy Strategy sets out the long-term approach of the Government to addressing affordability, security and sustainability of energy supply and use in the country. Its overarching **strategic objective is to unlock energy productivity and renewable potential**. This objective will be achieved working in three directions:

- Increase the use of renewable energy and increase efficiency in process heat.
- Promote efficient and low-emission transport.
- Encourage innovative efficient use of electricity.



For the implementation of the Energy Strategy, an action plan has been developed and is attached to this Strategy. It sets out the detailed measures required to achieve the objectives, their schedule and the financing requirements of the development projects.

For the Strategy to be successful, the Government and its partners (including utilities, local governments, communities, residents, business, industry and non-government organisations) must work together, be flexible, and seek funding and investment opportunities.

## II. INTRODUCTION

The Government's overriding energy policy objective is to ensure competitive, secure and sustainable energy for the economy and for society. This energy imperative is fundamental to economic recovery and well-being. Renewable energy, allied with energy efficiency, is crucial to our goals of secure sustainable and competitive energy supplies, reducing dependency on expensive fossil imports and underpinning the move towards a low-carbon economy.

The Strategy works in parallel with the Government's priority to build a more competitive and productive economy by improving energy efficiency and use of renewable energy to raise productivity, reduce carbon emissions and promote consumer choice (as outlined in the Business Growth Agenda).

Furthermore, this Strategy supports the implementation of National Security Strategy objectives and targets, which envisions the development of the energy strategy. In particular, the above-mentioned document highlights the importance of increasing and ensuring energy security and diversification.

In addition, the Strategy is in line with the economic objectives of the Economic Reform Programme and South-East Europe 2020 Strategy.

The Strategy also contributes to transitioning our country to a low-emission economy, which is important to meeting our climate-change emissions-reductions targets stipulated in the Climate Change Strategy. It also originates from the Energy Law, which sets the targets in the area of renewable energy.

At the United Nations Sustainable Development Summit on 25 September 2015, world leaders adopted the 2030 Agenda for Sustainable Development, which included a set of 17 Sustainable Development Goals (SDGs) to end poverty, fight inequality and injustice, and tackle climate change by 2030. One of these goals, SGD 7, aims to secure access to modern, affordable and sustainable energy for all.

### III. METHODOLOGY

The draft strategy was developed by a Task Force consisting of 13 members: 4 representatives of the Ministry of Energy (Team Leader), 1 representative from Ministry of Finance, 2 from Transport and Economy, Environment, Public Administration and 2 from Energy Institute. The Task Force started its work in August 2015 and finished in January 2017.

The drafting of the strategy included the following main stages:

- Data collection, review and problem analysis;
- Identification of scenarios and their analysis;
- Drafting of the strategy and its action plan;
- Inter-ministerial and public consultations (it should be highlighted that consultations were carried out throughout the drafting process).

**Data collection, review and problem analysis** started with the identification of the core energy-related sub-sectors (energy efficiency, renewable energy, energy infrastructure) and collection and review of major data sets. Data was gathered mostly by reviewing past strategy and action-plan implementation reports, as well as collecting available national statistics and administrative data. The Task Force organised a number of consultations to understand and define the core problems, their causes, challenges and other concerns.

Public engagement included regional workshops with residents, communities, businesses and other stakeholders across the country. The main concerns discussed through public engagement were to address climate change, energy affordability and sustainability, and to develop the country's energy potential.

The development of the strategy, started in August 2015, was based on the opinions of nearly 110 significant economic, academic, trade and social stakeholders. The recommendations of the consultative trade committees attached to the Ministry of Economy and of the International Energy Agency, and the energy policy concepts of the European Union, were also taken into consideration.

As part of the social dialogue, a **strategic environmental assessment** was also drawn up (through external tender) as the Energy Strategy was being finalised, in order to call attention to environmental and sustainability risks.

In addition to the efforts for a social consensus within country, global, European and regional energy-policy developments were also followed attentively, as the country's energy policy must be embedded in a system of dynamically evolving external conditions. The impacts on the energy market of the political events in North Africa, the Fukushima reactor accident and the German and Swiss decisions on the phase-out of nuclear capacities made it clear that, rather than being a merely economic problem, energy security is increasingly becoming a strategic geopolitical issue.

In the course of the analysis, external support was outsourced to develop scenarios (six electric power, three gas market and three heat market scenarios). The economic feasibility was also analysed. Scenarios were extensively debated within the Government, as well as with major energy sector stakeholders. The summary of the scenarios, their feasibility and consultation process is provided in the annex.

Based on analysis and deliberation of scenarios, the draft Energy Strategy was prepared. Again, a number of targeted consultations with key stakeholders were organised to elicit the feedback. Following public consultations, the Strategy was updated and finalised together with a package of supporting documentation.

With effective implementation of the Strategy, by 2030 the country will have a secure, affordable and sustainable energy system that is less dependent on fossil fuels and contributes to the economic, social and environmental well-being of the country and its residents.

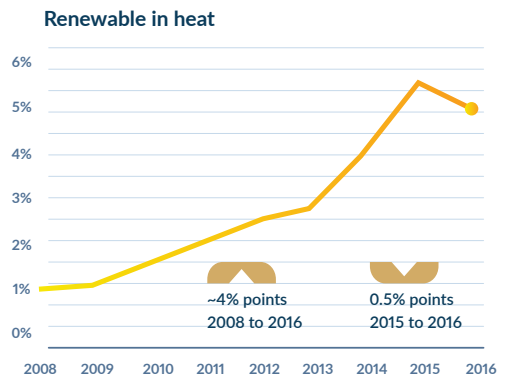
## IV. BACKGROUND

### 4.1 Use of renewables and efficiency in process heat

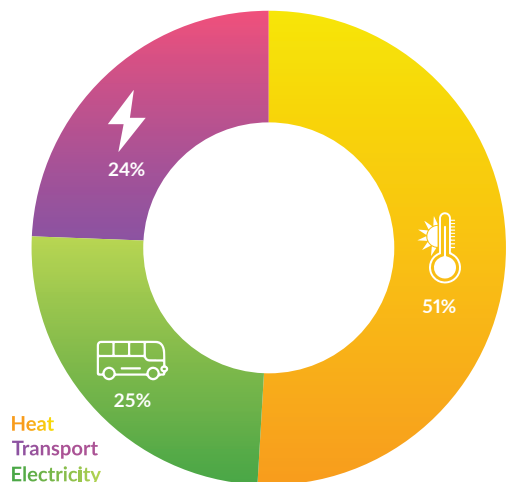
Process heat makes up 51% of country's overall energy use and contributes 12% of gross emissions. Sixty percent of process heat is supplied using fossil fuels, mainly coal and gas. The industrial sector is the largest end-user of process heat: 80% of total process heat use occurs in this sector. Hence, process heat offers one of our largest cost-effective opportunities to improve energy efficiency and switch from fossil fuels to renewable energy. In 2015, 17.8% of total energy consumption came from renewable sources, more than double the level in 2009.

It is estimated that the efficiency of the industrial sector's use of process heat could improve by 4% to 12% between 2020 and 2030. It could also play a significant role in meeting our 2030 emissions-reduction target, while helping industries to be more competitive and meet their productivity goals.

The analysis of the underlying causes shows that inefficient processes and practices in process heat, as well as outdated or obsolete equipment and infrastructure, are the main obstacles to achieving efficiency. In addition, there is plenty of scope to use renewable energy sources to ensue sustainability in the long run.



**Final Energy Consumption - split by end use sector, 2015**



In the shorter term, improvements can be achieved by operating existing processes and systems as efficiently as possible, to reduce the amount of heat they require. Where possible and cost-effective, further gains may be made through redesigning and optimising processes and upgrading or retrofitting the heat-supply systems; for example, recovering heat from boiler flue gases or upgrading boiler control systems.

New processes can also be optimised to minimise the heat requirements, in terms of both the amount and the temperature required, and to enable the use of lower-emissions technologies. Capital replacements of heating systems could be done using lower-emissions options, such as a biomass system or industrial heat pump, to meet some or all of the heat requirements; for example, using heat pumps where temperatures of less than 100°C are needed, alongside boilers for processes that need higher temperatures. In addition, an increasing emphasis on process design and integration (e.g. coupling hot water and refrigeration systems) will enable systems to make the most of heat recovery.

As with infrastructure, the bulk of the investment in this area should be made by the private sector. In the public sector, process heat is used in a number of ways, including to heat schools, universities, offices and other buildings, and to create steam for sterilisation in hospitals. There may also be opportunities for local governments to explore new technologies to turn waste into energy at wastewater treatment facilities and landfills, even though there could be difficulties in developing such facilities at present.

Although public-sector heat demand accounts for only 14% of total use, demand can encourage local renewable heat markets to develop. Cost savings from process heat improvements in the public sector benefit our citizens by saving taxpayers money.



## V. OBJECTIVES

The target to decrease industrial emissions intensity relates to the process-heat priority area and takes account of both renewable and energy-productivity potential. Hence, the Strategy will work to achieve the following objectives and targets by 2030:

- **Strategic objective – unlock energy productivity and renewable potential.** The strategic objective will be realised with the help of the following three specific objectives
  - » **Increase energy efficiency in process heat.** Activities will be carried out in three directions:
    - › Promote businesses to invest in energy-efficient and renewable-energy solutions, and adopt best-practice energy management;
    - › Provide incentives for individuals, households and community institutions to choose energy-efficient technologies, adopt energy efficient behaviours and make greater use of renewable energy;
    - › Adopt greater energy-efficiency and renewable-energy practices in the public sector.
  - » **Promote efficient and low-emission transport.** Activities will be carried out in the following directions:
    - › Implement the Electric Vehicles Programme;
    - › Increase penetration of biofuels in transport.
  - » **Encourage innovative and efficient use of electricity.** Activities will be carried out in the following directions:
    - › Incentivise the use of green and renewable technology;
    - › Ensure stable national regulatory frameworks for renewables and address administrative barriers;
    - › Facilitate access to finance for renewable projects on all levels (large and small scale) through a concerted initiative by the European Investment Bank and national investment banks, where relevant making use of the support provided by the European Structural and Investment Funds.

The following targets have been set for the Strategy objectives:

	Baseline value 2017	Target 2019	Target 2025	Target 2030
<b>Unlock energy productivity and renewable potential</b>				
Energy Trilemma Index (rank of 125)	74/125	Top 60	Top 50	Top 40
<b>Increase energy efficiency in process heat</b>				
Decrease in industrial emissions intensity annually (%)	1	1	1	1
<b>Increase the use of efficient and low-emission transport</b>				
Share of electric vehicles in total vehicle fleet (%)	0.5	0.6	1.5	2.0
Share of renewable energy in transport (%)	2	2	7	10
<b>Encourage innovative and efficient use of electricity</b>				
Share of renewable sources in energy generation (%)	18.7	29	35	50

## VI. IMPLEMENTATION, MONITORING AND REPORTING ARRANGEMENTS

The lead institution in charge of the co-ordination of implementation of the strategy is the Ministry of Energy. It will define more detailed monitoring and reporting procedures for participating institutions annually, following these main principles:

- Annual progress report on the achievement of strategy targets and implementation of the action plan will be drafted annually and submitted to the National Economic Council for discussion and initiation of further action, if necessary;
- If decided by the National Economic Council, the annual report may be submitted for deliberation to the Cabinet session;
- The annual progress report will provide information on progress against targets and implementation of activities. Particular attention will be given to analysing the bottlenecks, challenges and risks in relation to strategy implementation;
- Participating institutions will provide information on the progress and challenges to the lead institution following the instruction issued by the lead institution.

The Strategy will undergo interim evaluation in 2026 to assess the effectiveness and efficiency of implementation. The final evaluation will be done in 2030. Both evaluations will be independent (external), and the Ministry of Energy will seek external support.

## VII. BUDGETARY IMPACT OF STRATEGY IMPLEMENTATION

The budgetary impact of the Energy Strategy implementation is calculated to be around EUR 1.2 billion. The bulk of the cost (around 70% of the budget) will be used to provide financial incentives for business, individuals, households and communities to switch to green technology, renewable energy and energy-efficiency solutions. The proposed modality is the establishment of a revolving fund to support the transition to more efficient and renewable energy solutions.

The implementation of the action plan for the first three years will require financial resources, as indicated in the table below in EUR million (GS: goods and services; W: wages; C: capital; SG: subsidies and grants)

Objectives	2019				2020				2021			
	GS	W	C	SG	GS	W	C	SG	GS	W	C	SG
Unlock energy productivity and renewable potential	20	0	15	30	80	0	0	35	60	0	10	70
Increase energy efficiency in process heat	5	0	0	0	20	0	0	20	30	0	0	30
Increase the use of efficient and low-emission transport	5	0	5	15	15	0	0	0	20	0	10	10
Encourage innovative and efficient use of electricity	10	0	10	15	45	0	0	15	10	0	0	30
Total	65				115				140			
Sub-total 2019-2021	320											

The funding sources of the action plan implementation will be the budget. According to the Medium-Term Public Expenditure Framework 2018-2020, the minimum funds relevant to energy are estimated at EUR 240 million. The financial gap is EUR 80 million. The level of funding for the energy sector is expected to be maintained in the future.

## APPENDIX 5: TEMPLATE FOR PRESENTING PERFORMANCE INDICATORS

The purpose of the Indicator Annex is to provide:

- a template for the presentation of indicators in a strategic document, linked to the respective objectives;
- a template for an indicator passport entry, where the details of a defined indicator (its title, short description, calculation formula if applicable, data required for its calculation, frequency of calculation, etc.) can be summarised.

### A template for indicators

This template is an indicative framework on how to present the indicators within the strategic document, not the action plan. Hence, it provides a framework to provide indicators at the impact or outcome level separately from the output-level indicators, these being listed in the corresponding action plan of the strategic document.

The purpose of such a table is to summarise and present all the indicators in one place (as with the provided template), to make them easier to read.

No.	Objective/Indicator	Baseline value (year)	Mid-term target (year)	Final year target (year)
<b>I.</b>	<b>Strategic objective 1</b>			
1	<i>Title of indicator linked to strategic objective 1</i>	Value	Value	Value
2	<i>Title of indicator linked to strategic objective 1</i>	Value	Value	Value
<b>I. i.</b>	<b>Specific objective 1</b>			
3	<i>Title of indicator linked to specific objective 1</i>	Value	Value	Value
4.	<i>Title of indicator linked to specific objective 1</i>	Value	Value	Value
<b>I. ii.</b>	<b>Specific objective 2</b>			
5	<i>Title of indicator linked to specific objective 2</i>	Value	Value	Value
6	<i>Title of indicator linked to specific objective 2</i>	Value	Value	Value
<b>II.</b>	<b>Strategic objective 2</b>			
	...			

### A template for indicator passport

The template indicator passport below is indicative and allows the provision of the following information on the indicator: definition, link to strategic-document objective, data to be collected and source, responsible department, frequency of data collection and calculation methodology. Developing these details for each indicator helps drafters and those who are in charge of data collection or calculation to identify potential gaps and challenges, which in turn helps to ensure the sustainable and regular provision of information through the envisaged indicators. The realisation that such data-related challenges exist often leads to the definition of additional actions to be taken, in order to ensure the availability of the necessary data.

The indicator passport should include a separate table like the one below for every impact- or outcome-level indicator set for measuring the progress against the objectives of the strategic document. However, it is not necessary (and not recommended) to develop such detailed tables for the measurement of actions and activities at the output level. The output indicators should be rather simpler, and self-evident from the way the respective actions and activities are formulated.

Brief title of indicator				
Link to strategic document objective				
Brief definition of the indicator				
Data to be collected				
Source of data				
Institution and department responsible for gathering data				
Frequency of data publication				
A brief description of the methodology				
<b>Information on trend and baseline value</b>	Year	Trend [year]	Trend [year]	Baseline [Year]
	Value			
<b>Information on target values</b>	Year	Target [year]	Target [year]	Target [year]
	Target value			

## APPENDIX 6: RECOMMENDATIONS FOR DEVELOPMENT OF ACTION PLAN

The purpose of this annex is to provide a template and recommendations for the preparation of an action plan of a strategic document. The action plan is usually prepared in the form of a table. It should include the objectives and indicators of a strategic document and outline the actions for each objective.

The action plan is prepared for a period of at least three years and is reviewed annually. It is prepared in parallel with the development of a strategic document as specified in section VIII of Annex 1 of the Administrative Instruction.

The action plan must include the following information:

- a **Strategic and specific objectives** as indicated in the strategic document.
- b **Indicators for each strategic and specific objectives** as indicated in the strategic document. The indicators must have the baseline value, the interim target and the final year target consistent with the period of the strategic document. Indicators must be specific and measurable, including time period in which they will be achieved.
- c **Activities or actions** for each specific objective.
- d **Implementation deadlines** for each activity specified by year and quarter.
- e **Implementation cost** of each activity that is presented on a year-by-year basis for the whole period of the action plan.
- f **Source of funding** for each activity, including budget and donor funding as well as their share.
- g **Lead institution and supporting institution** for each activity.
- h **Final outcome** for objectives and output of each activity.
- i **Linkage of activity** with the central-level strategic documents, Medium-Term Expenditure Framework (MTEF), National Plan for the Implementation of Stabilisation and Association Agreement (NPISAA) and other national strategies. Each activity should be formulated in full alignment with what is in these central-level documents (e.g. the same name of the law, same name of the concept paper, etc.).

The financial resources required for the implementation of the action plan must be included in the Government's medium-term planning documents, and in particular in the MTEF and annual budget.

The action plan will be drafted using the template presented below. It includes all the above-mentioned elements. It is important to note that the template presented here assumes that not all details of a reform action need to be shown. Greater detail in relation to activities may be needed for costing.

### **Template for action plan**

The template for action plan consists of three sections:

- a Section 1: Strategic objective and its indicators
- b Section 2: Specific objectives and its indicators
- c Section 3: Actions linked to specific objectives.



No.	Strategic and specific objectives, indicators and actions	Baseline value	Interim target [year]	Final year target [year]	Outcome				
I.	Strategic objective 1: [title]								
1	Indicator: [title]	X [year]							
2	Indicator: [title]	X [year]							
I.1	Specific objective: [title]								
1	Indicator: [title]	X [year]							
2	Indicator: [title]	X [year]							
No.	Action	Deadline	Budget			Source of funding	Lead and supporting institution	Output	Reference to documents
			Year N1	Year N2	Year N3				
I.1.1	[Action title]								
I.1.2	[Action title]								
I.1.3	[Action title]								
	Total budget for Specific Objective I.1								
	Of which capital								
	Of which recurrent								
I.2	Specific objective: [title]								
1	Indicator: [title]	X [year]							
2	Indicator: [title]	X [year]							
No.	Action	Deadline	Budget			Source of funding	Lead and supporting institution	Output	Reference to documents
			Year N1	Year N2	Year N3				
I.1.1	[Action title]								
I.1.2	[Action title]								
I.1.3	[Action title]								
	Total budget for Specific Objective I.1								
	Of which capital								
	Of which recurrent								
	Total budget for the Action Plan								
	Of which capital								
	Of which recurrent								

## Example of the Action Plan

No.	Strategic and specific objectives, indicators and actions	Baseline value	Interim target [2020]	Final year target [2022]	Outcome				
I.	Strategic objective: Increase employment among youth								
1	Indicator: Youth unemployment rate (%)	28 [2017]	22	15	Improved employment and occupancy of youth between 15 to 24				
I.1	Specific objective: Prevent early school leaving and link education with work experience, particularly apprenticeships								
1	Indicator: High school drop-out rate (%)	15 [2017]	13	8	Improved high-school attendance				
No.	Action	Deadline	Budget		Lead and supporting institution	Output	Reference to documents		
I.1.1	Design School drop-out prevention policy	2019 Q2	2029	2021	0	0	Ministry of Education, Economy	Policy adopted by Government Decree	SKZH
I.1.2	Establish catch-up classes in all schools across the country	2020 Q4	2.500.000	2.500.000	2.500.000	2.500.000	Ministry of Education, municipalities	50% of schools have established catch-up classes	SKZH
	Total budget for Specific Objective I.1		3.000.000	2.500.000	2.500.000	2.500.000			
	Of which capital		2.800.000	2.300.000	2.300.000	2.300.000			
	Of which recurrent		200,000	200,000	200,000	200,000			
I.2	Specific objective: Bridge the gap between education output and labour-market needs								
1	Indicator: Employment rate of graduates (%)	75% [2017]	80% [2020]	85% [2022]	Improved employment of those who graduate from colleges and universities				
2	Indicator: Share of 16/17-year-olds in apprenticeship (%)	5% [2017]	8% [2020]	15% [2022]	Improved image of apprenticeship and enrolment				

No.	Action	Deadline	Budget			Source of funding	Lead and supporting institution	Output	Reference to documents
				2029	2021				
1.2.1	Establishment of apprenticeship places offered by employers	2021 T4	500.000	300.000	300.000	Budget, Donor funding (EU, WB)	Ministry of Education, Ministry of Economy	Between 2 500 and 3 000 places established by end-2021	-
1.2.2	Develop Science, Technology, Engineering and Mathematics (STEM) promotion programme to promote STEM subjects at schools and universities	2019 T2	0	0	0	-	Ministry of Education, Universities	Programme adopted by Minister Decree	-
1.2.3	Establish and institutionalise a system to allow recognition of non-formal and informal learning	2019 T2	0	0	0	-	Ministry of Education, Universities, VET	Minister Decree adopted	-
	Total budget for Specific Objective I.1		500.000	300.000	300.000				
	Of which capital		0	0	0				
	Of which recurrent		500.000	300.000	300.000				
	Total budget for the Action Plan		3.500.000	2.800.000	2.800.000				
	Of which capital		2.800.000	2.300.000	2.300.000				
	Of which recurrent		700.000	500.000	500.000				

## APPENDIX 7: EXAMPLE OF COSTING

The example below is the costing of the Road safety “War on the Roads” strategy. The calculate budget shows that implementation of strategy activities require more than EUR 5 million in additional funding. The request for additional funding has to be submitted to the Ministry of Finance and taken into account when preparing an MTEF.

A	B	C	D	E	F	G	H	J	K
Main actions	Activities and inputs	Calculation	Total (EUR)	Base budget (EUR)	Additional (EUR)	Source (EUR)	Y1 (EUR)	Y2 (EUR)	Y3 (EUR)
1. Public awareness raising									
1) Design and conduct social media campaign “protect your family” (a series of campaign commercials purchased from social media service providers)	a) Preparation of public-procurement documents. It will take one month to prepare documents. Costs will be employee wages.	The cost is incurred only once. The cost is calculated multiplying the number of months needed to complete the task by the average monthly salary. $1 \times 1\,000 \times 1 = 1\,000$ . The work will be done by public-procurement staff; therefore, the funding is secured in the base budget.	1000	1000	-	Budget	-	-	-
	b) Social-media campaign. Procurement of service to produce and conduct social media campaign.	Cost is incurred only once. Indicative cost of procurement of service was identified through email enquiry of five possible service providers. The average cost is EUR 10 000. Cost is calculated multiplying the average cost of the service by the times the cost is incurred. $10\,000 \times 1 = 10\,000$ . This is a new cost.	10000	-	10000	Budget	-	10000	-



	f) Delivery of training course	Cost is incurred by the private driving-licence schools. No additional cost for the budget.	0	-	-	Donor	-	-	-
4. Checks on drivers for "drink and drive", safety belts, speeding									
4) Increase checks (raids) on drivers in 3 largest cities	g) 10 additional mass raids a year	Cost is annual for all three years of the action plan. Cost is calculated multiplying the number of raids (10) by the average cost of a raid/unit (5 000) and by the number of years (3) and by the number of times (3 cities). $10 \times 5\,000 \times 3 \times 3 = 450\,000$ . This activity will require additional spending as additional hours will be needed.	450 000	-	450 000	Budget	450 000	450 000	450 000
5. Checks on pedestrians for safe crossing and safety reflector aids									
5) Increase pedestrian checks (raids) in three largest cities	g) 10 additional mass raids a year	Cost is annual for all five years of the action plan. Cost is calculated multiplying the number of raids (10) by the average cost of a raid/unit (2 500), by the number of years (3) and by the number of times (3 cities). $10 \times 2\,500 \times 3 \times 3 = 225\,000$ . This activity will require additional funds as additional hours will be needed.	225 000	-	225 000	Budget	225 000	225 000	225 000
6. Reduction of "blackspots"									
6) Change dangerous crossroad into traffic roundabouts in cities	h) 5 new traffic roundabouts	Cost is incurred once over 3 years. Cost is calculated multiplying the number of roundabouts (5) by the average cost of a roundabout (200 000). $5 \times 200\,000 = 1\,000\,000$ . This action will require new funding: two roundabouts will be constructed in Y2 and 3 in Y3.	1 000 000	-	1 000 000	Budget	-	400 000	600 000

7. Improvement of road infrastructure safety for passengers and cyclist													
7) Build new cycling lanes	i) 100 km	Cost is incurred once over three years. Cost is calculated multiplying the number of kilometres (100) by the average cost of cycling road per kilometre (10 000). $100 \times 10\,000 = 1\,000\,000$ . This is additional cost. This action will require new funding: 50km will be constructed in Y2, 50km - Y3.	1 000 000	-	1 000 000	Loan	-	500 000	500 000				
8) Build safe pedestrian crossing places	j) 5 pedestrian bridges	Cost is incurred once over three years. Cost is calculated multiplying the number of bridges (5) by the average cost of bridge (500 000). $5 \times 500\,000 = 2\,500\,000$ . Construction of five bridges will require additional funding. Two bridges will be constructed in Y2 and three in Y3.	2 500 000	-	2 500 000	Loan	-	1 000 000	1 500 000				
	k) 10 new pedestrian crossings	Cost is incurred once over three years. Cost is calculated multiplying the number of pedestrian crossing (10) by the average cost of a crossing (5 000). $5 \times 5\,000 = 25\,000$ . Funding is secured in base budget as a running activity.	25 000	25 000	-	Budget	-	-	-				
Total:			5 453 000	25 000	5 185 000		675 000	2 585 000	3 275 000				

## APPENDIX 8: RECOMMENDATIONS FOR DEVELOPING SEMI-ANNUAL REPORT

The purpose of this template is to describe the structure of the biannual (six-monthly) monitoring report and to provide more detailed instructions on what information should be provided. The six-monthly report structure and instructions on how to prepare it are presented below.

Template for semi-annual report

### I. SUMMARY INFORMATION (1 page maximum)

#### OVERALL PROGRESS

In this section, the following information is provided:

- overall number of valid actions for the six months covered
- information on the overall implementation rate, e.g. the percentage and number of fully, partially and not implemented actions
- areas showing the best and the poorest performance (based on objectives).

#### PROBLEMS AND RISKS

In this section, a summary of the main reasons for delays in implementing actions is presented. Any risks to the future implementation of actions and achievement of objectives are highlighted.

#### NEXT STEPS

Possible solutions to the problems identified and next steps towards implementation of the strategic document are suggested.

### II. DETAILED INFORMATION ON THE IMPLEMENTATION OF ACTIVITIES

In this section, information on the implementation status of the actions is provided, along with a brief description of the progress against each action, (output) indicators, any problems identified and the proposed next steps.

#### Template for progress against actions

The focus of the action plan report is on the completion of actions as foreseen in the action plan and the reasons for delays, provided in the column “Progress on implementation”.





## APPENDIX 9: RECOMMENDATIONS FOR DEVELOPING ANNUAL REPORT

The lead ministry has the overall responsibility for monitoring and reporting on the implementation of a strategic document.

The purpose of this template is to describe the structure of the annual progress report and to provide more detailed instructions on what information could be provided. The structure and instructions for the preparation of the strategic document report are presented below.

### Template for annual report

#### 1 EXECUTIVE SUMMARY

In this section, brief information on the progress against each strategic objective of the strategic document is provided, based on both the indicators and the implementation of key reforms in the sector. Only achievements in the implementation of the most important activities should be presented. The importance of activities is decided according to the scope of their impact, political attention, and media or civil-society interest. Graphs, tables and pictures can be used to illustrate the achievements. This section also provides brief information about the progress towards achieving the vision (the “bigger picture”). It also summarises key challenges, risks and necessary corrective measures.

This section should be used to brief decision makers, the public and stakeholders. The executive summary will be short and concise, up to three pages long.

#### 2 PROGRESS IN IMPLEMENTING STRATEGIC DOCUMENT OBJECTIVES

This section describes the progress made towards implementing each objective of the strategic document. It will have as many sub-sections as there are objectives in the strategic document. Before describing the implementation of each objective, summary information on overall progress could be provided here. It could include information on:

- 1 reforms successfully implemented in the year
- 2 areas needing improvement in implementation
- 3 overall budget execution.

Tables and graphs can be used here.

##### 2.1 PROGRESS AGAINST OBJECTIVE: [title of objective]

In these sub-sections, the information on the progress against each strategic document objective should be provided. The progress against each objective is described according to indicators and the overall progress in implementing activities under the objective. Information on whether indicator targets were achieved should be presented. A description of the key reforms implemented

should be provided, as well as reasons for any failure to achieve the targets. This information will give a sense of whether the strategic document is moving closer to achieving the targets. Activities that contributed to the achievement of the objective can also be presented, always with the aim of answering such questions as: “Why did we plan this activity?” and “How has this activity helped to improve the public services we are responsible for?” It is especially important to mention the successes, gaps and challenges, along with recommendations for overcoming the gaps and challenges. Priority actions to improve the performance should also be outlined.

Each sub-section could include the following information:

- 1 assessment of the main achievements, using indicators and graphs
- 2 success stories
- 3 assessment of challenges, gaps and bottlenecks
- 4 budgetary resources
- 5 conclusions and recommendations for the next steps.

Graphs, tables or pictures should be used to illustrate the assessment. Linked indicators should be used to tell the story.

### 3 RISKS AND STEPS TO ADDRESS THEM

In this section, any risks to the overall strategic document implementation are assessed and steps to address these risks are provided. Such risks can relate to institutional capacity, financial capacity, the regulatory environment, partnership and engagement by other institutions, and other factors external to the strategic document. Steps to address these risks in the future are identified and listed in this section.

This section is prepared by the lead ministry based on the inputs provided by implementing institutions. The lead institution or ministry must instruct participating institutions to provide such information through the reporting process.

#### Annexes

Annex 1: Action plan monitoring report for the year 20XX

Other annexes may be provided to support and illustrate the information presented above.