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Establishing an Expertise Unit: **Past Lessons for a par excellence fund**



—
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KOSOVO 2.0

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excellence fund

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— Table of Contents

Introduction	3
Decision on Establishment of the "Expertise Unit"	4
Cadre Fund 2009–2015	5
Similar practices in other countries	7
Conclusions and Recommendations	8



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Introduction

The post-war transition that Kosovo was going through left the country facing a severe shortage of qualified staff in its civil service. Consequently, a number of financial programs and schemes were launched with the aim of attracting professional staff and experts to improve the civil service, such as: Capacity Building Facility (CBF) Program, Capacity Building for European Integration (CBEI) Program, or schemes providing for salary allowances, as well as other ad hoc capacity building projects.¹

Of all the above programs, only CBF enabled reforms across the civil service, as it covered a wide variety of areas. Other programs, such as CBEI, focused only on reforms enabling the capacity building required in the framework of European integration. On the other hand, salary allowance programs have been more difficult to monitor, and their long-term effectiveness has not been quite clear, while ad hoc programs based on international organization donations have not guaranteed comprehensive reforms.²

Considering these initiatives, GAP Institute has examined previous policy proposals and existing programs aimed at capacity building in Kosovo. In 2008, after interviews with many different actors such as practitioners, donor representatives, members of civil society, as well as public officials, GAP Institute proposed the establishment of the "Brain Fund"³ aiming to attract and appoint professionals to managerial positions of strategic importance to the country, which would positively affect the increased efficiency and success of these strategies and reforms, as well as increase the level of professionalism and general skills of civil servants.

In spite of the good start, the "Brain Fund," which was officially designated the "Cadre Fund," would gradually transform, from a fund intended to attract individuals skilled in areas of expertise shortage, into a fund of allowances for managerial positions. As this initiative had strayed off course from its original purpose, GAP Institute had proposed to terminate the Cadre Fund in order to end abuse of public money.⁴ In January 2022, the Government of Kosovo revived the idea of creating a special fund (Excellence Fund) to attract local and international experts to providing expertise to public institutions. This paper provides greater detail on the new Government initiative, juxtaposed to the six-year practice of the Cadre Fund, and some examples of similar practices in other countries. Recalling the lessons learned from the failures of past initiatives, the paper also provides some recommendations on the development of the Excellence Fund.

1 GAP Institute. Brain Fund Program. (Unpublished paper). 2008.

2 Ibid.

3 Office of the Prime Minister. Decision No. 48 of 24 December 2008. Source: <http://bit.ly/1vbbkFC>

4 GAP Institute. Cadre Fund: A special Fund for deficient specialists or for managers? September 2015
Source: <https://bit.ly/3rY7M1j>

Decision on Establishment of the “Expertise Unit”

One of the biggest challenges in the public sector remains the retention of staff specialized in various fields in the civil service, since staff departures from this sector have been noted for some time now. Consequently, a challenge identified in the public sector is the lack of specialized capacity in relevant fields.

Regarding these challenges, the Prime Minister of the Republic of Kosovo, Albin Kurti, in a consultative meeting with donors, held on October 26, 2021, indicated that they are preparing an “= Excellence Fund” which aims to help the Government achieve priority objectives by supporting development initiatives and accelerating public sector reform.⁵ About two months later, at the meeting held on January 12, 2022, the Government of Kosovo decided to establish an “Expertise Unit” under the Government Coordination Secretariat in the Office of the Prime Minister, with the purpose of supporting institutions in specific areas of expertise shortage, by engaging local and international experts.⁶ Based on this decision, the “Expertise Unit” will be tasked with the following:

- map the needs of public institutions for expertise and the domestic and foreign “market” of experts;
- administer the expert engagement process to meet the demand for expertise through market supply; and
- perform other duties and responsibilities, provided by the applicable legislation and by the management of the Office of the Prime Minister.

The Government has justified the establishment of this unit with the deadlocks it has faced in implementing policies due to the lack of specialized capabilities in the respective fields. Furthermore, the Government expects that, through the engagement of such experts, the drafting and implementation of policies, the planning and implementation of projects, as well as the provision of advisory services to the executive will be improved. On the other hand, this decision places special emphasis on the idea of engaging specialized staff from the Diaspora, as well as deepening cooperation with them.

In a preliminary survey conducted by the Office of the Prime Minister, it was identified that the need of Government institutions for expertise is equivalent to 45,000 working days. While, in order to make this unit operational, the Government has committed, in accordance with the Law on Budget for 2022, to allocate funds in the amount of up to EUR one million.⁷

However, this decision does not clearly define which institutions need the equivalent of 45,000 working days of expertise and how many experts are expected to be engaged. On the other hand, considering the great need for expertise and the necessity of covering shortages as soon as possible, the funding of EUR one million provided by Decision No. 04/54 of 12 January 2022, is not sufficient. In this regard, Prime Minister Kurti, in a meeting with donors in October last year, discussed the potential for donor support through financial support or technical assistance.⁸ The Government hopes that the Fund baseline of EUR one million will be augmented by an additional EUR 20 million. To date, the Government and donors are yet to indicate whether donor organizations will contribute to the Fund for Excellence.

5 Office of the Prime Minister (2021), Prime Minister Kurti: The Fund for Excellence will support our many development initiatives. Source: <https://bit.ly/3Dhm15z>

6 Official Gazette of the Republic of Kosovo (2022), Decision No. 04/54. Source: <https://bit.ly/3JM0F2F>

7 Ibid.

8 Office of the Prime Minister (2021), Prime Minister Kurti: The Fund for Excellence will support our many development initiatives. Source: <https://bit.ly/3Dhm15z>

Cadre Fund 2009-2015

The Government of Kosovo had introduced a similar practice in the period 2009-2015, where pursuant to the proposal by GAP Institute for the establishment of a special budget fund for attracting experts in areas of expertise shortage in public service, it had established the "Brain Fund."⁹ Considering the low wages in the public sector, governmental institutions found it difficult to attract experts to civil service and other positions of strategic importance to the country.

Image 1. News published in the GAP Monitor, May 2009, following the Government Decision on the Approval of the Cadre Fund



Therefore, through this Fund, which later was designated as the "Cadre Fund," several new positions would be created for senior-level specialists who would be paid from EUR 800 to EUR 1,800 per month, depending on the position.¹⁰ Initially, eight new positions were created with a corresponding budget allocation of EUR 41,375 and over the years, the number of positions and the budget increased steadily, where by 2014, there were 222 people benefiting under the Fund and the available budget had reached EUR one million.¹¹

The Cadre Fund operated pursuant to Regulation No. 14/2012 of the Government of Kosovo, providing for the purpose of the Fund, priority areas, as well as the criteria for the selection of beneficiaries.¹² Article 3 of this Regulation defined the areas which were considered a priority for the Government, where support from the Cadre Fund may be provided. Such areas included:

- development of policies and legislation in key areas defined by the criteria of the Government;
- meeting the requirements related to the relationships between Kosovo and international organizations or institutions, with special emphasis on international financial organizations; and
- areas dealing with European integration and meeting international standards.

⁹ Government of Kosovo(2008), Decision 02/48. Source: <https://bit.ly/3LwKU0g>

¹⁰ GAP Institute (2015), Cadre Fund: A special Fund for deficient specialists or for managers? Source: <https://bit.ly/3wEFLGD>

¹¹ Ibid.

¹² Official Gazette of the Republic of Kosovo (2012), Regulation No. 14/2012 on the Operation of the Cadre Fund. Source: <https://bit.ly/3LmQLF6>

Furthermore, this Regulation provided in detail the eligibility criteria for positions and selection of beneficiaries under this Fund. Some of the required criteria included: advanced professional qualifications and skills, experience in key areas of Government departments, experience from the private sector and international organizations, as well as experience in relevant areas.¹³

The management structure of the Cadre Fund consisted of the Cadre Fund Commission (CFC) and the Cadre Fund Unit (CFU), under the Office of the Prime Minister. According to the Regulation on the operation of the Cadre Fund, the key responsibilities of the Fund Commission included review and approval of positions proposed by the ministries, ensuring efficient implementation and achievement of general objectives of the Fund, reporting on operations and results, and recommending budget allocations for the Fund to the Government.¹⁴

Whereas, the duties and responsibilities of the Cadre Fund Unit according to the above-mentioned regulation included: providing assistance to and cooperation with ministries regarding Fund operations and preparing the required documentation, monitoring the implementation of procedures, providing assistance to the Commission (CFC) related to the whole process, as well as other coordination issues between institutions. The main decision-making body of this Fund, responsible for approving or rejecting positions, was the Central Review Panel comprised of the general secretaries of the Office of the Prime Minister (OPM), the Ministry of Public Administration, the Ministry of Finance, and the Ministry of European Integration, as well as the secretary general of the ministry requesting the position. This panel, after receiving the files for the positions and candidates selected by the OPM and line ministries, recommended to the CFC the approval of certain positions, and the CFC made the final decision on the positions and selected candidates.¹⁵

However, despite such selection criteria and clearly defined purposes provided by Regulation No. 14/2012, GAP Institute, which monitored this Fund since its establishment, in 2015 concluded that the Fund was misconstrued and misused by various ministries.¹⁶ The findings of GAP Institute showed that most of the beneficiaries did not meet the criteria, some did not even have advanced university education, where out of 222 officials who were beneficiaries of the Fund in 2014, only six of them held a PhD in science studies, 94 held a master's degree, and for 54% of the beneficiaries, notably 122 persons, it was not known if they held at least a university degree.

On the other hand, most of the beneficiaries were civil servants and were included in the category of beneficiaries, thereby creating a bad practice by the ministries which had turned the Fund into a facility of allowances to reward certain employees. Moreover, most of the beneficiaries were people who held managerial positions such as: directors, deputy directors, as well as heads of divisions within ministries, who did not qualify as positions of expertise shortage in the Kosovo market. Such abuse and other violations caused this Fund to be temporarily suspended in 2015 and since then it has not been reactivated.

The juxtaposition of the Cadre Fund of 2009–2015 and the Excellence Fund, recently proposed by the Government (based on the information published to date), highlights the difference in the respective underlying concepts. Although both share the same purpose of filling the existing shortages in the civil service with professionals in different fields, there is a different approach to addressing

¹³ Ibid.

¹⁴ Ibid.

¹⁵ Ibid.

¹⁶ GAP Institute (2015), Cadre Fund: A special Fund for deficient specialists or for managers?
Source: <https://bit.ly/3xZC6MU>

this challenge. In the case of the Cadre Fund, professionals were hired as civil servants, while being compensated according to the scheme of this Fund. Whereas, with the Fund for Excellence, as provided in the Government decision, professionals/experts are expected to be engaged for a definite term and in a certain capacity/task (drafting of projects, strategies, legislation, etc.).

From a long-term perspective, the engagement of professionals as part of the civil service may have a greater impact, as it directly affects public administration reform, as well as the appointment of professionals in relevant areas to managerial positions in institutions. Moreover, better remuneration provides a retention incentive for such professionals to remain with the civil service for a longer period.

Similar practices in other countries

Similar to Kosovo, the public sector in many countries faces various challenges to respond to societal demands and needs. Due to such ongoing challenges, this sector is subject to major reforms. The need for reform is especially evident in times of financial crisis, where the focus and future of the country depends on the efficiency and effectiveness of public services. Therefore, to improve the efficiency of public administration, the European Public Administration Network (EUPAN) in 2000 introduced the Common Assessment Framework (CAF) aimed at Total Quality Management (TQM) of the public sector.¹⁷ The Common Assessment Framework is the result of an intense collaboration between many practitioners and actors on the European scene over the course of more than 12 years. Each European Presidency in between contributed to the further development and spreading of the model, in order to introduce a culture of Total Quality Management in the public sector across Europe.¹⁸ CAF is an easy-to-use tool for self-assessment in the public sector that could help public administrations across the EU understand and employ modern management techniques and has the following main purposes:

- introduce public administrations into the culture of excellence and the principles of TQM (Total Quality Management);
- guide them progressively to a full-fledged 'Plan-Do-Check-Act (PCDA)' cycle;
- facilitate the self-assessment of a public organization in order to arrive at a diagnosis and improvement actions;
- function as a bridge across the various models used in quality management;
- facilitate bench learning between public-sector organizations.¹⁹

One developing country that has implemented a similar scheme for engaging public sector experts is Mauritius. This scheme, designated as the "Expert Skills Scheme," aims to facilitate the engagement of experts in certain areas in the public sector to complement the human resources of public institutions. Specifically, the experts are engaged in the design and implementation of public sector policies, projects, and various schemes. Their engagement requires public procurement procedures for consulting services, and not regular recruitment. The procurement process will involve a number of steps in sequence, starting with the identification of the skills/positions required by the relevant Ministry/

¹⁷ European Public Administration Network (2010), Growing Towards Excellence in the European Public Sector, A decade of European collaboration with CAF. Source: <https://bit.ly/37GMnCq>

¹⁸ Ibid.

¹⁹ European Public Administration Network (2020), CAF Common Assessment Framework. Source: <https://bit.ly/3Edv1sX>

Department or public body, followed by the preparation of Terms of Reference for the engagement, indicative cost, and preferred procurement method. These documents are then sent to the Ministry of Finance for budget approval prior to launching the application process. The procurement process may be conducted according to the following three methods: selection from open advertised bidding (through public calls), selection from a shortlist (relevant Ministry identifies potential service providers based on own knowledge from official sources and establishes a short list), or direct procurement (through direct negotiations, but only under certain circumstances).²⁰

In addition to the above noted practices, some of the countries in the region also provide funds for excellence to improve public sector efficiency. For example, Albania provides financial support for continued education/completion of studies of distinguished civil servants/students by using funds from the state budget, donations, or other sources of funding.²¹ One of the eligibility criteria to receive financial support according to point 2 of this decision is the commitment to work in state administration institutions or independent public institutions in Albania, for at least two years, after completing studies and graduation in the relevant study cycle, for which students have received scholarships.²² Beneficiaries of the Excellence Fund are employed by ten Department of Public Administration, in line with the respective DCM for temporary employment of students of the excellence Fund in public administration institutions for the whole duration of the contractual obligation". (Excellence Fund has been cancelled in 2022).²³

In addition to the Excellence Fund, Albania has other programs for the engagement of interns in the public sector such as: "National Internship Program for Public Administration." This program aims to involve the participants in an integrated work experience, in cooperation with career professionals in the public administration, in order for them to benefit from the expertise which will impact their development of professional skills and acquaint them with how the public administration works.²⁴

Conclusions and Recommendations

The Government of Kosovo, through a decision, at the beginning of 2022, established the "Expertise Unit" to facilitate the engagement of local and foreign experts in the public sector, to provide subject matter expertise in certain areas where there is a lack of human capacity and to provide services in improving policy design and implementation, project planning and implementation, as well as in an advisory role to the Government. However, although budget funds have been allocated for the Unit to start its operations, this process is still in the initial stages of implementation and additional funds are required to ensure full implementation.

Pursuant to the content of the Government decision, it can be said that the function and idea for the Expertise Unit is similar to the "Cadre Fund" scheme implemented in the period 2009–2015 by the Government of Kosovo. Considering the similarities and challenges created by the previous scheme, which also affected the termination of this scheme in 2015, the Government should also consider the prospects for misuse of the the Fund in favor of personal or political interests, as well as take measures to prevent potential mismanagement.

²⁰ Ministry of Finance and Economic Development (2017), Expert Skills Scheme. Source: <https://bit.ly/3EDR8Jj>

²¹ Government the Republic of Albania (2020), Decision No. 160, on the Financial Support to Distinguished Students and Civil Servants. Source: <https://bit.ly/3vahrm6>

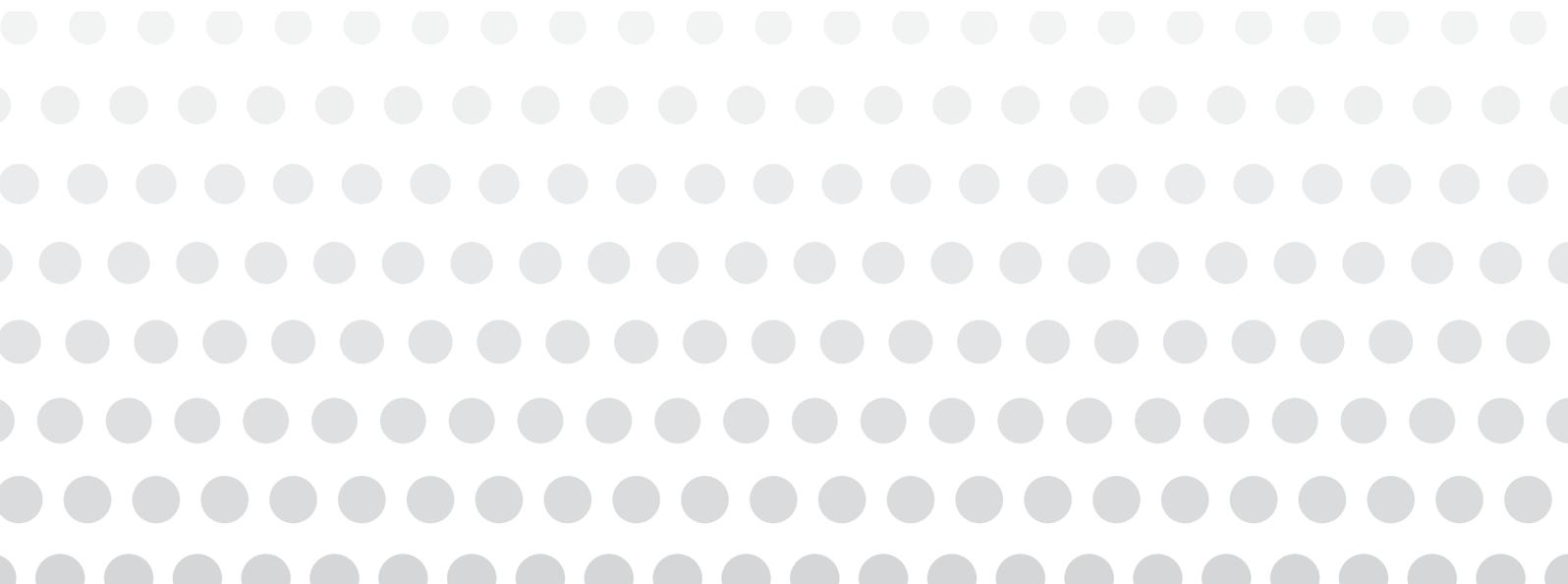
²² Ibid.

²³ United Nations (2021), Voluntary Review Report on the Status of Implementation of the Global Compact for Migration in Albania in 2021. Source: <https://bit.ly/3JDbCTv>

²⁴ Ibid.

In order to prevent the recurrence of previous abusive practices, GAP Institute provides the following recommendations:

- Clearly define needs of the institutions and areas/positions for which the engagement of experts will be required. In this regard, re-establish relevant decision-making bodies (as in the case of the Cadre Fund) such as the Excellence Fund Committee, comprised of senior representatives of the Office of the Prime Minister and relevant ministries. Further, define the form of expert engagement and the duration of it, such as whether they will be engaged individually, or through companies that provide consulting services;
- Provide a clear specification of eligibility criteria for the selection of candidates and observe those criteria at the time of selection, since in the previous case with the "Cadre Fund" there were candidates selected who failed to meet even the basic criteria for providing expertise. Moreover, the potential for misuse of the Fund for reasons of nepotism must be avoided in any case;
- Provide support to staff in areas of expertise shortage, who are currently part of the civil service, as a retention incentive;
- Considering that the budget allocation of EUR one million is considered low to ensure the commitment of high-level experts at projected expertise needs equivalent to 45,000 working days, at least 25% of the financing for this Fund should be covered by the State budget, up to EUR 5-6 million, and the rest would be covered by donors/international organizations;
- Another recommendation for the Government is that, in addition to engaging foreign experts, efforts should be made to include local professionals who benefit from scholarship opportunities to study abroad, funded by the Government itself or international organizations, with the expectation of contributing to Kosovo institutions upon return. For example, there is the case of the Young Cell Scheme program, where successful applicants receive scholarships covering all costs of postgraduate studies, provided that after completing their studies they return to Kosovo and work in public institutions for a period of three years. A similar process could be implemented in terms of other scholarship programs such as: USAID Transformational Leadership Program, KAEF Graduate Fellowship Program, Fulbright Program, DAAD, Swedish Institute Scholarship Program, and others. These professionals would be eligible for inclusion in the Excellence Fund upon completion of the three-year term of contractual obligation in regular civil service, as an incentive to remain with the civil service and continue contributing further.





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