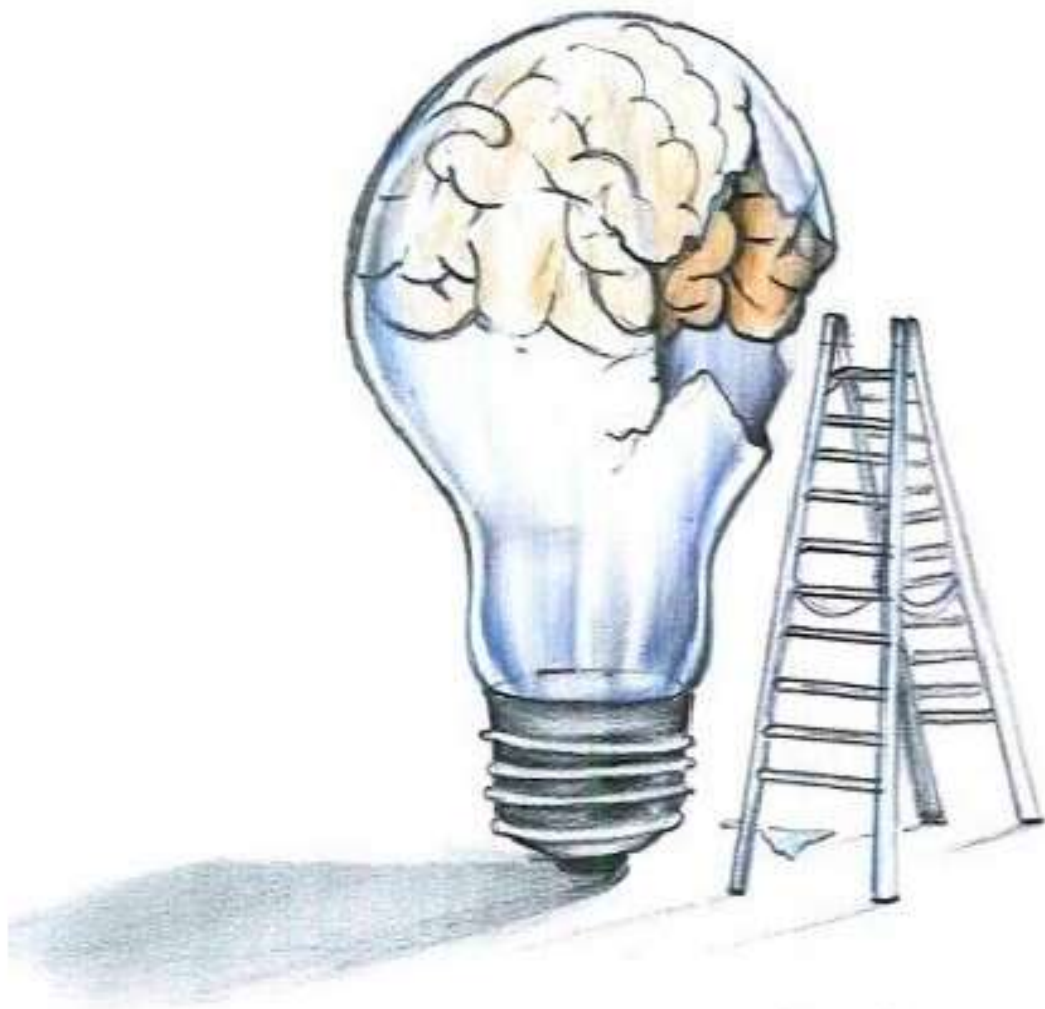


September 2015

Cadre Fund

A special fund for deficient specialists or for managers?



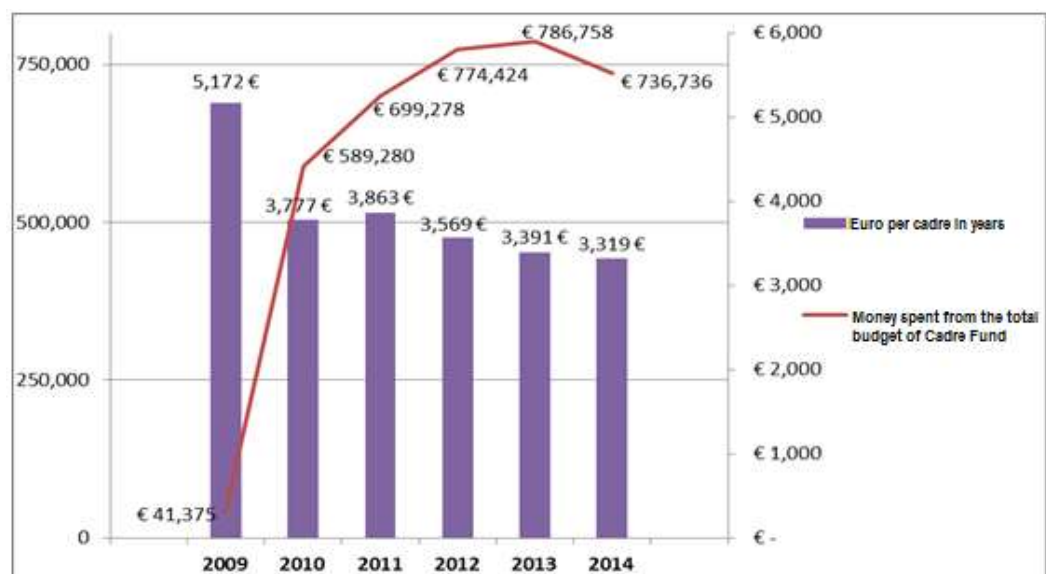
1. Purpose of the Fund

Following the Declaration of Independence, GAP Institute proposed to the Government of Kosovo to establish a special fund to attract experts in areas that were deemed deficient in the public service. Through this initiative GAP Institute provided the Government a detailed analysis on the necessity to establish such a fund and the manner how it should function. To make the project more transparent, GAP proposed to create a webpage regarding the Cadre Fund, with details on how to apply, new positions, and the application itself.

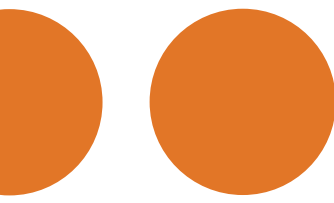
This idea was materialised in December 2008 when the Government of Kosovo decided to establish the Brain Fund Scheme.¹ According to this Decision, the Government would establish some new positions for the specialists of senior level who would be paid from 800 to 1,800 Euro per month. The Government decision stated that the precise criteria and selection of recipients would be based on the GAP Institute report.

In the initial year of the Fund eight positions were created, and 41,375 Euros were allocated. The budget of the Fund together with the number of positions increased over the years. Thus, in 2014 the Cadre Fund had 222 beneficiaries and a million Euros of budget. However, despite the increase of budget of the Fund over the years, the average remuneration per beneficiary decreased, as described in the following table.

Figure 1. Cadre Fund Budget over years



¹ Government Decision no.02/48 dated 24 December 2008 for the Brain Fund Scheme, or how it is now known the Cadre Fund. Source: <http://bit.ly/1vbbkFC>



The Cadre Fund Scheme was temporarily suspended in 2015. Finally, on 12 August 2014, the Government of Kosovo decided on the Fund. According to Decision No. 07/44 the Government decided that the budget for the Cadre Fund is reduced to 500,000 Euro, and the additional salary per wage to be between 100 to 500 Euros per month. The institutions who benefit from the fund are 18 ministries and the Office of Prime Minister. Following this Decision, the ministers and relevant permanent secretaries started to compile lists of benefiting positions which are then sent to the Committee for Cadre Fund. But, GAP Institute requests that before this Committee decides on the new benefiting positions, a thorough assessment for the management of the Fund to date is conducted by the latter.

2. Misunderstanding and misuse of the Fund

In 2014, 222 government employees benefited from the Cadre Fund, and 736,736 Euros were spend by them. The level of salary together with the supplements was from 800 to 1,800 Euros.²

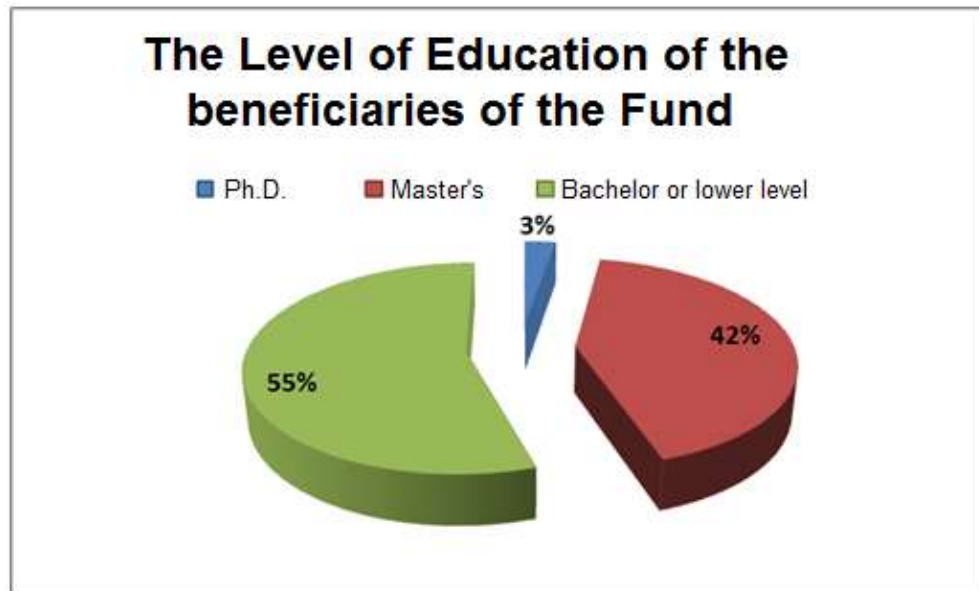
The operation of the Cadre Fund is based on Regulation No. 14/2012 which specifies the procedures for setting the positions and criteria to select the beneficiaries. GAP Institute, after analysing Regulation No. 14/2012³ and after it saw the disbursement of benefiting positions in the government during 2014, concluded that over the years the Cadre Fund has deviated from its original goal. Further, our findings show that the fund was misunderstood and may have been misused by different ministries.

Some of our findings show that:

- Most beneficiaries do not have advanced university education. Out of 222 officials who benefited from the Cadre Fund in 2014, six hold a PhD, 94 have MAs and regarding 122 others it is unsure if they hold at least a university degree. The goal of the fund was to attract individuals with advanced education.

² Regulation no.14/2012 on the Operation of the Cadre Fund, Art. 12.

³ GAP also analyzed Regulation No. 03/2014 to amend and supplement Regulation No. 14/2012



- The majority of beneficiaries of the Fund in 2014 were internal employees, who were already working in the relevant ministry and were then placed in the category of beneficiaries. This has become a common practice within the Ministries who understood the Fund as a supplement to reward some employees. Even this practice is against the original idea of the Fund, which aimed to attract deficient skills through competitions.
- According to the Regulation the beneficiaries of the Fund should have “skills, expertise and experience required by the private sector and international organisations” (Regulation, Art. 4, para. 1.3). However, the positions of many beneficiaries are not deficient positions in the Kosovo market. Amongst beneficiary positions are media advisor, financial advisor, technical advisor and so forth. In addition to this, the Regulation requires that the beneficiary of the Fund should be “assessed how difficult is to recruit personnel who have the necessary qualifications and skills of the candidate and fluency in English and other foreign languages (Art. 12, para 4.2).
- In some ministries apart from the supervisor of the department, subordinates were also considered deficient personnel. For example, in the Ministry of Health positions who benefit from the Fund are the Chief Inspector of Health Inspectorate and seven



inspectors, whereas in the Ministry of Finance it was the Director of Finance and four deputy directors.

- There are cases when the director does not benefit, but the deputy does. For example in MCYS the Deputy Director of the Department of Sport benefits and the Director does not.
- The position of the inspector is assessed differently from ministry to ministry, and this can be evidenced even within a particular ministry. For example, in the Ministry of Health seven inspectors benefit from the Fund, whereas in the Ministry of Education out of 56 inspectors only one benefits from the fund. It is unclear what is the criteria to select one inspector out of 56 in the Ministry of Education, and why only inspectors of one ministry (Ministry of Health) benefited, and inspectors of other ministries were excluded?
- In the Ministry of Infrastructure amongst seven regional managers, the only one which benefits from the Fund is the Regional Manager in Prizren.

3. Recommendations

Taking into account the original idea of establishing the Cadre Fund, the Regulation for the Operation of the Cadre Fund, the analysis of distribution of beneficiary positions in 2014 and given that in the coming days the Ministries together with the Committee of the Fund will approve the beneficiaries of the Fund for 2015, GAP Institute recommends:

- The Cadre Fund Committee should make individual assessment of each beneficiary of the Fund for 2014. The assessment should take into account if the recipient fulfilled all basic criteria to select the candidate (Regulation, Art. 4.2), especially regarding the possession of a diploma in a relevant field, fluency in English and previous experience in the area.
- Further, the assessment should look if the recipient has achieved the specific outcomes set by the relevant ministry (Regulation, Art. 4.3).
- The Fund Committee should not approve positions and candidates who are in violation of the Regulation. The primary goal of the Fund should be to fulfil deficient positions which are needed by the government.
- The list of recipient positions together with the names of candidates and level of supplement should be public.
- The Cadre Fund should not be understood as a financial supplement for a certain number of civil servants (directors of departments, deputy directors and heads of divisions). They are internal employees of government, who have already agreed with positions and benefits that those positions bring. This was not the goal of the Fund and more so it was not foreseen in the report of GAP Institute, which formed the basis to establish this Fund.



GAP Institute is a local think-tank founded in October 2007 in Kosovo. GAP's main purpose is to attract professionals by creating a professional research and development environment commonly found in similar institutions in Western countries. This will include providing Kosovars with an opportunity to research, develop, and implement projects that would strengthen Kosovo society. A priority of the Institute is to mobilize professionals to address the country's pressing economic, political and social challenges. GAP's main objectives are to bridge the gap between government and people, and to bridge the gap between problems and solutions.

GAP Institute is supported by:



This publication is supported by:



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Pristina