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COUNTRY DEVELOPMENT COOPERATION STRATEGY (CDCS)

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ACRONYMS

CSO	Civil Society Organization
CDCS	Country Development Cooperation Strategy
CLA	Collaborating, Learning, and Adapting
CMM	Office of Conflict Management and Mitigation (USAID)
DFC	Development Finance Corporation
DG	Democracy and Governance
D4D	Democracy for Development
DOS	Department of State
DOJ	Department of Justice
DO	Development Objective
DRM	Domestic Revenue Mobilization
EPI	Enabling Environment for Private Investment
EU	European Union
EULEX	European Union Rule of Law Mission
EXO	Executive Office
FFM	Functioning Financial Markets
FDI	Foreign Direct Investment
FLFP	Female Labor Force Participation
FTA	Fiscal Transparency and Accountability
GDP	Gross Domestic Product
GOK	Government of Kosovo
GOS	Government of Serbia
ICT	Information and Communication Technology
IMF	International Monetary Fund
INL	Bureau of International Narcotics and Law Enforcement Affairs (DOS)
IR	Intermediate Result
KAS	Kosovo Agency of Statistics
KJC	Kosovo Judicial Council
KOSTT	Kosovo Electricity Transmission, System, and Market Operator
LAA	Legal Aid Agency
LMIC	Low Middle Income Countries
LGBTI	Lesbian, Gay, Bisexual, Transgender, and Intersex
MCC	Millennium Challenge Corporation
M&E	Monitoring and Evaluation
MESTI	Ministry of Education, Science, Technology, and Innovation (GOK)
MLGA	Ministry of Local Government and Administration (GOK)
MOFT	Ministry of Finance and Transfers (GOK)
MOJ	Ministry of Justice (GOK)
NGO	Non-Governmental Organization
PAS	Public Affairs Section (DOS)

PFM	Public Financial Management
RCO	Regional Contracting Office (USAID)
RF	Results Framework (USAID)
ROL	Rule of Law
SAA	Stabilization and Association Agreement (EU)
Sub-IR	Sub-Intermediate Result (USAID)
TIKA	Turkish Cooperation and Coordination Agency
TLP	Transformational Leadership Program
UNDP	United Nations Development Program
UNMIK	United Nations Mission in Kosovo
USCIRF	United States Commission on Religious Freedom
USG	United States Government
USPSC	U.S. Personal Services Contractor
USPSC-RH	U.S. Personal Services Contractor – Resident Hire
WGDP	Women’s Global Development and Prosperity
WB	World Bank
WEF	World Economic Forum
WJP	World Justice Project

TABLE OF CONTENTS

- I. EXECUTIVE SUMMARY**
 - a. CDCS Goal
 - b. Commitment and Capacity
 - c. Strategic Choices
 - d. Results Framework

- II. COUNTRY CONTEXT**
 - a. Salient Factors
 - b. Partner Country Vision
 - c. Country Roadmap Takeaways
 - d. Transition Plan

- III. STRATEGIC APPROACH**
 - a. U.S. Government Relationship with the Government of Kosovo
 - b. Use of Kosovo's Resources
 - c. Engaging the Private Sector
 - d. The Role of Civil Society and Citizens
 - e. Efforts of other USG actors

- IV. RESULTS FRAMEWORK NARRATIVE**
 - a. Goal Statement and Narrative
 - b. Development Objective Results Statement and Narrative
 - c. Intermediate Results Statement and Narrative

- V. MONITORING, EVALUATION, AND LEARNING**

- VI. ANNEXES**

I. EXECUTIVE SUMMARY

CDCS Goal: USAID/Kosovo’s goal for the 2020-2025 Country Development Cooperation Strategy (CDCS) is “**Kosovo realizes its democratic and demographic dividend through Kosovo-led solutions.**” To achieve this goal, USAID will endeavor to increase government accountability and seek to leverage new democratic and economic opportunities. Success in these two areas will pave the way for Kosovo to advance on its journey to self-reliance.

USAID/Kosovo will help the Government of Kosovo (GOK) build on its considerable achievements in policy formulation and buttress its commitment to policy implementation. To get ahead of corruption, unemployment, and frail commitment to accountability and responsiveness, USAID/Kosovo will seek to reinforce the GOK’s commitment and capacity at various levels to effectively and efficiently anticipate, plan for, mitigate, and respond to democratic, economic, and social needs.

USAID/Kosovo will work with partners and civil society to create opportunities for less heard voices in Kosovo’s society, especially youth, women, and minority groups, to steer their own future. The Mission intends to strategically engage with the private sector to explore creative solutions and market-based approaches. Unleashing the power of the private sector will help confront the increasing demographic and political pressures.

Commitment and Capacity: Although the Fiscal Year (FY) 2019 and FY 2020 Roadmaps¹ lack some of the metrics on Kosovo, they demonstrate that Kosovo is strongly positioned among the low-middle-income countries, but vis-a-vis its regional peers, Kosovo is behind in its journey to self-reliance. Despite its solid economic growth, significant expansion of infrastructure, and improvement within the business environment, Kosovo still measures low in comparison to the region. The most worrying self-reliance sub-dimensions under Commitment and Capacity indicate poor performance in *Open and Accountable Governance*, *Inclusive Development*, and *Government Capacity*.

Additional research on the **Commitment** axis reflects that while the business environment is quite strong, the country still faces significant deficiencies in *Liberal Democracy*, *Open Government*, and *Economic Gender Gap*.² Kosovo suffers from weak political will to address corruption and nepotism, as well as inadequate government responsiveness. Logically, greater civic oversight and civil engagement are necessary to further strengthen Kosovo’s democracy. Another major concern is the

¹ FY 2020 Kosovo Country Roadmap <https://selfreliance.usaid.gov/country/kosovo>

² Kosovo Roadmap does not provide the metric on *Open Government* and *Economic Gender Gap* on the Commitment axis, nevertheless, the Mission was able to supplement that data gap through extensive research and data from independent sources and studies cited further in the strategy.

female participation rate of—at most—30 percent in the labor force, depriving the nation of substantial human capital and talent to strengthen the economy.

On the **Capacity** side of the Roadmap, Kosovo's strengths are predominantly within *Citizen Capacity* and *Civil Society Capacity*. Specific strengths include an effective civil society, impressive levels of internet connectivity³ and high rates of child health. On the downside, the country has challenges within the *Government Capacity* and *Capacity of the Economy*. The capacity of Kosovo's government to implement policies and provide quality services to citizens remains low. Kosovo also suffers from limited export diversification⁴ and one of the lowest GDPs per capita in the region. Improving municipal and national service delivery, reducing the skills gap between the workforce and the private sector, and increasing private sector capability to export high-value products will go a long way toward strengthening Kosovo's capacity.

Strategic choices: USAID/Kosovo will engage the GOK, the private sector, civil society, donors, and other communities, in areas that offer the greatest potential to build long-term self-reliance.⁵

The new strategy will *redefine USAID's relationship with the Kosovo* government and citizens. While previously the Mission worked closely with Kosovo institutions and partners to deliver development results through policy formulation, the new approach focuses on policy implementation. The new CDCS will focus on the sub-dimensions of *Liberal Democracy, Open Government, Government Effectiveness, Social Group Equality, and Civil Society and Media Effectiveness*, with a shift in approach to ensure greater local ownership. The new strategy will consolidate the gains in institutional capacity to date and push for Kosovo's commitment to implementing the already established legal-regulatory framework, by working with civil society, the private sector, and youth to promote greater demand for good governance.

The new strategy also considers more deliberately the possibilities for *Kosovo to finance its own development*. USAID/Kosovo will work directly with the GOK to help mobilize sufficient levels of public revenue to better address their development needs, while ensuring that public funds are spent in an accountable and effective manner. The Mission also plans to help create conditions under which the private sector can operate more effectively. Consequently, USAID/Kosovo programming will help strengthen

³Households with access to internet in Europe. Kosovo shows above the European average at 93% https://ec.europa.eu/eurostat/statistics-explained/index.php/Enlargement_countries_-_information_and_communication_technology_statistics

⁴ Although the Kosovo Roadmap does not provide the metric on *Export Sophistication*, the Mission provides data from other sources throughout the strategy on export diversification in Kosovo.

⁵ The COVID-19 pandemic constitutes an unprecedented challenge with socio-economic consequences. Once there is a wider evidence base on COVID-19's direct impact on the economy and socio-political structures in Kosovo, the Mission will, as needed, revisit its assumptions, risks, and detailed approaches during the project design phase. The Mission is confident that its strategic approach will strengthen the resilience of Kosovo's political, social, and economic structures. Institutional accountability, democratic and economic opportunities for all citizens, youth, civil society, and private sector engagement remain the Mission's core principles to help Kosovo advance on its journey to self-reliance.

domestic revenue mobilization (DRM), public financial management (PFM), fiscal transparency and accountability (FTA), and the enabling environment for private investment (EPI). The Mission assesses that the environment in Kosovo is not yet ripe for functioning financial markets (FFM). However, the new strategy will help cultivate an environment where FFM can thrive in the future, creating a reliable financial market capable of eliminating uncertainty for investors. Separately, diverse sources and approaches for financing development are necessary to move forward on the journey to self-reliance, thus USAID/Kosovo will pursue opportunities to leverage non-U.S. Government resources in all of its activities.

To maximize the impact of USAID's work, the Mission will use its average of 160 public events annually and its credibility to hone a clear, strategic, and powerful message that reinforces the strategic approach under this CDCS. *Strategic communication* is a binding part of many elements of this CDCS, because the Mission recognizes the importance of its influence through communication.

Another initiative that is critical for the successful implementation of the new strategy is *Effective Partnering and Procurement Reform*. The Mission is a pilot for the New Partnership Initiative (NPI)⁶ and continuously explores avenues to diversify its base of actors.

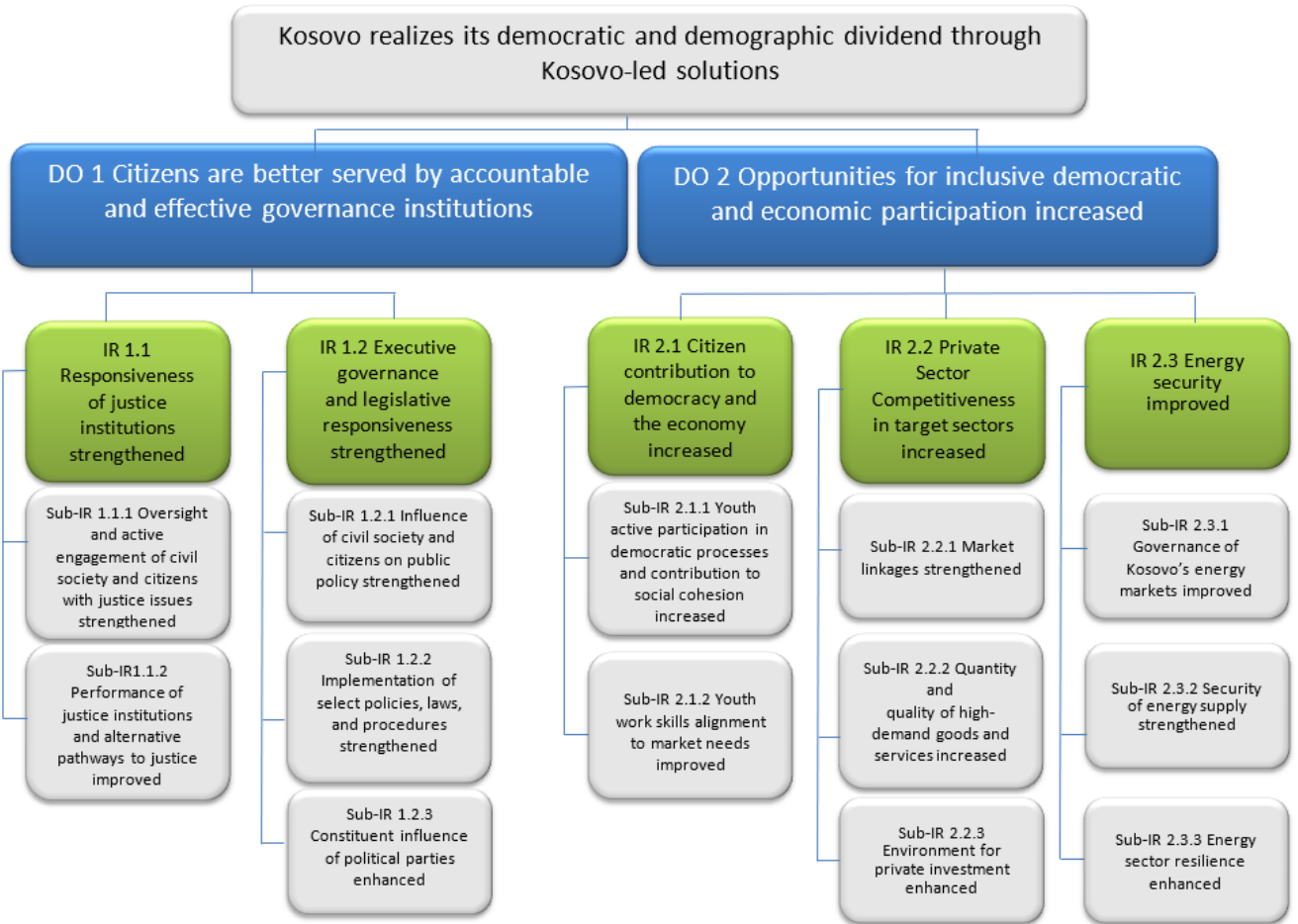
The new strategy aligns with the USG's National Security Strategy (NSS), the State-USAID Joint Strategic Plan, and Kosovo's Integrated Country Strategy (ICS) by promoting justice, peace, and prosperity. The Mission's objectives for a Kosovo citizenry that is better served by accountable and effective governance institutions and increased opportunities for an inclusive democratic and economic participation align with the USG priorities.

The United States Commission on International Religious Freedom (USCIRF) has not identified any risks or threats to religious freedom in Kosovo; Kosovo is not identified as a Tier 1 or Tier 2 country according to the 2019 USCIRF Report.⁷ However, because religion and ethnicity in Kosovo are often interlinked, the Mission remains cognizant of the potential influence and the role of religious communities in inter-ethnic collaboration.⁸

⁶ New Partnership Initiative <https://www.usaid.gov/npa>

⁷ <https://www.uscirf.gov/reports-briefs/annual-report/2019-annual-report>

⁸ <https://www.state.gov/wp-content/uploads/2019/05/KOSOVO-2018-INTERNATIONAL-RELIGIOUS-FREEDOM-REPORT.pdf>



II. COUNTRY CONTEXT

Since the previous strategy (2014-2018), Kosovo has continued moving forward in terms of institution building, economic trends, and civic participation. However, progress has been uneven, and many conditions remain problematic. The factors below informed the choices USAID/Kosovo made for the new strategy:

Newly Established Legal Framework: For most of the twentieth century, Kosovo was part of communist Yugoslavia—with underdeveloped governance institutions and a command-driven economy. In 1999, when Kosovo was placed under an interim administration of the United Nations Mission in Kosovo (UNMIK), it faced many challenges, including limited experience with self-rule, low levels of economic development, and a population and infrastructure badly damaged by years of war, oppression, and ethnic hostilities. Kosovo declared its independence in 2008. Although over the last decade the country made considerable progress in building state

institutions, its governance and legal systems are nascent. Kosovo established a fully autonomous legal system with locally staffed courts and prosecution offices for the first time in 2019.

Demographics: Kosovo is Europe's youngest country with a population of 1.8 million. The average age is 26, and 38 percent of the population is younger than 20.⁹ If democratic and economic opportunities are increased, youth represents a resource for Kosovo's prosperity. A young, well-trained labor force could be a comparative advantage for strengthening democratic systems and boosting productivity. If not, the incoming youth bulge will exacerbate pressure on the current infrastructure, education, the economy, public services, and political stability. This resource needs to be tapped now as fertility levels and child mortality rates have already reached post-transition levels, and dependency ratios will decline. As is being seen in most of Europe, Kosovo's population will experience a shift of the age structure from a very young to a more elderly demographic. The window of opportunity for Kosovo to realize its demographic dividend is short.

Disillusionment of youth is a significant challenge in Kosovo. Youth are weighed down by resignation and widespread perceived government corruption. Psychological scars from the relatively recent conflicts are everywhere, even if the landscape has been transformed by gleaming infrastructure. Kosovo remains the only country in Europe without visa liberalization with the European Union (EU), making it a significant impediment for Kosovo citizens to travel, and has serious implications for trade, and higher education.¹⁰ The current situation presents Kosovo's last best chance for its youth to engage, influence, and become a catalyst for improved governance and prosperity for Kosovo.

Although Kosovo has had women in key positions, Kosovo women across political parties coming together as a critical mass to engage in common issues or make definitive policy positions and decisions remains limited. According to a survey by Democracy for Development (D4D), 65 percent of women in Kosovo have not attempted to involve themselves in a decision-making process and they do not believe they can make an impact.¹¹ Additionally, research shows that no country in Europe has a lower proportion of women in the formal labor market than Kosovo. According to the World Bank (WB), "at around 18 percent, Kosovo faces one of the lowest female labor force participation rates in the world—well below other Western Balkan countries."¹²

⁹ World Bank: Systemic Country Diagnostic <http://documents.worldbank.org/curated/en/282091494340650708/Kosovo-Systematic-Country-Diagnostic>

¹⁰ According to Henley Passport Index, Kosovo ranks 99/107 on travel access without a visa <https://www.henleypassportindex.com/passport>

¹¹ Democracy for Development (D4D), Inclusion of women and youth in decision-making and local governance. https://d4d-ks.org/wp-content/uploads/2019/09/D4D_PI_19_ENG_FINAL_web.pdf

¹² World Bank: Promoting Women's Employment in Kosovo. <https://www.worldbank.org/en/country/kosovo/brief/promoting-women-employment-in-kosovo> Nevertheless, USAID/Kosovo considers MCC's Female Labor Force Participation survey which considers female labor participation force outside the formal economy, showing a slightly higher female labor participation, up to 25%.

Although Kosovo's ethnic makeup is diverse, the Kosovo Albanian community makes up over 90 percent of the population while Kosovo Serbs constitute about 7 percent¹³ of the population.¹⁴ While Kosovo Albanian and Kosovo Serb political elites cooperate in formal state governance and share resources at the central and local levels, ordinary citizens from the two main communities live in separate worlds with minimal contact and communication. According to Minority Rights Group International, the rest of Kosovo's non-Serb minorities, such as Roma, Ashkali, and Egyptian are mired in poverty, lacking physical security and freedom of movement. "In their makeshift settlement, they lack access to education and public services, including healthcare, justice, and employment."¹⁵

Nascent Private Sector: Inadequate performance of governance institutions is an obstacle to economic growth. Kosovo's economy remains heavily based on consumption, with remittances accounting for about 16 percent of its GDP.¹⁶

Firms are small and lack the expertise to identify and export to foreign markets. A bloated public sector with high wages and remittances make private sector jobs less desirable. A weak investment climate, insufficient and unreliable supply of electricity¹⁷, political favoritism, and an inadequately skilled workforce deter investment and impede the development of a competitive private sector. According to the *Kosovo Political Economy Analysis, 2017*, a growing exasperation among youth is manifesting itself by youth leaving the country for perceived better opportunities elsewhere. Kosovo remains the third poorest country in Europe with a GDP per capita that is approximately 11 percent of the EU average.¹⁸

Regional Stability and EU Accession: The recent stagnation of international recognition of Kosovo as a sovereign and independent state has exacerbated Kosovo's many challenges.

Five EU member states still do not recognize Kosovo. The Stabilization and Association Agreement (SAA) Kosovo signed with the EU as a precondition to join the EU contains some challenging political and economic reforms to accomplish.

¹³ Kosovo Political Economy Analysis, 2017

¹⁴ Ethnic composition according to CIA factbook: Albanians 92%, Bosniaks 1.6%, Serbs 1.5%, Turk 1.1%, Other (includes Roma) 1.1%. These estimates may under-represent Serb, Romani, and some other ethnic minorities because they are based on the 2011 Kosovo national census, which excluded northern Kosovo (a largely Serb-inhabited region) and was partially boycotted by Serb and Romani communities in southern Kosovo.

¹⁵ <https://minorityrights.org/minorities/roma-9/>

¹⁶ World Bank, Remittances, Kosovo: <https://data.worldbank.org/indicator/BX.TRF.PWKR.DT.GD.ZS?locations=XK>

¹⁷ MCC's Constraint Analysis notes USAID study where unreliable energy costs Kosovo businesses approximately \$400 million each year

¹⁸ World Bank GDP per capita: <https://www.worldbank.org/en/country/kosovo/overview>

These factors negatively affect foreign direct investment (FDI), Kosovo's exports, freedom to travel, its entry into other international organizations, etc.

Partner Country Vision: According to the latest *Corruption Perception Index* by Transparency International, Kosovo is experiencing a shift in parliamentary power that could offer an opportunity to reverse the shortcomings of the previous administration and prioritize anti-corruption efforts.¹⁹ For the first time, Kosovo's head of the parliament is a woman, one third of the Parliamentarians are women, and five of the 15 Ministries within the GOK are women.

The priorities that the GOK highlighted in the 2019-2021 Midterm Expenditure Framework and in its 2016 National Development Strategy (NDS) align with USAID's objectives: competitive industries, transparent governance, energy security, better links between the education system and the labor market to create jobs, and reduce the economic gender gap. There are numerous incentives where USAID/Kosovo will have opportunities to seek the GOK's commitment to accountability and responsiveness. These promising changes have the potential to propel Kosovo toward unparalleled transformation.

USAID remains a proven partner in Kosovo's success. USAID stepped up to support Kosovo when its need for assistance was most urgent as a newly formed independent nation. Over the years, USAID has remained steadfast in its support, doubling down on efforts to address pressing challenges and stepping back as Kosovo increasingly has stepped up to the task to advance on its journey to self-reliance. There is no question that these efforts have paid dividends. Kosovo remains one of America's most vociferous supporters and solid allies.

Country Roadmap: Kosovo lacks some of the universal metrics in the FY 2019 and FY 2020 Roadmaps.²⁰ However, supplemental data from other sources demonstrate favorable overall capacity vis-à-vis global levels and average levels of commitment.

Although the Roadmap shows Kosovo above average for most metrics among low-middle-income countries (LMIC), Kosovo lags on its journey to self-reliance when compared to its regional peers. Areas of concern are *Open and Accountable Governance*, *Inclusive Development*, and *Government Capacity*. While the Roadmap lacks two metric scores under *Capacity of the Economy*, the Mission is confident that these metrics merit a closer look: GDP per capita and Export Sophistication.

Under Commitment, data indicate that while legislation and policy formulation in Kosovo have come a long way, government actions and societal norms do not yet show a readiness to consistently implement laws and policies, which deter the path toward self-reliance.

¹⁹ https://www.transparency.org/news/feature/cpi_2019_global_highlights

²⁰ FY 2020 Kosovo Country Roadmap <https://selfreliance.usaid.gov/country/kosovo>

Open and Accountable Governance: The most important prerequisite for advancing self-reliance is a more accountable and citizen-responsive government. Corruption, state capture, and vested interests have led to abuse of domestic resources and converging economic and political interests lead to opaque transactions that in return rob Kosovo of future development potential.

Parallel to the reality on the ground, the Roadmap shows *Liberal Democracy* to be the lowest score in Kosovo's Roadmap. Looking at secondary metrics from Varieties of Democracy, Kosovo struggles the most under the Liberal Democracy Index and Participatory Democracy Index, scoring overall 37/45 regionally.²¹

Open Government: Alternative data show that Kosovo successfully introduced transparency reforms in a few sectors, such as public procurement, thanks to willing government partners, active civil society organizations (CSOs), media, and USAID support. While this is a positive transparency trend, much remains to be done to make Kosovo's government truly accountable on both central and municipal levels.

Social Group Equality: Kosovo is below the LMIC average on equal protection of civil liberties across ethnicity, religion, race, region, etc. Similar conclusions are supported by Freedom House data,²² reflecting a discrepancy between the law and the reality on the ground. According to Varieties of Democracy indicators related to political inclusion, namely whether equal protections, access to political power, and distribution of resources are afforded across citizen types, Kosovo scores unfavorably at 120th or lower globally, behind the Balkan average.²³ Moreover, according to the World Bank Report, perception of general acceptance of LGBTI persons is the worst in Kosovo compared to other Southeast European countries.²⁴

Although the *Economic Gender Gap* metric is not available in the Roadmap, other sources show worrisome data. The latest Millennium Challenge Corporation (MCC) Labor Force and Time-Use Survey states, "Although youth represent a valuable economic asset, with an employment rate of only 27.7 percent, their potential remains underutilized. This is particularly the case for young females, as only one in six is employed."²⁵ While waning, some remnants of customary law still affect gender equality²⁶ and put women at a disadvantage when it comes to access and control over financial resources. One of these customary laws is related to the property and inheritance rights of women. According to the *Freedom in the World 2019 Report* by

²¹ IDEA Country Dashboard, secondary metrics: <https://idea.usaid.gov/cd/kosovo/democracy-human-rights-and-governance/good-governance>

²² <https://freedomhouse.org/report/freedom-world/2019/kosovo>

²³ https://www.v-dem.net/media/filer_public/3f/19/3f19efc9-e25f-4356-b159-b5c0ec894115/v-dem_democracy_report_2018.pdf

²⁴ <http://documents.worldbank.org/curated/en/123651538514203449/pdf/130420-REPLACEMENT-PUBLIC-FINAL-WEB-Life-on-the-Margins-Survey-Results-of-the-Experiences-of-LGBTI-People-in-Southeastern-Europe.pdf> (page 3).

²⁵ <https://data.mcc.gov/evaluations/index.php/catalog/205/study-description>

²⁶ Customary law is largely documented in Gjecovi, Shtjefen, *The Code of LekeDukagjini, 1910-1925*

Freedom House, “while the law states that inheritance must be split equally between male and female heirs, strong patriarchal attitudes lead pressure on women to relinquish their rights to male family members.”²⁷

Government Capacity and the Capacity of the Economy: USAID/Kosovo combines key indicators from both sub-dimensions as the lens to advance Kosovo toward self-reliance: *Government Effectiveness, GDP per capita, and Export Sophistication.* The substantial economic growth in Kosovo must be viewed through a governance lens. According to the World Bank (WB) Government Effectiveness indicator, Kosovo scores toward the bottom of the pack among Balkan countries and has shown no major improvement since the WB started tracking it in 2006.²⁸ Political pressure negatively affects the quality of public services, civil service, policy formulation, and implementation. Improving national and municipal service delivery, while at the same time keeping the citizen demand active, will strengthen the nascent social contract.

According to the Kosovo Agency of Statistics (KAS) External Trade Report from January 2019, export covers import by 12.3 percent.²⁹ Kosovo’s exports also lack diversity and good quality: according to Trading Economics, Kosovo mainly exports metals (47 percent of total exports) and mineral products (30 percent of total exports).³⁰ The World Bank Job Diagnostic Report assesses that “Kosovo’s production capacity is growing but it is narrow, undiversified, and uncompetitive.”³¹

Transition Planning: Kosovo has a strong legal framework, a vibrant civil society, and an emerging market economy in a way that the generation of refugees could not have imagined 20 years ago. Present-day challenges are to build on the significant gains made and push for accountability by governance institutions to the citizens of Kosovo, and the opportunity for inclusive democratic and economic participation. During the life of this strategy, USAID programming will help ensure that these significant gains become irreversible. Institutionalizing reforms, closing loopholes, and mitigating backsliding will lead to a resilient Kosovo democracy and economy.

In combination with other donors, the private sector, civil society, and broad civic engagement, the Mission aims for considerable progress to achieve self-reliance at local and national level through transformative and sustainable gains in: responsiveness of justice institutions, executive governance and legislative responsiveness, citizen

²⁷ <https://freedomhouse.org/report/freedom-world/2019/kosovo>

²⁸ https://tcdata360.worldbank.org/indicators/h1c9d2797?country=KSV&indicator=388&countries=ALB,SRB&viz=line_chart&year_s=1996,2018

²⁹ <http://ask.rks-gov.net/en/kosovo-agency-of-statistics/add-news/international-trade-statistics-january-2019>

³⁰ <https://tradingeconomics.com/kosovo/exports>

³¹ <http://documents.worldbank.org/curated/en/814361497466817941/pdf/ACS21442-WP-PUBLIC-ADD-SERIES->

[KosovoJDWEB.pdf](#)

contribution to democracy and the economy, private sector competitiveness, and improved energy security.

III. STRATEGIC APPROACH

In 2020, Kosovo's development challenge is its frail institutional commitment to accountability and responsiveness, which thwarts democratic and economic opportunities. Inconsistent implementation of legislation and regulation stymies economic resilience and social cohesion, further depriving Kosovo and its citizens from realizing their full potential. Political and economic interests in Kosovo have become a confluence of conflicting interests, fueling corruption and inhibiting private sector development.

Looking forward, the Mission's vision for USAID's *legacy* in Kosovo is a post-war generation that respects the past, but with a vision for the future that is multi-ethnic, based on the rule of law, and a competitive market economy. Progress over the last 20 years has been substantial and unequivocal, but Kosovo is not where it needs to be on its journey to self-reliance. USAID/Kosovo will help the GOK and the citizens of Kosovo by focusing on accountability for decision-makers and generating democratic and economic opportunities for all citizens. Cutting across these topline priorities is a deliberate focus on inclusive development and support for building Kosovo's national identity.

Strategic communication is critical in operationalizing a strategy that is citizen-focused and underscores Kosovo-led solutions. During the life of the strategy, the Mission will execute strategic communications plans to direct its communications efforts around the direct objectives (DOs), with specific messages to reinforce self-reliance. The plan will be reviewed each year to build upon successes and lessons learned from previous year, while amplifying new or previously used messages as needed.

The Mission considered findings from the completed 119 Forestry and Biodiversity Analysis³² to avoid any irreparable loss with potentially serious environmental and economic consequences for Kosovo. The main findings suggest that, despite good laws on Kosovo's forestry and biodiversity, inadequate enforcement of legislation due to inadequate budget and numbers and training of staff impede Kosovo's conservation of biodiversity. The Mission believes that through enforced accountability and effectiveness of government institutions (DO1), Kosovo's biodiversity can only benefit.

Relationship with the Government of Kosovo: The United States and Kosovo governments have an excellent relationship and solid partnership on development programming. However, to ensure Kosovo ownership and local leadership in pursuing its development agenda, the Mission has already put in place practices and mechanisms to *redefine its relationship* with Kosovo. The Mission has signed a special

³² https://pdf.usaid.gov/pdf_docs/PA00WCZP.pdf

covenant through its Development Objective Agreements (DOAG) with the GOK to reflect a development plan with shared goals for partnership in the Annual Kosovo Budget. Furthermore, the Mission aims to incentivize political will by engaging with civil society, private sector, and other donors.

USAID/Kosovo has supplemented and complemented the capacity of GOK institutions, including through embedded advisors. Now, the Mission is deliberately moving to a *partner* relationship with the GOK to underscore the importance of Kosovo's ownership. USAID/Kosovo will transition to critical short-term technical assistance when needed under the condition that GOK will enable technology transfer to civil servants, and subsequently include their costs in the GOK budget. USAID/Kosovo does not envision supporting long-term embedded advisors in the GOK.

Through the new strategy, the plan is to identify opportunities to use collective influence of other donors and implementing partners. USAID/Kosovo already has led the international donor community in reinforcing to the new GOK leaders the core principles of aid effectiveness, including ownership by the government of Kosovo to program, implement, and monitor the alignment of donor assistance to government priorities.

Use of Host Country Resources: Although the GOK has developed numerous sophisticated strategy documents, many of which are in alignment with our priorities, the capacity and the commitment of respective government stakeholders to implement them in a coordinated manner lags. Although donors collaborate among themselves, many donors require strategies of Ministries or by sector, resulting in a cacophony of strategic documents, spreading the GOK's capacity too thin to implement them.

In response, USAID/Kosovo is determined to help GOK fulfill its existing priorities set in Kosovo's budget. The Mission intends to closely monitor Kosovo's Midterm Expenditure Framework—a whole-of-government annual budgeting exercise that mirrors the GOK's strategic priorities and is used as a key determinant to implement GOK priorities.³³ The Midterm Expenditure Framework (2019-2021) responds to priorities outlined in the National Development Strategy (2016-2021), the Economy Reform Program 2019-2021,³⁴ and the National Program for Implementation of SAA.

Additionally, USAID/Kosovo is engaging with other donors to coordinate efforts and not overwhelm the GOK with too many competing priorities. For example, the Mission has a Memo of Understanding with the EU in the rule of law sector, defining each donor's support for the justice and prosecutorial councils of Kosovo.

The GOK continues to underscore macro-economic and fiscal stability as a precondition for creating a more favorable climate for private sector development. The GOK defines its commitment to strengthening macro-fiscal stability by 1) providing the necessary balance between revenues and budget expenditures, 2) ensuring that budget deficit is

³³ <https://mf.rks-gov.net/desk/inc/media/F41E6181-8CC0-4E79-A797-B5B5FEBCD82A.pdf>

³⁴ The GOK has already approved the ERP (2020-2022) and will soon submit it to the EU.

within the legal framework and increase of public debt as a derivative of this deficit is kept under control and at stable levels, and 3) keeping a sufficient level of budget reserves to face external and internal fiscal risks.

Based on the FY 2019 and FY 2020 Roadmaps, the Mission sees opportunities to advance Kosovo on its journey to self-reliance by focusing on building the *Government Capacity* and *Capacity of the Economy*, and lock down Kosovo's commitment to *Open and Accountable Governance* and *Inclusive Development*.

In partnership with the GOK, the private sector, and Kosovo's civil society, USAID/Kosovo will reduce and streamline often cumbersome rules and procedures in doing business in Kosovo by strengthening the capacity of institutions to become more efficient, building capacity to plan and generate revenues for its development needs, and decreasing loopholes for corruption and/or non-transparent processes.

Engaging the private sector: The Mission sees the private sector as an important partner in achieving development results. With the new strategy, USAID/Kosovo will strengthen private sector capacities to ensure sustainable economic growth. In addition, the Mission plans to engage the private sector as a partner for innovative ideas on governance reform, enabling business environment, energy reform, and ideas to incite active engagement by youth, women, and minorities. In the spirit of encouraging self-reliance, the Mission will also look for opportunities to leverage local private sector resources to co-finance Kosovo's development initiatives and to co-create sustainable solutions for growth.

While the Mission engages the private sector as an equal partner with finance, ideas and capacity to find solutions, simultaneously, the Mission promotes private sector development with a focus on stimulating the private sector to generate more economic opportunities for Kosovo's youth. One sizable cohort that forms Kosovo's private sector landscape is Kosovo's diaspora, with which potential for strategic collaboration exists.

For sustainable economic growth, the Mission will promote linkages between the private sector and new markets, press for productive dialogue between the private sector and the government, and identify new and existing actors and other industry associations with high growth potential. The Mission will capitalize on new opportunities and emerging possibilities in *Open Government*, *Economic Gender Gap*, *Export Diversification*, and *GDP per capita*. Efforts will emphasize youth and women to ensure future generations can actively participate in a competitive economy and inclusive democracy.

The role of civil society and citizens: Civil society is fundamental to a well-functioning, vibrant democracy. It holds a key role in amplifying the voice of Kosovo citizens to ensure government officials are accountable and responsive to citizens' needs, and in building confidence for civic initiatives and influence. Overall, Kosovo has a diverse and vocal civil society that enjoys considerable public trust and is relatively

free from oppression faced by some of their peers in the region.³⁵ USAID/Kosovo will leverage Kosovo's relatively strong *Civil Society and Media Effectiveness* to work with local CSOs and media to gather domestic partners and resources to address and find solutions to Kosovo's development challenges.

Efforts of other USG actors: The primary goal of USG assistance in Kosovo is to support Euro-Atlantic integration by building transparent and responsive government institutions, encouraging economic growth, and establishing security institutions under democratic control.³⁶

To overcome these challenges, USAID and other USG agencies collaborate to promote rule of law, reduce corruption throughout the government, reduce barriers to economic growth, foster a robust civil society, advance the energy sector, and strengthen human capital, particularly among youth.

The Department of State (DOS) and USAID collaborate closely to engage with the GOK on promoting the rule of law and an improved governance environment for development. The Embassy's Economic section and USAID work on matters related to economic development, notably to improve the business environment, increase FDI, and build Kosovo's nascent private sector.

Kosovo's MCC Threshold program and USAID/Kosovo portfolio are complementary. While USAID is focused on new energy creation and diversification, MCC is focused on energy efficiency, distribution, and exploring gasification infrastructure necessary for Kosovo's energy security. USAID/Kosovo also engages with the Public Affairs Section (PAS) on several activities, especially in the education sector and on strategic messages that highlight overall USG foreign policy and development priorities. To strengthen the linkages between judicial institutions, USAID/Kosovo coordinates with International Narcotics and Law Enforcement (INL) and the Overseas Prosecutorial Development, Assistance, and Training (OPDAT). USAID also coordinates with the Department of Defense to ensure that programs are complementary.

Beyond the USG, USAID/Kosovo actively partners with the GOK, the Kosovo private sector, and donors to increase and better sustain the development impact of its assistance. These local partnerships, in addition to becoming assets that solidify our investments, become agents that advance and promote Kosovo's journey to self-reliance.

³⁵ Civil Society Sustainability Index 2018

<https://www.fhi360.org/sites/default/files/media/documents/resource-csosi-2018-report-europe-eurasia.pdf>

³⁶ Integrated Country Strategy (ICS), Kosovo 2018 https://www.state.gov/wp-content/uploads/2019/01/EUR-Kosovo_UNCLASS_508.pdf

IV. RESULTS FRAMEWORK

GOAL:

The goal of USAID/Kosovo 2020-2025 CDCS is: “**Kosovo realizes its democratic and demographic dividend through Kosovo-led solutions.**” Foundational to the sustainable achievement of this goal are two development objectives (DOs): 1) citizens are better served by accountable and effective governance institutions and 2) increased opportunities for inclusive democratic and economic participation. These DOs, interwoven throughout our results framework, will enable Kosovo to better address its own development challenges in the long run.

The proposed DOs are complementary, and, together, they foster an environment that empowers Kosovo-led solutions. It is not enough to build democratic institutions and create processes; they must result in opportunities for citizens to lead productive lives. The Mission’s DOs address different aspects of citizen engagement. Development objective (DO) 1 focuses on government oversight by citizens and civil society, while DO 2 takes a broader approach to democratic participation where it seeks to improve collaboration among citizens, civil society, businesses, and the public sector so local communities are better positioned to address Kosovo’s development challenges.

To achieve this goal, USAID/Kosovo recognizes the importance of the issues below, which must be interwoven throughout the implementation of the CDCS, and were paramount in the Mission’s thinking as it developed its Results Framework (RF):

- **Inclusion:** Foster an environment where *all* citizens feel comfortable to actively engage in democratic or economic spheres in Kosovo.
- **Identity:** Promote an image of Kosovo that its citizens want to identify with absent hesitation, by instilling trust in governance institutions, by exports of Kosovo’s high-quality products, and positive representation through athletes, artists, etc.
- **Conflict sensitivity:** Avoid unintentional aggravation of divisions and grievances that could fuel conflict, while building on already existing resiliencies.
- **Gender focus:** Consistent with the Agency’s Gender Equality and Female Empowerment Policy,³⁷ the CDCS will serve as a means for engaging key stakeholders, including the GOK, to address broad-based gender inequities that constitute significant obstacles on Kosovo’s journey to self-reliance. As recommended by Kosovo’s *Gender, LGBTI, Persons with Disabilities Assessment*,³⁸ the Mission will continue to strongly provide visible leadership and political support to further gender equality in Kosovo.
- **Youth focus:** Given Kosovo’s demographic profile, youth represent a potential catalyst for social and economic development. If they continue to be marginalized politically and underrepresented economically, this social cohort

³⁷ https://www.usaid.gov/sites/default/files/documents/1865/GenderEqualityPolicy_0.pdf

³⁸ https://pdf.usaid.gov/pdf_docs/PA00T8D4.pdf

could derail Kosovo's journey to self-reliance. Greater democratic and economic participation of Kosovo's youth is a cross-cutting theme of the entire new strategy.

DEVELOPMENT OBJECTIVE 1: Citizens are better served by accountable and effective governance institutions

Development hypothesis: IF civil society, citizens, and the private sector vigorously express their views, communicate their needs, and hold government institutions accountable *AND* government institutions abide by and implement the laws and regulations, *THEN* political and economic power currently vested in elites will be more broadly dispersed and Kosovo's governance institutions will be more accountable to its citizens, and ultimately, more effective.

USAID/Kosovo plans to support full implementation of Kosovo's laws and regulations using a two-pronged approach: 1) through civil society, the private sector, and community-based organizations to better represent the needs of all citizens and hold the government accountable, and 2) by using the Mission's influence and capacity-building support to help the GOK better implement laws and policies within the judicial, executive, and legislative spheres, including sound fiscal policy and management of public funds, citizen-focused inclusive access to justice, equitable provision of public services, and equal representation of all citizens.

With donor support, Kosovo has developed a legislative and regulatory framework that generally adheres to EU standards. However, due to inadequate commitment, capacity and coordination, the government consistently fails to fully implement these laws and regulations, leading to citizen dissatisfaction and distrust of governance systems. In addition, political power is concentrated with elites and citizens perceive corruption and cronyism as the main issues in the country.

Country Roadmap: Looking through the lens of Kosovo's Roadmap, this DO accelerates Kosovo's journey to self-reliance by honing in on the following sub-dimensions: Under **Commitment**, strengthening Kosovo's standing in *Liberal Democracy* is critical for Kosovo's journey to self-reliance as it promotes political inclusiveness and fairness, and instills accountability throughout different branches of Kosovo's central and municipal government. Although the Roadmap lacks the *Open Government* metric, Kosovo ranks below regional standards on Corruption Perception Index (38/45).³⁹ That said, improving *Open Government* is critical as citizens who are well-informed about the workings of government are better empowered to hold their government accountable. *Social Group Equality* and *Economic Gender Gap*, when improved, will greatly advance Kosovo toward self-reliance by ensuring that all citizens benefit from gains in the country's development.

³⁹ <https://idea.usaid.gov/cd/kosovo/democracy-human-rights-and-governance>

Under **Capacity**, USAID/Kosovo will address the challenges hindering Kosovo's *Government Effectiveness*, especially regarding implementation of existing legislation, functioning of the country's rule-of-law institutions, and delivery of public municipal services. At the same time, while implementing this DO, USAID/Kosovo will leverage Capacity strengths such as *Civil Society Effectiveness* to enhance public oversight and enable all citizens to decide on and contribute to Kosovo's development priorities. *ICT Use*—an underutilized strength, as Kosovo is one of the best internet connected countries in Europe—is a dimension that USAID/Kosovo plans to explore in more depth.

Alignment with Kosovo Government's priorities: This DO aligns well with the GOK's priorities under the National Development Strategy 2016-2021 (NDS)⁴⁰ and Midterm Expenditure Framework, where both documents prioritize good governance, rule of law, and EU integration. Both documents call for: increased transparency and reduced corruption, reduced administrative burden, ensured property rights, and reduced informal economy. In the areas of good governance and rule-of-law, the NDS envisions enhancement of customer-focused service delivery for businesses and the public, encouraging evidence-based policy making, closing loopholes in the public procurement system, strengthening the property rights system, and increased judicial efficiency. The Mission is confident of the GOK's commitment to reduce and streamline often impeding rules and procedures. For the first time, a series of public consultations with businesses, associations, civil society, media, donors, and public institutions are being held to inform the drafting and implementation of the Tax Administration of Kosovo's Integrity Improvement Plan. In addition, the new CDCS is also in line with the Government Strategy for Cooperation with Civil Society 2019-2023, which calls for an increased participation of civil society in policy-making.⁴¹ USAID/Kosovo seizes such opportunities and becomes the connective tissue to help Kosovo—its government and people—move toward self-reliance.

How Intermediate Results contribute to the DO: Both of the Intermediate Results (IR) under DO1 adhere to the dual approach of focusing on both the supply and demand sides of good governance. Building on USAID/Kosovo's productive relationship with the GOK and partnerships with civil society and the business community, USAID/Kosovo will support a more accountable, inclusive, and responsive democracy.

Accountability means implementation of the law not only when it is convenient or easy, but consistently and in a timely manner. This requires an even more rigorous approach to addressing corruption and inefficiencies in government. Empowering citizens to expect and demand that their government officials, at both national and local levels, be better stewards of government resources, will engender a more accountable and effective government service to all citizens.

Assumptions:

⁴⁰ http://www.kryeministri-ks.net/repository/docs/National_Development_Strategy_2016-2021_ENG.pdf

⁴¹ http://www.civikos.net/repository/docs/Strategy_eng_291507.pdf

- There will be low political instability over the duration of the strategy.

Risk factors:

In the past, a succession of short-term coalition governments resulted in limited opportunities to make and implement policies, infighting and lack of coordination between ministries, and broken continuity of Kosovo's development initiatives. There is a risk that similar political instability could have a strong impact on achieving results across the DO.

Intermediate Result 1.1: Responsiveness of justice institutions strengthened

How IR contributes to the DO: If communities, including civil society organizations and the private sector, are better connected to justice institutions, and if those institutions consistently implement policies and procedures that make justice more transparent and accessible to community members, then the responsiveness and quality of justice institutions to the citizenry they serve will improve.

Public trust in the justice system is lacking despite Kosovo's important achievements in recent years. Important milestones include justice integration of the north in 2017, dramatic reduction in backlog court cases, and the passage of eight major laws to strengthen rule of law and enhance its efficiency and transparency. These achievements have yet to make a significant dent on the public's perception of judicial institutions, and there remains a general lack of awareness of the progress achieved on reform efforts. In addition, practical challenges remain: inconsistent judgements and the "ping-pong court effect" with cases moving from court to court with no court taking responsibility for ultimate jurisdiction, lengthy procedural requirements, and language barriers and other obstacles that hinder effective inclusion of all communities.

To address the public mistrust and the remaining challenges within the judicial system, USAID/Kosovo will work with courts, legal aid offices, and other alternative justice providers and the communities they serve to improve the quality of the justice experience for all citizens, including the private sector actors. Secondly, USAID/Kosovo will improve the quality and accessibility of justice services for all, with a focus on the performance of the courts and legal aid offices in service delivery. Finally, USAID/Kosovo will work with judicial institutions to implement people-centered reforms writ large, such as increased availability of legal aid, increased ability to exercise property rights, increased use of alternative dispute resolution mechanisms, and the development of innovative solutions to respond to unmet legal needs.

On the demand side of the spectrum, USAID/Kosovo will engage an active civil society, independent media, and the private sector to provide effective oversight and actively engage on judicial issues.

Link to Kosovo Government Policies: USAID/Kosovo will continue to support the implementation of the GOK's policies that increase public trust in the justice system. Furthermore, USAID will continue to support the GOK's Justice Sector Functional Review process, in coordination with other USG agencies and international donors. This GOK Review involves an inclusive and participatory process led by the Ministry of Justice (MOJ) that will produce Kosovo's first Country Rule of Law Strategy. However, USAID's interventions in IR 1.1 will shift the focus of reform and assistance from a more institution-building and strengthening approach to a service delivery improvement approach that focuses on the people's justice needs through more accessible and higher-quality services.

Local actors: IR 1.1 involves the participation of the local and central layers of the judicial system, opinion-makers, and civic oversight structures. Civil society, the private sector, research institutions, think-tanks, and universities will be engaged as channels to support increased citizen engagement.

Innovative partnerships: USAID/Kosovo will continue to develop new partnerships that help advance IR 1.1 and the journey to self-reliance with the following government and private stakeholders: MOJ and other line ministries, National Assembly, municipal governments, Free Legal Aid Agency, Kosovo Judicial Council, and courts. The Mission also intends to expand its support to local policy CSOs, who have proven to be effective in advancing the implementation of laws and policies.

Evidence base: UNDP Public Pulse, GOK Justice Sector Functional Review Analysis, DRG Assessment 2017, Kosovo Political Economy Analysis 2017, Kosovo Rapid Conflict Assessment Report, Property Rights Program Midterm Evaluation, Justice Strengthening Program Midterm Evaluation, and Rapid Property Assessment in Kosovo.

Intermediate Result 1.2: Executive governance and legislative responsiveness strengthened

How IR contributes to the DO: If citizens hold Kosovo's executive branch and institutions accountable for service delivery, and if political parties are more accountable to their constituents, then government structures at all levels within Kosovo will more effectively meet citizen needs.

Although Kosovo has an established legal framework, full commitment lags to implement established policies. Through IR 1.2, USAID/Kosovo will engender accountability from the GOK by supporting CSOs and independent media in monitoring government policy implementation, promoting stronger political party governance, working with municipalities in preventing corruption, and supporting various executive and legislative branch institutions in carrying out their mandates.

In terms of FSR, under IR 1.2, USAID/Kosovo will support improvement of capacities and performance of various legislative and executive institutions to ensure systems that

are more efficient, equitable, and predictable, in consultation with citizens. More specifically, the Mission will continue engagement with the Tax Administration of Kosovo to ensure a sustainable domestic resources (DRM) system that is efficient. The Mission will support improvement of public financial management (PFM) practices and technical capacities for budget forecasting, strengthening systems for budget execution, and ensuring fiscal discipline. The Mission will continue to support programming under the fiscal transparency and accountability (FTA) pillar to ensure that public funds are allocated and expended transparently, effectively, and inclusively. Finally, to enable an environment for the private investment (EPI) to grow, the Mission will support property and ownership rights, inclusive competition policies, strong rule of law, and contract enforcement transparency.

Link to Kosovo Government Policies: IR 1.2 is in line with the Government Strategy for Cooperation with Civil Society 2019-2023, which calls for an increased civil society participation in policy-making.⁴² It is also aligned with the National Strategy on Public Procurement 2017-2021, which focuses on more effective and transparent management of public funds, and with the Kosovo National Strategy for Property Rights, which envisions more equitable access to property ownership. On the economic side, IR 1.2 is in accordance with the GOK's objective of macro-financial stability and fiscal discipline.

Local and relevant regional actors: USAID will engage key stakeholders within the executive and legislative structures, the private sector, civil society, and the diaspora.

Innovative partnerships: USAID/Kosovo will continue existing relationships and will explore new avenues for innovative partnerships with the MOJ; Ministry of Finance and Transfers (MOFT), the Ministry of Infrastructure and Environment, the Ministry of Economy, Employment, Trade, Industry, Entrepreneurship, and Strategic Investment, the Ministry of Local Government Administration, Tax Administration of Kosovo, Office of Good Governance, select municipalities, select chambers of business and commerce, and independent agencies including the Public Procurement Regulatory Commission, National Audit Office, Procurement Review Body, and the Anti-Corruption Agency.

Evidence base: IMF Tax Administration Improvement, World Bank Doing Business Report, DRG Assessment, Kosovo Political Economy Analysis, and UNDP Public Pulse.

DEVELOPMENT OBJECTIVE 2: Opportunities for inclusive democratic and economic participation increased

Development hypothesis: IF avenues for democratic and economic engagement are made available through 1) sustainable collaboration between citizens, public institutions, civil society organizations, and the private sector AND through 2) a competitive private sector that includes reliable energy and market-oriented investments in Kosovo's

⁴² http://www.civikos.net/repository/docs/Strategy_eng_291507.pdf

workforce, *THEN* there will be greater opportunities for citizens, especially youth and women, to participate in and contribute to civic and economic life.

The Mission views sustainable collaboration between citizens, public institutions, civil society organizations, and the private sector to be an indispensable ingredient that advances Kosovo in its journey to self-reliance. Organization by Kosovo citizens around their interests and action upon decisions that affect their lives are the tissue that hold this development hypothesis together. This Development Objective will expand opportunities for active, results-oriented engagement by less heard, important voices, specifically youth, women, minorities, and the private sector. Focus in these cohorts advances youth, female and minority political mobilization, human capital and workforce skills of youth, female labor participation rate, and private sector competitiveness.

Opportunity in Kosovo's context is not merely economic in nature. Entrenched status-quo situations are most successfully challenged by bringing independent and less heard voices into the forefront—women, youth, minorities, marginalized groups, and the private sector. Converging political and economic self-interests of Kosovo's elites hijack progress and undermine accountability in both democracy and economic spheres. Opportunities for participation, engagement, and advocacy can be the development dam that arrest such a confluence of interests.

The need to expand democratic and economic opportunities in Kosovo stems from the following factors. First, a new sizable generation of Kosovo's youth is reaching adulthood and voting age—two powerful drivers of political and economic development. A shortage of economic opportunities, the prevalence of corruption and elite impunity, and the lack of mechanisms for engaging young people in decision-making processes are preventing Kosovo from capturing the full potential of the biggest portion of its population—youth.

Secondly, the labor participation rate for women is somber. While there are many underlying issues for this dismal reality, the Mission believes that women must have their democratic space to control their own future through direct engagement with civil society, the private sector, and consequently affect government reform.

Thirdly, because of separate education systems, health, and other social services, the opportunities for shared experiences between ethnic groups are contrived. Minorities, including ethnic minorities, women, and non-cisgender persons, face restricted political life, including freedom of speech and access to government services. Democratic opportunity is critical for minorities in Kosovo to actively pursue economic opportunities and feel like they are a part of the fabric of Kosovo.

Finally, private sector competitiveness is the impetus for Kosovo's growth. Currently, the public sector continues to be the premier employer in Kosovo. Within the formal economy, the public sector provides the bulk of the jobs (54 percent) followed by large

firms in the private sector, where 41 percent of workers are employed.⁴³ Salaries and benefits in the public sector outperform those in the private sector. Nepotism is the more entrenched form of corruption—not a recipe for self-reliance or sustainability.

Country Roadmap: The Roadmap highlights Kosovo's below average *Social Group Equality* and external sources reflect a grave reality of Kosovo's *Economic Gender Gap*. Raising the bar for both indicators is crucial to further advance Kosovo's journey to self-reliance. While the *Education Quality* indicates Kosovo above the LMIC average, the Mission's view is a grim and dispiriting picture based on the Program for International Student Assessment (PISA) 2018⁴⁴ where Kosovo scored third lowest out of 80 countries.

Improved commitment and engagement by Kosovo citizens themselves will push forward the Mission's agenda in strengthening the Capacity side of the Roadmap: *Government Effectiveness*, *Export Diversification*, and *GDP per capita* where Kosovo ranks 42/45 regionally.⁴⁵

Despite signs of progress, Kosovo's economic structural challenges remain significant: high unemployment rate and inactivity rates, widespread informality, heavy reliance on remittances, and large trade deficit flag the *GDP per capita* indicator—although the Roadmap reflects it above the average compared to LMICs. Proper resource mobilization and closing a persisting skills gap between workforce capabilities and private sector needs will transpire in sustainable growth.

Alternative data from Kosovo International Trade illustrate a higher deficit in 2018 than in 2017 by 2.1 percent. Focusing on *Export Sophistication* is an opportunity to make the private sector more resilient, and attract diaspora and FDI, which in turn would contribute to a self-reliant and more resilient economy.

Although energy security is not included in the Roadmap, the fact that unreliable energy costs Kosovo businesses approximately \$400 million each year⁴⁶ is a troubling mile marker for Kosovo's journey to self-reliance.

Alignment with the Government of Kosovo priorities: DO2 is closely aligned with Kosovo's National Development Strategy 2016-2021 on the pillars of Human Capital, Energy Infrastructure, and Private Sector Competitiveness. Although for the GOK, the human capital pillar implies economic engagement only, for USAID/Kosovo, human capital also entails citizens' ability to engage in political and democratic systems to affect their own future.

⁴³ WB Group: Jobs Diagnostic, 2017 International Bank for Reconstruction and Development / The World Bank, p.44: <http://documents.worldbank.org/curated/en/814361497466817941/pdf/ACS21442-WP-PUBLIC-ADD-SERIES-KosovoJDWEB.pdf>

⁴⁴ PISA 2018, Kosovo: https://www.oecd.org/pisa/publications/PISA2018_CN_KSV.pdf

⁴⁵ <https://idea.usaid.gov/cd/kosovo/economy/economic-growth>

⁴⁶ MCC Kosovo Constraints Analysis quoting USAID study: <https://assets.mcc.gov/content/uploads/Constraints-Analysis-Kosovo-1.pdf>

Some of the actions programmed under the Kosovo NDS call to develop a competitive private sector through SME support, reduce the informal economy, and increase FDI through human capital development and improved energy security. USAID/Kosovo is looking forward to garnering stronger commitment on the aforementioned actions by Kosovo's Government.

How Intermediate Results contribute to this DO: While the previous strategy focused on strengthening the private sector so it could create jobs and cementing the legal and institutional foundation for a market economy, this time the Mission will deliberately engage Kosovo's greatest asset: its people. To do so, the Mission will more closely collaborate with the private sector, civil society, and citizens writ large to identify and overcome obstacles to Kosovo's development.

To support greater democratic and economic opportunities for Kosovo's citizens, especially women and youth, USAID/Kosovo's approach is separated into two pillars: 1) support citizen-led initiatives and collaboration among civil society, government and the private sector to better engage and create opportunities for all citizens, especially young people, and 2) create an economy that provides opportunities through increased private sector competitiveness, improved energy security, and a capable workforce. This bifurcated approach stands on three intermediate results: a) citizen contribution to democracy and the economy increased, b) private sector competitiveness in target sectors increased, and c) energy security improved.

Gender focus: DO2 will focus on efforts to close the gender gap with respect to civic and democratic participation, income equality, labor force participation, and access to productive capital, such as land and credit. Following recommendations from the Kosovo Gender Analysis,⁴⁷ the Mission is eager to raise awareness about the value of women's participation in democratic and economic processes, make a business case to involve more women in the energy sector, engage more women at the municipal level, and more actively consult with women, gender-equality experts, and women's rights organizations in designing projects and activities.

Assumptions:

- There will be low political instability over the duration of this strategy
- There will be macro-economic stability in Kosovo and the region

Risks:

- Integration of energy sectors in Kosovo and Albania is contingent on political stability in both countries to implement key policy changes.
- The GOK may either increase or reduce electricity tariffs for political ends.
- Lack of opportunities for meaningful youth engagement could exacerbate the situation and increase youth migration and negative behavior among youth.

⁴⁷ Kosovo Gender, LGBTI, PWD Assessment, April 2018: https://pdf.usaid.gov/pdf_docs/PA00T8D4.pdf

- Short-term coalition governments could result in minimal opportunities to make and implement policies.

Intermediate Result 2.1: Citizen contribution to democracy and the economy increased

How IR contributes to the DO: It is widely established that when citizens are well-informed and actively participate in democracies and the economy, countries flourish economically and socially. By actively engaging all citizens, especially youth, Kosovo has a strong potential to reap greater democratic and economic dividends.

IR 2.1 focuses on Kosovo citizens organizing around their interests and taking action to contribute to decision-making that affects their lives but that is not related only to government oversight and public policy implementation. Examples include, but are not limited to: helping local CSOs work better with local corporate or individual donors, engaging diaspora members in development initiatives, promoting cross-community improvement initiatives spanning beyond one single municipality, and increasing the accountability of local CSOs to their beneficiaries and domestic supporters.

IR 2.1 will also expand opportunities for economic participation, in particular for young Kosovo citizens, and contribute to a more inclusive broad-based growth of Kosovo's economy. While this IR encompasses all citizens, USAID/Kosovo intentionally focuses on youth. Despite representing over 50 percent of Kosovo's population, youth face multiple barriers to democratic and economic participation and are often viewed as a liability by the public and private sectors alike. At the same time, the educational institutions do not adequately prepare graduates with the skills the private sector needs. Through this IR, USAID/Kosovo seeks to change this perception so youth are seen as an asset, and acquire the confidence to use their voices and skills for Kosovo's development. Embracing the close connection between economic and democratic progress, IR 2.1 aims to reduce youth unemployment by enhancing alignment of youth skills with market needs and helps create space for youth to actively participate in democratic processes and contribute to social cohesion.

IR 2.1 will empower women and youth democratically and economically. Youth unemployment is near 60 percent, and only 25 percent⁴⁸ of women are part of the formal labor force. The exclusion of such a high proportion of the population from formal economic activity is a large fiscal strain and major impediment to increasing Kosovo's economic competitiveness. Thus, when designing and implementing its programming under this IR, the Mission will focus on opportunities for increasing the economic participation of young women in particular.

⁴⁸ MCC Kosovo Constraints Analysis: <https://assets.mcc.gov/content/uploads/Constraints-Analysis-Kosovo-1.pdf>

Link to Kosovo Government Policies: One of the main priorities of the GOK is investment in human capital in the form of quality of education, employment, and health to accelerate economic development. At the highest level, these priorities are captured in Kosovo's NDS 2016-2021. On specific issues, this IR is aligned with the Government Strategy for Cooperation with Civil Society 2019-2023⁴⁹, Kosovo Education Strategic Plan (2017-2021)⁵⁰ and Strategy for Youth (2019-2023).⁵¹

Local actors: Formal and Informal Youth and Women's groups, Minority Communities, GOK Ministry of Education, Science, Technology, and Innovation; GOK Ministry of Culture, Youth, and Sports; GOK Ministry of Economy, Employment, Trade, Industry, Entrepreneurship, and Strategic Investment; municipal education departments, private companies in select municipalities, sector associations, and the Office of Good Governance.

Innovative partnerships: USAID/Kosovo will liaise with government stakeholders, the private sector, CSOs, Kosovo diaspora, and other donors who have an interest in expanding democratic and economic opportunities for Kosovo citizens.

Evidence base: Transformational Leadership Program – Impact and Performance Evaluations, World Bank - Kosovo Country Report (2019), EU Country Progress Report (2019), UNDP Skill Needs Assessment, UNDP Public Pulse, DRG Assessment, and Civil Society Sustainability Index 2018.

Intermediate Result 2.2: Private sector competitiveness in target sectors increased

How IR contributes to the DO: Promoting private sector engagement is a key element of Kosovo's journey to self-reliance. USAID plans to engage the private sector as a partner and a catalyst for Kosovo's development. As local businesses grow and generate greater profits, they become better able to plan, finance, and implement solutions that contribute to Kosovo's development, reducing the need for foreign assistance.

Studies show that economic inactivity depresses political engagement. Political participation rises with increased education, income, and occupational status. The success of democracies can be judged by equal economic participation of all social groups. Furthermore, a large and growing body of international research has identified gender gaps in female labor force participation (FLFP) and female entrepreneurship to be a constraint to economic growth and a cause of low per capita income. Consequently, active democratic engagement and adequate economic opportunities go hand-in-hand.

⁴⁹ http://ojqfinancime.rks-gov.net/wp-content/uploads/2020/02/Strategy_eng.pdf

⁵⁰ <https://masht.rks-gov.net/uploads/2017/02/20161006-kesp-2017-2021-1.pdf>

⁵¹ Ministry of Culture, Youth and Sports: https://www.mkrs-ks.org/repository/docs/Strategy_for_Youth_2019-2023.pdf

In response, USAID/Kosovo identified increased private sector competitiveness as part of the solution for Kosovo's journey to self-reliance. IR 2.2 will be achieved through three main approaches: 1) strengthened market linkages, 2) increased quality and quantity of high-demand goods and services, and 3) enhanced environment for private investment.

To access market opportunities, businesses need to improve the quality and quantity of goods and services, which they can sustainably achieve by leveraging local providers and business development services, as well as other partners. USAID/Kosovo will promote linkages between the private sector and new markets both domestic and international.

Secondly, the Mission will identify industry associations and/or existing and brand new actors in targeted sectors with high growth potential that support the enhanced quality and quantity of goods and services.

Finally, USAID/Kosovo will press for productive dialogue between the private sector and the government to achieve greater impact in enabling a business environment that attracts both domestic and foreign investment. The Mission will help the GOK create a more attractive environment for private sector competitiveness not only through direct work with targeted government structures, but also by engaging the new Development Finance Corporation (DFC) which has ranked Kosovo as a Tier 1 country of the highest priority. USAID will work closely with the Department of State and DFC leadership to create a pipeline of investment opportunities in collaboration with the local private sector and the GOK. USAID will also include voices such as the diaspora, business associations, and other non-governmental structures that have a stake in a vibrant private sector in Kosovo (*Capacity: Government Effectiveness*). USAID/Kosovo is well-suited to guide the GOK toward this journey because it already has solid partnerships with structures within the government, such as the Ministry of Economy and the Ministry of Finance and Transfers to garner a platform that attracts domestic and FDI.

IR 2.2 will look at the private sector as a partner that offers creative solutions for building market linkages and increasing the quantity and quality of high-demand goods and services (*Capacity: Export Sophistication*).

Link to Kosovo Government Policies: This IR is aligned with GOK priorities, namely accelerated economic growth and employment. The GOK's NDS 2016-2021 calls for increased private sector competitiveness, improved human capital where youth are adequately educated to meet private sector needs, reduced informal economy, and reduced administrative burden for private investment.

Local actors: USAID/Kosovo has solid local partnerships with government structures, such as the Tax Administration of Kosovo, Ministry of Economy, Employment, Trade, Industry Entrepreneurship, and Strategic Investment, different business associations such as American Chamber of Commerce and Kosovo Chamber of Commerce, Civil Society Organizations.

Innovative partnerships: The Mission intends to expand the scope of local policy think tanks, business associations, and other private sector stakeholders to identify priority policy measures that address major constraints to private sector competitiveness. Further, the Mission is actively seeking ways to engage the diaspora in Kosovo’s private sector development.

Evidence base: Private Sector PAD Evaluation, World Bank Systematic Country Diagnostic 2017, ICT Sector Study (Macedonia, Albania, Kosovo) 2018, Kosovo Political and Economic Analysis 2017, and MCC Kosovo Constraints Analysis 2017.

Intermediate Result 2.3: Energy Security Improved

A more predictable and reliable electricity supply will lead to increased private sector productivity and realized investment, which will create conditions for realizing sustainable economic growth, employment opportunities, and political engagement for Kosovo citizens.

Kosovo’s energy sector has been definitively identified as a constraint to growth by several assessments, including the USAID Energy Sector Assessment in 2018 and MCC Kosovo Constraint Analysis in 2017. The GOK has undertaken a series of important reforms in the power sector aimed at liberalizing and developing the Kosovo energy market. Yet, “Kosovo businesses incur about \$400 million in additional costs due to irregular energy supply annually, according to a USAID 2012 study.”⁵² According to World Bank, Doing Business Report 2013, the negative impact of the outages probably costs Kosovo around 5 percent of its GDP.⁵³ These data keep FDI away, or make foreign investors opt for another country that does not necessarily offer the comparative advantage of a vibrant Kosovo youth ready to learn and work.

In response, USAID/Kosovo will provide technical support to the GOK to help it refine and implement its energy strategy. In support of this, interventions could include technical support to generate energy through various sources, including renewables. In close coordination with USAID’s Bureau for Europe and Eurasia’s Regional Energy Assistance Program, USAID/Kosovo will provide the Ministry of Energy with the technical and policy support to facilitate integration of Kosovo into regional energy markets. Finally, USAID/Kosovo will promote expanded electricity generation from renewable energy sources by supporting the development of market-based incentives for renewable energy, which in turn promotes a cleaner energy supply in line with EU directives, but at un-inflated costs. In addition, USAID/Kosovo will coordinate its activities closely and collaborate with MCC and other USG agencies in seeking opportunities to complement and supplement efforts to promote and enhance energy diversification and energy system resilience in Kosovo aimed at increasing investments that secure long-term energy supplies.

⁵² MCC Kosovo Constraints Analysis, number quoted from USAID study in 2012: <https://assets.mcc.gov/content/uploads/Constraints-Analysis-Kosovo-1.pdf>

⁵³ MCC Kosovo Constraints Analysis: <https://assets.mcc.gov/content/uploads/Constraints-Analysis-Kosovo-1.pdf>

Following Gender-LGBTI-PWD Assessment recommendations, the Mission will continue to support and institutionalize programs that engage women in the energy sector to further diminish cultural barriers around gender and energy and assist women to flourish in the economic sector. As an example of such initiatives under the previous strategy, in 2018, USAID/Kosovo helped create the Association of Women in Energy Sector of Kosovo (AWESK), where members work collaboratively to catalyze a change in attitudes toward women working in Kosovo’s energy sector.

Link to Kosovo Government Policies: The GOK remains committed to securing the electricity supply, reducing energy consumption through efficiency measures, and using renewable energy sources in a rational manner.⁵⁴ USAID/Kosovo cautiously accepts the GOK’s promises, and actively tracks the GOK’s progress in collaboration with other partners, such as MCC, the EU, etc.

Local actors: Ministry of Economy, Employment, Trade, Industry Entrepreneurship and Strategic Investment, Project Implementation Unit for the New Kosovo power plant, New Kosovo Energy Corporation, Energy Regulatory Office, Kosovo transmission system, market operator, and other private sector entities.

Innovative partnerships: MCC, World Bank, International Finance Corporation, European Bank for Reconstruction and Development, German Development Bank, and EU Office in Kosovo.

Evidence base: Evaluation of Repower Activity and Energy Sector Assessment (2018), Energy Community Secretariat – Annual Implementation Report (2018), WB Doing Business Report 2019, WB Economy Profile of Kosovo, and Impact from Electricity Supply on Kosovo Businesses.

V. MONITORING, EVALUATION, AND LEARNING

The Mission will monitor and evaluate the progress of the CDCS to understand and learn how it contributes to Kosovo’s journey to self-reliance and to inform course corrections that may be needed during the life of the strategy.

Globally, Kosovo is absent among many third party, independent data. This presents a Monitoring, Evaluation, and Learning (MEL) challenge for Kosovo, as limited data are available to inform strategic planning in the public and private sectors. The FY 2019

⁵⁴ Midterm Expenditure Report, Kosovo 2019-2021: <https://mf.rks-gov.net/desk/inc/media/F41E6181-8CC0-4E79-A797-B5B5FEBCD82A.pdf>

and FY 2020 Roadmaps lack several of the indicators for Kosovo. In response, the Mission helped strengthen Kosovo's evidence base by funding⁵⁵ Kosovo's inclusion by the World Justice Project (WJP) in the *Open Government* metric for future Roadmaps. Moving forward, the GOK has allocated funding for and will collaborate with WJP to ensure Kosovo is included in this metric annually. This example demonstrates opportunities for building GOK commitment to evidence-based decision-making for Kosovo's journey to self-reliance. Throughout the life of the strategy, the Mission will continue to seek opportunities to encourage local commitment toward building the evidence base and fostering self-reliance.

In addition to the knowledge gaps identified in the Roadmaps during CDCS development, the Mission identified a number of possible priority learning questions to be refined further in the Performance Management Plan (PMP). First, the Mission is interested to learn about the most effective approaches to strengthen government and private sector commitment to plan, manage, and implement solutions to Kosovo's development challenges. Secondly, the Mission is keen to learn how it can more effectively incorporate evaluation findings and assessments into project and activity design. Finally, the Mission will explore how to identify the best approaches on how USAID can effectively engage Kosovo youth.

VI. ANNEXES

- a. Journey to Self-Reliance Country Roadmap [FY2019](#) and [FY2020](#)

⁵⁵ The GOK will fund subsequent years to the World Justice Project to be a member of WJP's annual metrics in rule of law.

KOSOVO

JOURNEY TO SELF-RELIANCE: FY 2019 COUNTRY ROADMAP



LEGEND



Kosovo's Score
0-1, least to most
advanced globally



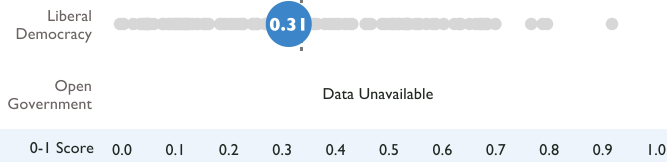
Other Low- and
Middle- Income
Countries' Scores



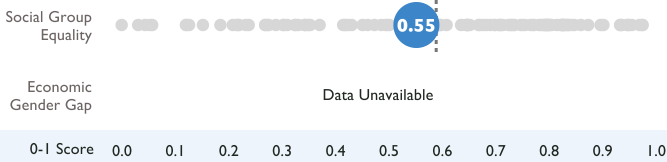
Average Score for
Low- and Middle-
Income Countries

COMMITMENT

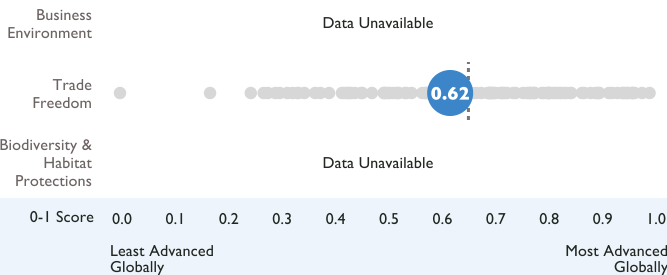
OPEN AND ACCOUNTABLE GOVERNANCE



INCLUSIVE DEVELOPMENT



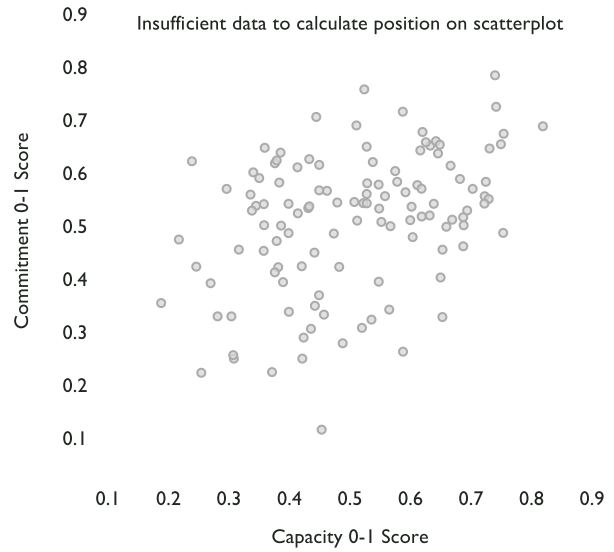
ECONOMIC POLICY



All source data is for the latest year available, typically 2017 or 2016, and is derived from third-party institutions. All indicators are weighted equally in the calculation of the overall Commitment and Capacity scores. Names and boundary representation in the map are not necessarily authoritative.

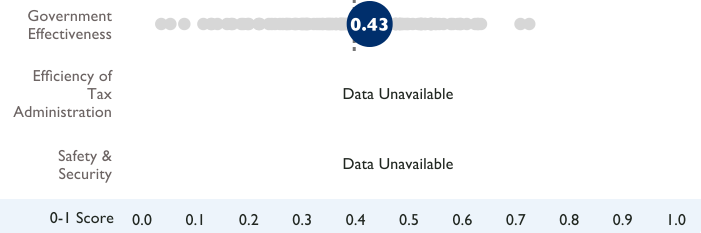
For more information on definitions and sources, please visit selfreliance.usaid.gov.

LOW- & MIDDLE-INCOME COUNTRY SNAPSHOT

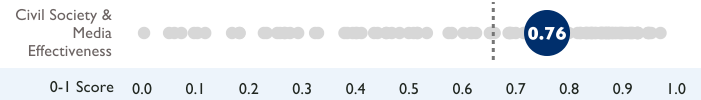


CAPACITY

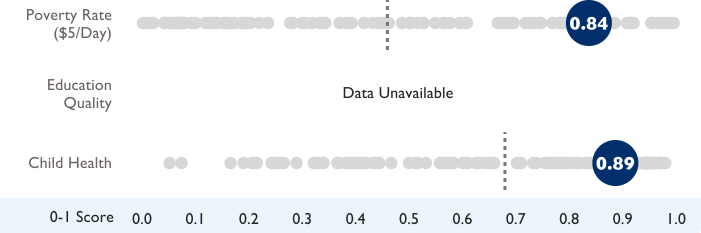
GOVERNMENT CAPACITY



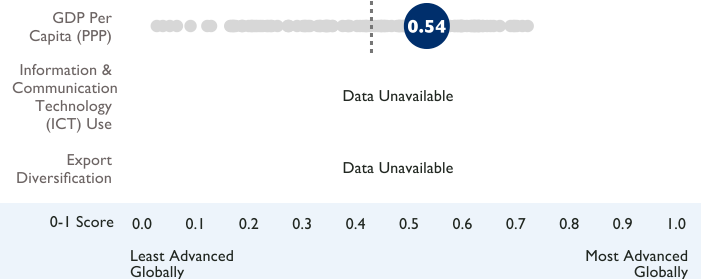
CIVIL SOCIETY CAPACITY



CITIZEN CAPACITY



CAPACITY OF THE ECONOMY



SELF-RELIANCE ROADMAPS

INDICATOR DEFINITIONS AND SOURCES

COMMITMENT

OPEN AND ACCOUNTABLE GOVERNANCE

Liberal Democracy: Measures freedom of expression, freedom of association, suffrage, elections, rule of law, judicial constraints on the executive branch, and legislative constraints on the executive branch. Source: [Varieties of Democracy \(V-Dem\)](#).

Open Government: Measures the degree to which a government shares information, empowers people with tools to hold the government accountable, and fosters citizen participation in public policy deliberations. Sub-factors include: publicized laws and government data, right to information, civic participation, and complaint mechanisms. Source: [World Justice Project, Rule of Law Index](#).

INCLUSIVE DEVELOPMENT

Social Group Equality: Measures political equality across social groups as defined by ethnicity, religion, caste, race, language, and region. Source: [Varieties of Democracy \(V-Dem\)](#), [Social Group Equality in Respect to Civil Liberties](#).

Economic Gender Gap: Index comprising five components: (1) wage equality between women and men for similar work; (2) the ratio of female estimated earned income to male income; (3) the ratio of female labor force participation to male participation; (4) the ratio of female legislators, senior officials, and managers to male counterparts; and (5) the ratio of female professional and technical workers to male counterparts. Source: [World Economic Forum, Global Gender Gap Report, Economic Participation and Opportunity Sub-Index](#).

ECONOMIC POLICY

Business Environment: Assesses a country's entrepreneurial climate by measuring business' access to infrastructure (such as the internet and transport, and to credit), business flexibility (the costs of starting business and of hiring and firing), clear and fair regulations (e.g., intellectual property rights), and perceptions of meritocracy and opportunity. Source: [Legatum Institute, Prosperity Index](#).

Trade Freedom: Measures a country's openness to international trade based on average tariff rates and non-tariff barriers to trade. Source: [Heritage Foundation, Index of Economic Freedom](#).

Biodiversity & Habitat Protections: Measures extent of marine protected areas, terrestrial biome protection (weighted for both national and global scarcity), representativeness of protected areas, and whether protected areas cover the ranges and habitats of critical species. Source: [Yale University/Columbia University Center for International Earth Science Information Network \(CIESIN\)](#).

CAPACITY

GOVERNMENT CAPACITY

Government Effectiveness: Measures the quality of public services, the quality of the civil service and its independence from political pressure, the quality of policy formulation and implementation, and the credibility of the government's commitment to its stated policies. Source: [World Bank, Worldwide Governance Indicators](#).

Efficiency of Tax Administration: Measures the efficiency of tax collection in relation to corporate taxes, household income taxes, national geographic consistency and reach, and the government's ability to limit tax evasion. Source: [Institutional Profiles Database](#).

Safety & Security: A combination of objective measures of security, and subjective measures of personal safety, personal freedom, and social tolerance. Source: [Legatum Institute, Prosperity Index](#).

CIVIL SOCIETY CAPACITY

Civil Society & Media Effectiveness: Measures the range of actions and mechanisms that citizens, civil society organizations, and an independent media can use to hold a government accountable. The mechanisms include using informal tools such as social mobilization and investigative journalism. Source: [Varieties of Democracy \(V-Dem\)](#), [Diagonal Accountability Index](#).

CITIZEN CAPACITY

Poverty Rate (\$5/Day): Measures the percent of the population living under \$5/day in purchasing power parity (PPP) terms. Source: [World Bank, PovCalNet](#).

Education Quality: Measures the percentage of students attaining a minimum proficiency in reading toward the end of primary school, providing a comparative evaluation of the relative performance of educational systems across countries. Source: [World Bank](#).

Child Health: A composite measure that aggregates under-5 child mortality, access to improved water sources, and access to improved sanitation facilities. Source: [Columbia University Center for International Earth Science Information Network \(CIESIN\)](#).

CAPACITY OF THE ECONOMY

GDP Per Capita (PPP): Measures the flow of resources available to households, firms, and government to finance development as the country's total Gross Domestic Product (PPP) divided by the country's population. Source: [World Bank, World Development Indicators](#).

Information & Communication Technology (ICT) Use: Index comprising: (1) internet users as percent of population; (2) fixed-broadband internet subscriptions per 100 population; (3) internet bandwidth kb/s/user; (4) mobile broadband subscriptions per 100 population; (5) mobile telephone subscriptions per 100 population; and (6) fixed telephone lines per 100 population. Source: [World Economic Forum \(WEF\), Global Competitiveness Index](#).

Export Diversification: Measures the diversification of a country's export products, one marker that can help gauge economic sophistication and resilience. Source: [UNCTAD, Export Concentration Index](#).

KOSOVO

JOURNEY TO SELF-RELIANCE: FY 2020 COUNTRY ROADMAP



LEGEND

0-1 Score

Kosovo's Score
0-1, least to most
advanced globally



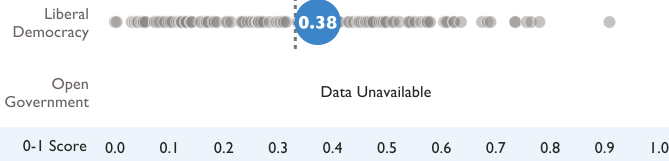
Other Low- and
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Countries' Scores



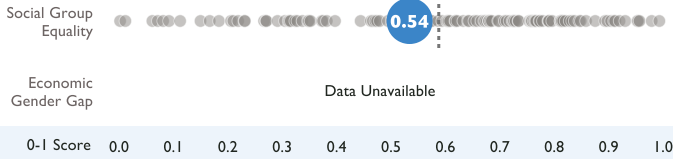
Average Score for
Low- and Middle-
Income Countries

COMMITMENT

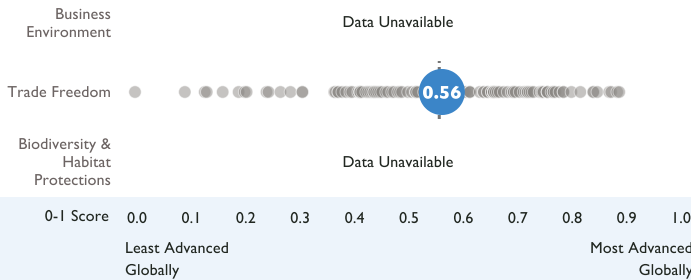
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INCLUSIVE DEVELOPMENT



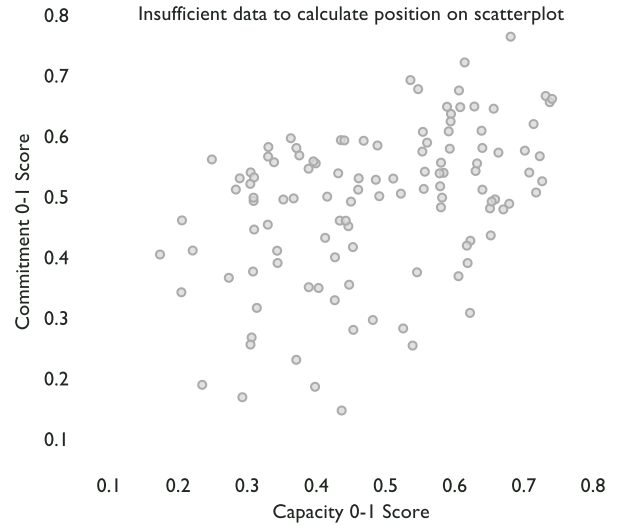
ECONOMIC POLICY



RISK OF EXTERNAL DEBT DISTRESS

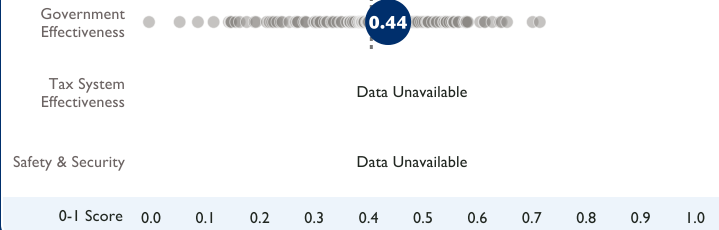
Recent IMF Risk of External Debt Distress rating not available for this country. See the Country Roadmap Methodology Guide for more information and the Secondary Metrics Compendium for additional tools to explore the issues of fiscal policy and health. Both are available at selfreliance.usaid.gov.

LOW- & MIDDLE-INCOME COUNTRY SNAPSHOT

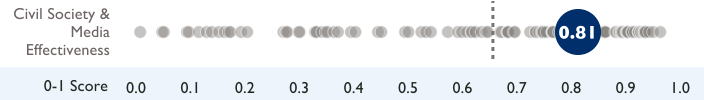


CAPACITY

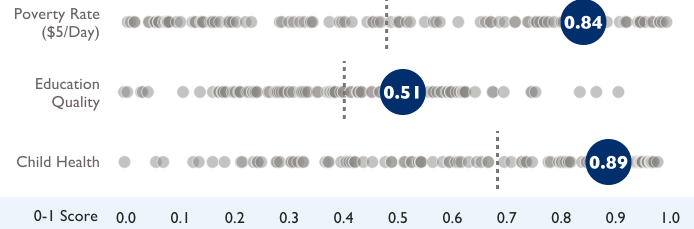
GOVERNMENT CAPACITY



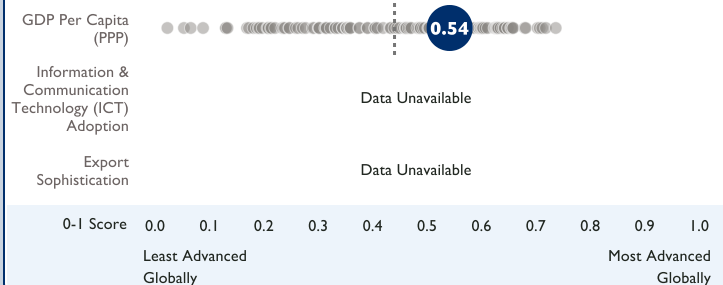
CIVIL SOCIETY CAPACITY



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RISK OF EXTERNAL DEBT DISTRESS

Rates a country's risk of public sector debt distress on a four-tier scale: "low risk", "moderate risk", "high risk", and "in debt distress". Ratings are based on countries' debt and market structures, fiscal and macroeconomic outlook, and institutional capacity to manage debt burden. Ratings help guide the borrowing decisions of lower-income countries to meet development needs while reducing the chances of excessive debt build-up. Ratings are shown for 54 lower-income countries for which the IMF prepares risk ratings and are not scored components of Commitment or Capacity. Source: [International Monetary Fund, Debt Sustainability Analysis for Low-Income Countries](#).

All source data are for the latest year available, typically 2018 or 2017, and are derived from third-party institutions. All indicators are weighted equally in the calculation of the overall Commitment and Capacity scores. Names and boundary representation in the map are not necessarily authoritative.

For more information on definitions and sources, please visit selfreliance.usaid.gov.

CAPACITY

GOVERNMENT CAPACITY

Government Effectiveness: Measures the quality of public services, the quality of the civil service and its independence from political pressure, the quality of policy formulation and implementation, and the credibility of the government's commitment to its stated policies. Source: [World Bank, Worldwide Governance Indicators](#).

Tax System Effectiveness: Estimated ratio between a country's tax collection and the expected level of tax revenue that a country could achieve, given its macroeconomic, demographic, and institutional features. Source: [USAID, Collecting Taxes Database, Tax Effort Indicator](#).

Safety & Security: A combination of objective measures of security, and subjective measures of personal safety, personal freedom, and social tolerance. Source: [Legatum Institute, Prosperity Index](#).

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Education Quality: Gauges both the quality of education—using harmonized scores across major international student achievement testing—and the quantity of schooling received—using age-specific enrollment rates—to evaluate the relative performance of educational systems worldwide. Source: [World Bank, Human Capital Index, Learning-Adjusted Years of Schooling Indicator](#).

Child Health: A composite measure that aggregates child mortality, access to at least basic water sources, and access to at least basic sanitation facilities. Source: [Columbia University Center for International Earth Science Information Network \(CIESIN\)](#).

CAPACITY OF THE ECONOMY

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Information & Communication Technology (ICT) Adoption: Index comprising: (1) mobile-cellular telephone subscriptions; (2) mobile-broadband subscriptions; (3) fixed-broadband internet subscriptions; (4) fiber internet subscriptions; and (5) internet users. Source: [World Economic Forum \(WEF\), Global Competitiveness Index](#).

Export Sophistication: Measures the diversity and ubiquity of a country's exported goods, key markers that can help gauge economic sophistication and resilience. Source: [Center for International Development at Harvard University, Economic Complexity Index](#).