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Project Operations Manual



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ABBREVIATIONS AND ACRONYMS

CBO	Community-Based Organization
CYP	Connecting Youth Project
EA	Environmental Assessment
ESMF	Environmental and Social Management Framework
EU	European Union
FP-NGO	Facilitating Partner NGO
FM	Financial Management
GoK	Government of Kosovo
GRM	Grievance Redress Mechanism
IDP	Internally Displaced Person
IFR	Interim Financial Report
KFMIS	Kosovo Financial Management Information System
M&E	Monitoring and Evaluation
M4Y	Municipalities for Youth
MIS	Management Information System
MLGA	Ministry of Local Government Administration
MLF	Monitoring and Learning Framework
MPMS	Municipal Performance Management System
NEET	Not in Education, Employment or Training
NGO	Non-Governmental Organization
OSCE	Organization for Security and Co-operation in Europe
PDO	Project Development Objective
PFM	Public Finance Management
PMU	Project Management Unit
POM	Project Operations Manual
PPSD	Project Procurement Strategy for Development
SGM	Subgrants Manual
STEP	Systematic Tracking of Exchanges in Procurement
UNICEF	United Nations International Children’s Emergency Fund
USAID	United States Agency for International Development
US\$	United States Dollar
YM	Youth Monitor

Chapter 1: Introduction and Project Overview

1.1. Introduction and Background

The purpose of this Project Operations Manual. This Project Operations Manual (POM) is intended for staff of the Project Implementing Agency, the Ministry of Local Government Administration (MLGA), Facilitating Partner NGO(s), selected municipalities and other project stakeholders to guide the implementation of the Municipalities for Youth (M4Y) in Kosovo Project. The contents of this POM will also be shared with participating communities, youth groups and inform relevant capacity building activities. Revisions (including deviations, modifications or additions) to the procedures set out in this POM, and its Annexes, must be submitted for non-objection to the World Bank. This POM should be read in parallel to the Subgrants Manual (SGM) for the M4Y which will guide subproject implementation.

Background and project rationale. The M4Y project is an US\$ 2.79 million grant generously provided by the Government of Japan through the Japan Social Development Fund (JSDF) which is administered by the World Bank. The project is focused on increasing socioeconomic opportunities for marginalized youth (15-24) in Kosovo. The project was designed in response to the growing youth disenfranchisement that has been an important driver of outmigration, political dissatisfaction, and radicalization. It will enable selected municipalities to address youth socioeconomic needs through targeted initiatives and services and thereby improve cooperation between youth and local governments. Building on the Municipal Performance Management System (MPMS) – a performance-based incentive grant system implemented by MLGA to provide financing for municipal capital investments, the M4Y project will earmark funds to selected municipalities for youth-driven and youth-selected subprojects with the purpose of improving the delivery of youth-related small infrastructure and services at the community level. The project will complement the IDA-funded Connecting Youth Project (CYP): Kosovo Youth Inclusion and Entrepreneurship with a proposed budget of US\$20 million. CYP is focused on increasing socioeconomic opportunities for inactive youth through entrepreneurship while also addressing: (i) youth integration; (ii) trust and accountability in local institutions; and (iii) local community/livelihoods investments. Among other activities, CYP will provide a support system and access to a small grant for young women and men (ages 19-29) to establish microbusinesses. The M4Y project will complement the CYP inclusion efforts by piloting demand-side solutions aimed at addressing the lack of soft skills and service needs of young men and women at the community level. To enhance their chances of economic inclusion, it is intended that the older bracket of youth mobilized and trained through the M4Y activities are then directed to additional socio-economic and entrepreneurship opportunities offered by the proposed CYP. The two projects will have geographical overlap in 10 municipalities (CYP will cover all 38 municipalities), coordinated outreach activities and M&E systems with aligned indicators.

Project Development Objective. The Project Development Objective (PDO) is to improve the socioeconomic inclusion of at least 3,000 marginalized youth in vulnerable communities in Kosovo through youth-driven civic engagement and skills building activities.

The PDO-level results indicators will measure the provision of demand-driven youth services and youth's access to skills building opportunities. The last PDO indicator will also measure the impacts of improved skills, work experience and enhanced networks on youth's earning potential.

The PDO indicators – The PDO indicators in the Results Framework (see Annex 1.1) are:

- Number of beneficiaries gaining new skills in project preparation, management, and implementation (target: 3,000, of which at least 50 percent are young women)
- Number of youth-driven community initiatives completed (target: 200)
- Percentage of beneficiaries reporting that project investments reflect their needs as identified at the project start (target: 80 percent for both women and men)
- Percentage of youth beneficiaries reporting a minimum 20 percent increase in income (target: 10 percent).

1.2. Project Description

The project is structured around 3 components, with key activities, as follows:

Overview of Component 1: Subgrants for Youth-Driven Community Development Initiatives

Component 1 will finance two rounds of subgrants to establish youth-driven community development initiatives that support youth inclusion and livelihoods at the community level. Through these subgrants, the project expects to finance 200 youth-driven subprojects in 50 vulnerable communities. This component will also finance the objective community needs and mapping assessment that will identify targeted communities outlined in Section 2.1.

Scope of subprojects. The selected subgrants will address a range of socioeconomic needs and priorities of young women and men. These youth-driven initiatives cannot be determined *a priori* as they are demand-driven and will respond to marginalized youth's unmet needs at the community level. However, assessments during project preparation indicate that subproject proposals are likely to include:

- Economic services intended to improve youth employability and income-generating opportunities (e.g. skill building trainings, access to makerspaces,¹ entrepreneurship trainings, ICT courses, etc.)
- Youth-related community facility improvements (e.g. repair and enhancement of youth centers, parks, classrooms, youth-friendly spaces in health centers and libraries)
- Youth cultural and sports activities (e.g. events, campaigns, equipment purchase, and repair and enhancement of existing facilities)
- Psychosocial support and emotional counseling
- Additional youth volunteering opportunities in youth subprojects.

Given this range of potential initiatives and the age range of the target beneficiaries, there will be smaller grants focused on small initiatives that bring benefit to communities (e.g. toys for disabled children, energy efficiency awareness campaigns) implemented by *teens* (15-18 years) and larger grants focused on improving the community facilities for young women and men to use for social and economic activities implemented by *young adults* (18-24 years). The subprojects will range from US\$1,000-\$5,000 for small subgrants and US\$6-30,000 for capital investments and larger equipment purchases. Chapter 3 describes in detail the community subproject cycle.

The output indicators for Component 1 will include:

- No. of target municipalities mobilizing matching funding
- No. of target municipalities fulfilling agreed requirements
- No. of subprojects started/procured (as relevant)
- No. of subprojects completed (target 200)
- No. of communities supported (target 50)
- No. of recipients of subproject support (target 5,000, disaggregated by gender and age).

Overview of Component 2: Youth Stakeholder Training

Component 2 will finance the skills development, training, and coaching activities to support the engagement of young women and men in the subgrants program described in Component 1. This will include: (i) community mobilization and outreach activities; (ii) soft skills training and project preparation/management training for youth in target communities; (iii) technical support for youth groups and CBOs; and (iv) follow-up support for youth throughout subproject implementation, including opportunities for work experience. This component will finance the Facilitating Partner NGOs (FP-NGOs) responsible for implementation of the above activities presented in detail in Chapter 3.

Soft skills training and proposal development. This component will mobilize 3,000 young women and men in skills development and subproject planning. The FP-NGO(s) will hold soft skills trainings for a cohort of 150 young women and men (in each municipality per cycle) on leadership skills, creativity, conflict mediation, communication, and team work. The cohorts will also receive project

¹ Makerspaces for youth are spaces oriented to encourage collaboration, learning, and sharing for creative projects. They are usually supplied with equipment (IT or otherwise) to facilitate the learning and making process. Often they focus on technology (coding, 3D printing, web design, etc), but can also involve other types of projects (e.g. sewing, wood working, etc). The focus is on invention and learning-by-doing.

development trainings, which will focus on community mobilization, subproject preparation (including design, beneficiary targeting, budgeting, and communications) and implementation (procurement, financial management (FM), and M&E) and introduce best practice approaches in gender-equity, citizen engagement, and climate-smart solutions.² This training will provide the entry point for youth beneficiaries interested in elaborating subproject proposals with guidance from the FP-NGO(s). Proposals will be developed by newly formed groups or existing CBOs. Subprojects will be submitted to municipalities. An independent jury (representing academia, local civil society, and youth) will select the ideas and teams that will be awarded subproject funding.³

Implementation and monitoring. This component will also finance ongoing support from FP-NGO(s) and youth volunteers to ensure effective subproject implementation. A minimum of 500 older youth will be engaged in volunteerism on subprojects or in municipality placements. Volunteers will receive a certificate recognizing their work and a daily stipend from FP-NGO(s) to reimburse their travel and other costs. This component will also finance the project's participatory monitoring activities organized by FP-NGO(s). This includes training of youth monitors and all logistics required to conduct project monitoring activities, including regular field visits, social audits through community exchanges and municipal forums aimed at providing transparency in subproject implementation.

The outputs and indicators for Component 2 will include:

- FP-NGOs appointed for each municipality
- No. of community outreach campaigns
- No. of community profiles completed
- No. of youth trained in soft skills (disaggregated by gender)
- No. of subproject proposals submitted
- No. of youth groups formed
- No. of youth volunteers/youth gaining professional work experience
- No. of youth monitors
- No. of social accountability processes completed.

Overview of Component 3: Project Management and Administration, Monitoring and Evaluation, and Knowledge Dissemination

Component 3 will finance the incremental costs of M4Y for Project Management, M&E and knowledge dissemination. The component will cover the costs of a project management unit (PMU), establishment of operational support mechanisms, travel, telecommunications, printing and other office expenses, processes to respond to beneficiary feedback, as well as managerial oversight and external audits.

Project management unit. This component will finance the recruitment of project-specific consultants required to complement the skills of the MLGA seconded staff. The consultants financed by the project will include a project coordinator, an FM specialist, a procurement specialist, and a safeguards specialist (part-time).

Monitoring and evaluation and knowledge dissemination. This component will finance the establishment of an online Management Information System (MIS), development of a project Monitoring and Learning Framework (MLF) and project M&E activities. It includes the cost of an endline survey⁴ and all activities to communicate the progress and results of the project, including the project website and social media pages, annual youth forums, and the commissioning of an Implementation Completion and Results Report.

The outputs and indicators for Component 3 will include:

- A PMU and fully-staffed team
- Capacity assessments of pre-selected municipalities
- Implementation Agreement with municipalities

² By raising awareness and practical knowledge about climate change and environmental sustainability among the targeted youth, the project will encourage selection and design of youth-driven initiatives that include climate considerations. Examples could include climate-informed refurbishment of infrastructure or behavioral change initiatives (e.g. solid waste reduction, residential energy efficiency, emissions-free transportation).

³ Youth not awarded will be supported to develop their ideas further and/or join other teams.

⁴ Baseline data will be collected as part of the soft skills training application process.

- Project website and social media pages
- Endline beneficiary survey
- Implementation Completion and Results Report
- Semiannual progress reports
- Quarterly interim financial reports (IFRs)
- Annual audit reports
- A populated management information system
- 2 youth forums
- Media reports on project activities.

1.3. Geographic Coverage and Targeted Beneficiaries

There are three sets of direct project beneficiaries. Their eligibility criteria are described below.

Municipalities. The project will be implemented in 10 municipalities across Kosovo. Selected municipalities will benefit from capacity building and their engagement in the subgrants program, which will enable an expansion of their youth programs and a better response to youth needs. MLGA’s Performance Management System (PMS) will be used to select municipalities. The PMS assess municipalities annually on an index with 20 fields, covering areas such as transparency, financial management, service delivery and environmental protection (in 2019 indicators on youth-oriented planning, decision-making and activities were added). PMS scores are linked to the Municipal Performance Grant (MPG), an index-linked grant financed by the MLGA and donors to reward municipalities for good performance. Using the existing performance system, which has been vetted and improved over the years, provides transparency and confidence to the municipal selection process.

The 10 municipalities are selected based on their 2019 PMS scores and will include 8 Albanian-majority municipalities and 2 minority municipalities. In each category, municipalities with the highest 2019 PMS scores will be selected. Annex 3.5 provides an overview of 2018 PMS scores, showing high-scoring municipalities to vary in youth population size and regional coverage. The 2019 PMS scores will be published by the MLGA Department of Municipal Performance and Transparency in June 2020.

The complementary Connecting Youth Project (CYP) will be implemented in all 38 municipalities. In 10 municipalities, CYP will thus build on foundations created by the M4Y project. Starting a year before the CYP, M4Y-supported municipalities will thus pilot a two-stage model. Younger youth will develop soft skills and confidence, and obtain initial experience of civic engagement and small entrepreneurial activity, which the CYP can potentially build into formalized microenterprise development with its larger microgrants and specialized business support.

Vulnerable communities. Vulnerability and social exclusion risks in Kosovo are associated with ethnicity, material deprivation, exposure to conflict/displacement and lack of human capital. While youth from all communities are reported to be disillusioned with their future, youth from vulnerable communities face additional challenges in accessing opportunities. Within selected municipalities, the project will target about 50 vulnerable and /or underserved communities to benefit from the positive and productive engagement of local youth. Through the community-level activities, a total of 5,000 youth (3,000 soft skills participants and 2,000 subproject beneficiaries) will gain greater access to the youth-related services or community infrastructure supported by the project. The definition of “community” is provided in section 1.4.

The communities will be selected at the beginning of the project through an objective needs and mapping assessment. The assessment will provide a prioritized list of communities based on the following criteria: (i) large demand for, and limited supply of, youth services; (ii) a high concentration of poverty, ethnic minorities, IDPs and/or returnees; (iii) a history of ethnic tensions; (iv) risks/incidence of violence, radicalization, and recruitment; and (v) located in rural or peri-urban areas. Prioritization will be given to communities that meet multiple vulnerability criteria, as described below.

Table 1: Community Selection Criteria

Selection criteria	Description
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Large demand for, and limited supply of, youth services	The estimate number of youth (15-24) in the community versus the number, type and quality of youth services that are accessible to youth. Youth services refers to formal and informal facilities and services contributing to positive youth development and enhanced well-being. It includes the physical infrastructure, such as sports and recreational facilities (outdoors and indoors) and spaces for arts, culture and learning, as well as the availability of programs that promote meaningful use of such infrastructure and facilities (hiking club, theater group, IT class). The criteria does not include formal education, health and other social infrastructure. It does include afterschool programs provided by youth/community centers, religious organizations and donors. Accessibility is assessed in terms of distance to the services, cost and actual use of services, including by young women and marginalized youth.
A high concentration of poverty, ethnic minorities, IDPs and/or returnees	Selected communities must be among the poorest in the municipalities, represent a higher percentage of minorities and IDPs and/or returnees than the municipal average. Concentration of poverty will be assessed by a combination of proxy values, such as lack of access to municipal services (water, electricity, sewage, paved roads, schools) and high social assistance dependence. Concentrations of minorities and IDPs and/or returnees will be identified on a physical map using multiple sources of information, including Kosovo Agency of Statistics, Ministry of Communities and Returns and Local Centers for Social Work.
History of ethnic tensions	Fragile communities that have been exposed to ethnic conflicts, including violent clashes, hate speech, and ethnically motivated vandalism and discrimination will be prioritized. Selection will rely on official police records, news reports and interviews with peace and security experts in the country.
Risks/incidence of violence, radicalization, and recruitment	Communities that have a have a history of violent incidents, radicalization, and/or violent extremism will be prioritized. Selection will rely on official police records, news reports and interviews with Prevention of Violent Extremism and Radicalization experts in the country.
Located in rural or peri-urban areas	Peri-urban communities are those semi-dense settlements that fall outside of the traditional municipal center and the municipal master plan. Rural communities are low-density villages that are located remotely vis-à-vis the urban center. Rural and peri-urban communities are prioritized because they tend to receive less municipal and state development support than urban communities.

Marginalized youth. The primary end beneficiaries are 3,000 low-income, peri-urban and rural youth (aged 15-24). Emphasis will be put on engaging youth who are underemployed or NEETs in target areas. At least 50 percent of the beneficiaries will be young women. Based on the objective needs and mapping assessment, to be conducted at project start, MLGA will focus on youth that live in vulnerable peri-urban and rural communities across Kosovo. Marginalized youth will be identified as part of the soft skills training application process. Priority will be given to youth who have several characteristics associated with marginalization in Kosovo, as defined in the table below:

Table 2: Youth Beneficiary Eligibility Criteria

Category	Definition
Employment status	Youth falling into either of the following two definitions of employment status will be eligible to participate in the project: <ol style="list-style-type: none"> a. Unemployed youth – defined as youth who have not earned any cash income during the 15-day period prior to their enrolment in the project. Youth who are working in a family business and youth who are volunteering will both be eligible. This includes youth who are job seekers (in labor force), discouraged and/or inactive youth (out of labor force), b. Underemployed youth - Underemployment is defined as part-time work with workdays of six hours or less. Only involuntarily underemployed youth are eligible to participate.

Education level and status	<p>Basic literacy and numeracy will be required although completion of high school and/or college/university will not be a requirement. The project will be open to youth with varying educational backgrounds and will prioritize youth who have dropped out of school who, generally, have the highest chance of protracted economic inactivity and social exclusion.</p> <p>Young adults (19-24) who are not enrolled in academic or vocational training will be prioritized to facilitate their transition from school to work by providing them with employability skills and relevant work experience. All training activities will be organized outside of regular business hours to avoid conflicts with formation education and/or training activities.</p>
Gender	At least 50% of all participants are females
Economic status	<p>Priority will be given to youth from low-income families to be defined as:</p> <ol style="list-style-type: none"> 1. Female headed households and/or 2. Households in which adults earn less than minimum wage⁵

1.4. Community Actors and Roles in the Subproject Cycle

Chapter 3 of the POM provides a step-by-step guide to the Subproject cycle. This section provides an overview of community actors and roles as part of the Subproject cycle.

Facilitating Partner NGO(s). The MLGA will contract a FP-NGO with local/regional project partners or a consortium of several FP-NGOs to carry out the mobilization and capacity building activities in the participating municipalities. Only FP-NGO(s) with experience working with youth and/or supporting community driven development are eligible. The FP-NGO(s) will have good prior knowledge of vulnerable communities and be able to work effectively within marginalized youths, including Roma, Ashkali, and Egyptians. The FP-NGO(s) will have experience in building transferable skills among marginalized youth, using innovative methods to empower youth and increase their civic engagement. Members of the FP-NGO(s) must have a successful track record of working in Serb-majority northern municipalities. To ensure consistency in approach, the leading FP-NGO will develop the overall guidelines for outreach and mobilization, Training of Trainers (TOT) and subproject implementation support that local/regional FP-NGOs will follow. Being closer to the target beneficiaries, local/regional FP-NGOs will conduct outreach and mobilization, skills development, training and mentoring, guide the formation of youth groups and subproject development, facilitate the implementation of all subproject activities for which subgrants are allocated. FP-NGO(s) will support the MLGA PMU's effort to identify and enhance the capacity of municipal staff assigned to support youth initiatives. A TOR for the FP-NGO(s) is included in Annex 3.2. of the POM. Procurement of the FP-NGO(s) will take place in the first quarter of year 1 of the project implementation.

Subgrant Evaluation Committee. An independent jury representing academia, local civil society, and youth will select the ideas and teams that will be awarded subproject funding. Subgrant Evaluation Committee (SEC) composition per municipality will be proposed by the FP-NGO(s) and approved by the MLGA PMU. Each participating municipality will have a SEC chaired by the Mayor (or deputy Mayor). The principal role of the SEC is to review and score subproject proposals based on predefined selection criteria for youth-led community initiatives taking also into account the community's endorsement, the proposal's compatibility with overall project goals, WB's procurement and safeguards requirements. Municipality will publicly display of winners and results based on SEC recommendation and PMU approval. SEC terms of reference (TOR) is provided in Annex 3.4 of the POM.

Community. Defined as a village, settlement or urban quarter with a specific geographical location and historical identity recognized by the people living there and the municipal authorities. The municipality's statue lists the settlements, including villages and urban quarters within its territory. Census data is based on these geographical units. Local councils – the bodies appointed to represent the community in an organized form, are formed of one or more villages, settlements and urban quarters depending on their population

⁵ Defined in 2011 by Government of Kosovo as €170 per month for workers between 35 and 65 years and €130 for workers under 35 years. Thresholds are subject to update based on formal adjustments to the minimum wage as per the Kosovo Labor Law.

size (minimum 2,500 inhabitants per local council).⁶ In the context of the M4Y project, a community is not defined by ethnicity, language or religious identity without the geographical delineation described above, whether they are in the numerical minority or majority in a given area.

Community influencers. The project will secure support from community influencers to inform and facilitate its mobilization efforts. These are prominent figures within a certain community who young people trust and value their opinions (e.g. youth center leader, teacher, counselor, entrepreneur, religious leader). Community influencers will represent different segments of the youth in the community and will include female and minority mobilizers. Influencers will be identified by youth themselves as adults they can easily speak to, that understand the things they care about and come across as being sincere. FP-NGO(s) will seek advice from community influencers on how to structure project activities so that young women, marginalized youth, and importantly, their parents will find them acceptable and inviting to attend.

Community volunteers. Municipalities participating in the project will create at least two positions each year for youth to support the subgrants program or other youth activities in the municipality. The community volunteer will work in the relevant municipal department alongside department staff. The positions will respond to the municipalities' capacity needs as assessed at the project start by the PMU Capacity and Performance Specialist. Community volunteer placements will be 1 year (part-time) with volunteer work programs developed by the Municipalities and the PMU Capacity and Performance Specialist. Community volunteer placements are reserved for unemployed youth with relevant skills and expertise to provide them with opportunities to obtain practical work experience in their own field. As needed, community volunteer roles and responsibilities will include a Youth Accountant, Youth Engineer, and either a Youth Environmentalist or Social Worker.

Subproject volunteers. All capital investments and many of the non-infrastructure subprojects will provide targeted youth opportunities for volunteering. Depending on subproject needs, subproject volunteering opportunities may include renovating and rehabilitating public places, implementing recreational activities, raising awareness about social and environmental issues, and monitoring the performance of subproject service providers/contractors. Two Youth Monitors will be selected per community to provide support to subproject monitoring and social accountability to ensure that the subprojects implemented represent youth priorities and benefit the target population.

1.5. Principles for Youth-Driven Community Development Initiatives

The following guiding principles are formulated for transparent, inclusive and effective implementation of youth-driven community initiatives:

- *Targeting young women, the poor and most vulnerable.* Target beneficiaries are marginalized youth (low-income, peri-urban and rural) in vulnerable communities in Kosovo, including those with concentrations of poverty, ethnic minorities and IDPs. Recognizing the gender gap in public administration and in the labor market, there will be an emphasis on targeting young women (at least 50 percent of project beneficiaries). All activities undertaken under this project aim to improve their employability and civic skills.
- *Demand-driven allocation of funds.* The community initiatives shall be prioritized based on youth-identified urgency and demand. Priorities will be identified through a participatory planning process.
- *Competitive allocation of funds.* The distribution of subgrants shall be competitive, based on clear and publicly available criteria, such as, evidence of youth participation in the design, financial sustainability, contribution to social change and environmental sustainability (SGM will provide the final selection criteria).

⁶ The formation of Local Councils based on population size is required by a Administrative Instruction on the Organization, Functioning and Cooperation of Municipalities with Villages, Settlements and Urban Quarters, signed into force by MLGA Minister on 28.06.2019

- *Impartiality.* The MLGA and FP-NGOs will practice no form of discrimination or preferential treatment and shall, equally and fairly: (a) provide outreach and training; (b) apply the selection criteria specified in the SGM for allocation of funds; and (c) provide follow-up implementation support.
- *Transparent and fit-for-purpose disbursement of funds.* The MLGA shall put in place transparent, simple and streamlined disbursement procedures that are flexible enough to allow for effective implementation of subprojects.
- *Use of technology to improve inclusion.* The project will use innovative technology solutions to improve access to project activities, facilitate online engagement and peer-to-peer learning.
- *Financial and operational sustainability.* Participating municipalities will be required to provide in-kind and financial contributions to create a sense of ownership and promote sustainability of youth programming. For municipal infrastructure and equipment, coverage of operation and maintenance costs and other on-going costs of project-supported services/activities will also be required.
- *Environmental sustainability and positive social change.* All initiatives supported by the project will seek to avoid and/or minimize negative impacts on the environment by minimizing the use of non-renewable resources, minimizing waste, promoting reuse and recycling. They will try to tackle critical social issues for their communities, such as gender and LGTBQ discrimination, nationalism and radicalization, lack of services and skills building opportunities for youth.
- *Risk Mitigation.* Risk assessment will become an important part of the project planning exercise, where the project team will make analyses of possible risks and work out risk management/mitigation strategies.

1.6. Gender Action Plan

The MLGA will make efforts to ensure that at least fifty percent of all project participants will be young women. Women, including young women, are underrepresented in decision making and employment in public institutions in Kosovo. Young women that are “very interested” in political issues account for 16.1% compared to 18.7% young men, which may be an indicator of future disengagement of women in decision-making in public institutions. In 2018, among 6,148 civil servants employed in 38 municipal administrations, only 33.4% were women.⁷ The project will strengthen young women’s capacity to engage with local governments on issues that are important to them through youth-led initiatives and direct exposure to public administrations through voluntary work experience in municipalities.

In the table below, each project activity is presented with a tested strategy to specifically ensure that young women are given equal opportunities and are positively supported to join and can benefit from the activity. The main responsibility for implementing the below gender sensitive mechanisms rests with the FP-NGO(s) and MLGA PMU.

Table 3: Gender Inclusion Mechanisms

To ensure participation of young women in training activities			
#	Activities	Indicator⁸	Mechanisms and methods to ensure achievement of indicators
1.	Mobilization	Young women should make at least 50% of training participants	<ul style="list-style-type: none"> • Identify and engage female community influencers in outreach and mobilization efforts • Raise awareness about the project with women-focused community organizations • Include parents, especially fathers,⁹ in community-level project orientation meetings (before and after trainee selection)

⁷ Institute for Development Policy (2019) Women in Decision Making in Public Institutions in Kosovo. Research Paper.

⁸ Activity participation of young persons who do not have a gender-binary identity will be tracked, but they will be excluded from the project’s gender targets.

⁹ In Kosovo’s patriarchal society, securing the support of fathers is found to be key to female youth’s engagement in training and volunteer activities. Source: Interview with TOKA (Youth NGO) Executive Director in June 2019.

			<ul style="list-style-type: none"> Targeted outreach campaigns for young women, which include specialized messaging (social media), personal invitations, and motivational presentations from female community influencers
2.	Soft skills and project development training	Young women should make at least 50% of training participants	<ul style="list-style-type: none"> Create a safe learning environment for young women offering daytime sessions, gender-sensitive training techniques¹⁰ and transportation (as needed) Participating youth are required to sign a code of ethics that indicate appropriate behavior suitable for a mixed training environment Select training venues that are deemed as safe by the youth and their community (e.g. youth centers)
<i>To ensure that interests of women are represented in subproject selection and implementation, and that women equally benefit from these investments.</i>			
3.	Beneficiary focus group discussions to determine subprojects	Young women should make at least 50% of participants	<ul style="list-style-type: none"> Applicants must demonstrate that their proposals are responsive to targeted group's needs and both genders can benefit from the investment/service
4.	Subproject Volunteers	Young women should make at least 50% of participants	<ul style="list-style-type: none"> FP-NGO(s) select youth based on subproject location vis-à-vis the applicant's community, age and motivation. Young women are given preference until minimum 50/50 ration is reached
5.	Youth Accountant	Young women should make at least 50% of participants	<ul style="list-style-type: none"> Young women and men that have the required skills and interest are encouraged to apply FP-NGO(s) select 1 young woman and 1 young man with relevant credentials
6.	Youth Engineer	Young women should make at least 50% of participants	<ul style="list-style-type: none"> Young women and men that have the required skills and interest are encouraged to apply FP-NGO(s) select 1 young woman and 1 young man with relevant credentials
7.	Youth Environmentalist	Young women should make at least 50% of participants	<ul style="list-style-type: none"> Young women and men that have the required skills and interest are encouraged to apply FP-NGO(s) select 1 young woman and 1 young man with relevant credentials
8.	Youth Social Worker	Young women should make at least 50% of participants	<ul style="list-style-type: none"> Young women and men that have the required skills and interest are encouraged to apply FP-NGO(s) select 1 young woman and 1 young man with relevant credentials
9.	Design verification meeting (capital investments only)	Women should make at least 50% of participants	<ul style="list-style-type: none"> For capital investments, detailed designs are verified by the targeted youth beneficiaries and community members prior to tendering, women participation must be documented
<i>Strengthening the capacity of young women to monitor and request accountability</i>			
10.	Youth Monitors	Young women should make at least 50% of participants	<ul style="list-style-type: none"> Young women and men that exhibit high degree of integrity and organizational skills during core training are encouraged to apply FP-NGO(s) select 1 young woman and 1 young man applicant per community based on their understanding of the monitoring activity and obligations
<i>Strengthening the capacity of young women to showcase their community contributions</i>			
11.	Annual Youth Forums	Young women should make at least 50% of presenters	<ul style="list-style-type: none"> Youth present their community contributions in a national forum, which helps showcase young women and men as role models

¹⁰ Training program will cater to the interest of both young women and men, use methods that encourage participation of both sexes, and adopts attitudes that values different forms of expression.

Chapter 2: Key Implementation Activities

The following Chapter provides an overview of implementation steps based on the Project Paper. This includes subproject preparation activities, such as community selection, community funds distribution and municipality capacity assessment, as well as implementation support activities, such as the development of project Monitoring and Information System (MIS). This Chapter should be read alongside Chapter 3 which details the community subproject cycle and the accompanying SGM which focuses on financial management and procurement aspects of subproject implementation.

2.1. Activity A: Objective Needs and Mapping Assessment

Activity objective. An objective needs and mapping assessment will be carried out at the onset of the project to (i) determine the vulnerable communities that will benefit from the project, (ii) identify the specific vulnerable groups in the communities, including the types and intensities of their vulnerabilities, and (iii) determine youth service needs and existing opportunities for involvement in community development. Eligibility criteria for vulnerable communities are described in Section 1.3.

Expected output. The assessment will include prioritization of communities based on objective vulnerability scores. Each proposed community will be accompanied with a community profile, which will include: a) sociodemographic data (population, youth segment, minority, IDP/returnee concentration, income levels and sources); b) fragility data (history of ethnic conflict and radicalization); and c) a map of actively used youth services (by age, gender and socioeconomic status) and service gaps identified by youth. The objective assessment will inform the participatory needs and mapping assessment conducted to identify specific needs in selected vulnerable communities as part of subgrants program.

Timeframe. Within the first four months of the project.

Management. The MLGA will engage a specialized consultant to conduct the needs and mapping assessment. The consultant will use mix methods research to collect secondary and primary data and will provide a robust community prioritization methodology that will be published on the project website. The consultant will receive support from MLGA in gathering secondary data and organizing interviews with key informants in relevant municipal departments and state agencies. The selected communities resulting from this assessment will have to receive no objections from the World Bank.

2.2. Activity B: Municipal Capacity Assessment

Activity objective. A thorough capacity assessment of pre-selected municipalities to ensure their capacity to effectively participate in the project.

Expected output. Assessment of pre-selected municipalities' performance of citizen-centric investment planning, governance and transparency, financial management, and support for youth programming. The MLGA's Municipal Performance Management System, will be used, to the extent possible, for the purposes of the municipal capacity assessment. It will also rely on structures interviews with relevant municipality staff and local youth stakeholders. The assessment will be used to make final adjustments to the list of participating municipalities and to develop a capacity building manual for municipal staff on youth-oriented municipal services (see details under Activity D).

Timeframe. The assessment results are included in the SGM developed within the first four months of the project.

Management. The MLGA PMU will be responsible for conducting municipal capacity assessments. Results are subject to no objections from the World Bank as part of the SGM approval process.

2.3. Activity C: Community Funds Distribution

Activity objective. Development of a transparent community funds distribution system to guide the allocation of budgets across the participating municipalities. The MLGA will allocate the Component 1 budget to selected municipalities in two annual rounds concurrent with the municipal budgeting process.

Expected output. A transparent distribution formula for allocation of community funds at the municipal level has been prepared as part of the POM. Funds will be distributed based on one criterion only: youth population (15-24) in municipality. This criterion aims to distribute funds equally among marginalized youth, recognizing that a higher number of youth requires a larger budget for youth services and activities.

Municipalities are divided into 5 distribution bands based on the size of their youth population. Using 2018 MPS results for illustration, the funds distribution per municipality would be shown in the table below.

	Municipalities per band (2018 MPS results)	Band total (USD)	Band annual (USD)	Annual per municipality for 2 years (USD)
Band 1	3	75,000	37,500	12,500
Band 2	3	240,000	120,000	40,000
Band 3	2	500,000	250,000	125,000
Band 4	1	370,000	185,000	185,000
Band 5	1	515,000	257,500	257,500
Total	10	1,700,000	850,000	

Timeframe. The final distribution of funds will be completed as part of the SGM, using the 2019 MPS scores for distributing municipalities across bands.

Management. The MLGA PMU is responsible for the development of the community funds distribution formula.

2.4. Activity E: Monitoring and Learning Framework and Management Information System

Activity objective. To develop a Monitoring and Learning Framework (MLF), online Management Information System (MIS) and collect survey data to enable adaptive project management through real-time monitoring, evaluation and learning.

Expected output. This assignment will produce three main deliverables: (i) A MLF based on the project's development and learning objectives that provides guidance on monitoring systems and procedures, including methods and tools for data collection and analysis, consistent reporting and interdependencies with other M&E systems; (ii) A MIS with web interface that integrates subproject progress data with beneficiary survey results; (iii) a technology-enabled endline survey of project beneficiaries.

Timeframe. A functional MIS in line with the MLF is expected to be finalized within the first 9 months of the project. The MIS is considered functional when the training intake/baseline data has been successfully inserted into the program. Training, on-demand technical assistance and systems maintenance will be provided within the first 12 months of MIS establishment. The endline survey will be conducted at the end of year 3 of the project.

Management. The deliverables under this assignment will be provided by a specialized M&E firm contracted by the MLGA. The PMU M&E specialist will be the primary contact person, with overall guidance being provided by the Project Coordinator. The World Bank will provide Technical Assistance on an as-needed basis.

2.5. Activity D: Curriculum Development & Training of Trainers

Activity objective. To prepare training materials for the project and provide trainers with knowledge, skills and resources to effectively and consistently deliver classroom training and follow-up support to youth groups/CBOs. Training materials will include proposals for innovative delivery of trainings using technologies to enhance access to training material, facilitate online youth engagement and

develop critical thinking skills. All training materials must be based on international best practice, demand-driven and adapted to the Kosovo context.

Expected output. Four training and capacity building manuals produced in Albanian, Serbian and English. These manuals will be used to train the trainers, the beneficiaries, the youth volunteers and the municipality staff.

Method for Implementation.

- Training of Trainers (TOT) manual – the leading FP-NGO will develop a TOT manual based on tested training approaches for target youth groups (marginalized teens and young adults). The manual will build trainers’ knowledge and understanding of youth as a stage in life, specific challenges faced by marginalized youth (including young women, minorities, disabled, LGBTI youth) in Kosovo, and provide specific technique to ensure participation of targeted youth. The manual will focus on the following key areas: (i) inclusive outreach and orientation; (ii) interactive and technology-enabled training methods; (iii) subproject preparation and facilitation support. The manual will provide group-specific training approaches and gender-sensitive training techniques appropriate to the Kosovo social context.
- Training manual for youth – the leading FP-NGO will develop soft skills and project development training for two youth cohorts (ages 15-18 and 18-24) based on the knowledge and skills demands expressed by targeted youth, the private sector and academia. The manual will draw on existing training materials tested with youth, parents and communities in similar socio-cultural settings. The materials shall include modules on leadership skills, creativity, problem solving, confliction mediation, communication, team work and/other soft skills relevant for the Kosovo labor market. The project development training modules will include all aspects of subproject preparation (including user-centered design, beneficiary targeting, product/service development, budgeting and revenue models, and communications/marketing) and implementation (procurement, financial management (FM), and M&E by applying social entrepreneurship research and thinking. In addition, the project development training will introduce best practice approaches in gender-equity, citizen engagement, and climate-smart solutions. The training manual will provide two sets of curricula for each youth cohort (ages 15-18 and 18-24). These will be tested with the first 4 groups of youth and subsequently modified based on outcomes and feedback from the training participants.
- Training manual for youth volunteers – the leading FP-NGO will develop a training manual for subproject volunteers and community volunteers. The manual will be draw on experiences from similar projects that have integrated youth in the subproject implementation process and/or have achieved improved youth-orientation in municipal services through municipality placements (e.g. Youth Innovation HUB). The manual will include technical modules for each type of volunteering and guidance on how to promote systems and behavior change within municipalities through support for youth-led subprojects and implementation of youth-oriented services pilots.
- Training manual for municipality staff – the leading FP-NGO will develop a manual for training selected municipality staff on expected responsibilities under the project and youth orientation in municipal services. The manual will be based on the findings of the municipal capacity assessments described under Activity B. The manual will cover both systems and behavioral changes required to better support youth.

Timeframe. Manual drafts will be produced within first six months of the project. They will then be tested and modified based on training participants’ feedback. Manuals will be finalized within the first 9 months of project.

Management. The leading FP-NGO will be responsible for the preparation of the training materials in consultation with youth stakeholders. MLGA will approve and the World Bank must provide no objection to the developed curricula and resource materials.

2.6. Activity F: Subgrant Evaluation Committee

Objective. To establish a Subgrant Evaluation Committee (SEC) responsible for reviews all youth-driven community development subgrant proposals based on selection criteria defined in the SGM.

Membership. The Committee will be comprised of 5 voting members: a) 1 academic, b) 2 civil society members and c) 2 youth representatives from non-target communities. SEC evaluation meetings are chaired by the Mayor, acting Mayor or delegated municipality staff. The FP-NGO(s) will be in the observer role facilitating the process. The members will be selected based on the following criteria: i) demonstrated commitment to youth civic engagement (e.g. worked on youth voice campaigns/initiatives); ii) acted

in roles requiring trust and integrity (student representative, institutional board, other selection committees); and iii) willing and able to allocate the required time to perform SEC tasks. SEC members are proposed by the FP-NGO(s) and approved by the PMU.

Responsibilities. The SEC reviews each initiative proposal and related documentation, including safeguards documentation and photo materials related to the subproject. High transparency standards will be applied during the subproject selection and the process will be monitored and documented continuously by the FP-NGO(s). Monitoring documentation is reviewed and verified by the PMU. The FP-NGO(s) will draft the minutes of the evaluation meeting and will disseminate the minutes to all SEC members within two weeks of the meeting. The PMU gives no-objection to the recommended list of winners. A copy of the evaluation meeting minutes and proposed winners will be submitted to the World Bank for information.

Procedures

- **SEC selection.** The FP-NGO(s) provide a proposal for SEC membership for MLGA PMU approval.
- **SEC commitment.** The Chair shares the SEC TOR (Annex 3.4) and ensures members' commitment to the task and time requirements.
- **Blind evaluation.** Once received, the FP-NGO(s) remove identifiable information from the proposals and prepares evaluation packages by scoring all proposal against the predetermined selection criteria. SEC members evaluate the proposals independently and provide their recommendations on a scoring sheet.
- **Technical check.** In case that during the process of evaluation there is a need for engineering and/or technical expertise to assess the technical aspects of the proposal, the participating municipalities or MLGA will provide this expertise to SEC.
- **Evaluation meeting.** The Chair calls for a meeting with SEC members to discuss members' evaluation matrices, which are submitted electronically prior to the meeting.
- **Results verification.** SEC transfer their evaluation summary to the FP-NGO(s) for quality check and verification. The FP-NGO(s) prepare a report certifying the evaluation process with a proposed list of subgrant winners. PMU approves the list or sends requests for additional clarifications.
- **Publications of winners.** Municipality publicly displays winners and results based on SEC recommendation and PMU approval/

Timeframe. The SEC must be established within 2 weeks of the call for proposals for subgrants.

Management. The Chair is responsible for SEC establishment based on FP-NGO(s) recommendation. SEC membership is subject to MLGA PMU approval prior to committee establishment.

Chapter 3: Community Subproject Cycle

3.1. Introduction

This Chapter presents the process to be followed in the planning, selection and implementation of subgrants for youth-driven community initiatives under component 1. This will include the financing of activities that support youth outreach and mobilization, project management skills training, participatory mapping and needs assessment, participatory planning and prioritization, participatory implementation and monitoring of community subprojects, including innovative social accountability. The modality for implementation of community level subprojects will include subgrant beneficiaries (youth groups/CBOs) supported by FP-NGO(s) and the MLGA PMU. This chapter provides a step-by-step description of youth-driven community activities at each stage of the subgrants cycle.

3.2. Phase 1: Support for Preparation and Mobilization

Objective. To provide potential youth participants, parents, youth stakeholders and community members information about the M4Y opportunities, engage them in the participatory needs and mapping assessment and guide the youth's application process. The steps below aim to active youth and vulnerable communities to ensure that they are engaged in the conceptualization and decision making over youth investments.

Step 1: Outreach and youth mobilization. At the beginning of the two funding cycles, the FP-NGO(s) will conduct outreach campaigns in selected communities. The objective is to provide targeted beneficiaries (youth groups/CBOs), local stakeholders and community members with information about the project activities and encourage participation. The outreach campaign will rely on both community-level activity and social media platforms, including but not limited to:

- **Community orientation meetings.** Orientation meetings will be conducted by FP-NGO(s) at the community level to provide broader local stakeholders and community members with detailed information about the M4Y project activities. Municipality officials appointed to specific roles within the project will be present at the meetings to demonstrate local government buy-in and to become aware of community expectations. The amount of the subgrant allocation to each community will be provided at orientation, the subgrants application process and selection criteria. Attendance will include representatives from the municipality, local councils, NGOs/CBOs, education facilities, religious institutions, mass-media and importantly, parents. Government, civil society and community members will be informed about the need for endorsement of subproject applications by at least one recognized community entity. Approach to procurement, social accountability and oversight mechanisms will also be explained. Parents will start to learn about project objectives and measures for ensuring a safe learning environment for participating youth.
- **Youth networks mobilization meetings:** FP-NGO(s) will organize meetings with secondary schools, vocational training centers, and other community entities working with youth (CBOs, youth centers, religious organizations) to familiarize them with the project and its objectives and request that they promote the project with their youth members/students. Meetings will focus on benefits of project engagement (skills development, involvement in community investment decisions), provide details about logistics and guidance for the training application process. Meetings will identify community influencers that will be involved in targeted mobilization efforts, such as door-to-door campaigns, motivational presentations and social media posts to facilitate the project's inclusion objective. Community influencers will be trained by the FP-NGO(s) on mobilization objectives, gender-sensitive methods and consistent messaging. They will not be paid, but will be reimbursed for agreed costs.
- **Groups-specific mobilization.** Community mobilizers (from regional/local FP-NGOs) and community influencers will define targeted mobilization efforts and techniques for marginalized youth (e.g. minorities, the disabled, LGBTI) in each target community. This may include holding informal information sessions at physical places frequented by different groups of youth, such as cafes, religious schools and youth centers, and organizing application workshops ("open doors" for potential applicants, webinars on application process for target audiences outside of urban centers). Gender-sensitive mechanisms will be applied to ensure active participation of young women (see Gender Action Plan in Section 1.6), including the use of female community mobilizers to perform group-specific outreach.
- **Mass and social media campaigns:** Mobilization will take place through carefully designed social media campaigns, via Facebook and Instagram, radio ads, placement of flyers and posters in locations where youth congregate (youth centers, cafes, sport centers). MLGA will publish timely project information, including an online application form, on the project website. MLGA will also oversee the consistency and quality of mass and social media messaging.

Approximately 30-40 community mobilizers will lead the above activities. It is expected that approximately 20-30 community influencers will be selected and trained by FP-NGOs on how to conduct impactful community mobilization bring about more genuine, active and inclusive engagement. Mobilization activities will be monitored by means of the following indicators:

- Number of community influencers recruited and active in community mobilization activities per municipality
- Number of community orientation meetings held per community (estimated 50 community meetings; estimated 1,500 participants with an understanding of the project)
- Number of youth networks mobilization meetings held per municipality (estimated 10 youth network meetings; estimated 300 participants)
- Number of marginalized youth reached with targeted mobilization efforts (estimated 150 group-specific mobilization activities; estimated 750 marginalized youth reached)
- Number of youth that received application guidance (estimated 30 application workshops; estimated 600 youth reached)
- Number of media campaigns organized per municipality (estimated 30 mass and social media campaigns)

Additionally, leading FP-NGO will produce awareness-raising materials to be distributed at meetings and informal information sessions with targeted youth. The FP-NGO will work with the MLGA Division for Public Communication to produce youth-friendly awareness material. Local/regional FP-NGOs develop a list of key stakeholders to invite to community and youth network meetings. The list must be gender balanced, including minority organizations/groups and be approved by the MLGA PMU. Local/regional FP-NGOs organizes the above meetings and targeted outreach activities, and documents the results of each outreach activity.

Step 2: Participatory needs and mapping assessments. Within selected communities, FP-NGO(s) will organize half-a-day kick-off meetings with youth groups interested in applying to the project. During the meetings, FP-NGO(s) will present the project objectives, the expected steps, time commitments and procedures. During the meetings, youth will be engaged in participatory mapping and participatory needs assessment activities to mobilize and facilitate the participation of hard-to-reach youth, particularly young women. Through a two-step process that ensures objectivity as well as participation, the FP-NGOs will collaborate with local youth groups to prepare brief community profiles outlining youth needs and existing youth-friendly infrastructure services, to inform subproject designs and support youth groups in the prioritization of community objectives. It will be highlighted that the assessment should focus on interventions needed to address the needs and challenges of young people, including opportunities to enhance voice and agency of young people, improve access to services, and cultivate employability skills. This exercise will validate the findings of the objective needs and mapping assessment conducted to select the vulnerable communities and to test youth's commitment and readiness to participate in project activities, and for youth to ask questions and provide additional feedback. Training priority shall be given to youth who exhibit the strongest commitment to participate in the program.

Step 3: Participant selection and agreements. Youth will be required to complete a simple training application form (Annex 4.1) to demonstrate that they meet the eligibility criteria (see Table 2, Section 1.3) and submit a 2 minutes video (alone or with a co-applicant) to demonstrate their motivation for joining the project. The application process is intended to build on young people's commitment to participate and provide a fair and transparent mechanism for selection. In case demand exceeds available space, youth with demonstrated vulnerability (disability, IDPs, drop outs) and youth from low-income households will be prioritized. Project baseline data is collected as part of the training application process.

Applications will be assessed by the FP-NGO(s) with MLGA PMU overseeing the selection process. Where possible, the MLGA and contracted FP-NGO(s) will also explore the potential for involving community leaders and youth stakeholders in the assessment process. Selection will be based on the eligibility criteria above in addition to scoring of the expressed motivation. Youth who are selected will be notified by telephone and a list will be published on the MLGA website and in the nearest community center. Parents of selected youth will be invited to participate in an orientation session. Importantly, the sessions will be designed to build parental trust in the project, especially for parents of minorities and girls. The session will explain the project logistics and safety measures (training hours, provision of transportation where necessary). Participant youth and FP-NGO(s) will sign a basic participation agreement outlining what is expected of each party and including the code of ethics for all project activities.¹¹

3.3. Phase 2: Training Activities and Subproject Development

Objective. To undertake training and capacity building activities to support youth-led subproject development.

Step 4: Soft skills and project management training: Selected youth will be divided in two training groups based on their age: *teens* (ages 15-18, 10-12 grade) and *young adults* (ages 18-24, post-secondary/higher education). The groups will participate in separate trainings during which they will learn age appropriate soft skills and project management and entrepreneurial skills adapted to the subgrants budget and scope. Teens will learn to design and implement small community initiatives ranging from US\$1,000-\$5,000 and young adults will learn how to plan and implement community capital investments and subprojects with equipment/service purchases ranging from US\$6-30,000. Each group will need to demonstrate the involvement of the other age cohort in the design and identification process of their subproject.

The FP-NGOs will hold soft skills and project development trainings for a cohort of 150 young women and men (in each municipality per cycle) on leadership skills, social innovation, conflict mediation, communication, and team work. About 2/3 of the youth will

¹¹ The form will be provided by the contracted FP-NGO(s).

participate in the *teens* training and 1/3 will be in training for *young adults* commensurate with the ratio of subgrants for each youth cohort. The older youth group will learn advanced techniques for the same soft skills as the younger cohort. The main difference in the training curriculum will be in the project management and entrepreneurial skills thought to teens and young adults. Teens will learn to design solutions for community challenges that can largely be implemented by youth teams themselves while young adults will learn to design subprojects that may require the engagement of external expertise (designers, contractors, service providers) for their implementation. Social solutions may be in form of services, products or activities (e.g. advocacy and public education) that benefit a specific youth group or the community at large. Project development curriculum will be based on social entrepreneurship research and thinking, including user-centered design, reiterative product/service development, and as appropriate, identification of multiple revenue streams. The aim will not be to establish sustainable micro-enterprises, but rather facilitate youth in developing entrepreneurial skills and behaviors relevant to the Kosovo labor market. The training and capacity building activities will include lectures and peer-to-peer presentations, collaborative group work inside and outside of the classroom. The trainings will last 10 days and will be delivered over a period of 5 weekends.

The FP-NGO(s) will provide adequate training venues that are easily accessible to youth from target communities (e.g., NGO facilities, youth centers, community space). The training venues must be acceptable to the community, including parents and youth themselves (see Gender Action Plan), comfortable to accommodate groups of 20-25 youth, have access to sanitation facilities and water, have heating and power supply. The venues must be secure and safe for youth to use and accessible to youth with disabilities.

Step 5: Group formation and subproject development. The lecture-style soft skills training will be followed by a guided learning-by-doing stage undertaken to develop subproject proposals and implement subprojects. During the second half of the soft skills training, youth beneficiaries will be able to (or facilitated to) form groups or use existing CBOs to submit subproject proposals. Subproject groups will consist of teens or young adults (4-7 members per group) organized around common interests and desired social impacts. The youth groups will be led by youth leaders identified by the groups themselves based on their leadership and collaboration skills. The role of youth leaders is to ensure that participants of youth groups systematically apply the newly acquired knowledge, meet outside of the trainings, submit the subproject proposal, and (if awarded a subgrant) stay engaged during subproject implementation. Youth leaders will participate in specialized leadership training organized by FP-NGO(s) aimed at providing participants the knowledge, skills, resources and confidence to lead a youth team through all stages of the subproject cycle. Youth leaders will also be assigned mentors who will provide them with ongoing guidance on how to lead their groups' subproject development and implementation process. Each youth team will define its subproject together through negotiation, prioritization, critical thinking, teamwork and goal setting.

Once youth groups/CBOs have developed subproject ideas in line with the community needs identified in Step 2, teams organize focus groups with targeted beneficiaries to obtain feedback on the proposed investments and services, and to provide an estimate number of beneficiaries. Mixed and single gender focus groups are encouraged. Beneficiary focus groups are documented in writing and submitted with subproject proposals. Team will seek to clarify/verify that the investments and services are:

- **Fit for purpose:** Are the solutions being proposed appropriate to the target group and its unique challenges? Are any changes necessary to better accommodate the needs of the target group? Are any modifications necessary to make sure young women can equally benefit from the investment/service?
- **Desirable design/service:** How does the target group envision the design/service? What would increase the target group's likelihood of using the investment/service?

During the last phase of the project design, the FP-NGO(s) trainers guide the teams through a structured process of cross-fertilization between two or more proposals aimed at improving subproject innovation and community relevance. At the end of the training, teens and young adults present and provide feedback to each-others' subproject proposals with the aim of further aligning them with the subgrants selection criteria provided in the SGM. Youth subprojects may include either a small infrastructure or a non-infrastructure activity that serves an identified need in their community.

Upon completion of the training, youth groups with infrastructure/facility rehabilitation proposals will meet with municipal engineers to discuss the technical feasibility of the proposed capital investments and equipment purchases. In consultation with the municipal engineer, the applicants prepare a technical checklist for all subproject proposals that include civil works (see checklist stage 1 in

Annex 8.2). Teams will incorporate design suggestions from engineers and then submit their proposed subproject as a group to the FP-NGO for eligibility approval.

Step 6: Subproject application and selection. As an output of the training, youth teams will prepare a simple proposal of 2 - 4 pages for their selected community subproject (template to be provided in the SGM). Proposals will be reviewed by the FP-NGO(s). The purpose of the review is to ensure that the project meets the eligibility criteria below and to provide youth with guidance and advice on any issues that need to be addressed. The FP-NGO(s) will present all subprojects that meet the below eligibility criteria to the Subgrant Evaluation Committee for competitive selection. The winning subprojects are announced by the Municipality and MLGA.

Table 4: Subproject Eligibility Criteria

Eligibility criteria	Description
Subproject beneficiaries	The proposed service or product must serve an identified need of youth in the community. Therefore, the subproject must be planned with broader involvement of youth (beyond those participating in the training). Subprojects that benefit an individual or specific individuals or families will not be approved.
Technical feasibility	<i>Teens (15-18 years):</i> The subproject must be within the capacity of the youth team to design and implement on their own. Highly technical projects that require external design expertise should be avoided. <i>Young adults (18-24):</i> If necessary, youth can engage external expertise for the design and execution of proposed technical solutions. Youth must budget for the costs of this expertise (service providers, contractors), including the expertise needed to develop technical specifications. For capital investment subprojects, municipal engineering staff and community volunteers will facilitate the design and specifications. Such subprojects will follow the municipalities' regular infrastructure implementation cycle (integration in strategic documents, public consultation on design, maintenance budgeting).
Duration	Youth groups/CBOs must be able to implement the subproject within a period of 6-12 months depending on the size and type of investment.
Community endorsement	Endorsements of proposals are required by at least one recognized community entity (neighborhood council, religious association, youth center, etc.) relevant to each location.
Budget	<i>Small subgrants for teens:</i> US\$1,000-\$5,000 (community initiatives) <i>Large subgrants for young adults:</i> US\$6-30,000 (community infrastructure and equipment)

Step 7: Volunteer selection and training: Youth who successfully complete the soft skills and project management training will be able to apply for work experience opportunities through volunteerism. A minimum of 500 participating youth will benefit from volunteering opportunities, about 25 youth per subgrant cycle per municipality. Young adults will be prioritized in the selection of volunteers to facilitate their transition into the labor market. There will be two types of volunteering opportunities with accompanying technical and soft skills trainings:

Subproject volunteering opportunities. Capital investments and many of the non-infrastructure subprojects will provide youth the opportunity to gain work experience and employability skills. Depending on subproject needs, subproject volunteering opportunities may include renovating and rehabilitating public places, implementing recreational activities, raising awareness about social and environmental issues, and monitoring the performance of subproject service providers/contractors. Additionally, two Youth Monitors will be selected (1 woman, 1 man) per community to support social accountability and monitoring activities. Except for Youth Monitors, youth apply for specific volunteer opportunities listed on the project website and municipality bulletin after subprojects have been selected. Youth Monitors are selected and trained prior to subproject selection and are assigned monitoring tasks based on their age, skills and housing location.

- **Youth Monitors (YMs)** will provide support to subproject monitoring and social accountability to ensure that the subprojects implemented represent youth priorities, are implemented effectively and transparently, and that they benefit the target population. They will be involved three main activities: (i) conduct regular field visits to subprojects to monitor their

implementation progress against stated goals and budgeted activities; (ii) participate in social audits through community exchanges (in which youth from one community go to another community to audit the progress of subprojects); (iii) organize municipal forums to present subproject budget, expenditures and results against plans; and (iv) participate in the design and execution of project's Implementation Completion and Results report. YMs will receive training by the FP-NGO(s) and their activities will be supervised by the PMU's M&E Specialist. YMs are expected to commit about 40 hours of volunteer time per year to these monitoring tasks.

Community volunteering opportunities. Municipalities participating in the project will create at least two positions each year for youth to work in the municipality alongside departmental staff on the subgrants program or other youth activities. It is anticipated that these positions will include a youth accountant, youth engineer, and either a youth environmentalist or youth social worker, based on municipal need. Community volunteers will act as a bridge between municipal staff and the youth-led community subprojects and other youth initiatives. Their work program will be as follows: (i) supporting the municipality in organizing subgrants calls for proposals; (ii) strengthening subproject performance on accounting, sustainable engineering practice, environmental protection and social inclusion; (iii) facilitating ongoing engagement and support of municipalities in subproject and other youth activities; and (iv) contributing to improved youth orientation in municipalities' regular services with the objective of better reaching and serving young people. Community volunteers are selected by the FP-NGO(s) based on evaluation of their credentials. Below is an overview of the community volunteer roles and responsibilities.

- **Youth Accountant.** The Youth Accountant will be placed in municipality's Finance Department to: (i) to facilitate the awarded youth groups to set up regular accounting procedures, such as preparation of detailed subproject budgets, bank accounts, process payment receipts, monthly balance sheets; (ii) facilitate the accounting activities of subprojects that include municipal infrastructure and equipment; and (iii) support the daily financial management and book-keeping of municipal projects. While youth CBOs may have some accounting expertise in-house, the newly formed youth groups will require significant financial management capacity building at the beginning of the project. During subproject implementation, Youth Accountants will oversee the grantees accounting performance and provide on-demand accounting services. In addition, the Youth Accountant will support the municipal accounting staff perform regular financial management tasks for municipality's own projects and investments. Young bookkeepers and accountants (either graduates or students) qualify for this volunteering opportunity (see TOR Annex 4.3). Prior to assignment commencement, the Youth Accountant will receive training on financial management and accounting by the PMU FM Specialist in addition to training provided by FP-NGO(s) to all volunteers.
- **Youth Engineer.** The Youth Engineer is placed in the municipality's Planning Department to assist its staff in providing engineering support to M4Y subprojects with the purpose of ensuring quality in design and civil works. The Youth Engineer will be engaged in the following key activities that involve capital investments and equipment financed by the project: (i) support development of technical specifications and tender documents (ii); support development of Operations and Maintenance Plans (OMPs); and (iii) and monitor the quality of civil works and equipment/service delivery. Young engineers and architects (either graduates or students) qualify for this volunteering opportunity (see TOR in Annex 4.4). Youth Engineers will receive training by the FP-NGOs(s) receive on-the-job training from an experience municipal engineer to solve practical engineering tasks.
- **Youth Environmentalist.** The Youth Environmentalist will work in the municipality's Planning Department alongside municipal staff. S/he will facilitate the municipality's support to subprojects and other youth activities that could benefit from environmental expertise, raise community awareness on climate change, environmental pollution and protection, and support the municipality in becoming more youth-oriented in their provision of environmental services (solid waste management, recycling, composting). S/he will be involved in three main activities: (i) provide environmental sustainability expertise to subproject development and identify opportunities for municipality support to enhance subproject environmental performance; (ii) organize community events to raise awareness of good environmental practices that can be adopted by individuals and organizations (energy efficiency, material reuse) in the community; and (iii) Prepare guidance note for municipalities on how to proactively involve youth in the improvement of municipal environmental services. Young environmental and climate change scientists (either graduates or students) qualify for this volunteering opportunity (see TOR in Annex 4.5). Prior to assignment commencement, Youth Environmentalist will receive training on environmental due

diligence, supervision and sustainable design by the PMU Safeguards Specialist in addition to training provided by FP-NGO(s) to all volunteers.

- Youth Social Worker.** The Youth Social Worker is placed in the municipality’s Social Department to facilitate the social inclusion efforts of M4Y subprojects and improve the youth-orientation of municipality’s regular social services. The Youth Social Worker will work with M4Y subproject teams to ensure that youth facilities/services offered take into consideration the special needs of disadvantaged youth in the community. S/he will also identify opportunities for improving youth’s access to municipal social services, including counseling, therapy, and unemployment services. This volunteering post is open to public health and psychology graduates and students who would like to gain practical experience in municipal social work. The Youth Social Worker will receive training by the FP-NGO(s) and on-the-job training from a more experienced municipal social worker.

The FP-NGO(s) will organize technical and soft skills training and coaching for volunteers targeted to their volunteering assignment. Training will be organized country wide by topic (implementation of civil works, monitoring procedures, working with municipalities). Focus will be on providing volunteers with practical methods and behavior change techniques for working with municipalities on improving their youth orientation and support for subproject and other youth activities (e.g., use of social media, youth-oriented marketing of services/activities, improving coordination of youth activities). During implementation, volunteers will have access to FP-NGO(s) couches, resource material (guidelines, best practices) and regular peer-to-peer online interactions/meetings to address practical challenges while working on subprojects or in the municipalities. All potential volunteers are self-nominated and will receive daily stipends to cover their travel, food and other costs. The FP-NGO(s) will manage this process and payments as part of the capacity building budget. All volunteers who successfully complete a volunteering assignment will receive certificates from MLGA to recognize this professional work experience.

Table 5: Overview of volunteering time and cost

Type of volunteer	Estimate number of volunteers (2 years)	Estimate volunteering time (average 1 year)	Volunteer stipend* (1 year)
Implementation support volunteers	350	10 working days	EUR 17,500
Youth monitors	100	40 hours	EUR 2,500
Community volunteers	50	70 working days	EUR 17,500
Total	500		EUR 37,500

*EUR 5 per day per volunteer

Step 8 and 9 are only relevant for large subgrants.

Step 8: Preparation of design, technical specification and environmental assessment (EA). Youth groups/CBOs that are awarded large subgrants will receive documentation packages for the development of design and estimate documentation for implementation based on the subproject technical category (civil works, equipment and service). They will also need to complete stage 2 of the technical checklist to ensure that the 100% functionality have been taken into account; in case of standard designs, the latter are justified, and the design corresponds to the priorities indicated in the Municipal Development Plan (see checklist in Annex 8.2). Grantees are assigned community volunteers to further strengthen the subproject’s inclusion and environmental sustainability efforts and to put in place appropriate accounting procedures to prepare for implementation of activities.

For equipment and services proposals, grantees work with FP-NGO(s) to prepare service and equipment specifications, detailed budgets and proposal workflow. In case of capital investments, grantees work with municipal engineers to develop the investment’s technical specifications, cost estimates and other tender documents. With help of the municipality, grantees apply for the appropriate construction and environmental permits, and prepare EAs, as needed. If an Environmental and Social Management Plan (ESMP) is required, the PMU Safeguards Specialists reviews and approves the document before it is disclosed and consulted with relevant stakeholders. Municipal staff also ensure that the awarded capital investments are included in municipal development plans.

Step 9: Design verification. For capital investments, grantees and the municipality organize a design consultation meeting with relevant local stakeholders and targeted youth groups (see step 1 for invitee list). The meeting discusses the proposed rehabilitation design, budget and specifications. Feedback is requested from targeted beneficiaries specifically and community representatives more broadly. Adjustments to the proposal are made so long as they are technically and financially feasible. The outcome of the design verification meeting is documented and disclosed on the municipality's website.

Step 10: Signing of subgrant agreements. A tripartite agreement between the grantee¹², MLGA and the municipality is signed at the end of each grant cycle. A subgrants agreement signing ceremony for youth and their parents is organized by the hosting municipality. The ceremony is organized once EA requirements for capital investments are finalized. The ceremony will enable all youth to share their achievements in front of their communities. Such success stories from youth themselves, including young women, serve as strong models in the community for other youth.

3.4. Phase 3: Subproject Implementation – Covered in the Subgrants Manual

Phase 3 of the subproject cycle is subproject implementation. The tasks for this phase of the subproject cycle will be covered in an accompanying SGM to be developed by the MLGA PMU within 3 months of project effectiveness (disbursement condition for subgrants under Component 1). The SGM will focus on fiduciary and procurement aspects of subproject implementation.

3.5. Phase 4: Participatory Monitoring and Social Accountability

Objective. To facilitate involvement of youth in subproject monitoring and oversight. These processes will be organized by the FP-NGO(s), including training and follow-up support provided to YMs.

Step 11. Monitoring of subproject implementation. YMs will conduct regular monitoring of subproject implementation to track progress against stated goals. The monitoring frequency will be adapted to subproject type and implementation schedule (2-4 monitoring reports annually). The monitoring process will vary significantly for small grants implemented by teens and large grants, including capital investments, implemented by young adults.

- **Small subgrants (US\$1,000-\$5,000).** Monitoring activities will focus on youth's application of soft and project management skills (e.g. problem solving, organization) during implementation and achieved impacts on intended beneficiaries. Two monitoring tools will be used to track small community initiatives:
 - **Guided observation.** Grantees will invite YMs to attend subproject activities to demonstrate the use of their products or services on intended beneficiaries (e.g. health campaign event, games). As part of their attendance, YMs will observe the number and characteristics of users (age, gender, vulnerability), duration and quality of interaction.
 - **Structured interviews** with subproject teams and beneficiaries. Youth Monitors will interview team members to inquire about the process of developing the product/service, including strategies for overcoming obstacles, engaging beneficiaries and keeping to deadlines. YMs also request direct feedback from the initiative participants/service users to assess their level of satisfaction with the subprojects.

In addition, for small subgrants, the YMs review expenditures and check consistency with the subproject budget.

- **Large subgrants (US\$6-30,000).** The monitoring mechanisms conducted by YMs for large subgrants are designed to provide accountability for subproject spending and identify improvements that could benefit future implementation stages. The three social accountability mechanisms to be implemented are:
 - **Field visits** will be conducted on a quarterly basis by assigned YMs to assess the progress of a subproject against stated goals. YMs will review subproject expenditures, effectiveness of targeting, involvement of youth in subproject

¹² The group leader signs the agreement on behalf of the awarded youth group/CBO.

implementation, environmental impacts and implementation challenges. The site visits will be guided by the subproject monitoring checklist (Annex 8.1).

- **Social audits** take the form of “check my project” community exchanges in which youth from one community go to another community to assist in a social audit process at the community. The objectives of social audits are similar to those of field visits with the main difference being that social audits aim to correct for unconscious biases that may occur when YMs review subprojects in their own community. Social audits take place at 50% and 100% of subproject completion. The social audits feed into regular progress reports prepared by FP-NGO(s) and the municipal forums described below.
- **Municipal forums** are annual public meetings organized by YMs, in which the project budgets, expenditures, and youth-focused initiatives will be presented and results checked against plans. The forums will present the aggregate data obtained from YM’s bi-annual reports, social audits and FP-NGO’s monitoring data. The forums will discuss proposed solutions for identified challenges and proactively solicit feedback from targeted groups. All feedback received at the meetings will be documented and responses provided in a meeting summary that will be made publicly available on the municipality’s website.

3.6. Phase 5: Operations and Maintenance

Objective. To establish procedures for operations, maintenance and handover of any municipal infrastructure and equipment following rehabilitation. This phase is only relevant for large subgrants.

Step 12. Operations and maintenance planning. All contracted civil works and purchased equipment and goods are expected to be accompanied with maintenance and instruction manuals. Municipal staff will develop OMPs that provides detailed procedures for ensuring that the project-supported infrastructure and equipment runs at optimal capacity. The OMPs will describe the rules of operation – who can use the infrastructure and equipment, when and how (operational safety). Operational requirements will include utilities (water, gas, electricity), logistics (transportation) and safety features (access to fire hydrant, emergency kit). The OMP will also detail the maintenance requirements, routine and on-demand checks, roles and responsibilities, and the overall operations and maintenance budget. All costs related to OMP implementation will be borne by the participating municipalities as stated in the Implementation Agreement. Minor repairs and maintenance conducted during subproject implementation should be anticipated by teams and included in their subgrant proposals. OMPs must be endorsed by heads of relevant municipal departments.

Step 13. Start of operation. Transfer of the subproject into operation is considered from the moment of technical acceptance of the rehabilitated facility/infrastructure. After the completion of the rehabilitation work, the municipality engineers assess the quality of work and issue a Certificate of Acceptance of Work as appropriate. As required, use permit is requested. For small-scale subprojects that involve equipment and goods purchases only, the implementing team serves as the approval unit with the goal of accepting the subproject. The approval unit consists of representatives of targeted beneficiaries, YMs and subproject team members. After the acceptance of the results of subprojects, the cost of infrastructure, new equipment, furniture and goods are transferred to the balance sheet of the operating organization (municipality, recipient youth CBO).

Step 14. Subproject implementation support and coaching. All teams awarded subgrants will receive follow-up advisory support by the FP-NGO(s), including opportunities for work experience (see step 7 on subproject volunteering opportunities). The FP-NGOs’ implementation support and coaching will depend on subgrants size and team experience with similar assignments (informal youth groups anticipated to need more support than established youth CBOs). Implementation support may include facilitating youth groups/CBOs in the development of (volunteer) work plans, budgets and, as needed, tender documents for services, products or capital investments; supervision and monitoring of Component 1-related contracts; and support for meeting environmental and social due diligence requirements as per POM procedures. Youth teams will have dedicated contact points within the FP-NGO(s), who will develop implementation support plans for their teams prior to the implementation of each subproject. FP-NGO(s) will serve as coaches to team leaders and youth volunteers in municipalities.

Chapter 4: Project Management, Monitoring and Evaluation, and Knowledge Dissemination

4.1. Introduction

This chapter describes the structure and roles in project management, project risks and mitigation measures, Monitoring and Evaluation (M&E) procedures and knowledge sharing activities. The chapter outlines monitoring and reporting relationships and responsibilities, and the path towards developing project-specific M&E tools, M&E processes and instruments that are in line with the project objective and generate actionable information about the project's performance.

A Project Management Unit (PMU) within the MLGA will be responsible for overall coordination and implementation of the project. Component 3 will finance the incremental costs of PMU for overall project coordination, management, and supervision of implementation, safeguards, communication and knowledge management and the overall project monitoring, procurement, and financial management (FM), including project audits. The PMU will comprise a team of dedicated MLGA staff who are seconded to the PMU as well as a small team of consultants. The MLGA will provide working space and transportation, and cover logistical and administrative expenses of the PMU. The PMU is located in the MLGA central office in Pristina. Key PMU members will have weekly presence in the field.

Project management will also include regular coordination with CYP implementing team through the establishment of a Steering Committee, a number of relevant public and donor stakeholders working on youth issues, namely, the Ministry of Culture, Youth and Sport, the Ministry of Labor and Social Welfare, USAID, EU, OSCE, IOM, Embassies, etc. The MLGA PMU will also establish and manage a Grievance Redress Mechanism to address any concerns related to the project.

M&E will be undertaken in order to collect, assess and share project progress and outcomes, with the aim of facilitating adaptive project management. Real-time field data will be continuously collected to ensure effective, efficient and transparent delivery of M4Y and improvements throughout the project cycle. The Project Paper and its results framework is the starting point for both understanding the project objective and for developing the project's Monitoring and Learning Framework. This chapter: (i) reviews the Project Management Unit structure and roles; (ii) describes the roles and responsibilities of the MLGA PMU vis-à-vis the Facilitating Partner NGO(s); (iii) outlines the project's implementation schedule; (iv) describes how to implement key M&E processes and activities and (v) defines how knowledge will be generated and shared during project implementation.

4.2. Project Management Unit

The PMU comprises a team of seconded staff from the MLGA, as well as a small team of consultants to support key technical, monitoring, reporting, fiduciary, and safeguards functions. The PMU staff seconded from the MLGA includes a Project Director/MLGA Secretary General (a staff member authorized by the Secretary General can act as temporary replacement) Component 1 Coordinator, Component 2 Coordinator, Capacity and Performance Specialist and M&E Specialist. The team of PMU consultants financed by the project include a Project Coordinator, Financial Management Specialist, Procurement Specialist and part-time Safeguards Specialist.

During the initial 3-6 months, the Project Coordinator and FM Specialist roles will be appointed from within the Ministry rather than hired as consultants. The reason for this being that during COVID19 conditions, the Ministry is able to appoint better suited staff for these two roles than currently available on the market. A part-time procurement consultant has been hired to assist the PMU with initial procurement activities. Following the initial 6 months period, a full-time procurement consultant will be hired.

The PMU is under the supervision of the M4Y Project Director. The Project Coordinator is also responsible for communication and coordination with the involved implementation parties and represents the project to internal and external stakeholders. PMU members will undertake training specific to World Bank procurement and FM procedures and safeguards. They will also receive capacity building on monitoring, learning and adaptive project management by an M&E firm financed by component 3. Table 6 provides an overview of key responsibilities of PMU seconded staff and Annex 2 provides detailed TORs for PMU consultants.

Table 6: Overview of PMU Roles for MLGA Seconded Staff

Kosovo ISDF: Municipalities for Youth POM

PMU role	Key responsibilities	Qualifications/Qualities
Project Director	<ul style="list-style-type: none"> Oversee the PMU and provide strategic guidance on project implementation Lead and advise the project staff, including on procurement and financial management issues Ensure compliance with the World Bank’s fiduciary and safeguards requirements Represent the project in public/high level meetings with beneficiaries, donors, and government agencies Member of M4Y– CYP Steering Committee 	<ul style="list-style-type: none"> Experience in public administration Experience in human resource management and finance management Knowledge of contract management, monitoring and evaluation Leadership role at the Implementing Agency
Component 1 Coordinator	<ul style="list-style-type: none"> Supervise and coordinate the implementation of component 1 according to procedures outlined in this POM Manage contracts (goods, works, services) Ensure appropriate beneficiary targeting and inclusion of disadvantaged youth in project activities Supervise Implementation Agreements with municipalities and ensure municipal compliance with project requirements Oversee subproject evaluation and selection process as per predefined selection criteria Report to Project Director on component management issues, including strategies for overcoming implementation challenges Supervise field activities, including day-to-day implementation of subprojects Contribute to semiannual progress reports 	<ul style="list-style-type: none"> Experience in project management Experience in contract management, including for small civil works Experience in municipal fund allocations Experience with community development/youth projects Experience with stakeholder management Experience with donor reporting
Component 2 Coordinator	<ul style="list-style-type: none"> Supervise and coordinate the implementation of project component 2 according to procedures outlined in this POM Guide the project’s community mobilization and outreach efforts Oversee training design and facilitation, and ensure overall quality of trainings Report to Project Director on component management issues, including strategies for overcoming implementation challenges Oversee contract with FP-NGO(s) Contribute to semiannual progress reports 	<ul style="list-style-type: none"> Experience in contract management, including services Experience in project management training development Experience with community development/youth projects
Capacity and Performance Specialist	<ul style="list-style-type: none"> Assess municipalities’ performance on citizen-centric investment planning, governance and transparency and capacity to support youth-driven community initiatives Support design of training manual for municipal capacity building Facilitate the establishment and coordination of Subproject Evaluation Committees Support municipalities in managing the subgrant application process (call for proposals, information sessions) Establish procedures for municipal staff to contribute to subproject design, specifications and implementation Establish procedures for municipal supervision of subgrants Contribute to semiannual progress reports 	<ul style="list-style-type: none"> Experience in municipal capacity and performance assessment Experience in learning and development Knowledge of local government systems and operations Experience with community development/youth projects

<p style="text-align: center;">Monitoring and Evaluation Specialist</p>	<ul style="list-style-type: none"> • Support development of project Learning Framework • Oversee baseline and final beneficiary assessments • Oversee knowledge management and organize knowledge dissemination events • Manage subproject monitoring activities and populate MIS; • Train and support Youth Monitors in field monitoring with focus on consistency and quality • Monitor field activities, including day-to-day implementation of subprojects • Prepare regular monitoring reports for the PMU and WB • Document the process of adaptive management • Contribute to semiannual progress reports 	<ul style="list-style-type: none"> • Experienced with monitoring and evaluation • Experience with managing learning programs • Experience with survey data collection • Experience with producing knowledge briefs and communication materials
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4.3. Roles and Responsibilities of MLGA PMU and FP-NGO(s)

The MLGA will work closely with municipalities and FP-NGO(s) to ensure the effective implementation of project activities. The MLGA PMU will be responsible for: (i) allocating the budget made available in Component 1 to the participating municipalities for youth-driven initiatives, according to the funds distribution formula defined in the POM; (ii) assessment of municipalities management capacity for project implementation; (iii) guiding municipalities in managing and preparing calls for proposals; (iv) conducting procurement procedures for all project components/activities, as well as the FM and disbursement of project funds, including the management of subgrants (except as agreed with the Bank); (v) supervising municipal compliance with project criteria; (vi) providing no-objections for subprojects to ensure compliance with project, fiduciary, and safeguards requirements; and (viii) M&E and knowledge dissemination. The FP-NGO(s) will be responsible for: (i) mobilization of youth and the inclusion of hard-to-reach young women and men, (ii) skills development, youth training, and municipal capacity building (iii) the formation of youth groups, and follow-up support to awarded subprojects.

Table 7 provides a detailed overview of the roles and responsibilities of MLGA PMU and FP-NGO(s) for various aspects of project implementation. The role and responsibilities of participating municipalities is outlined in Chapter 3 and in the mode Implementation Agreement (Annex 3.1).

Table 7: M4Y Implementation – Roles and Responsibilities

Activity	Facilitating Partner NGO(s)	MLGA PMU
Outreach and Mobilization	<ul style="list-style-type: none"> • lead orientation meetings and provide information about Component 1 and 2 opportunities • identify community influencers and conduct targeted outreach campaigns 	<ul style="list-style-type: none"> • oversee consistency and quality of mobilization campaigns • publish timely information on project website
Soft Skills and Project Management Training	<ul style="list-style-type: none"> • lead participatory soft skills and project management curriculum development • train the trainers on delivery of curriculum and gender-sensitive training • conduct youth trainings as per training plan • provide training logistics, including food for participants • adjust the training material based on feedback from participants 	<ul style="list-style-type: none"> • approve training material prior to training launch • lead the selection of training applicants • participate and oversee the training rollout in line with project principles • design and administer training feedback surveys
Community and Subproject Volunteering	<ul style="list-style-type: none"> • lead selection of subproject and community volunteers • train volunteers on role-specific soft and technical skills • provide on-demand coaching and support to volunteers • develop peer-to-peer network for community volunteers 	<ul style="list-style-type: none"> • oversee selection of subproject and community volunteers • provide technical skills training for community volunteers on accounting and safeguards complementary with volunteer training provided by FP-NGO(s) • oversee volunteer coaching and peer-to-peer support network
Municipal Capacity Building	<ul style="list-style-type: none"> • develop training on youth-oriented services for municipal staff • train municipal staff on youth-oriented services • support youth volunteers in leading youth-oriented services pilots in participating municipalities 	<ul style="list-style-type: none"> • conduct a capacity assessment of pre-selected municipalities on youth orientation in municipal services and capacity to participate in project activities • provide orientation to assigned municipal staff on project requirements

		<ul style="list-style-type: none"> • supervise municipal compliance with Implementation Agreement requirements
Subproject Development	<ul style="list-style-type: none"> • guide team formation and subproject development according to eligibility criteria • support preparation of detailed designs., technical specifications and beneficiary design verification 	<ul style="list-style-type: none"> • ensure support of municipal engineering staff in development of design and technical specifications, cost estimates
Subproject Implementation	<ul style="list-style-type: none"> • support youth groups/CBOs in development of tender documents and procurement process • supervise and monitor Component 1-related contracts 	<ul style="list-style-type: none"> • develop tender documents and procurement process for youth groups with no FM capacity • monitor the acceptance of goods/equipment and construction works • ensure FP-NGOs/municipalities provide necessary meeting space for subproject teams • ensure municipalities develops MOPs and these are adopted by the relevant departments
M&E	<ul style="list-style-type: none"> • collect and verify training applicant data for development of baseline • organize and supervise monitoring activities conducted by YMs • monitor MIS data entries • subproject progress reporting 	<ul style="list-style-type: none"> • report on Results Framework indicators • submit semi-annual, mid-term and end-term reports to WB • hire M&E firm for development of MLF, MIS and endline evaluation • provide quality assurance of MIS data entries
Environmental and Social Safeguards	<ul style="list-style-type: none"> • follow safeguards procedures indicated in Chapter 6 	<ul style="list-style-type: none"> • follow safeguards procedures indicated in Chapter 6
Communications	<ul style="list-style-type: none"> • provide inputs to, and support implementation of Communications and Visibility Strategy described in Chapter 5 • prepare communication materials to facilitate mobilization and lesson sharing • provide material for M4Y communications campaigns 	<ul style="list-style-type: none"> • lead implementation of Communications and Visibility Strategy described in Chapter 5 • approve and coordinate communication materials • hire knowledge management consultant and prepare communication material based on lessons documented • lead communications campaigns
Financial Management	<ul style="list-style-type: none"> • follow Financial Management arrangements described in Chapter 8 and SGM 	<ul style="list-style-type: none"> • follow Financial Management arrangements described in Chapter 8 and SGM
Procurement Management	<ul style="list-style-type: none"> • follow Procurement management arrangements described in Chapter 7 and SGM 	<ul style="list-style-type: none"> • follow Procurement management arrangements described in Chapter 7 and SGM

4.4. Implementation Schedule

The M4Y project will be implemented over a period of 36 months. The project closing date is on January 30, 2023. The project will be implemented according to the below schedule.

IMPLEMENTATION SCHEDULE	Municipalities for Youth in Kosovo Project																																			
	YEAR I - 2020										YEAR II - 2021										YEAR III - 2022															
	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10		
Overview of activities per component (by year, month)																																				
1. Youth-driven community development initiatives																																				
Needs and mapping assessment						X	X																													
Subgrants manual						X	X																													
Municipal subgrant allocations											X																X									
Selection of subprojects																																				
Implementation of subprojects												X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Municipal forums																	X														X					
2. Youth stakeholder trainings																																				
Recruitment of FP-NGO(s)						X	X																													
Community mobilization/outreach							X	X	X									X	X	X																
Curriculum development & ToT							X	X	X										X	X																
Soft skills and project development training								X	X	X										X	X	X														
Youth volunteers training									X	X											X	X														
Municipal capacity building							X	X											X	X																
Follow-up advisory support												X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	

3. Project Management, M&E, Knowledge Dissemination																																			
Recruitment of PMU consultants					X	X																													
Project launch event							X																												
Signing of Implementation Agreements					X	X												X	X																
Management Information System/Learning Framework						X	X	X	X	X	X																								
Project website						X	X																												
Baseline/End-line survey								X													X														
Youth forums																				X													X		
Implementation Completion Report																																			X
Semiannual, mid-term and end-term reporting							X								X												X							X	

4.5. Project Risks and Mitigation Measures

The **overall risk** of the project at the time of preparation is rated as Substantial, reflecting the risks associated with project implementation in municipalities, and previous experience of implementation in the north of Kosovo. The MLGA has not managed a World Bank-financed project, yet it has substantial experience managing donor-funded projects and developing comprehensive monitoring and evaluation systems, and has a strong technical staff which will be seconded to the PMU. During project implementation, MLGA capacity will be further strengthened through the hiring of experienced PMU consultants, engaging experts to further develop monitoring capacity and systems, and by conducting Bank-led training on fiduciary and safeguards. There are many experienced NGOs in Kosovo that can support the trainings and outreach activities included in the proposed project and effectively target disadvantaged youth from diverse backgrounds.

Political and governance risk is rated as Substantial. The fragmented parliamentary structure in Kosovo could adversely impact the effectiveness and implementation of the project. The possibility of early elections is a risk as counterparts may change or may not be available for several months during implementation. On November 27, 2018, political tensions between Serbia and Kosovo culminated in the resignation of the mayors of all four Serb-dominated municipalities in the north, and the municipalities ceasing formal communication with central authorities. Although unprecedented, there is a small risk of municipalities in the north also stopping engagement with line ministries at the technical level due to changes in political circumstances. To mitigate implementation challenges, the MLGA will work with experienced NGOs operating in the north to help ensure the support of all mayors of participating municipalities. The MLGA has a strong working relationship with northern municipalities, which are all part of the MLGA's Municipal PMS. Alternative municipalities will be identified if it is not possible to implement in the north. During preparation, the Serbian adviser to the Prime Minister confirmed that the institutional arrangements are appropriate for the pilot, including in the north. Experience in other projects suggests that there is a risk of the subgrants being captured unless transparently managed. The project will put in place a good governance framework in the POM and SGM, which will include transparency, conflict of interest policies, and codes of conduct, as well as project mechanisms for management, oversight, and social accountability that are planned to minimize governance risks.

The **macroeconomic risk** is Moderate as for other projects in the portfolio and is not expected to have any impact on the project. The sector risk regarding youth strategies and policies is moderate. The proposed project is consistent with the Kosovo Youth Employment Action Plan (2018-2020), which includes soft skills training as a method for preparing youth for the labor market.

The **technical design risk** is Moderate. While the project will pilot new mechanisms with municipalities, the design builds on previous youth initiatives, and involves capacity building and simple grant-making with clearly-defined FM procedures. There is however a level of complexity in the beneficiary selection, which will be coordinated with the planned YIEP. There are a number of ongoing youth activities supported by other development partners and NGOs in Kosovo that provide experience and lessons that have been considered in the project design. The "By Youth for Youth" program implemented by UNICEF in Kosovo has several initiatives that build the skills and capacities of youth to identify issues affecting their communities and propose interventions that address these issues, including taking an entrepreneurial approach to social change (e.g. the upshift initiative could be expanded with a municipal lens). World Vision Kosovo has been mobilizing youth in rural areas through youth clubs (Impact Clubs), which provide structured afterschool learning and opportunities to apply leadership and technical skills in community service learning projects. Other local NGOs, such as TOKA, implement community service projects that integrate volunteering with leadership skills and confidence building. The proposed project builds on these initiatives and also links skills building to subgrants for small social enterprise initiatives or much-needed youth services and infrastructure. It differs from other initiatives by leveraging government systems to facilitate a greater role for municipalities in local youth programming. USAID is initiating a new community-based project "Up to Youth" aimed at empowering youth to take part in their own development and become responsible citizens. The project will collaborate with development partners and NGOs that are currently implementing various youth empowerment programs in Kosovo to ensure coordination of activities and avoid overlaps both in terms of geographic coverage and project design.

Institutional capacity and sustainability. The MLGA has established a sound track record in disbursement and works successfully with a number of donor partners. Through these efforts, it has established itself as a part of the GoK that understands and tracks performance. The MLGA has a long track record of working with municipalities, including the northern municipalities. A preliminary assessment of selected municipalities showed significant differences in FM capacity and it was therefore agreed that FM would be the responsibility of the MLGA. To mitigate this risk, the MLGA will further assess fiduciary and program management capacity and adjust its capacity building efforts and procurement arrangements accordingly. FP-NGOs are being appointed by the MLGA to support municipalities with the mobilization, capacity building, and other youth-driven initiatives. The weak capacity of municipalities is both a risk and a focus of the project, which aims to build that capacity through direct and indirect project activities. The institutional risk is rated as substantial, given the experience of municipalities in Kosovo.

Stakeholder risk is rated as Substantial. The project envisages a range of government and non-governmental stakeholders at different levels of different political parties and with varying interests. While the MLGA is a known entity, the various stakeholders at the municipal level pose a risk, and relationships with the non-governmental stakeholders vary. Project activities are targeted at marginalized youth, including minority youth in some of the most disadvantaged parts of the country. Although minority rights are protected by the constitution, minorities do not enjoy the same political representation in local government administrations, posing a risk in terms of access to project benefits. The engagement of NGOs experienced with minority integration will mitigate both the technical design and stakeholder risk by ensuring that subproject proposals are developed in consultation with minority youth and serve their needs. There is strong buy-in from the MLGA and the management has a track record of unblocking project issues.

The overall **fiduciary risk** is Substantial. From an FM perspective, the project will rely extensively on the country's public finance management (PFM) systems at the central level. Key strengths of the systems include a sound legal framework, an integrated central treasury system, and an increasingly effective external audit office. The system of municipal PFM is fully compatible and integrated with the PFM system that operates at the central government level. However, these strengths are offset to some extent by limited professional and technical capacities, and gaps in implementation, especially at the municipal level. It was noted that the quality of FM arrangements, and respective FM capacity in municipalities is significantly lower than the central government, and the quality varies significantly between municipalities. In addition, there are areas, such as the proposed subgrants program, that are not covered by the current PFM regulation. The GoK's preferred method of disbursement is reimbursement of funds pre-financed from the budget to finance project expenditures. Given the characteristics of the pre-financing mechanism, weak technical capacities and gaps, and the proposed subproject program, the risk pertaining to FM and insufficient or untimely budgetary allocations is substantial. However, this risk is manageable given the grant financing (compared to credit, which requires a very effective planning process), and the placing of FM responsibility with the MLGA, unless otherwise agreed. Clear procurement and FM procedures and guidance (developed and approved in the POM and SGM), regular support for FM and procurement staff, effective management and coordination with municipalities, close monitoring and follow up during implementation by the PMU, will be established.

4.6. Monitoring and Evaluation and Knowledge Dissemination

Monitoring. A Monitoring and Learning Framework (MLF) and a Management Information System (MIS) will be developed based on the project's theory of change (Annex 1.1.) to enable adaptive project management through real-time monitoring and evaluation. The MLF will provide guidance on monitoring procedures, including methods and tools for data collection and analysis, consistent reporting and interdependencies with other M&E systems. The MIS will be a web interface built according to the MLF and will integrate subproject progress data with beneficiary survey results. Through the MIS, the project will monitor the progress of the project activities and collect all indicators of the results framework. This tracking tool will facilitate the MLGA PMU and other stakeholders to determine whether or not outputs, outcomes, and project objectives have been met and, if so, by how much. The MIS data will help determine if the PMU's success in achieving the goals and objectives of the project, and the level of impact on target beneficiaries. The MIS also provides insights into project difficulties to allow for timely implementation of corrective actions.

The overall project monitoring and evaluation is the responsibility of the PMU, who will be supported in conducting M&E activities by the Facilitating Partner NGO(s) and Youth Monitors. The PMU is responsible for: (i) collecting and verifying data accuracy for all indicators in the results framework; (ii) making project results easily available to the public and relevant stakeholders; (iii) producing assessments of what is working and what could be improved according to MLF guidelines; (iv) engaging independent evaluator to produce a project completion report.

Multiple stakeholders will have data view and entry access within the MIS. All data entries will specify the data source, time and method of data collection. The MIS will be developed as a simple online database in which to record data that will allow for the generation of regular M&E reports. The PMU M&E Specialist will coordinate all M&E activities and work alongside an M&E firm hired to establish the system and make necessary updates to optimize its use for the project. The system will be used to maintaining up-to-date information on project activities. The TOR for MLF and MIS is provided in Annex 3.3.

A baseline and endline survey is planned for measuring: (i) youth satisfaction with community-based interventions; and (ii) the impact of enhanced civic engagement on youth's perceived collaboration with local governments, access to economic opportunities, and knowledge about civic participation. The baseline will be collected from participating youth at training entry by FP-NGO(s). The collection of endline survey data is included in the MIS budget and will be conducted by the contracted M&E firm.

In addition, participatory M&E approaches will be used to ensure that the proposed project activities address the needs of the target population and to engage youth as key stakeholders in the monitoring of subproject activities. YMs will be assigned to selected communities to conduct regular field visits to subprojects to monitor their implementation progress against stated goals and budgeted activities. The data collected will be used to assess the effectiveness of beneficiary targeting, performance of service providers, and youth involvement in subproject implementation. The roles and responsibilities of YMs is described in Section 3.3. The YMs will be trained and coached by the FP-NGO(s) with coordination support provided by the PM& M&E Specialist. Annex 8.1 provides a checklist for subproject monitoring by YMs. Findings from monitoring reports will be presented at municipal forums organized by YMs.

Performance management. Each year, the PMU will identify the goals and priorities for the implementation year in line with the MLF. The planning starts with targets (e.g., number of beneficiaries trained) and learning objectives and works backwards to identify the performance information that needs to be collected to assess the project performance. The PMU will review of all upcoming performance targets and an assessment of past and current performance (against targets). Activities will be developed and resources allocated to ensure targets are achieved. Where targets are very unrealistic or were miscalculated and are therefore not achievable MLGA will revise them with consent of the World Bank. MLF will outline the institutional self-assessments that the MLGA will use to regularly check on its performance. Annex 1.3 provides a list of indicators, end of project targets and how they will be measured. The PMU will develop annual targets for the indicators that do not rely on an endline comparison.

Reporting. The PMU will report regularly on its progress towards meeting the Project's Development Objective, Intermediate Results and Output Indicators as identified in the POM and MLF. Progress reports will consolidate progress data from the MIS and progress reports by FP-NGO(s), including data obtained from community visits, meetings, attendance records, participant evaluations of trainings, and interviews with project stakeholders. The PMU reporting schedule is as follows:

- Every six months a progress report will be presented to the MLGA and World Bank on the status of the output and, when appropriate, outcome indicators.
- At mid-term and end-term, the PMU will provide a project-wide assessment of outcomes as compared with target results. At mid-term, the report will include an overall conclusion on whether the project is on track and whether changes are required to improve results.

Evaluation. The project will also fund an Implementation Completion and Results (ICR) report to be finalized in the final three months of the project. It will provide a complete account of the overall performance and results of the project. The report will also provide lessons learned based on the findings of the endline beneficiary survey and Youth Forums (described below). The ICR will be developed by an independent consultant with experience working on youth activities. To ensure accountability and that the evaluation captures youth values, Youth Monitors will be involved in the design and execution of the ICR. Participation of youth in the evaluation will also allow the youth to exercise their research skills by developing a research question, creating and executing a data collection and analysis plan, and presenting their findings to FP-NGOs and MLGA. The report will be based on the World Bank Implementation Completion and Results Report Guidelines.

Knowledge dissemination. Knowledge sharing activities will take place regularly throughout the project. Component 3 will fund a dedicated website and social media pages, which will be developed to provide information about project activities and intermediate results. Lessons learned will be consolidated throughout project implementation according to the templates and guidelines provided in the Monitoring and Learning Framework. A knowledge consultant will be recruited for this task. Lessons learned will be disseminated in annual Youth Forums, where youth stakeholders and beneficiaries will have an opportunity to present subproject results. These annual forums, financed under Component 3, will also provide an opportunity for youth to interact with participants from other communities in a safe and guided environment. To strengthen the narrative of youth as active members of their communities, the forums will be widely documented and the media, Kosovo government officials, the Government of Japan, and other development partners will be invited to raise awareness about the importance of investing in youth local development initiatives.

4.7. Grievance Redress Mechanism

The M4Y project will establish GRM within 6 months of project effectiveness to address any concern related the project that anyone can bring. Requests for information or complaints can be related to any project activity, including beneficiary and subgrant selection process, access to subproject benefits and, social and environmental impacts of subprojects. To ensure accessibility, the GRM will have multiple entry points. Requests can be submitted via the FP-NGO(s), municipalities, YMs or directly to the M4Y Project Coordinator. A variety of easily accessible contact points (e.g., phone number, email address, postal address, SMS service, etc.) will be available to allow beneficiaries and other affected persons to present their case. Complaints related to beneficiary and subgrants selection outcome will be accepted within 2 weeks of the publication of results. All other requests/complaints will be accepted on a rolling basis.

The project will establish a project website where all relevant project information will be available, such as progress reports, safeguard reports, events, activities, etc. The project website will have contact information of the Project Coordinator to whom grievance can be submitted as well as a description of the GRM procedure, including the service standards (i.e. turnaround time for receiving response, and the way in which they will be informed of the response/resolution of the case). The possibility to submit a grievance will be communicated at the project's orientation sessions, community meetings, youth trainings, in publications of beneficiary and subgrants selection results, social media channels, and indicated in the publicity materials (e.g. press releases, blogs) and the printed materials produced under the project. Additionally, the information about GRM will be available at the local government sites where the subprojects are being implemented.

All cases received (including complaints, requests for information, suggestions, etc.) will be logged. All steps of the processing of the case will also be registered, until the case is closed (i.e. until the final resolution and/or answer provided to the complainant). The procedures for handling cases will be the following: (i) cases received in writing will be acknowledged within 3 work day; (ii) cases will be reviewed by the assigned PMU member and answered maximum 2 weeks of receipt; (iii) in cases where answer and/or resolution cannot be immediately provided and/or is beyond the PMUs control, the PMU Director will follow up with the actions to be taken to address the grievance. If the grievance response depends on others than the PMU staff (e.g. MLGA, WB), PMU will make inquires and respond to the complainer in the shortest possible time. In the case the complaint is anonymous, the feedback will be provided on the Project web-site. A grievance log template is provided in Annex 1.5.

Annually, the PMU shall be tasked to discuss in a public consultation the grievances received over the course of the year and report on which measures have been taken or plan to be taken in response to this critical feedback. Minutes of this consultation shall be posted on the project website.

4.8. Exit strategy and long-term sustainability of project activities

To ensure that project gains will be sustainable and replicated beyond the project duration, several sustainability processes have been integrated into the project design. The project's sustainability strategy is provided for each level of intervention – MLGA, municipalities and subprojects.

MLGA

- **Youth indicators in the Municipal Performance Management System (PMS):** In collaboration with the CYP, the project will review PMS youth indicators to strengthen local government's accountability on youth programming and youth-inclusive local governance. This approach will ensure that improvements in the delivery of youth services are recognized as part of the overall municipal assessment system and help to ensure the sustainability of funding for local youth initiatives beyond the project.
- **Capacity on project management and youth programming:** Key to the project's sustainability strategy is the PMU composition, which will comprise a team of seconded MLGA staff and a small team of experienced consultants. The MLGA staff will learn on the job and be able to transfer their expertise to other youth-focused projects led by the Ministry. Capacity building opportunities on M&E, safeguards, procurement and FM have been integrated into the TOR of the M&E firm and the project's implementation support plan (see Annex 3.1).
- **Open access MIS that can be further developed to MLGA needs.** The Management Information System (MIS) developed/adapted for the project will be accompanied by an instruction manual and training for MLGA staff to facilitate autonomous use of the system beyond the M4Y project duration. The MLGA will received support by an M&E firm to coordinate the project MIS with other Ministry M&E systems. The open access system will allow for modular build up and development to accommodate MLGA M&E needs.

Municipalities

- **Integrating youth services into regular municipal systems.** The project will be sequenced with the regular municipal budget cycle and procedures established to create and/or institutionalize youth earmarked budget codes. As mentioned above, participating municipalities will be required to commit human and financial resources, including the staff necessary for implementation and learning, and 15 percent matching contributions. These municipal contributions will help develop ownership and sustainability of the youth initiatives.
- **Capacity building on youth programming and youth-inclusive local governance.** FP-NGO(s) will train M4Y municipalities on sustainability in youth programming, management of subgrant calls for proposals, subproject preparation and implementation and youth-orientation in municipal performance to ensure that municipalities uphold their obligations under M4Y project, but also integrate youth views and priorities in regular municipal procedures and services. Youth volunteers placed in municipalities to work on specific project tasks will reinforce and operationalize the concepts introduced during these trainings.
- **Ownership, operations, and maintenance.** Assets (equipment, facilities, infrastructure) procured or constructed by the project will be handed over to the municipality at completion. Municipal commitment to all cleaning, and operating and maintenance activities and costs will be required prior to the subproject being awarded (see section 3.6 - phase 5 of subproject cycle).

Subprojects

- **Engaging youth in municipality investment prioritization and local development.** Through civic engagement activities, youth groups will gain increased capacity and understanding of municipal affairs to advocate actively for, and participate in, future initiatives that benefit their communities. Through municipal support for youth-driven initiatives, the project will put in place processes and tools (e.g. participatory planning, implementation, social accountability, and youth monitoring, etc.) that institutionalize the engagement of young men and women in local development.
- **Building entrepreneurial skills that can be translated into livelihoods.** In 10 municipalities, the M4Y project will create foundations for the CYP to build upon. M4Y youth will develop soft and entrepreneurship skills, and obtain initial experience of civic engagement and small entrepreneurial activity, which the CYP can potentially build into formalized microenterprise development with its larger microgrants and specialized business support, including advice on access to finance.
- **Training youth stakeholders to develop sustainable youth initiatives at the local level.** The M4Y project management curriculum will be based on social entrepreneurship research and thinking, and as appropriate, will include identification of multiple revenue streams to facilitate the economic viability of youth initiatives. In addition, the principles of environmental sustainability will be incorporated into the trainings and included as a criterion in the design of each youth-driven initiative.

Chapter 5: Communications and Visibility Strategy

5.1. Japan Visibility Strategy

Communication and donor visibility. The project will make every effort to ensure the visibility of its donor, the Government of Japan, as well as the Japan Social Development Fund (JSDF) and World Bank as administrators of the grant, throughout the life cycle of the project. At the very beginning, the PMU will organize a project launch workshop to inform the public, government agencies and donors about the planned project activities and implementation timeline. The launch event will include Japanese embassy official and World Bank representatives. Local and international press will be invited to the ceremony.

During project implementation, JSDF, Japanese and WB logos will be incorporated on all written materials. The following standard text is suggested to describe the program for use by those who prepare publicity material: *“The (name of activity) was financed by the Government of Japan through the support received under the Japan Social Development Fund administered by the World Bank.”* Written materials may include:

- **Press Releases and Press Conferences.** Press releases issued by the project will refer to the financial contribution of Government of Japan through the JSDF. When the PMU submits any press release, it will share it with the relevant Press and Information Officer at Japanese Embassy before sending it out. The release would incorporate the Japanese flag, the World Bank logo, and JSDF logo and mention that funding was provided by the JSDF. Press conferences would be organized in cooperation with the World Bank task team and invitations sent out will have the logo printed on them.
- **Reports.** All reports’ back cover will contain the following disclaimer: *“The contents of this publication are the sole responsibility of <name of the author/contractor/implementing partner> and can in no way be taken to reflect the views of the Government of Japan.”*
- **Leaflets Brochures and Newsletters.** All leaflets and brochures will bear the JSDF logo, project details, contact name, address, telephone, fax and e-mail and the following disclaimer: *“The contents of this publication are the sole responsibility of <name of the author/contractor/implementing partner> and can in no way be taken to reflect the views of the Government of Japan.”*. Leaflets, brochures and newsletters will also incorporate a definition of the JSDF. Electronic copies of the publications would also bear the logo and made available to JSDF.

- **Training and Workshops.** Training programs, seminars, and workshops will clearly indicate that the activities in question have received funding from the Government of Japan through the World Bank. Visibility will be ensured by placing the donor logo, JSDF and World Bank logos on each information item used and distributed to participants along with placing the donor logo, JSDF and World Bank logos on banners and any other materials, if any, used during training events.
- **Publicity and Promotional Materials.** As per JSDF guidelines, should any other publicity and promotional materials be produced, the following statement will be used for publicity and promotional material to highlight JSDF's contribution - *"The (name of activity) was financed by the Government of Japan through the support received under the Japan Social Development Fund administered by the World Bank"*.
- **Banners and Sign Posts.** Banners and sign posts with Japan, JSDF and World Bank logo, as indicated in the communication toolkit on the JSDF website, will be set in communities where the grant is being implemented.

5.2. Branding

As part of community mobilization efforts, the leading FP-NGO will develop a visual brand (logo) for the project involving youth through crowdsourcing or similar means. The logo must be endorsed by the MLGA before being used consistently by all project stakeholders. In preparation of project launch workshop and subsequent knowledge dissemination events, the PMU will work closely with MLGA's Division for Communication to develop project information materials with consistent branding.

These materials will include:

- Project website and social media: Online content developed to provide information, objectives and geographic targeting. During implementation used for providing intermediate results.
- Printed material: Roll-up banners, business cards, folders, pens, letterheads.
- Products for youth: including t-shirts, caps, wrist bands, stickers.

To the extent possible, the project will also engage youth who have skills in design to design project products that would be used to promote community initiatives and deliver messages to vulnerable youth.

5.3. Public Relations

Together with MLGA Division for Public Communication, the PMU will be responsible for managing project communications with the public. The Division for Public Communication will have the responsibility to:

- Guide the preparation of project launch and knowledge workshops
- Prepare a communication strategy that will be approved by the PMU
- Quality check the design of community mobilization campaigns ensuring they are inclusive, non-discriminatory and aligned with Ministry communication guidelines
- Promote the project activities through local and national media channels
- Draft press releases, promote success stories, and respond to media enquiries
- Maintain regular contact with stakeholders as needed, and ensure effective outreach of stakeholders for project launch events
- Promote project activities through MLGA's website, municipal websites and official, and social media pages.

5.4. Social Media

Given that project beneficiaries are youth, social media platforms will be used to mobilize and communicate with youth throughout the project cycle. FP-NGO(s) will design youth-centered social media campaigns to ensure that targeted youth are engaged, understand the project activities and processes, and are encouraged to share project information among their peers. Selected FP-NGO(s) will need to demonstrate expertise and previous experience with design and implementation of social media campaigns for youth (see Annex 3.2 TOR for FP-NGO(s)).

Social media campaigns will be carefully designed for each project milestone – trainee and volunteer mobilization, call for proposals, invitation to subgrants agreement signing ceremony, promotion of youth forum, etc. The most commonly used social medial platforms in Kosovo will be utilized to communicate with targeted youth, namely Facebook (780,000 users; 38% female and 62% male in 2018) and Instagram (580.000 users; 41% female and 59% male in 2018).¹³ The following youth-centered principles will be applied in the design of M4Y social media campaigns:

- 1) Targeted youth will be segmented by age (teens ages 15-18 and young adults 18-24) and content produced will be age-specific.
- 2) Content will be interactive to reflect the way young people use social media.
- 3) Visuals (videos and pictures) and short text will be used to draw attention and communicate effectively.
- 4) Simple, non-offensive language will be used, including commonly understood abbreviations.
- 5) All messaged will be ‘sharable’ so that content can easily be distributed among young people.
- 6) Community influencers will ‘endorse’ projects messages or appear in videos/pictures posted via social media.
- 7) Content will be co-produced with young people to ensure that it is attractive, clear and actionable.
- 8) Social media campaigns will be connected with other local initiatives for young people to give them legitimacy and an expanded viewer network.

Chapter 6: Safeguards Management

6.1. Introduction

The M4Y project triggered one World Bank safeguards policy: OP/BP 4.01 Environmental Assessment. As part of the project preparation, MLGA prepared an Environmental and Social Management Framework (ESMF),¹⁴ which provides principles and guidelines for risk management in all phases of the project cycle.

MLGA as the project Implementing Agency is responsible for the project’s overall environmental and social safeguards compliance. MLGA will hire a part-time Safeguards Specialist within 6 months of project effectiveness to oversee screening of subgrant applications and ensure compliance with the provisions of the ESMF. Provide that MLGA does not have previous experience implementing a World Bank operation, the World Bank Environmental Specialist will provide guidance and training to the PMU regarding ESMF implementation/environmental review procedures. The MLGA staff will also take training specific to World Bank environmental and social safeguards, including detailed instruction on safeguards policy issues, mitigation measures, and implementation good practices, as well as monitoring and reporting.

Chapter 6 provides an overview of the project’s initial environmental and social due diligence, subproject environmental review process, and responsibilities of key participants in the process.

6.2. Environmental Safeguards

Identified potential environmental impacts of planned activities for this project are minor and site-specific, unlikely to be reversible, and easily mitigated. The Project is classified as category B due to possibility of small-scale civil works envisioned under the project component 1: Subgrants for Youth-Driven Community Development Initiatives. The component will provide financial support for rehabilitation works on existing buildings and similar small-scale operations (e.g. repair of parks, classrooms, youth-friendly spaces in health centers, libraries and other public institutions) through 2 grant cycles, aimed at improving youth related community infrastructure. Other components and project activities (consisting mostly of trainings, technical support and similar) have negligible environmental impacts. No new construction will be financed.

¹³ Hootsuite Enterprise (2019), Digital 2019 Kosovo. Accessed from: <https://www.slideshare.net/DataReportal/digital-2019-kosovo-january-2019-v01>

¹⁴ The ESMF can be accessed here: <https://mapl.rks-gov.net/en/publications/>

The project triggers OP/BP 4.01 Environmental Assessment as typical environmental and safety risks may occur during implementation for the small-scale civil works, such as: noise and dust emissions, workers and community safety risks, construction waste generation, small quantities of hazardous waste, traffic safety issues, etc. Potential impacts and risks will not be significant or lasting and are expected to remain local. No other environmental safeguards policies are triggered. Locations of rehabilitation activities are not defined at project preparation, however, characteristics of the project as well as the financial support indicates they will be in urbanized areas, so no works will take place in nature protected localities. Physical cultural resources will not be a project subject, nor activities impacting cultural heritage will be supported, while management of chance findings will rely on the national systems which are found adequate.

As locations and scope of works under the grant scheme are yet to be defined, the project Implementing Agency, MLGA, prepared ESMF to streamline environmental due diligence of subprojects supported under the grant scheme. ESMF through defined screening and environmental review procedures, guides environmentally sound selection, preparation and implementation of subprojects. Only category C and B activities will be supported, and screening procedures will reject financing high-risk and A category sub-projects and other non-eligible activities. All activities must adhere to ESMF and WB safeguard policies in all segments and phases of the project. For this reason, (i) ESMF will be continuously available to the public on MLGA site and (ii) PMU and Safeguards Specialist in charge of ESMF compliance will receive appropriate training from the WB Environmental and Social Specialists.

Likely activities covered by M4Y project are not listed in the Administrative Instruction MESP/01/2017 on release of the Municipal Environmental Permit, Annexes/List of activities that liable subjugates to the municipal environmental permit. Therefore, the subprojects are not anticipated to be subject to the Municipal Environmental Permit procedure.

6.3. Social Safeguards

The project’s overall social impacts are anticipated to be positive. A guiding principle and objective of the project is the reduction of social risks, particularly through the effective involvement of youth beneficiaries (inactive and excluded young women and men in vulnerable communities). Activities that bring diverse groups of young people together are also expected to increase their appreciation for one another, enhance understanding and awareness of common problems, develop opportunities for joint working and learning, and promote social cohesion. Infrastructure activities supported by the project will be limited to the rehabilitation or refurbishment of existing places with no changes in land use. The project will therefore not trigger OP 4.12, and any impacts on land, property, and livelihoods will be screened out through a process described in the ESMF.

6.4. ESMF Implementation

With regards to ESMF implementation, MLGA PMU will: (i) support the grantee and municipality with information and capacity building; (ii) oversee and verify the environmental and social screening and evaluation of subproject applications; (iii) communicate and coordinate with environmental assessment (EA) competent authorities (Ministry of Environment and Spatial Planning, Kosovo Environmental Protection Agency); (iv) facilitate and quality check the preparation of safeguards documents (ESMP or ESMP checklist); (v) oversee proper implementation of the ESMP and ESMP Checklist requirements as well as social due diligence tasks during the subprojects’ realization; (vi) address complaints and feedback from project stakeholders and the public, including grievances regarding environmental/social impacts of subprojects; (vii) supervise (independently or jointly with relevant state authorities) environmental protection and mitigation measures stipulated in the ESMPs; (vi) monitor environmental and social impacts as part of overall monitoring of the subproject implementation; and (viii) report on environmental and social impacts originated during implementation of subprojects; and (viii) analyze the efficiency of mitigation measures applied to minimize negative consequences. Together with subproject implementors (contractors) and grantees, the MLGA PMU is responsible for the implementation of above activities. To implement the ESMF, the relevant actors will follow the below described steps.

Table 8: Process cycle for the implementation of ESMF

Step	Activity	Primary	Secondary
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1.	Capacity building of PMU regarding ESMF implementation/environmental and social review procedures	WB Environmental and Social Specialists	PMU Safeguards Specialist
2.	Establishment of Grievance Redress Mechanism	PMU	
3.	Submission of subproject proposal with Environmental and Social Risk Assessment Questionnaire (Annex 5.1)	Applicant with help of FP-NGO(s)	Municipality
4.	Screen proposals according to eligibility criteria	FP-NGO(s)	
5.	Screen applications according to ESMF criteria and prepare Screening Reports (sent to Subproject Evaluation Committee and WB)	PMU Safeguards Specialist	
6.	Evaluation of eligible subproject proposals according to principles of competitive selection	Subproject Evaluation Committee	
7.	Inform Applicants of selected subprojects of follow-up EA requirements	PMU Safeguards Specialist	
8.	Obtain environmental, construction and/or other official permits (as required)	Applicant with help of municipality	FP-NGO(s)
9.	Prepare EA (ESMP or ESMP Checklist) according to subproject environmental category (B+, B-, C)	Applicant with help of municipality	FP-NGO(s)
10.	Review and approve EAs in line with ESMF requirements	PMU Safeguards Specialist	WB Environmental and Social Specialists
11.	Translate approved ESMPs to local language	Applicant with help of municipality	FP-NGO(s)
12.	Disclose and consult ESMPs (as required)	Applicant & Municipality	PMU
13.	Include EA recommendations into subproject design	Applicant & Municipality	FP-NGO(s)
14.	Sign tripart subgrant agreement after EA requirements are finalized	Applicant, PMU and Municipality	
15.	Incorporate EA in bidding and contracting documentation	Applicant/Municipality (institution procuring works)	PMU verifies
16.	Document pre-activity site conditions	PMU Safeguards Specialist	
17.	Implement EA	Contractor	
18.	Monitor EA implementation and report to Applicant/Municipality (institution procuring works)	Contractor	Municipality/Youth monitors
19.	Supervise EA implementation in line with ESMF mitigation plans/measures (site visits)	PMU	FP-NGO(s)
20.	Report to WB on EA implementation	PMU	

Capacity building on safeguards. Prior to initiating calls for subgrant proposals, the World Bank Environmental and Social Specialists will provide training for the MLGA PMU on: (i) procedural aspects of ESMF implementation (stages, key actors, main responsibilities etc.); (ii) assessment of environmental and social impacts potentially related to the

subproject supported within the project; (iii) consultation and approval of the EAs and monitoring plans; and (iii) preparation of ESMP Checklist; (iv) field supervision and preparation of progress reports. The PMU Safeguards Specialist will thereby provide a similar training to FP-NGO(s) and municipal environmental staff (including Youth Environmentalists).

Subproject environmental and social screening. The Applicant (final beneficiary) prepares and submits an initial subproject proposal under the call for proposals accompanied with the Environmental and Social Risk Assessment Questionnaire (available in Annex 5.1). The initial proposal and the environmental and social screening is prepared by the applying youth group with assistance of the Facilitating Partner NGO(s). Municipalities assess technical feasibility and provide inputs as required. The FP-NGO(s) screen all applications for eligibility and forms the preliminary list of successful Applicants. PMU Safeguards Specialists screens the subproject in line with the ESMF (and based on design, Environmental and Social Risk Assessment Questionnaire and other information) screens out subprojects that are category A, high risk, on exclusion lists, ineligible or triggering WB policies other than OP/BP 4.01 and forms the final list of successful applicants that is now sent for evaluation. PMU Safeguards Specialist prepares Screening Reports and submits them to the Subproject Evaluation Committee, who evaluates the subprojects on a competitive basis and determines which proposal will be funded.

After the announcement of subgrant winners by the Municipality and MLGA, the PMU Safeguards Specialists informs the Applicants of follow-up requirements and EA required for subgrant processing (a site-specific ESMP or ESMP Checklist, templates available in the ESMF; justification why EA is not needed for C category sub-projects is presented in the Screening Report). Screening Reports are submitted to the World Bank. At this time, it is the responsibility of the Applicant to initiate discussions with the Municipality and/or other competent authority in order to fulfill any local and national environmental and other requirements (such as, for example, an opinion on the environmental permit or EA (if any needed), construction permit and/or other official approval/permits).

Preparation of EAs. If required, the Applicant is responsible for preparing site specific instruments during the subproject preparation phase. Municipality environmental staff will support the Applicants in the EA preparation as youth-focused CBOs or newly formed youth groups are unlikely to have adequate skills and experience to perform this task on their own. Specific topics and the contents outline of each document that could be required is available in the ESMF (Annex 3: ESMP Checklist, Annex 4: ESMP template).

The Applicant with help of Municipality prepares the required EA (ESMP or ESMP Checklist) for category B subprojects and submits to PMU for review and approval. The PMU shares the reviewed ESMPs with the World Bank for approval. There are no EA requirements for category C subprojects. With the guidance of Municipality staff, the Applicant also fulfills national and local regulation requirements, if applicable. Once approved, ESMP Checklists and site specific ESMPs (if any) are disclosed, in Albanian, Serbian and English, on MLGA website and websites of municipalities allocating the grant (hardcopies available at premises), as well as a hard copy available to public at the Municipality premises for at least 14 days with calls for comments. Site specific ESMPs are consulted by the Applicant and Municipality with PMU in observing role. Once approved, EAs are incorporated into the bidding and contracting documentation by the institution procuring the works (Applicant or Municipality). Contractors are responsible for EA implementation.

Monitoring and reporting. The contractor monitors the EA mitigation according to the monitoring plan outlined in the ESMP and regularly reports to the institution procuring the works (Applicant or Municipality). Organized by the MLGA PMU and FP-NGOs, youth monitors will conduct regular field visits to subprojects to monitor their implementation progress, including their progress on safeguards management (see Annex 8.1 for checklist on subproject monitoring). Youth monitors submit regular progress reports to PMU for review and approval before presenting the results at municipal forums.

PMU Safeguards Specialist will perform regular supervision of the ESMP Checklist/ESMP implementation through field visits/spot checks and regularly report to PMU on environmental (ESMP, ESMP Checklist) compliance. While reporting is periodical, any significant incompliances will be reported to PMU immediately. The mitigation measures proposed by PMU will be implemented in an acceptable timeframe. In the case the subproject (Contractor, Applicant) fails to implement corrective measures, further steps will be taken until the measures are in place (or in the well assessed

cases will be quit the subproject). PMU reports environmental compliance to the WB in the regular project implementation reports, unless agreed differently (in subproject ESMPs).

MLGA prepares and communicates project information for relevant stakeholders, including information about the project's environmental management.

Chapter 7: Procurement Management

7.1 Introduction

Chapter 7 describes the rights and obligations on preparing and carrying out procurement within the project by the Implementing Agency. The purpose of this section is to provide the Implementing Agency with the general principles and procedures to be followed in the procurement of goods, works, consultancy services and non-consulting services. The chapter should be read together with Annexes 6.1 PPSD, Annex 6.2 Procurement Plan, and Annex 6.3 Procurement Forms. The procurement procedures for the subgrants component will be described in detail in the SGM.

Guidelines for carrying out procurement within the project. Procurement of goods, works and services within the Project is regulated by the following documents:

- Grant Agreement
- Project Procurement Strategy for Development (PPSD) and Procurement Plan (as part of PPSD);
- World Bank's "Procurement Regulations for IPF Borrowers" (the Procurement Regulations) dated July 2016, and revised November 2017 and August 2018;
- World Bank's Guidelines on Preventing and Combating Fraud and Corruption, dated October 2006, and revised January 2011 and July 2016;
- Procurement procedures for subgrants (Component 1) will take into consideration the Procurement Regulations (paragraph 6.52, and paragraphs 6.9 and 6.10 of Annex XII) for community driven development; such procedures will be described in detail in SGM.

7.2 Roles and Responsibilities

The MLGA PMU will have overall responsibility for the management of the project, including procurement and financial management of all project activities. The PMU will be responsible for procurement planning, tendering/selection process and monitoring procurement process for respective activities/contracts, preparing the TORs for individual consultants and consulting firms, proposals evaluation and contract award recommendation, contracts management and supervision, guidance and training during project implementation, as well as shopping small value goods, works and non-consultancy services as required under the project, as identified in the PPSD. The Project Coordinator will act as the main counterpart to the World Bank and will be assisted by a PMU Procurement Specialist, who will be hired by the Project competitively. Detailed responsibilities and tasks of the PMU Procurement Specialist are described in the corresponding TOR for this consultancy (Annex 2.3).

7.3 Procurement Planning

A Project Procurement Strategy for Development (PPSD) including a Procurement Plan (PP) was developed by the MLGA and discussed with the Bank during project preparation. The PP may will be updated at least once a year (or as needed) to reflect the actual project implementation needs and improvements in institutional capacity. The initial PP as well as subsequent updates thereof will be published by the MLGA/PMU through STEP in the UNDB on-line and Bank's external website well as on the official website of the MLGA. The PP contains the agreed list of all the contracts to be procured under project components. Each update of PP by the PMU/MLGA is subject to prior review of the World Bank.

Additionally, the MLGA will provide the World Bank with a complete list of subprojects in the youth-led community development program. Youth initiatives will be required to obtain the rules of the procurement delivered from the PMU and project team during the implementation of subprojects as set out in the SGM.

The procedure for introducing changes to the PP. In the frame of New Procurement Framework and Regulations for Projects, an online system of Systematic Tracking of Exchanges in Procurement (STEP) was introduced and currently used by implementing agencies in planning and tracking procurement activities under Bank-financed projects. STEP enables auto publication of approved procurement plan, publication notices and contract award information in the Bank’s external website, and UNDB online. All procurement related documentation should be submitted by the PMU/MLGA through STEP and for contracts that requires the Bank’s prior review, they will be revised by the Bank’s team, including procurement specialist, task manager and relevant technical staff of the Bank. STEP has a database of all procurement files online for shared use of the Bank and MLGA. The WB has the right to disagree with the proposed changes of the PP and/or clarifications by providing written justification for its rejection. In this case, the proposed changes and/or clarifications are resubmitted to the MLGA’s review along with the objections from the WB. If the WB has no objections to the proposed changes and/or clarifications, it will provide the PMU with a no-objection through the STEP. Changes and/or clarifications to the Procurement Plan are considered adopted only once they are agreed with and approved by the World Bank. Unless a contract/activity is not agreed with the Bank in advance, its procurement cannot not be launched by the PMU/MLGA.

7.4 Procurement Methods and Prior Review Thresholds

The following procurement methods will be provided under the project:

(a) *Procurement of Goods, Works and Non-Consulting Services.* Goods and works required under the project would include procurement of equipment or refurbishment works identified under the demand driven subgrants for targeted youth communities. While the procurement procedures for such goods/equipment and works will be described in detail in the SGM, it is expected that the shopping procedures (comparison of not less than three quotations) will be used to procure such equipment/refurbishment works.

(b) *Selection of Consultants:* Consulting services identified under the project would include hiring of experienced FP-NGO(s) to provide training and support to targeted youth communities, hiring of consulting firm for annual external FM auditing, hiring of individual consultants for project implementation such as project coordinator, FM and procurement specialists, safeguard specialist, short term consultants for needs and mapping assessment, for preparation of implementation completion report, for management information system, etc. Short lists of consultants for services estimated to cost less than US\$300,000 equivalent per contract may be composed entirely of national consultants in accordance with the provisions ECA Regional Procurement Thresholds. Consulting firms and individual consultants will be selected in accordance with the Procurement Regulations.

The PP sets forth those contracts which shall be subject to the World Bank’s mandatory Prior Review (see Annex 6.2). It is proposed to follow the procurement thresholds applicable effective July 2016, as part of the Regulation. All other contracts shall be subject to post review by the Bank. The prior review thresholds will be periodically reviewed and revised as needed during the Project implementation period based on implementation of risk mitigation measures, reports from procurement post-reviews, and improved capacity of the implementing agencies.

All Terms of References (TORs) are subject to the Bank’s prior review irrespective of prior/post review status.

A. Procurement Methods Thresholds

Thresholds for Procurement Approaches and Methods (US\$ thousands) As of June 15, 2016
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Country	Region	Works			Goods, IT and non-consulting services			Shortlist of national consultants	
		Open international \geq	Open national $<$	RfQ \leq	Open international \geq	Open national $<$	RfQ \leq	Consulting services $<$	Engineering & construction supervision
Kosovo	ECA	5,000	5,000	200	1,000	1,000	100	300	N/A

B. Thresholds and Prior Review by the Bank of Procurement Decisions

Except as the Bank shall otherwise determine by notice to the PMU/MLGA, the following contracts shall be subject to Prior Review by the Bank:

	Procurement Method	Procurement method threshold US\$	Prior Review Threshold US\$
Goods, works and non-consulting services			
1.	Request for Bids (international) goods	> \$1,000,000	Works above \$5Million per contract Goods above \$ 1.5 Million per contract All national approach tenders are subject to post review
2.	Request for Bids (international) works	>\$5,000,000	
3.	Request for Bids (national) goods	< \$1,000,000	
4.	Request for Bids (national) works	<\$5,000,000	
5.	Request for quotations (goods)	< \$100,000	-
6.	Request for quotations (works)	<\$200,000	-
	Selection Method		Prior Review Threshold
Consulting Services			
1.	Quality Cost Based Selection (QCBS)	>\$300,000	Firms consultant Services above \$ 0.5 Million per contract
2.	Least Costs Selection (LCS)	>\$300,000	
3.	Single Source Selection (SSS) (Firms and individuals)	-	Individuals above \$ 0,2 Million per contract
4.	Consultant Qualifications (CQ)	CQ < \$300,000	
5.	Individual Consultant (IC)		

7.5 Procurement Procedures and steps

Initiation of the procurement procedures. Based on the activities agreed in Procurement Plan, an official from the requesting unit, initiates the request for procurement of goods or services to the Project Director or a person, to whom these authorities delegated. After the request is approved the Procurement Officer (after making sure the activity/contract is included in STEP procurement plan) starts the procurement procedures and includes all required information and other documents (TORs, REoI, evaluation reports, contracts, etc) in STEP.

Advertisements. A General Procurement Notice (GPN) will be published by MLGA/PMU through STEP (and which will automatically enable publication on the United Nations Development Business (UNDB) on-line and in the Bank's website). The General Procurement Notice should contain information about the Project, its objectives and budget, scope of procurement and description of contracts/activities in line with the PP, and information of contact points.

Specific Procurement Notices (SPN) will be published as the corresponding bid documents become available. All these advertisements shall be made by PMU/MLGA through STEP system.

Bid Opening Committees (BOCs)., the Project Director or a person, to whom these authorities delegated, by decision establish the Bid Opening Committees. A separate BEC is set up for any specific procurement. BEC should be created immediately after the publication of the announcement. All the bids shall be opened by the commission. The opening technical proposals (and for opening of financial proposals) will be made in presence of firms who submitted proposals, in accordance with Procurement Regulations. The Bid Opening Committee, assisted by the PMU procurement specialist, shall prepare the minutes of bid/proposals opening, which will be made available to all firms who submitted proposals/bids. Such minutes will be also uploaded in STEP by PIU procurement specialist.

Bid Evaluation Committees (BECs) are established by the MGA Project Director. A separate BEC is set up for any specific procurement by the order of the MLGA Project Director. BEC should be created immediately after the publication of the announcement. The BEC should include PMU members, specialists competent in the sphere related to goods, works, consulting services to be procured and other persons. BEC evaluates all the bids/proposals in accordance with the criteria set forth in the Bidding Documents (BDs) or Request for Proposals (RFP) and, assisted by the PIU Procurement specialist, prepares the evaluation report, including contract award recommendation. Before proceeding with contract signature with the winning bidder/firm, the PIU and BEC will notify all bidders through Notification for Intention to Award, after which all participating bidders/firms can submit request for debriefing (or complaint) during the standstill period; The PMU/BEC should not proceed with contract signature before providing debriefing to any request for clarifications, or before resolving any complaint submitted by the bidders/firms. Details for standstill period, intention for award, debriefing by the borrower and complaints are described in Procurement Regulations (including Annex III). Contracts are signed by the MLGA Project Director, or a person, to whom these authorities delegated with the most favorable bidder. After the contract is signed the Project Director or a person, to whom these authorities delegated, by a decision appoints a project manager which will be responsible for the overall management of the contract and act as a contact point with the winning contractor/consultant.

Procurement contract modifications and variations. Any modifications other than those referred to signed contract/purchase order require a bilaterally agreed modification of the contract signed by both parties. Contract modifications, including variation orders, shall not result in an alteration of the basic nature or scope of the contract. An increase in value which raises the contract value by more than 10% allocated for contingency requires either a new procurement proceeding as a direct procurement or approval from PMU. Issuance of variation orders shall be subject to budgetary provisions and any contract modifications and variation orders shall be documented and those documents shall be included in the record and procurement file. The PMU/MLGA should consult with the Bank for all contract modifications/variations, while for contract modifications/amendments modifying the contract amount 15% or more, the PMU/MLGA will seek Bank's no objection, before the modification/amendment is approved/signed by contract parties.

Inspection of goods, works and services. The contract shall specify the obligations of the supplier as to the inspection and testing of quality, and the rights of PMU (or other specialists appointed by PMU/MLGA) to inspect, including to observe and to receive reports on all aspects of the performance of the supplier. The supplier shall rectify any deficiencies and omissions on his/her part at its own expense. The acceptance of goods and services will be organized by the project manager and done by a commission established by a decision of the Project Director or a person, to whom these authorities delegated. The project manager and the commission for accepting the goods, each prepares a report and together with the delivery note and invoice through the General Secretary/ the Project Director or a person, to whom these authorities delegated, are submitted to Finance Division where the payment procedure starts. For consultants no commission for acceptance of the services is needed.

Storage of contract documentation. For all procurement activities, the PMU/MLGA must maintain an adequate system of registration and storage of documents for every procurement proceeding for post reviews and semiannual progress reports. This includes all relevant procurement documents, such as TOR/specifications, bidding documents, bids received, bid evaluation reports and correspondence related to bids, correspondence with bidders, signed contracts and other relevant documents related to contract implementation (such as reports/deliverables, related payments, etc). This documentation will be reviewed by the Bank's implementation support missions. As stated above, the

PMU/MLGA will include in STEP all required procurement information and documents for all procurement contracts/activities.

Reporting. Comprehensive semiannual reports will be prepared by the PMU indicating the status of on-going procurement, including a comparison of the planned and actual dates of procurement actions, for the preparation of bidding documents, advertising, bidding, evaluation, contract award and completion time for each contract.

Supervision by the World Bank team. In addition to the prior review supervision to be carried out by the Bank team, the capacity assessment of the Implementing Agency/MLGA recommends supervision missions every six months during the first year of implementation, and once every subsequent year. Post reviews will be carried out regularly with a minimum sampling of two into ten.

7.6 Conflict of Interest

The PMU/MLGA staff involved in the procurement process in a Project contract/activity, as well as firms or individuals interested to participate in tendering process should observe the Conflict of Interests provisions set forth under paras 3.14 to 3.18 of Procurement Regulations. In more details:

Conflict of interest under the procurement of Goods, Works, and Non-Consulting Services

Firms or individuals involved in the project procurement should not have a conflict of interest. A firm shall be considered to have a conflict of interest if the firm:

- Is providing Goods, Works, or Non-consulting services resulting from, or directly related to Consulting services that it provided for the preparation or implementation of a project, or where such services were provided by an affiliate that directly or indirectly controls, is controlled by, or is under common control with that firm.
- Including its personnel, has a close business or family relationship with a professional staff of the Implementing Agency/Beneficiary/PMU or any other party representing the Implementing Agency/Beneficiary/PMU or acting on its/their behalf who:
 - Is directly or indirectly involved in the preparation of the Procurement Documents or contract specifications, and/ or the evaluation process of such contract;
 - Would be involved in the execution or supervision of such contract, unless the conflict stemming from such relationship has been resolved in a manner acceptable to the Bank throughout the procurement process and execution of the contract.
- Does not comply with any other conflict of interest situation as specified in the Bank's Standard Procurement Documents relevant to the specific procurement process.

Conflict of interest under the procurement of Consulting Services

Consultants shall:

- Provide professional, objective and impartial advice.
- At all times hold paramount the interests of the Implementing Agency/beneficiary, without any consideration of future work.
- In providing advice avoid conflicts with other assignments and their own corporate interests.

Consultants shall not be hired for any assignment that would be in conflict with their prior or current obligations to other clients, or that may place them in a position of being unable to carry out the assignment in the best interest of the Implementing Agency / Beneficiary. In order to prevent conflicts of interest, Consultants shall not be hired under the circumstances set forth below:

- A firm that has been engaged by the Borrower to provide Goods, Works, or Non-consulting Services for a project (or an affiliate that directly or indirectly controls, is controlled by, or is under common control with that firm), shall be disqualified from providing Consulting Services resulting from, or directly related to, those Goods, Works, or

Non-consulting Services. This provision does not apply to the various firms (Consultants, contractors, or suppliers), which together are performing the contractor's obligations under a turnkey or design and build contract.

- A firm that has been engaged by the Borrower to provide Consulting Services for the preparation or implementation of a project (or an affiliate that directly or indirectly controls, is controlled by, or is under common control with that Consulting firm), shall be disqualified from subsequently providing Goods, Works, or Non-consulting Services resulting from, or directly related to those Consulting Services. This provision does not apply to the various firms (Consultants, contractors, or suppliers), which together are performing the contractor's obligations under a turnkey or design and build contract.
- Neither a Consultant (including personnel and sub-consultants), nor an affiliate (that directly or indirectly controls, is controlled by, or is under common control with that Consultant), shall be hired for any assignment that, by its nature, creates a conflict of interest with another assignment of the Consultant.
- Consultants (including their experts and other personnel, and sub-consultants), that have a close business or family relationship with a professional staff of the Executive Agency/Beneficiary/PIU, that is directly or indirectly involved in any part of:
 - The preparation of terms of reference for the assignment.
 - The selection process of a consultant for the contract.
 - The supervision of the contract may not be awarded a contract, unless the conflict stemming from this relationship has been resolved in a manner acceptable to the Bank throughout the selection process and the execution of the contract.

If the MLGA/Project staff identifies the facts of a conflict of interest, the bids of such suppliers (contractors) are subject to rejection. The rejection of a bid or cancellation of a tender in accordance with this article and the reasons for this are reflected in the protocol of procurement procedures.

7.7 Procurement for Project activities (other than Subgrants)

Procurement of Consulting Services

Quality- and Cost-Based Selection of Consultants (QCBS): QCBS uses a competitive process among short-listed firms (5-8 companies) that takes into account the quality of the proposal and the cost of the services in the selection of the successful firm. Consulting services under the QCBS procedure will be procured in compliance with provisions of Section 7 of Annex XII of Procurement Regulation, Consulting Services.

For hiring of consultants in accordance with the QCBS procedure, the following sequence of steps is used:

- PMU/MLGA prepares the initial draft Terms of Reference (TOR) for services to be procured and submits it to the WB, through STEP for review and no objection. Upon receipt of the WB no objection to the TOR, the Procurement Specialist prepare the Request for Expressions of Interest (REOI) and publishes it in UNDB, through STEP and the Ministry's website with free national and international access in English. The standard form of REOI to be found on <http://www.worldbank.org/en/projects-operations/products-and-services/brief/procurement-new-framework>.
- The REOI and the ToRs should be sent to all interested consultants who had expressed their interest for this project, after the advertisement of General Procurement Notice (GPN).
- The Evaluation Committee reviews the expression of interest received and prepares the evaluation report of expressions of interest received and the proposed shortlist.
- The Procurement specialist drafts the Request for Proposals (RFP) and agrees the RFP package with the PMU and the Evaluation Committee.
- The PMU forwards the RFP package, the evaluation report of the expressions of interest, and the proposed short list to the WB for no objection, when package is subject to prior review.

- Upon receipt of no objection and/or comments to the RFP package, the Procurement specialist incorporates the Bank's comments into the documents, notifies all the firms that expressed interest about being included/not being included in the "short list" and arranges for issuance of the RFP package to short listed firms.
- Short-listed firms submit to the PMU/MLGA their technical and financial proposals in accordance with the procedures specified in the RFP. All proposals received after the deadline shall be declared late and rejected and promptly returned unopened.
- The Evaluation Committee opens the technical proposals, in the presence of consultants wishing to attend. The financial proposals shall remain sealed.
- The EC conducts preliminary examination and evaluates the technical proposals in accordance with the criteria specified in the RFP.
- Based on the evaluation completed by the EC, the Procurement specialist prepares the technical evaluation report using the WB's standard form of evaluation report. The report shall substantiate the results of the evaluation and justify the total technical scores assigned to each proposal by describing the relative strengths and weaknesses of the proposals.
- The PMU/MLGA submits the technical evaluation report, duly signed by EC members, including the detailed evaluation sheets of each EC member to the WB for no objection.
- After the Bank's 'no objection' to the technical evaluation report is obtained (on contract subject to prior review), the PMU shall inform consultants whose proposals did not meet the minimum qualifying technical score or were considered nonresponsive to the RFP and TOR that their financial proposals will be returned unopened after the signature of the contract. PMU/MLGA will simultaneously notify the consultants that have secured the minimum overall technical score of the date, time, and place set for opening the financial proposals. The opening date shall be set allowing sufficient time for consultants to make arrangements to attend the opening of the financial proposals.
- The financial proposals are opened in the presence of representatives of the consultants who choose to attend. The name of the consultant, the technical scores, including the breakdown by criterion, and the offered total prices shall be read aloud and recorded when the financial proposals are opened.
- PMU shall prepare the minutes of the opening and copy of this record shall be promptly sent to the WB and to all consultants who submitted proposals.
- The EC performs financial evaluation and prepares the final (combined technical and financial) evaluation report. The total score shall be obtained by weighting the quality and cost scores and adding them. The firm obtaining the highest total score shall be invited for negotiations. The Evaluation Committee reviews and approves the final evaluation report.
- The PMU/MLGA furnishes to the WB for its information the final evaluation report. The PIU issues a written invitation for contract negotiations to the selected consultant and prepares a draft contract.
- PMU/MLGA conducts contract negotiations with the selected consultant and prepares the Notification to award.
- PMU prepares the Notification of Intention to Award and simultaneously send it to all consultant that passed the minimum qualifying technical scores and the selected firm/consultant.
- The notification to award begins the standstill period.
- Upon termination of Standstill period, and after the Bank's 'no objection' to the draft contract, when package is subject to prior review, the MLGA signs the contract with the selected consultant.
- The Procurement specialist issues the letter of notification to other shortlisted firms, informing that they are unsuccessful.
- The Procurement specialist uploads a copy of the signed contract to STEP.
- PMU shall publish contract award information on UNDB online for all contracts when the shortlist included any foreign firm and in the national press when the short list comprises only national firms. Such publication shall be within two weeks after receiving the Bank's no objection to the draft negotiated contract with the selected firm

for contracts subject to the Bank's prior review and within two weeks of successful negotiations with the selected firm for contracts subject to Bank's post review.

Preparation of the Terms of Reference

Terms of Reference for consulting services are to be prepared by the PMU. The objective of the ToR is to provide a clear and concise explanation for the prospective consultant about the nature of assignment, scope of work, and expected outputs. The ToR is an integral part of the Request for Proposals package and the content of ToR should not duplicate or be inconsistent with regard to the rest of the document package.

The ToR should include the following sections:

- Background;
- Objectives;
- Scope of Services;
- Expected Time Schedule;
- Deliverables (expected outputs);
- Training Program and Skills Transfer (if appropriate);
- Client's Inputs;
- Reporting and Approval Procedures;
- Institutional Arrangements;
- Qualification requirements;
- Additional Information (if any).

Estimating Cost and Budget

PMU in cooperation MLGA should prepare the annual Procurement Plan, with an estimated budget for each package. Preliminary budget is estimated at this stage and it is dependent on the nature and complexity of assignment, scope of services, Project component specifics, etc. A refined budget is to be elaborated in tandem with the ToR and is subject to the WB's prior review. The budget is to be estimated at the maximum, to guarantee availability of funds. Calculations will be based on the breakdown of assignment to detailed tasks. Each task should be associated with appropriate quality and number of staff, adequate time schedule with breakdown of duration for home and field services, and all other charges.

Preparation of Short List

To obtain proposals from firms that are qualified to perform the assignment, the Evaluation Committee shall prepare a short list of such firms and submit it to the WB for approval as an integral part of the RFP package. Preparation of the short list is a two-stage selection procedure: the first stage is preparation of a long list on the basis of expressions of interest received; the second stage is selection from the shortlist of 5-8 qualified firms.

To obtain expressions of interest, the PMU/MLGA will indicate the list of expected consulting assignments in the General Procurement Notice, which will be published in the UN Development Business online (UNDB online). In addition, the PMU/MLGA will also advertise specific procurement notice for Request for Expressions of Interest (REOI) in the UNDB online, and/ or in a technical magazine. A copy of the advertisement will be sent to those who expressed interest in response to the GPN. The PMU/MLGA may also contact embassies, professional organizations, or firms that it knows maybe qualified for the assignment. Information requested in the REOI should be the minimum required to make a judgment on the firm's suitability and not be so complex as to discourage consultants from expressing interest. The REOI should include the complete ToRs. Sufficient time (not less than 14 days) must be granted for responses before the short list is prepared.

Preparation and Issuance of the Request for Proposals (RFP)

The RFP package is based on the WB's Standard Request for Proposals. PMU/MLGA prepares draft RFP. The Procurement Specialist forwards the RFP package, evaluation report of expression of interest, and proposed short list to the WB for review and 'no objection' when the package is subject to prior review. After the WB's 'no-objection' to the RFP package and the short list, the Procurement specialist sends the RFP to shortlisted firms. All instances of the RFP issue should be documented, and the evidence should be kept in the PMU files.

Sample Contracts for Consultants' Services

The sample contract for consultant services is included in the RFP package. It is envisaged that the following types of contracts will be used under the Project:

- Lump Sum Contract. Lump sum contracts will be used for assignments in which the content and the duration of the services and the required output of the consultants are clearly defined.
- Time-Based Contract. This type of contract will be used when it is difficult to define the scope and the length of services, either because the services are related to activities of third parties for which the completion period may vary, or because the input of the consultants required to attain the objectives of the assignment is difficult to assess. Standard form of contract can be found on <http://www.worldbank.org/en/projects-operations/products-and-services/brief/procurement-new-framework>.

The PMU selects the type and standard/sample form of contract for each particular assignment based on the nature of required services, scope of work, expected outputs, etc.

Preparation of Proposals

The PMU should allow enough time for consultants to prepare their proposals. The time allowed would depend on the assignment, but normally should not be less than 30 business days (as provided for under para 5.36 of Procurement Regulations). During this interval, the firms may request clarifications during the period provided in the RFP about the information provided in the RFP. The Procurement specialist should provide these clarifications in writing and copy them to all firms from the short list (who intends to submit proposals) without identifying the source. If necessary, the PMU will extend the deadline for submission of proposals.

Amendments

If clarifications or questions require amendments to the RFP package (for example, scope of services, contract conditions, etc.), such amendments must be approved by the WB and sent to all short-listed firms.

Pre-Proposal Conferences

In the case of technically complex assignment, a pre-proposal conference may be held. All listed firms should be invited in writing to such conference. The conference should not be later than two weeks after RFP issuance to provide enough time for consultants to prepare and submit proposals. Technical experts of the PMU/MLGA, the Procurement Specialist, Project Coordinators and representatives of the Project Participant should attend the pre-proposal conference. The Procurement specialist should prepare minutes of the conference with all questions and clarifications that were submitted by representatives of the PMU or the Project Participant. Minutes of the conference must be sent to all listed firms, to the Bank, and other participants.

Receipt and Opening of Proposals

The technical and financial proposals should be submitted at the same time as prescribed in the RFP. To safeguard the integrity of the process, the technical and financial proposals should be submitted in separate sealed envelopes. The technical envelopes will be opened immediately after the deadline for submission of proposals. The financial proposals must remain sealed and must be stored in secure place until public opening. Any proposal received after the closing time for submission of proposals will be rejected and promptly returned unopened.

Technical Evaluation

For purposes of technical evaluation, the EC will be assisted, as needed, by the Procurement Specialist, and PMU Project coordinator. Prior to detailed evaluation, the Evaluation Committee and the Procurement specialist will examine the technical proposals to determine whether they are complete, comply with the RFP requirements to the format of proposals, and include all necessary attachments, whether the documents have been properly signed, and whether the proposals include any deviations or reservations. If a technical proposal does not meet the minimum qualifying score as specified in the RFP, it will not be considered further, and its financial proposal will be returned unopened after contract signature with the selected firm. Technical evaluation is a combined quantitative and qualitative assessment of proposals in accordance with evaluation criteria set forth in the RFP. Standard procedures and forms recommended by the Bank should be used in the process.

Each member of the EC, when evaluating technical proposals in accordance with the RFP criteria, should complete and sign individual evaluation sheets. The Evaluation Committee, with the assistance of the Procurement Specialist combines all signed individual evaluations in a summary sheet and prepares a draft technical evaluation report. Working meetings among the EC members and their discussions on the results of evaluations are encouraged before technical evaluation report is approved. The technical evaluation report should be based on the latest version of the WB's standard form of technical evaluation report. Technical evaluation report should be reviewed and approved by the Evaluation Committee. The report is to be prepared in English and signed by the Evaluation Committee. Translation of the document in Albanian, as required by the Ministry, will also be prepared. Translation costs will be covered by the Ministry. The Procurement Specialist sends a copy of the technical evaluation report in English to the WB for approval, for packages subject to prior review. Communication with the Bank is conducted through STEP.

Opening of Financial Proposals

Upon receiving the Bank's 'no objection' to the results of the technical evaluation, the Procurement specialist immediately notifies consultants whose technical proposals were deemed responsive and secured the minimum qualifying mark (if set in the RFP), indicating the date and time set for opening the financial proposals. This date should normally not be set sooner than 14 calendar days after the date of notification unless consultants can attend earlier and agree to do so. The consultants whose proposals were found to be non-responsive are also notified at this stage, and the notification should indicate that their financial proposals will be returned unopened upon completion of the selection process (the selection process is completed when the contract is signed by both parties). The financial proposals are opened publicly and in the presence of representatives of consultants that submitted the proposals and chose to attend. The names of the consulting firms, their technical scores and the price of the financial proposal are read out. The minutes of the public opening of financial proposals, signed by all those present, should be prepared immediately after the opening. The Procurement Specialist forwards the minutes to the Bank.

Evaluation of Financial Proposals

Final Evaluation

The total score is determined in accordance with the formula indicated in the RFP. The Procurement Specialist prepares the combined technical and financial evaluation report stating the combined scores of technically responsive proposals and the contract award recommendation. The report is then submitted for review to the EC and, upon approval, is signed by the EC Members. In individual cases the EC may decide not to conduct a special meeting but assign the task of preparing the final report to the Procurement Specialist, with the Members of the EC signing the report. The final evaluation report is then forwarded to the WB for information.

Contract Negotiations

The Procurement Specialist invites the selected consulting firm for contract negotiations.

Evaluation Committee will be responsible to conduct contract negotiations, assisted by Project Coordinator and procurement specialist.

The issues that need to be discussed will normally be identified at the evaluation stage. These may include, for example, modifications to the work execution plan, staffing, equipment and services to be provided by the firm, etc. proposed unit rates for personnel shall not be negotiated. The consultant, on his part, may have comments on the facilities to be provided by the PMU/MLGA, counterpart personnel, mobilization schedule, etc. If the parties fail to come to an agreement during negotiations, Evaluation Committee, upon consultation with the PMU Project Director, PMU will request the WB's agreement to invite the next ranked technically responsive firm for negotiations. Such request should state detailed reasons for canceling negotiations with the firm and a description of the parties' positions on issues over which there is disagreement. In any case, further action is subject to the WB's prior approval. After receiving approval from WB, Procurement Specialist notify the consultant for the decision for cancelling the negotiation. A decision regarding the place and duration of contract negotiations should be made prior to the beginning of the selection procedure and specified in the RFP.

Debriefing by the Borrower

On receipt of the PMU's Notification of Intention to Award, an unsuccessful Consultant has three (3) Business Days to make a written request to the PMU for a debriefing. KODE PIU shall provide a debriefing to all unsuccessful Consultants whose request is received within this deadline. Where a request for debriefing is received within the deadline, the PMU is required

to provide a debriefing within five (5) Business Days, unless the PMU decides, for justifiable reasons, to provide the debriefing outside this timeframe. In that case, the Standstill Period shall automatically be extended until five (5) Business Days after such debriefing is provided. If more than one debriefing is so delayed, the Standstill Period shall not end earlier than five (5) Business Days after the last debriefing takes place. The PMU shall promptly inform, by the quickest means available, all Consultants of the extended Standstill Period.

For contracts subject to prior review, the PMU shall simultaneously send the information on the extended Standstill Period to the Bank. Where a request for debriefing is received by the PMU later than the three (3) Business Day deadline, the PMU should provide the debriefing as soon as practicable, and normally no later than fifteen (15) Business Days from the date of publication of Contract Award Notice. Requests for debriefing received outside the three (3) Business Day deadline shall not lead to an extension of the Standstill Period.

Debriefings of unsuccessful Consultants may be done in writing or verbally. The PMU shall not impose undue formal requirements that would restrict the Consultant's ability to receive a timely and meaningful debriefing. The Consultant shall bear their own costs of attending a debriefing meeting. As a minimum, the debriefing shall repeat the information contained in the Notification of Intention to Award and respond to any related question(s) from the unsuccessful Consultant. The debriefing shall not include: a. point-by-point comparisons with another/Consultant's Proposal; and b. information that is confidential or commercially sensitive to other Consultants. A written summary of each debriefing shall be included in the official procurement records and copied to the Bank for contracts subject to prior review.

Conclusion of the Standstill Period and Contract Award

At the end of the Standstill Period, if the PMU has not received any complaint from an unsuccessful Consultant, the PMU shall proceed to award the contract in accordance with its decision to award, as previously communicated through the Notification of Intention to Award. For contracts subject to prior review, when no complaints are received by the PMU within the Standstill Period, the PMU shall proceed to award the contract in accordance with the award recommendation that had previously received the Bank's no objection. The PMU shall inform the Bank within three (3) Business Days of such award. The PMU shall transmit the notification of award to the successful Consultant, along with other documents as specified in the request for proposals document for the contract. If the PMU does receive a complaint from an unsuccessful Consultant within the Standstill Period, the PMU shall not proceed with the contract award until the complaint has been addressed, as set forth under paragraph 3.6 of Annex III, Procurement-related Complaints. For contracts subject to prior review by the Bank, the PMU shall not proceed with contract award without receiving the Bank's confirmation of satisfactory resolution of complaint.

Selection Based on Consultants' Qualifications (COS)

The PMU will prepare the TOR, request expressions of interest and information on the consultants' experience and competence relevant to the assignment, establish a short list, and select the best qualified firm. The selected firm would be asked to submit technical and financial proposals, which would be the basis for contract negotiations.

Selection of Individual Consultants (IC)

Individual consultants are normally employed on assignments for which:

- a) teams of personnel are not required,
 - b) no additional outside (home office) professional support is required,
 - c) the experience and qualifications of the individual are of the paramount requirement. When administration or collective responsibility may become difficult because of the number of individuals, it would be advisable to employ a firm.
- Individual consultants are selected on the basis of their qualifications for the assignment. Selection will be based on comparison of qualification (CVs) of at least three qualified candidates among those expressing interest or approached directly by the PMU. Consultants employed by the PMU shall meet all relevant qualifications and shall be fully capable of carrying out the assignment.

Capability is judged on the basis of academic background experience and, as appropriate, knowledge of the local conditions, such as local language, culture, administrative system, and government organization. From time to time, permanent staff or associates of a consulting firm may be employed as individual consultants. In such cases, the conflict of interest provisions described in Procurement Regulation shall apply to the parent firm.

Chapter 8: Financial Management Manual

8.1 Introduction

The Financial Management Manual defines objectives, targets, documents and procedures to be used in the course of implementation of M4Y Project to ensure that the project finance is used for the intended purpose with due regard to economy, efficiency and the sustainable achievement of the project's development objectives. The Manual will be in effect for the duration of the project implementation and may be subject to amendment with prior no-objection of the World Bank. However, the initial phase necessitates the formulation of a uniform system of main rules and procedures. As the Project evolves and requirements in specific areas are identified, the Manual for assignments may be developed. The Manual should be read together with the SGM, which describes in detail the fiduciary procedures for the subgrant component.

All MLGA and PMU staff involved in the implementation of the M4Y project are required to familiarize themselves with the scope and content of this Manual and observe Manual provisions in accomplishing the PMU day-to-day activities.

8.2 Roles and Responsibilities

MLGA will be responsible for the project financial management. All project expenditures including staff, consultants, vendors and suppliers, subproject grantees, and project administration will be managed by the MLGA in accordance with World Bank's finance management and procurement procedures. The main responsibility to manage the project funds rests with the PMU and the Division for Budget and Finance within the MLGA. The project will contract a part-time Finance Management Specialist (FMS) with knowledge of World Bank project finance management procedures to ensure compliance in finance management and disbursement requirements. The FMS will report to the head of the BFD and will work closely with other finance staff on preparing commitments, ex-ante controls in the payment of project expenditures, planning and budgeting for the project, preparation of quarterly Interim Financial Reports (IFRs), and withdrawal applications. The FMS will have access in Kosovo Financial Management Information System (KFMIS) to view and generate project reports. The FMS TOR is available in Annex 2.2.

8.3 Project Planning and Budgeting

Project planning is a tool that is crucial to achieving the objectives of the project. The Project Paper should guide all planning efforts at the MLGA. The project planning is closely related to budgeting and control over budget implementation. Since sources, amounts of financing, budgets for each category of expenses are established within the project documents, the annual budget is a quantitative expression of actions to be undertaken.

- A. Project planning and budgeting includes:
- Linking the Project Paper, Project Implementation Plan, and Project Procurement Plan to the Project planning and budget and establishing a detailed budget with time limits for each planned action;
 - Establishing physical targets to be achieved during the planning period and linking these to financial outlays required to meet the targets;
 - Periodic monitoring of variances between actual and planned cost and activities;
 - Proper budgetary controls;
 - Timely initiation of budget changes through the re-allocation of financing from one category to another (within limits provided under the approved Project budget).
- B. Annual budgets

The PMU prepares annual budgets during the project term. The annual budgets will be detailed by project component and activities, project expenditure categories, source of financing, and economic category. Budget information should mirror information contained in the financial statements to enable comparison and correlation.

The annual budget document should contain:

- Prior year and accumulated actuals
- Current year budget
- Updated planning for subsequent years until closing
- Contract monitoring information, actuals and commitments.

The PMU shall conduct effective budgeting exercises each year to facilitate timely implementation of the project’s components. For this purpose, the PMU shall estimate fund requirements for specific tasks/objectives of the project. Every effort should be made to link the budget with physical targets. The budget would be consistent with the annual Procurement Plan and Implementation Plan. When estimating fund requirements, the PMU shall consider the priority and importance of work.

This would involve analyzing Procurement Plan to establish:

- I. With regards to already signed contracts (procurement activities), what is their execution rate and what are expectation by the end of the year:
 - What payments are expected in current year;
 - If the contract ends in next years, what payments are expected according to contract implementation schedule;
- II. With regards to planned contracts, when the contract is planned for signing:
 - What procurement procedures is to be used to estimate contract signing time, as well an estimate of contract implementation schedule that would assist in projecting payments;

The above is performed for each procurement activity to define what expenditures are expected during the current year, and what can be planned for Year 1, Year 2, Year 3 and on over the term of the project. The contract estimates then are aggregated to Economic Category following the Government of Kosovo chart of classification.

The project budget cycle should align with the timetable and milestones provided in the relevant legal framework and procedures. An outline of the budget procedures is provided in the Annex 7.4. The time frames are defined by the MOF annual budget circulars and/ or Administrative Instruction of the MLGA. The project expenditure forecast prepared as above, for any source of financing, are submitted to MLGA Finance Department on the following dates.

Medium-Term Expenditure Framework METF process by mid-March each year:

Annual budget formulation process	by June 1 each year (preliminary information)
	by July 15 each year (additional information)
Cash planning and allocation process (quarterly cash forecast, monthly projection)	by January 15, April 15, July 15, October 15 each year

The annual project budget will be prepared by the FMS based on financial and non-financial information provided by the procurement specialist, monitoring and evaluation specialist and project coordinator on the status and progress of procurement activities, contract monitoring, grant monitoring, and expected physical targets/ indicators. The financial and non-financial information will be provided based on predefined templates to facilitate the aggregation and further finetuning by the project FMS. Finally, the annual budget will be approved by Project Coordinator and Project Director/MLGA Secretary General. The approved budget submitted to the Bank or Ministry of Finance if necessary. The following table provides and indicative calendar for the preparation of the annual budget.

Step	Activity	Time	Responsible
1	Update (i) project Implementation Plan and (ii) project Procurement Plan, if necessary.	When necessary	Project Coordinator, Monitoring and Evaluation Specialist, Procurement Specialist

2	Prepare financial and non-financial information on the current status and forecast for existing contracts, new procurement activities and grants. Template for financial information is provided in Annex 7.2. (summary of such information to be included in the progress reports)	Every quarter	Project Coordinator, Monitoring and Evaluation Specialist, Procurement Specialist
3	Prepare the annual budget and based on the financial and non-financial information provided through step #2	Prepared on June and updated in September each year	Financial Management Specialist
4	Project budget for next year approved	October	Project Coordinator/ MLGA Secretary General/ MLGA Chief Finance Officer (DBF)
5	Project budget submitted to the Bank/ MoF	October	

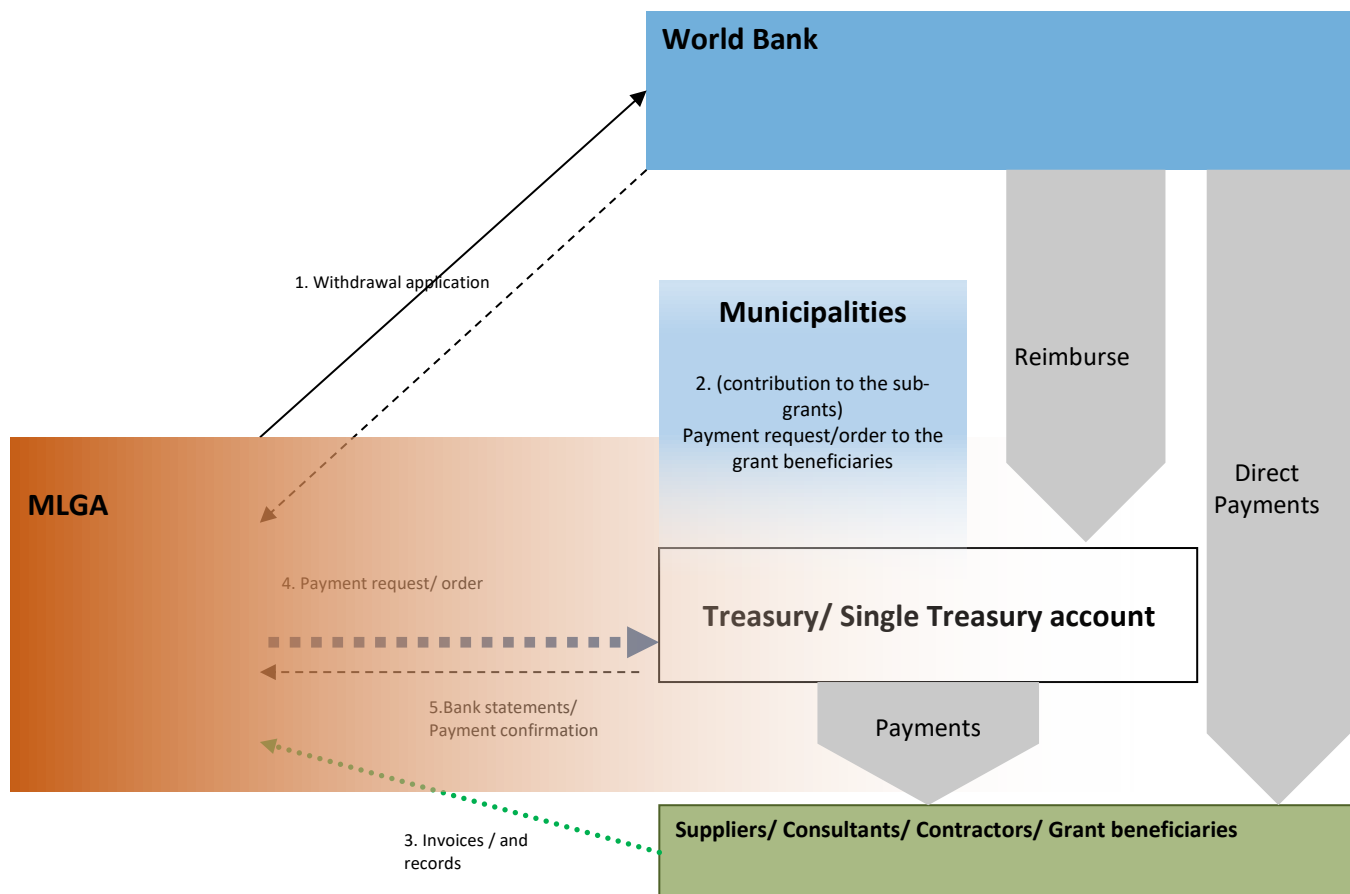
C. Budget monitoring

For budget monitoring purpose, the FMS should prepare and submit the quarterly interim reports (sample available in Annex 7.3) with explanation of variances between budget and actual amounts.

The treasury cash forecast (treasury templates are available at MLGA) is prepared on quarterly basis and include monthly information. In this regard, the actual expenditures will be monitored on monthly basis.

8.4 Flow of Funds

The grant financing would be disbursed from the World Bank either through Reimbursement method, or Direct Payments. Through the reimbursement method the funds flow to the Treasury, Ministry of Finance, upon request submitted by Ministry of Local Government Administration to reimburse the project eligible expenditure pre-financed by GoK during a given period. The following diagram outlines the funds and documentation flow between project stakeholders.



8.5 Allocation of Funds

Allocation is a process of making funds available to be spent according to the budgetary appropriations included in the Law on Budgets of the Republic of Kosovo. The PMU FMS, with input provided by the Procurement Specialist and technical team, prepares the annual cash flow forecast, broken down by month and quarter, for project activities reflecting the expected payments for contracts and fully consistent with approved project budget. Subject to review of the project coordinator, the cash flow plan is submitted no more than 10 business days later to MLGA/ DFB. The MLGA/ DFB should submit the allocation plan to the General Director of Treasury no later than 30 days after the approval of the Appropriation Law. Funds will be allocated according to the Law on Public Financial Management and Accountability (LPFMA).

The treasury, through quarterly allocations, will provide MLGA/PMU with adequate funds for expenditures in accordance with the project’s cash flow plan. If MLGA/ PMU want a modification in their allocation to reflect changes in their budget execution plans, they must file a request with the Treasury Director, who will confirm said request based on the modified forecast for the cash flow. LPFMA requires all expenditures to be made from allocations of budgetary appropriations.

Financial rule

- In KFMIS, the commitment constitutes recognition, at an accounting level, of a potential occurrence in the future relative to public fund expenditure.

- LPFMA, article 36.1 requires the Budget Organization, prior to initiating a procurement process which is to result in filing of an obligation in the current fiscal year, to register all commitments of funds allocated in KFMIS in accordance with FMC rules.
- LPFMA, article 37.1 has defined budget organization shall not enter into any obligation for the current year that requires expenditure in excess of allocated funds.
- Funds are committed through CPO and the purchase request is signed by authorized persons.

8.6 Initiation of Expenditure

Financial Rule 01/2013/MF describes two types of payment process: (i) the process for payments of expenditure for which no procurement process is required, such as salaries and wages, petty cash, utilities, subsidies and transfers and interdepartmental transactions and (ii) the process for expenditures that do require procurement. Annex 7.4 provides an outline of steps and responsibilities for each type. The below paragraphs include more detailed descriptions.

The Project Finance Management Specialist (FMS) should facilitate efforts to ensure that payment procedures are initiated and processed in a timely manner. The financial management specialist has the right to request from the MLGA Commitment Officer and BFD any financial information from the KFMIS on PMU’s needs.

During all the phases of the payment the Financial and Procurement Division must ensure that the following information is correctly entered:

- Budget Organization code,
- Program code,
- Project code,
- Funding source,
- Economic classification
- Functional classification
- Estimated delivery (payment) dates.

The expenditure must be properly coded, in accordance with the Administrative instructions issued by the Treasury (see instruction 2005/08). The Chart of Accounts that defines these codes is available on the MoF website.

1. Payment process that require procurement procedure

The payment process for activities which require procurement procedure is outlined as follows:

Figure 1: Generic Payment Process

General Payment Procedure	1. Request for purchase
	2. Purchase Order
	3. Goods Receipt Report
	4. Invoice received
	5. Certification of documentation for KFMIS Registration
	6. Registration of Expenditure in KFMIS
	7. KFMIS Payment Approval by Certifying Officer
	8. Processing of Payment

To establish proper segregation of duties, normally the steps above are handled by different units within the budget organization, such as requesting unit, procurement division, budget and finance division, certification officer, etc.

The process is slightly different from activities financed by the government budget due to:

1. the Bank Procurement Framework will be used to procure the project activities (see procurement section).
2. Since the project has been approved by the government, and a grant has been extended for project financing purposes, confirms the need and funds availability for all the envisaged project activities (waiving the requirement for the Statement of Needs and Determination of Availability of Funds pursuant to the local procurement legislation).

However, regardless of the procurement framework used, the treasury rules require that purchase requisition and purchase orders are registered in the treasury (KFMIS) system.

Pursuant to the approved procurement plan and annual work plan, the project coordinator will initiate the request for procurement of goods or services to the Project Director or a person, to whom these authorities delegated (in the capacity of the Authorization Officer). The authorization officer is appointed by the Secretary General. A Commitment request for the Purchasing Form must be completed by the Commitment Officer, considering the following:

- the form should be consistent with approved procurement plan
- the funds are allocated for the expenditure
- if all the goods, works and services are foreseen to be purchased and received within one year, all the related funds should be committed. If the procurement will give rise to financial obligations that will be settled in the future years, then the commitment of funds will be done based on the obligations planned for the particular year.
- expenditures should have the adequate codes, as defined under the Administrative Instruction for the accounting plan.

The form is authorized by the Authorization Officer and submitted to the Chief Finance Officer. The form is processed in the KFMIS from the commitment officer. Ideally this step is completed before a procurement process starts, as its primary purpose is to confirm the funding (budget allocation) availability. However, considering the overall funding availability is ensured by the existence of the grant agreement there are two exceptions to the rule:

- (i) In the event that the annual budget law is delayed beyond legal deadlines, the PMU may advance the procurement process in line with approved procurement plan irrespective of the government budget enactment. In this case commitment purchase request will be completed after the budget enactment.
- (ii) When the procurement is initiated close to year end, but funds should be allocated in the subsequent year to settle the resulting obligations.

II. Payment process that require NO procurement procedure

Due to their nature, some project expenditure does not require prior procurement process, such activities may comprise, subsidies/ grants, training and workshops, and incremental operating cost. This means that KFMIS Purchasing Module does not have to be used to commit funds for such expenditures. Instead, the KFMIS approval module is used.

Similar with the above, the expenditure is initiated pursuant to the approved annual work plan. The project coordinator/component coordinator will initiate the request for the expenditure to the Project Director or a person, to whom these authorities delegated. After the request is approved, the unit responsible conducts the selection process and implements the activities.

The registration of the commitment order is usually done after the expenditure has been incurred, and respective invoices and supporting evidence has been received. For this purpose, a Payment Commitment Order is prepared by the Commitment Officer, considering the following:

- the funds are allocated for the expenditure
- expenditures should have the adequate codes, as defined under the Administrative Instruction for the accounting plan.

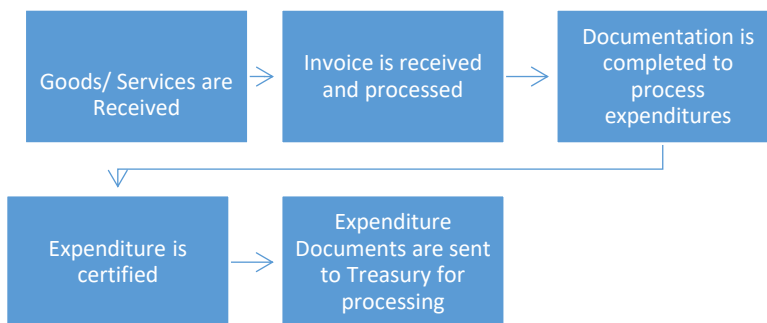
The form is authorized by the authorization officer and submitted to the Chief Finance Officer. The form is processed in the KFMIS from the commitment officer, who reviews the commitment order and respective documentation, and signs the form.

8.7 Processing Payments

Project’s expenditure cycle will follow the controls specified in the Kosovo Financial Management System, which includes:

- technical approval/ acceptance;
- checking and approval by finance staff;
- verification of the accuracy of the payments and its compliance with the applicable laws in Kosovo and the World Bank procurement and FM procedures as well as the Grant terms and conditions.

Figure 2: Expenditure cycle



A. Receiving of goods and services¹⁵

The Project Coordinator is responsible for asset management and coordinating the receipt of goods, works and services.

1. Payment process that require procurement procedure

The acceptance will be done by a commission established by a decision of the Project Director or a person, to whom these authorities delegated. For consultants no commission for acceptance of the services is needed. Upon satisfactory review/inspection and receipt of goods/ works/outputs, the contract manager (project manager)¹⁶ and the acceptance commission will prepare a final acceptance report each.

The invoice, the supporting evidence (see below indicative evidence for each type), and the acceptance report are submitted to the procurement division, that validates and generates a purchase order.

¹⁵ Procedures for receiving goods and services are applied also for payments through the Direct Payment method for disbursements.

¹⁶ Appointed by the project director at the time of the signing of the contract, and responsible for the overall management of the contract.

The file is submitted to the acceptance officer within the Finance division. After the officer receives the dossier, he/she register it and approved it on the SIMFK system. After that the form is printed and signed.

For any type of asset (a physical good with a value of more than €1,000.00, or for any type of service, the Authorizing Officer has to authorize the expenditure by signing the form.

I. Payment process that require NO procurement procedure

The requesting unit, accepts the goods and services, prepares the accepting report together with the invoice. The report with all the supporting documents is signed/approved from the head of division, head of department and Project Director/General Secretary or a person, to whom these authorities delegated. The dossier is submitted to FM Specialist and the division of finance.

Financial Rule: MLGA must have documented evidence that goods have been received prior to any payment of public funds to a supplier.

B. Preparing invoice for payment

The MLGA/PMU has to pay every valid invoice for the payment of goods and services received within 30 calendar days from the day that said invoice is received.

The PMU is responsible for receiving invoices. The PMU should keep a list of invoices that have been paid for each contract and ensure that no invoice is paid twice. The PMU should keep a detailed record of payments on file.

The PMU Financial Management Specialist prepares the invoice for payment, and ensure the completeness and compliance of the respective supporting evidence. The following checks and verifications are conducted.

Nature	Checks to be performed
Service	<ul style="list-style-type: none"> ✓ verification of account numbers, ✓ mathematical accuracy of the invoice, ✓ matching legal conformity of the invoice, ✓ matching the invoice to the relevant contract and subsequent amendments, ✓ agreeing invoice to evidence of completion of work, ✓ supporting documents (monthly statements; timesheets; proofs of actually incurred expenditures; deliverables; bank guarantees etc. as applicable); ✓ existence of required approvals (duly certified monthly statements signed timesheets; contract coordinator and assigned contract management group approvals; ✓ Approval of Beneficiary on the deliverables etc. as applicable).
Goods	<ul style="list-style-type: none"> ✓ verification of account numbers, ✓ mathematical accuracy of the invoice, ✓ matching legal conformity of the invoice, ✓ matching the invoice to the relevant contract and subsequent amendments, ✓ agreeing invoice to goods received notes, ✓ supporting documents (bills of lading; insurance policies; manufacturers’ authorization; operational acceptance; goods receipt note; taking over certificate; bank guarantees etc. as applicable); ✓ existence of required approvals (taking over and operational acceptance committee approvals as applicable);
Works	<ul style="list-style-type: none"> ✓ verification of account numbers, ✓ mathematical accuracy of the invoice,

	<ul style="list-style-type: none"> ✓ matching legal conformity of the invoice, ✓ matching the invoice to the relevant contract and subsequent amendments, ✓ agreeing invoice to evidence of completion of work, ✓ supporting documents supporting documents (interim payment certificates; monthly statements; actual re-measurement; timesheets; proofs of actually incurred expenditures; bills of lading; insurance policies; manufacturers’ authorization; deliverables; operational acceptance; taking over certificate; bank guarantees etc. as applicable); ✓ existence of required approvals (duly certified monthly statements and interim payment certificates; signed timesheets; Project Manager/ Contract Coordinator’s approvals; approval of Beneficiary, and approval of contract management group, approval of the work’s supervision company, as applicable)
General	<ul style="list-style-type: none"> ✓ Verification of unit rates, prices and quantities; ✓ Verification of supporting documents ✓ Existence of required approvals ✓ Check if the requested amounts have not been already paid ✓ Verification of invoices (correct name, address, identification information and bank account of the payee ✓ Check if the payee’s information in the invoice is the same as in the contract and previous payments; ✓ Check if the payment request fits the payment schedule/milestones in the contract ✓ Check if the appropriate percentage recovery of the advance payment has been deducted;

After the FM specialist is satisfied with the completeness and accuracy of the payment file, submits the later to the DBF expenditure officer. DBF is responsible for:

- a. Checking that the invoice is not already paid.
- b. Collecting the receiving report showing that the goods/services have been completed (received) in accordance with the contract.
- c. Ensuring that the vendor is recorded in the KFMIS and bank account details are correct.
- d. Preparing the “Payment Details” section of the CPO form (for purchases not requiring procurement) or preparing the Payment Order for payments that involved a procurement process.
- e. For payments to vendors with bank accounts outside Kosovo, prepare a “wire transfer” form.
- f. Forwarding the CPO and associated documents to the Certifying Officer.

Financial Rule: The Chief Financial officer is responsible for ensuring that all valid invoices are paid on time. This responsibility includes ensuring that sufficient allocated and committed funds are available and that invoices are paid within 30 days of being received. PMU Financial Management Specialist should assist the Chief Financial Officer so that payment procedures are initiated and timely.

C. Vendors

For payments to be processed through KFMIS. Vendor registration form will be completed by the Finance and Budget Division, reviewed and signed by the CFO, submitted to central treasury, who finally approve and process in the KFMIS. The required information will be provided by the PMU FMS. Central Treasury will assume sole responsibility for and full control of all functions relating to vendor information once the forms have been received.

For payments to be processed through “Direct Payments”. For vendors a beneficiary registration form is completed and submitted through the client connection system. The form is authorized from one of the authorized signatories. In addition, the payment instructions are submitted to the Bank Finance Analyst for validation.

Financial Rule: All recipients of public money (other than individuals who are employees or recipients of social welfare) must be registered as vendors in the KFMIS in accordance with the instructions issued by Treasury.

D. Certification of the payment documentation

Prior to registering the expenditure in KFMIS, the Certifying Officer shall be responsible for reviewing the documentation associated with the expenditure to check for compliance with the following and make sure that the documentation is complete, such as:

- a. That procurement has been conducted in accordance with the Bank's Procurement policies and procedures, for procurable expenditure;
- b. That the expenditure is incurred in compliance with the approved project activities, procurement plan, and annual workplan;
- c. That the contractual terms have been fulfilled before payment is made,
- d. The payment request is coded to the correct expenditure sub-item in the expenditure classification;
- e. A properly rendered invoice was received;
- f. For procurable activities, the commitment/request for purchase, announcement of tender, contract, purchase order, report of acceptance and the accepted invoice is possessed in the file;
- g. That the applicable internal financial controls, as depicted in the POM and GOM, have been observed during the initiation and conduct of the procurement activity and the expenditure process; and
- h. All other legal requirements and provisions were fulfilled.

If the conditions stated above are not satisfied, the Certifying Officer does not certify the documentation and recommends measures to be taken. When the Certifying Officer is satisfied that the documentation and expenditure is acceptable, based on the above criteria, the documentation is certified and returned to Budget and Finance Division for processing.

Direct payments are certified by the MLGA Certifying Officer, in accordance with the latest Treasury guidelines on the recording of Direct Payments from grants.

Financial Rule: All budget organizations must keep a detailed file on all payments that are made, including a copy of the invoice, the contract, and documents where the payment has been authorized and certified. This record should be kept for at least seven years after the payment is made.

E. Registration of Expenditure and Payment Approval in KFMIS

The expenditure officer enters the payment in the KFMIS system, signs the payment execution forms, and submit the documentation back for final approval to the certifying officer. The certifying officer checks again the documents and approves the payment in the system. Finally, he signs the physical form. Once the payment is approved, the payment is submitted to Treasury for execution

Financial Rule: All expenditure of public money must be certified by a Certifying officer prior to being submitted for processing by the Treasury. The Certifying officer must independently verify that the proposed expenditure complies with the operations manual, financial rules and Bank procurement framework prior to certifying the expenditure.

F. Executing payments through Direct Payments

Direct payments are to be recorded in the KFMIS with the same procedure as other payments. The Treasury Department (Ministry of Finance) should be consulted on the most recent procedures to record Direct Payments from grants.

Upon successful verification by the DBF and certifying officer, the PMU FMS will create the withdrawal application for Direct Payment in the client connection system. Copies of records are submitted as required in the WB disbursement guidelines and disbursement letter. The application is approved online by the authorized signatories and submitted for processing and execution to the Bank.

8.8 Arrears

All invoices received by the MLGA/ PMU with regard to contracts for project activities should be paid within 30 days if not otherwise foreseen under the contract. The Chief Financial Officer is responsible for creating mechanisms that enable the organization to register the invoices received and submit requests to process payment of these invoices. The CFO will be supported by the PMU financial management specialist. In cases when commitments and obligations expire at the end of a fiscal year and contractual obligations were not met, then the DBF has to:

- a. Report these payables to Treasury and Budget of MLGA;
- b. Report these payables in the financial reports of the MLGA and project financial statements according to Financial Rule on annual reporting of budget organizations; and
- c. Immediately register a commitment and an obligation in KFMIS from the budget of the following year.

8.9 Specific procedures

The phone expenses, official travel and representation expenses of employees in the projects foreseen by loan document shall be subject to the applicable legal acts and sub legal documents in force in the Republic of Kosovo.

Expenditures for official trips are guided by the following procedures:

- (i) Personnel travelling on official trips can get advance cash or can use the credit card according to the applicable Administrative Instruction on official trips issued by the Ministry of Public Administration (or successor), KFMIS procedure for employee advance for official trip and MOFT decision on the approved per-diem and hotel rates for international travel.
- (ii) Personnel required to travel on daily official trip within the territory of Kosovo, for the purposes of the project activities, should travel based on a duly approved trip request.
- (iii) The amount is given in a table according to the sub-legal documents in force for official trips.
- (iv) All advance money should be justified, and the unspent amounts should be returned to the bank accounts in the deadline set forth in the sub-legal documents in force for official trips.
- (v) Justification of funds is done through a form for the closing of the advance money for the official trip to which documents set forth in the sub-legal documents in force for official trips.

8.10 Accounting and Financial Reporting

I. Legal base

The accounting methodology for the Project is developed in accordance with the World Bank requirements for non-revenue Projects and with the legislation of Kosovo.

Accounting policies represent a set of special principles, methods, rules and practical settings to be applied by the Project that have been developed in accordance with World Bank procedures on financial accounting, reporting and auditing.

II. Accounting principles

Accounting principles intended to ensure consistency, fair presentation, and comparability between accounting periods and among financial statements of different entities, as well as make financial statements more relevant, informative, reliable, and understandable.

The accounting system of project is maintained according to:

- Cash basis International Public Sector Accounting Standards (IPSAS). Under the cash basis, income (or expenditure) is recognized when cash is received (or paid) regardless of when goods or services are received.
- Commitment accounting. This basis recognizes transactions when they take place, for example, when an order is issued. The main function of commitment accounting is budgetary control.

Accounting shall be based on the double-entry bookkeeping method. Accounting treatment of documents shall be conducted over the following stages: (i) recording of commitments, (ii) preparing and approving the payment documents; (iii) recording payment requests. Under these stages, there shall be distinct segregation of duties of the involved accounting staff.

III. Basis of preparation

For project reporting purposes, cash basis International Public Sector Accounting Standards (IPSAS) are adopted.

The project financial statements will be prepared according to cash basis of accounting and in compliance with the respective project legal document.

The project interim financial reports and project annual financial statements are prepared in EUR.

IV. Foreign currency transactions

Project accounts are maintained in EUR. Transactions denominated in other currencies are translated into EUR as follows:

- Payments to contractors/suppliers/consultants expressed in currencies other than EUR are translated into EUR at the KCB exchange rate on the date of the transaction.
- Monetary assets and liabilities are reported in functional currencies in EUR.
- Transactions and translations exchange differences (gains/losses) are recognized and presented in the project financial statements in net as an Exchange Difference.

V. Chart of accounts

The chart of accounts is the accounting group scheme for activities to be carried out by contracts. A chart of accounts is one of the ways of classifying the accounting data of the Project in a manner that will promote its use, lead to better management and achieve more meaningful accountability. The major classifications according to which the chart of accounts will be classified should be divided into sub-accounts.

The chart of accounts should also provide appropriate linkages to government budgeting. The project will use Kosovo chart of accounts.

The Budget Classification/Chart of Account is based upon Government Financial Statistics (GFS) 2001 and is COFOG compliant. The classification system used includes:

- Functional classification using 10 groups at level 1 and sub functions
- Economic classification
- Administrative classification
- Source code: Financing from credits (04)
- Organization code: MLGA code for expenditure at the ministry level
- Project code: specific code to be created and assigned to the project by MoF.
- Economic class: based on the nature of expenditure according to the Kosovo COA.

VI. Accounting and Information System

MLGA's Budget and Finance Division, supported by the PMU, would maintain project financial records (budget appropriations, allocations, commitments, and actual expenditure) Kosovo Financial Management Information System (KFMIS) on a cash basis, including commitment information for signed contracts. MLGA will maintain parallel contract monitoring financial data, through excel spreadsheets, which would also enable reporting by project component/activity. Such data would be periodically reconciled to KFMIS, at least every quarter end when the interim financial reports are prepared.

VII. Financial reporting

All reports generated by the KFMIS are presented according to cash-based IPSAS and broken down according to the budget structure.

The MLGA/PMU will produce all financial reports for the Bank based on the information generated from the KFMIS and supplementary records maintained by the PMU. These reports will be supported with expenditure details by component and subcomponent and contract monitoring tables that will be prepared by the PMU. The interim un-audited financial reports (IFRs) will be used for project monitoring and supervision: monitoring Project resources and expenditures by actual and planned for the period reported, annual to-date, cumulative and variance. Variances should be analyzed and large variances explained and monitored.

The MLGA/PMU will produce a full set of interim un-audited financial reports on a quarterly basis throughout the life of the project. These reports will be submitted to the Bank no later than 45 days from the end of the quarter. The functional and reporting currency would be EUR. The financial reports would include financial information on sub-projects. A financial reporting format is provided in Annex 7.3.

The annual financial statements for the project will consist of the following reports:

- (i) Sources and Uses of Funds,
- (ii) Uses of Funds by Project Activity,
- (iii) Withdrawal Schedule, and
- (iv) Notes to the Financial Statements.

The Interim Financial Reports include:

- (v) Sources and Uses of Funds Statement
- (vi) Uses of Funds according to components
- (vii) Detail Account Analysis Report (Free-balance Report)
- (viii) Contract monitoring

8.11 Disbursement Arrangements

The World Bank establishes disbursement arrangements for a project in consultation with the Recipient, taking into consideration, among other things, an assessment of the Recipient's financial management and procurement arrangements, the cash flow needs of the project, and its disbursement experience with the Recipient. Those arrangements are stated in the Financing Agreement and additional information is provided in the Disbursement Letter. The World Bank disburses funds from the Grant Account established for each loan, to or on the order of the MLGA, using one or more of the following disbursement methods, as determined in the Disbursement Letter:

- *Reimbursement.* The Bank will reimburse the Recipient (Government of Kosovo) for expenditures eligible for financing from the Project that the Recipient may have pre-financed from its own sources.
- *Direct Payment.* The Bank may make payments at the Recipient /MLGA request directly to a third party (consultant, supplier, and contractor) for eligible expenditures.

For detailed procedures, refer to the World Bank "Disbursement Guidelines for Projects", February 2017.

A. Single Treasury Account

The Government guides and manages expenditure of all budget organizations through the central Treasury, often referred to as the "Single Treasury Account" or "STA". According to the single account system, budget organizations do not control their bank accounts. Instead, responsibility for managing public money lies with the Treasury. The Treasury makes payments on behalf of budget organizations after ensuring that authorization and documentation is in line with Financial Rules. Treasury makes all payments from the Single Treasury Account.

As a result, budget organizations do not control the cash allocated to them for various expenses. However, for reporting purposes, budget organizations must show all transactions through the STA that relate to their activities. For reporting purposes, the financial statements, where applicable, of each budget organization shall include a special column "Treasury's account" to report cash receipts and payments made through the STA.

The Grant funds withdrawn through the reimbursement method will be deposited in the STA.

B. Withdrawal Applications

Applications must be provided to the Bank through the appropriate forms and include such information as the Bank may reasonably request. Application forms are available online from the Client Connection Web site at <http://clientconnection.worldbank.org>.

Applications and necessary supporting documents (see section 4 Supporting Documentation Requirements) should be submitted to the World Bank electronically, in a manner and on terms and conditions specified by the World Bank, through the Client Connection website at <http://clientconnection.worldbank.org>. The World Bank may, at its discretion, temporarily or permanently, disallow the electronic submission of applications by the borrower. The World Bank may permit the borrower to complete and submit applications manually in paper form. Paper applications forms can be found in the Client Connection website at <http://clientconnection.worldbank.org> or may be obtained from the World Bank upon request.

C. Minimum Value of Applications

The Bank establishes a minimum value for applications for reimbursement and direct payment. The Bank reserves the right not to accept Applications that are below such minimum value.

The Minimum Value of Applications for Reimbursement and Direct Payment is US\$ 50,000.

D. Authorized Signatories

Before grant proceeds may be withdrawn or committed from the Grant Account, the authorized representative of the recipient (as designated in the Grant Agreement) must furnish to the Bank (a) the name(s) of the official(s) authorized to sign applications for withdrawal and applications for a special commitment (collectively, "Applications") and (b) the authenticated specimen signature(s) of the official(s). The recipient must indicate clearly if more than one signature is required on Applications and must notify the Bank promptly of any changes in signature authority. Representatives with the authority to sign documents to withdraw funds from the Grant will be defined jointly by the MoF and MLGA. The authorized signatories usually comprise the Secretary General, CFO, project coordinator and representatives from Kosovo Treasury.

E. Disbursement conditions

The World Bank will disburse funds from the Grant Account for the expenditure category nr 2 only after the disbursement condition linked with that category has been fulfilled and the World Bank has notified the borrower to that effect. The disbursement condition consists of the adoption of the sub grant manual in a manner satisfactory to the Bank.

F. Ineligible Expenditures

If the Bank determines that any amount of the grant was used to pay for an expenditure that is not eligible pursuant to the Grant Agreement ("ineligible expenditure"), the Bank may, at its discretion, require the recipient to take one of the two actions listed below. Upon notification by the Bank, the recipient must promptly take the action requested:

- a) Refund an equivalent amount to the Bank; or
- b) Exceptionally, provide substitute documentation evidencing other eligible expenditures

G. Reimbursement

Bank funds disbursed using the reimbursement method will be documented through statement of expenditure (SOE) or records is requested by the Bank. A statement of expenditure summarizes eligible expenditures incurred during a stated period. The expenditures are normally grouped by expenditure category. The statement may be a summarized statement or a more detailed statement that lists all expenditures incurred during the reporting period. A template of the SOE is provided with the Disbursement Letter. The MLGA should maintain a record-keeping system that allows for efficient retrieval of the corresponding original records (e.g., invoices, receipts) for inspection by auditors and Bank staff.

Withdrawal applications will be sent to the Bank at least every three months. Upon receipt of each application to withdraw an amount from the Grant, the Bank shall, on behalf of the Recipient, withdraw from the Grant Account and deposit in the Special Transit Account (STA) an amount equal to the amount so requested.

The Application for Withdrawal, Form e2380, along with supporting documents evidencing the amounts due, is submitted electronically in the client connection system by Project FMS. After submission of all required documents for the contract payment, the Application (form e2380) will be reviewed and authorized by authorized signatures.

H. Direct Payments

Usually the STA is used to make payments to contractors. But under certain circumstances the PP and the Disbursement Letter allow the country to make Direct Payments. Such payments to a contractor/Specialist can be made directly from the Grant Account. The procedure for direct payment is similar to a Reimbursement Application.

The MLGA is able to pay by direct payment from the World Bank project account any sum that falls above the "minimum" amount of the Application outlined in the Disbursement Letter for the contracts signed between MLGA/PMU and international companies.

Beneficiary registration in the client connection system is conducted based on the WB disbursement guidelines. The Beneficiary registration form is created and completed by the FMS and is approved by one of the authorized signatories. Copies of contracts and evidence of payment instructions are provided to the Bank.

The Application for Withdrawal (Form e2380), along with supporting documents that provide evidence of the amounts due, is submitted electronically in the client connection system by Project FMS. After submission of all required documents for the contract payment, the Application (form e2380) will be reviewed and authorized by authorized signatures. Because the disbursement is to a third party, copies of original records are required at the time the MLGA makes the request for direct payment. Such supporting documentation is usually the supplier's or consultant's invoice or a summary statement of works performed signed by the supervising engineer or another authorized official.

The PMU FMS creates the withdrawal application after successfully verifying the account numbers and the mathematical accuracy of the invoice. This also entails confirming the legal conformity of the invoice; matching the invoice to the relevant contract and subsequent amendments; ensuring that the invoice is evidence of completion of work and verifying supporting documents (monthly statements; timesheets; proofs of actually incurred expenditures; deliverables; bank guarantees etc. as applicable) are on hand as well as required approvals (duly certified monthly statements, signed timesheets; authorized officer approval of deliverables etc. as applicable) for goods received notes with supporting documents (bills of lading; insurance policies; manufacturers' authorization; warranties; goods acceptance note; bank guarantees etc. as applicable); and verifying the existence of acceptance committee approvals as applicable. Copies of records are submitted as required in the WB disbursement guidelines and disbursement letter.

Direct payments are recorded by the MLGA Finance Division before or in parallel with being entered into the WB system. The Debt Management office at the Treasury Department provides the second approval of the Direct Payment (Electronic Signature) after ensuring that the respective expense has been recorded in KFMIS).

I. Disbursement Deadline Date (Grace period)

The disbursement applications are only processed after the Financing Agreement is declared effective in accordance with the terms of Financing Agreement.

The disbursement Deadline Date is 4 months after the Closing Date specified in the Financing Agreement. The Association will notify any changes to this date when applicable.

J. Reconciliation of the sources of funds

On a monthly basis, the project's financial records will be reconciled with IDA's Monthly Disbursement Summary statement on a monthly basis by the FMS and DBF.

8.12 Management of non-financial assets

The project created assets abide to the provisions set out on the MoF Regulation on the management of assets, including registration, receipt and documentation of transfers.

Annexes

Annex 1: Monitoring and Evaluation

The M4Y Project includes financing of surveys for data collection and associated analysis to estimate the impact of its investments on beneficiaries, with a focus on increased access to services, knowledge about civic engagement and exposure to work experience, as part of component 3. A Project Monitoring and Learning Framework will be developed to facilitate adaptive project management and collection of evidence related to the project outcomes as stated in the theory of change (see below). The WB team will provide ongoing technical assistance and capacity building support on M&E to the MLGA and other implementation stakeholders.

Annex 1.1 Theory of Change



Annex 1.2 Results Framework and Monitoring

Results Framework
COUNTRY : Kosovo
Municipalities for Youth in Kosovo Project

Project Development Objectives

The Project Development Objective is to improve the socioeconomic inclusion of at least 3,000 marginalized youth in vulnerable communities in Kosovo through youth-driven civic engagement and skills building activities.

Project Development Objective Indicators

Indicator Name	Corporate	Unit of Measure	Baseline	End Target	Frequency	Data Source / Methodology	Responsibility for Data Collection
Name: PDO1: Number of marginalized youth gaining new skills in project preparation, management and implementation.		Number	0.00	3000.00	After training completion	MIS/M&E review of training records Disaggregated by gender, community and vulnerability	MLGA/ FP-NGO
Description: This indicator measures whether targeted youth have received project management training. Characteristics about training participants (age, employment and education/training status) will be recorded in a project database to ensure effective targeting. Minimum 50% of trained youth are young women.							
Name: PDO2: Number of youth-driven community initiatives completed.		Number	0.00	200.00	Semi-annual reporting	MIS/Technical acceptance or approval unit documentation	MLGA
Description: Measures the number of youth-driven community initiatives completed with project support.							
Name: PDO3: Percentage of beneficiaries reporting that project investments reflect their needs as		Percentage	0.00	80.00	Baseline, end-project	MIS/end-project survey sent to all direct beneficiaries	MLGA

identified at the project start.						Disaggregated by gender, community and vulnerability	
<p>Description: Measures whether implemented youth-driven community initiatives effectively address identified youth needs. As only selected proposals will be funded and not all youth needs can be met through the proposed project, the target for this indicator has been set at 80%. The target is equal for young women and men.</p>							
Name: PDO4: Percentage of youth beneficiaries reporting a minimum 20 percent increase in income.		Percentage	0.00	10.00	Baseline, end-project	MIS/review of beneficiary data from training application and end-project survey Disaggregated by gender, community and vulnerability	MLGA
<p>Description: Indicator measures reported improvements in beneficiaries' income. The increase is measured only for beneficiaries that have an income at the start of the soft skills training.</p>							

Intermediate Results Indicators

Indicator Name	Corporate	Unit of Measure	Baseline	End Target	Frequency	Data Source / Methodology	Responsibility for Data Collection
Name: IR1: Number of municipalities that have co-financed youth-driven community initiatives		Number	0.00	10.00	Semi-annual reporting	MIS Database will include municipality names, annual funds and staff hours reserved for youth-driven initiatives by the municipality, annual funds allocated by MLGA to the municipality for youth-driven initiatives.	MLGA/Municipality
<p>Description: Measures participating municipalities' financial commitment to youth-driven community initiatives.</p>							

Indicator Name	Corporate	Unit of Measure	Baseline	End Target	Frequency	Data Source / Methodology	Responsibility for Data Collection
Name: IR2: Number of youth beneficiaries engaged in volunteering activities		Number	0.00	500.00	Semi-annual reporting	MIS Subproject implementation reports	MLGA/ FP-NGO
Description: Measures access to volunteering opportunities for beneficiaries during the project implementation phase. Target: 50% volunteers are young women.							
Name: IR3: Percentage of youth beneficiaries reporting increased interaction with local government officials		Percentage	0.00	20.00	Baseline, end-project	MIS/ end-project survey sent to all direct beneficiaries	MLGA
Description: The baseline value for interaction between beneficiaries and local government officials will be measured at the start of the project. This indicator measures the percentage of direct beneficiaries that report an increase of interaction with city officials as compared to the baseline value. Although the municipality will be involved in the selection and monitoring of all subprojects, the highest engagement between youth and local governments is expected on sub-projects that involve municipal assets. As the nature of subprojects is unknown, the target of this indicator is modest.							
Name: IR4: Percentage of beneficiaries reporting increased knowledge of how to participate in civic activities		Percentage	0.00	50.00	Baseline, end-project	MIS/ end-project survey sent to all direct beneficiaries	MLGA
Description: Supporting positive transformation in their communities is expected to increase youths' knowledge of how to engage in civic activities. The baseline for beneficiaries' perceived civic engagement will be measured at the start and at the end of the project to capture a potential increase in beneficiaries' abilities to engage in civic activities. All beneficiaries receiving project management and soft skills training will be surveyed.							
Name: IR5: An Management Information System with baseline data is successfully implemented		Text	No	Yes	After baseline completion	Documentation/baseline methodology and execution, verified by the World Bank	MLGA

Indicator Name	Corporate	Unit of Measure	Baseline	End Target	Frequency	Data Source / Methodology	Responsibility for Data Collection
<p>Description: An Management Information System (MIS) with baseline data will be developed for tracking project progress and results. This indicator measures whether the baseline data has been collected and the project MIS implemented.</p>							

Annex 1.3 Indicator Descriptions

This annex provides indicator descriptions and details on each indicator in the results framework (Annex 1.2). It is divided into PDO level indicators and implementation/intermediate indicators.

INDICATOR PDO.1: NUMBER OF MARGINALIZED YOUTH GAINING NEW SKILLS IN PROJECT PREPARATION, MANAGEMENT AND IMPLEMENTATION
Description: This indicator measures whether targeted youth have received project management training.
Methodology and source of information: Data will be collected through stakeholder training applications (see form in Annex 4.1) and verified at training entry. The application form includes sociodemographic questions (age, employment status, vulnerability) used to determine the applicant's eligibility (beneficiary eligibility criteria provided in Table 2).
Method of Calculation: Youth participants that successfully complete the 10-day training will be recorded in the Management Information System. To receive training recognition, the participants must attend minimum 80% of the soft skills and project management training. Attendance will be recorded by the training providers (FP-NGOs). Training providers verify ID and socioeconomic data (as required) at training entry. Follow-up questions may also require the participants to provide evidence of education, employment and vulnerability status (e.g. IDP, returnee).
Frequency and reporting: Once after each round of training (two training cycles).
Means of Verification: PMU review of training records.
Target: By the end of the two training cycles, the expected value is 3,000 (minimum 50% of trained youth are young women).
Disaggregation: Data is disaggregated by gender, community and vulnerability status.

INDICATOR PDO.2: NUMBER OF YOUTH-DRIVEN COMMUNITY INITIATIVES COMPLETED
Description: This indicator measures the number of youth-driven community initiatives that have been completed with project support.
Methodology and source of information: Project data will be tracked in the Management Information System (MIS) and collected by the PMU periodically (minimum quarterly). The source of information is a technical acceptance (infrastructure projects) or approval notice.
Method of Calculation: PMU will assess whether a subproject has been implemented according to its objectives and plan. For a subproject to be considered completed, it must obtain a technical acceptance from the municipality engineer (infrastructure and works) or an approval notice from the approval unit (equipment and services).
Frequency and reporting: Semi-annual, mid-project, end project
Means of Verification: Once, PMU visits subproject and reviews technical acceptance/approval notice documentation.
Target: By the end of the project the expected value is 200
Disaggregation: Data is disaggregated by municipality and community.

INDICATOR PDO.3: PERCENTAGE OF BENEFICIARIES REPORTING THAT PROJECT INVESTMENTS REFLECT THEIR NEEDS AS IDENTIFIED AT THE PROJECT START
Description: This indicator measures whether implemented youth-driven community initiatives effectively address identified youth needs.
Methodology and source of information: Data will be collected through a youth beneficiary survey at the end of project evaluation. Likely that a technology-enabled survey tool (e.g. open access data collection app, SMS enabled surveys) will be used to collect survey responses from project beneficiaries. There should be no leading or highly technical questions.

INDICATOR PDO.3: PERCENTAGE OF BENEFICIARIES REPORTING THAT PROJECT INVESTMENTS REFLECT THEIR NEEDS AS IDENTIFIED AT THE PROJECT START
<p>Method of Calculation: Survey will be sent to all 3,000 project participants. Youth will be asked to assess whether the funded subprojects reflect youth needs as identified during participatory needs and mapping assessment (subproject cycle step 2) and/or focus groups with target beneficiaries (subproject cycle step 5). Questions will be likely designed as statements to be answered on a likert scale (either 1-5 or 1-4: strongly disagree, somewhat disagree, neither agree or disagree, somewhat agree, strongly agree) in order to gauge the degree to which supported subprojects address youth needs and priorities.</p> <p>To calculate the indicator:</p> <ul style="list-style-type: none"> • The numerator is no. of interviewees who somewhat or strongly agree that subprojects address youth needs • Denominator is the total number of respondents
Frequency and reporting: End project only
Means of Verification: None, but the questionnaire must ensure the validity of responses
Target: By the end of the project the expected value is 80% (equal for young women and men).
Disaggregation: Data is disaggregated by gender, community and vulnerability status.

INDICATOR PDO.4: PERCENTAGE OF YOUTH BENEFICIARIES REPORTING A MINIMUM 20 PERCENT INCREASE IN INCOME
Description: This indicator measures reported improvements in beneficiaries' income.
Methodology and source of information: Baseline data on income will be collected as part of the training application process and compared with endline income data collected through end project beneficiary survey. Project data will be tracked in the MIS.
<p>Method of Calculation: Applicants source and level of income is recorded at project start. Participants with recorded income at training entry will be asked about their post-activity level of income, and what the project contributed in terms of applicable employability skills, experience and networks. To calculate the indicator:</p> <ul style="list-style-type: none"> • The numerator is no. of interviewees reporting an increase in weekly income of 20 percent or higher compared to baseline value • Denominator is the total number of respondents (among those with a source of income at project start)
Frequency and reporting: Baseline and end project
Means of Verification: None, but the questionnaire must ensure the validity of responses
Target: By the end of the project, it is expected that 10 percent of project beneficiaries will have minimum 20 percent increase in income
Disaggregation: Data is disaggregated by gender, community and vulnerability status.

Implementation indicators for all 3 components are defined below.

INTERMEDIATE INDICATOR 1: NUMBER OF MUNICIPALITIES THAT HAVE CO-FINANCED YOUTH-DRIVEN COMMUNITY INITIATIVES
Description: The project aims to improve the sustainability of youth programming through earmarked contributions by municipalities for youth initiatives. This indicator measures participating municipalities' financial commitment to youth-driven community initiatives.
Methodology and source of information: Project data will be tracked in the MIS. Each participating municipality will include the subgrants contribution in its annual budget and provide the first subgrant advance to grantees. MIS will include municipality names, annual funds and staff hours reserved for youth-driven initiatives by the municipality, annual funds allocated by MLGA to the municipality for youth-driven initiatives. Data will be retrieved from municipality budgets and semi-annual reports with records of municipality's financial and human resource contributions.

INTERMEDIATE INDICATOR 1: NUMBER OF MUNICIPALITIES THAT HAVE CO-FINANCED YOUTH-DRIVEN COMMUNITY INITIATIVES
Method of Calculation: A municipality will be confirmed to have co-financed youth-driven community initiatives when: a) the municipal budget with matching counterpart funding equal to 15 or more has been approved by the Municipal Assembly; and b) first subgrant advances have been disbursed to all successful grantees in the municipality.
Frequency and reporting: Data will be collected semi-annually. Municipalities will maintain a record of all subgrant advancements made to project beneficiaries with copies submitted to MLGA. MLGA PMU will verify the advancements and will report which municipalities have meet their 15 percent minimum counterpart financing as part of bi-annual reporting.
Means of Verification: Approved municipal budget and disbursement data provided by municipal accountants per grantee will be used as the means of verification for matching counterpart financing.
Target: By the end of the project it is expected that 10 municipalities have co-financed youth-driven initiatives.
Disaggregation: Data is disaggregated by municipality

INTERMEDIATE INDICATOR 2: NUMBER OF YOUTH BENEFICIARIES ENGAGED IN VOLUNTEERING ACTIVITIES
Description: Many Kosovar youth struggle with the school to work transition due to lack of prior work experience. This indicator measures access to volunteering opportunities, as a form of work experience, for beneficiaries during the project implementation phase.
Methodology and source of information: Data will be collected through FP-NGO(s) progress reports and tracked in the Management Information System. FP-NGO(s) provide periodic reports on community and subproject volunteering, including list of volunteers per assignment, tasks conducted, hours volunteered, total amount paid in stipends.
Method of Calculation: The indicator counts the number of project volunteers that have received volunteering training and received at least one daily stipend at the time of reporting.
Frequency and reporting: Data will be collected quarterly
Means of Verification: Youth Monitors will review volunteer training documentation and conduct spot checks to verify if volunteering stipends have been received as reported. PMU M&E specialist will also verify that volunteering assignments have been completed and volunteering certifications distributed.
Target: By the end of the project it is expected that 500 youth will have gained access to work experience through volunteering. Minimum 50% of volunteers are young women.
Disaggregation: Data is disaggregated by gender, employment, education, vulnerability status and municipality.

INTERMEDIATE INDICATOR 3: PERCENTAGE OF YOUTH BENEFICIARIES REPORTING INCREASED INTERACTION WITH LOCAL GOVERNMENT OFFICIALS
Description: Low trust in public institutions has disengaged youth from public life. Lack of engagement with government officials around topics that interest youth and lack of insight into municipal affairs has fueled the mistrust. This indicator measures the extent to which project activities have increased interaction between youth and local government officials, as a first step towards improved cooperation and trust building.
Methodology and source of information: Baseline data on levels of interaction will be collected as part of the training application process and compared with endline data collected through a beneficiary survey. Project data will be tracked in the MIS.

INTERMEDIATE INDICATOR 3: PERCENTAGE OF YOUTH BENEFICIARIES REPORTING INCREASED INTERACTION WITH LOCAL GOVERNMENT OFFICIALS
Method of Calculation: At training entry, all participants will be asked about their level of interaction with local government officials (baseline data). The same question will be sent to all direct beneficiaries at the end of the project to compare answers with the baseline value. The question is likely be designed on a likart scale (either 1-5 or 1-4: no interaction (in the past 12 months), little interaction (1-2 times in the past 12 months), some interaction (2-5 times in the last 12 months), a lot of interaction (5-15 times in the last 12 months) in order to gauge the degree to which interaction is increasing. To calculate the indicator: <ul style="list-style-type: none"> • The numerator is no. of interviewees reporting higher level of interaction (some or a lot) in the endline survey compared with the baseline value • Denominator is the total number of respondents
Frequency and reporting: Baseline and end project
Means of Verification: None
Target: At the end of the project, the expected value is 20 percent. The indicator is set at a modest level because the majority of small subgrants will only require minimal involvement of municipality officials. Local government officials are anticipated to collaborate more intensely with youth on the larger subgrants, which will be fewer in numbers.
Disaggregation: Data is disaggregated by municipality, gender and age

INTERMEDIATE INDICATOR 4: PERCENTAGE OF BENEFICIARIES REPORTING INCREASED KNOWLEDGE OF HOW TO PARTICIPATE IN CIVIC ACTIVITIES
Description: This indicator measures the extent to which the project has provided beneficiary youth with increased knowledge of how to support positive civic transformation in their communities.
Methodology and source of information: Baseline data on perceived knowledge of civic engagement will be collected as part of the training application process and compared with endline data collected through a beneficiary survey. Project data will be tracked in the MIS.
Method of Calculation: At the start of stakeholder training, all training participants will be asked to fill out a civic engagement knowledge form. The same questions on civic engagement entry points, methods of collective and individual civic action, etc. will be sent to all direct beneficiaries at the end of the project to compare answers with the baseline values. Questions will reflect the theoretical knowledge introduced during the 10 day course as well as applied experience during the preparation and implementation of youth-driven initiatives. The questions are likely be designed on a likart scale (either 1-5 or 1-4) to assess the beneficiary youth's level of civic engagement knowledge prior and post intervention. To calculate the indicator: <ul style="list-style-type: none"> • The numerator is no. of interviewees reporting higher level of knowledge on how to engage in civic activities in the endline survey compared with the baseline value • Denominator is the total universe of respondents (among youth that receive project project management and soft skills training)
Frequency and reporting: Baseline and end project
Means of Verification: None, but the questionnaire must ensure the validity of responses
Target: By the end of the project the expected value is 50 percent
Disaggregation: Data is disaggregated by municipality, gender and age

INTERMEDIATE INDICATOR 5: AN MANAGEMENT INFORMATION SYSTEM WITH BASELINE DATA IS SUCCESSFULLY IMPLEMENTED
Description: An Management Information System (MIS) with baseline data will be developed for tracking project progress and results. This indicator measures whether the baseline data has been collected and the project MIS implemented.

INTERMEDIATE INDICATOR 5: AN MANAGEMENT INFORMATION SYSTEM WITH BASELINE DATA IS SUCCESSFULLY IMPLEMENTED
Methodology and source of information: Progress report on MIS establishment with baseline integrated. Baseline must be collected following a Bank approved methodology.
Method of Calculation: The MLGA PMU will assess whether the M&E firm has successfully established an online MIS with baseline data inserted. The following will determine if the indicator has been met: <ul style="list-style-type: none"> • A web-based MIS that allows for multi-stakeholder data inputs, real time tracking of indicators, data processing and analytics, and standardized reporting has been established • MLGA PMU is able to extract standardized reports based on baseline data (e.g., show results for individual indicators)
Frequency and reporting: Once, after baseline data has been inserted into the MIS
Means of Verification: Standardized reports using baseline data can be generated from the MIS
Target: Yes (MIS with baseline data established)
Disaggregation: N/A

Annex 1.4 Example of Grievance Log Template

#	Date Feedback Received	Feedback Channel	Category of feedback*	Summary Description	Anonymous (Yes/No)	Category of feedback provider**	Person assigned to address feedback	Status (resolved, pending, escalated)	Date of resolution feedback
1									
2									
3									
4									
5									
6									

* Beneficiary selection, subgrant selection, training, coaching support, subproject environment/social impact

** Community member, indirect beneficiary, training participant, volunteer, general public

Annex 2: Terms of References for PMU key positions

Annex 2.1 TOR Project Coordinator

TERMS OF REFERENCE Project Coordinator (Consultant) Municipalities for Youth in Kosovo Project

I. Background

The Government of Kosovo (GoK) has received a grant in the amount of US\$ 2.79 from the Japan Social Development Fund, administered by the World Bank, to support socioeconomic inclusion of marginalized youth in Kosovo. The grant is being implemented by a Project Management Unit (PMU) in the Ministry of Local Government Administration (MLGA). The Municipalities for Youth (M4Y) in Kosovo project aims to improve cooperation and trust between youth and local governments by enabling local governments to address youth socioeconomic needs through better-targeted youth initiatives and services. Building on the Municipal Performance Management System (MPMS) – a performance-based incentive grant system implemented by MLGA to provide financing for municipal capital investments, the M4Y project will earmark funds to selected municipalities for youth-driven and youth-selected subprojects with the purpose of improving the delivery of youth-related small infrastructure and services at the community level.

The M4Y is predicated on a demand-driven approach to local youth programming. All initiatives prioritized for funding will be identified by youth through a participatory planning process that involves targeted beneficiaries, community stakeholders and local governments. **The objective of the M4Y is to improve the socioeconomic inclusion of at least 3,000 marginalized youth in vulnerable communities in Kosovo through youth-driven civic engagement and skills building activities.** The project will be implemented in minimum 10 municipalities across all 7 regions of Kosovo and include municipalities from northern Kosovo. Within selected municipalities, the project will target about 50 vulnerable communities to benefit from the positive and productive engagement of local youth. The project will complement the IDA-funded Connecting Youth Project (CYP) with a proposed budget of US\$20 million. The two projects will have geographical overlap in 10 municipalities (CYP will cover all 38 municipalities), coordinated outreach activities and M&E systems with aligned indicators.

The project is structured around 3 components, implemented over a period of 3 years:

Component 1: Subgrants for Youth-Driven Community Development Initiatives finances subprojects prioritized by youth to improve youth-friendly facilities and services. The component will finance two rounds of subgrants to establish youth-driven community development initiatives that support youth inclusion and livelihoods at the community level. Through these subgrants, the project will finance about 200 youth-driven initiatives. Through these community-level activities, minimum 5,000 youth will gain greater access to youth-related services or community infrastructure. This component will also finance an objective community needs and mapping assessment to identify target communities.

Component 2: Youth Stakeholder Training will support youth mobilization, skills development, training of 3,00 youth, and coaching activities to support the engagement of young women and men in the subgrants described in Component 1. This will include: (i) community mobilization and outreach activities; (ii) soft skills training and project preparation/management training for youth in target communities; (iii) technical support for youth groups and CBOs; and (iv) follow-up support for youth throughout subproject implementation, including opportunities for work experience.

Component 3: Project Management and Administration, Monitoring and Evaluation, and Knowledge Dissemination will cover the costs of a PMU, establishment of operational support mechanisms (MIS), travel, telecommunications, printing and other office expenses, processes to respond to beneficiary feedback, as well as managerial oversight and external audits.

II. Objective of assignment

To oversee the effective organization and coordination of all Municipalities for Youth (M4Y) project activities such that the project meets its intended goals outlined in the Grant Agreement and Project Paper and follows the procedures outlined in the Project Operations Manual (POM).

The Project Coordinator is responsible for implementation of project activities in accordance with the agreed project documents, donor' standards and procedures – with special attention to the World Bank anti-corruption guidelines – and in accordance with the Laws and Regulations of the Republic of Kosovo. The Coordinator supervises all M4Y staff and consultants and is responsible for managing their performance. The Coordinator manages day-to-day use of the M4Y budget in accordance with the approved annual budget and workplan. Successes, challenges, and deviations from approved project plans will be communicated to the World Bank by the Project Coordinator.

The Project Coordinator will be accountable for the delivery of the agreed project activities and the selection process (including successful candidate) must receive a no-objection from the World Bank prior to appointment. No reassignment or delegation of this position can be made without the agreement of the World Bank. This is a full-time position based at the Ministry of Local Government Administration (MLGA) Central Office in Pristina with frequent travel to the field.

III. Duties and responsibilities

The Project Coordinator will coordinate all project activities, oversee the work of the Project Management Unit (PMU) and report on project progress to the World Bank. The Project Coordinator is the primary day-to-day point of contact for the World Bank regarding management and is fully accountable for the delivery of the project. Principal functions of the Project and Digital Inclusion Coordinator will include but are not limited to:

- **Project management:** Develops a project Implementation Plan and ensures implementation is aligned with the project objective and timeline. Provides strategic and technical advice to Component Coordinators on cost-effective implementation of project activities. Identifies project implementation challenges and risks in a timely manner and suggest appropriate adjustments. Co-chairs & coordinates PMU progress meetings. Facilitates and oversees the establishment of subgrants evaluation committees with focus on transparency and equal opportunity.
- **Fiduciary and budget management:** The Project Coordinator manages annual budget planning, quarterly reconciliations, and execution. S/he supports the procurement of goods, works and services, conducted in accordance with the World Bank Procurement Regulations and the agreed project's Procurement Plan. The Project Coordinator represents MLGA on the tender panels for M4Y subgrant implementation and signs on behalf of MLGA for financial documents submitted by contractors (firms and individuals), suppliers of goods and services for financial payments under the Project. The Coordinator is expected to sign withdrawal applications on behalf of MLGA.
- **Project monitoring and reporting:** The Project Coordinator is responsible for monitoring project activities to ensure compliance with project agreements, donor requirements and legislation of the Republic of Kosovo. S/he will identify any issues arising in implementation that may require changes in operational provisions and/or legal documents and shall prepare a letter to the relevant donors/authorities seeking No Objection for these changes. The Project Coordinator also oversees regular monitoring of the project activities to track whether intended results (as outlined in the Results Framework of this POM) will be met. S/he alerts the M4Y Project Director and World Bank in the event targets will not be met and proposes solutions to improve results. S/he ensures that monitoring and evaluation is being conducted according to the requirements of the POM. S/he oversees the preparation of semi-annual reports, a mid-term, and end-term project report. This includes aggregating data and inputs from subproject implementation reports and Facilitating Partner NGO progress reports.
- **Stakeholder management:** The Project Coordinator is responsible for effective involvement of relevant stakeholders in the project implementation, including Facilitating Partner NGOs, selected municipalities, communities and beneficiaries. S/he ensures that an Implementation Agreement is signed between MLGA and each participating municipality, outlining the roles and responsibilities of each party during project implementation. S/he will participate in municipal progress meetings, workshops and community visits.
- **External representation and knowledge dissemination:** As authorized by the M4Y Project Director, the Project Coordinator represents the project to relevant actors, including official bodies of the Republic of Kosovo, donor

organizations, NGOs, and municipalities. S/he is responsible for the project's communication and knowledge sharing activities, including by contributing content to the project website and social media, organizing the project's launch event and annual Youth Forums. S/she will oversee the implementation of the project's Japan visibility strategy in all verbal and written communication.

- **Safeguards:** The Project Coordinator oversees the M4Y Safeguards Consultant to ensure that all World Bank safeguards concerns under the Project are fully identified and addressed in line with the Bank's safeguards procedures and policies. The Project Coordinator brings any safeguard issues to the attention of the World Bank through incident reporting, during Implementation Support Missions and in regular reporting.
- **Documentation:** The Project Coordinator oversees and manages the development and, if necessary, the update of all operational manuals, instructions, regulations and other similar documents governing the Project activities and its implementation. S/he performs administrative duties related to the project, including keeping records of implementation activities, such as draft minutes and reports, in a systemic manner that allows easy search-and-find.

IV. Reporting

The Project Coordinator directly reports to the M4Y Project Director.

V. Qualifications

The applicant for this position should possess the following knowledge and work experience:

- Higher education with relevant degree (e.g. Economics, Financial Management, Public Administration, Social Sciences);
- At least 5 years' recent Project Coordinator experience on projects funded by international donors, preferably 3 years (one previous project) with the World Bank;
- Experience managing similar projects with focus on youth development, community driven development or social inclusion;
- At least 5 years' experience engaging with local governments and NGOs;
- Solid knowledge of public financial management issues and practices;
- Fluency in Albanian and English (read, write and speak); knowledge of Serbian is preferred;
- Excellent computer skills and mastering of MS Word, MS Excel and MS Access;
- Track record of working with utmost integrity and accountability.

Annex 2.2 TOR Financial Management Specialist

TERMS OF REFERENCE Financial Management Specialist (Consultant) Municipalities for Youth in Kosovo Project

I. Background

The Government of Kosovo (GoK) has received a grant in the amount of US\$ 2.79 from the Japan Social Development Fund, administered by the World Bank, to support socioeconomic inclusion of marginalized youth in Kosovo. The grant is being implemented by a Project Management Unit (PMU) in the Ministry of Local Government Administration (MLGA). The Municipalities for Youth (M4Y) in Kosovo project aims to improve cooperation and trust between youth and local governments by enabling local governments to address youth socioeconomic needs through better-targeted youth initiatives and services. Building on the Municipal Performance Management System (MPMS) – a performance-based incentive grant system implemented by MLGA to provide financing for municipal capital investments, the M4Y project will earmark funds to selected municipalities for youth-driven and youth-selected subprojects with the purpose of improving the delivery of youth-related small infrastructure and services at the community level.

The M4Y is predicated on a demand-driven approach to local youth programming. All initiatives prioritized for funding will be identified by youth through a participatory planning process that involves targeted beneficiaries, community stakeholders and local governments. **The objective of the M4Y is to improve the socioeconomic inclusion of at least 3,000 marginalized youth in vulnerable communities in Kosovo through youth-driven civic engagement and skills building activities.** The project will be implemented in minimum 10 municipalities across all 7 regions of Kosovo and include municipalities from northern Kosovo. Within selected municipalities, the project will target about 50 vulnerable communities to benefit from the positive and productive engagement of local youth. The project will complement the IDA-funded Connecting Youth Project (CYP) with a proposed budget of US\$20 million. The two projects will have geographical overlap in 10 municipalities (CYP will cover all 38 municipalities), coordinated outreach activities and M&E systems with aligned indicators.

The project is structured around 3 components, implemented over a period of 3 years.

Component 1: Subgrants for Youth-Driven Community Development Initiatives finances subprojects prioritized by youth to improve youth-friendly facilities and services. The component will finance two rounds of subgrants to establish youth-driven community development initiatives that support youth inclusion and livelihoods at the community level. Through these subgrants, the project will finance about 200 youth-driven initiatives. Through these community-level activities, minimum 5,000 youth will gain greater access to youth-related services or community infrastructure. This component will also finance an objective community needs and mapping assessment to identify target communities.

Component 2: Youth Stakeholder Training will support youth mobilization, skills development, training of 3,00 youth, and coaching activities to support the engagement of young women and men in the subgrants described in Component 1. This will include: (i) community mobilization and outreach activities; (ii) soft skills training and project preparation/management training for youth in target communities; (iii) technical support for youth groups and CBOs; and (iv) follow-up support for youth throughout subproject implementation, including opportunities for work experience.

Component 3: Project Management and Administration, Monitoring and Evaluation, and Knowledge Dissemination will cover the costs of a PMU, establishment of operational support mechanisms (MIS), travel, telecommunications, printing and other office expenses, processes to respond to beneficiary feedback, as well as managerial oversight and external audits.

II. Objective of assignment

The key objective of this assignment is to support the MLGA Budget and Finance department in carrying out the financial management function of the Municipalities for Youth (M4Y) project in compliance with Bank policies and requirements and to strengthen financial management capacity of institutions involved in the Project implementation.

III. Duties and responsibilities

The Financial Management Specialist will be responsible for the following tasks:

- In cooperation with MLGA Budget and Finance Department, establish and maintain the financial management systems as required in the Grant Agreement.
- Execute all necessary work related to planning, disbursements, payments, accounting and financial reporting in coordination with MLGA and the Ministry of Economy and Finance (MEF).

The specific functions and responsibilities of the Financial Management Specialist include, but are not limited to:

- Monitor and ensure effective use of Project funds in line with Grant Agreement, the World Bank Procedures and the Legislation of Kosovo;
- Contribute on matters related to Financial Management in the preparation of the Project Operational Manual and Grants Manual
- Ensure that reliable and effective internal control environment is maintained within MLGA, the PMU, around project expenditure and in line with the Project Operational Manual and Subgrants Manual.
- Contribute in planning and budgeting process for the Project activities, and preparation of related forecasts;
- Review, verify and process for approval all request for payments of project expenditures financed from Grant.
- Verify that invoices and supporting evidence for project expenditure comply with terms of contracts and agreements;
- Ensure timely execution of payments to suppliers, contractors and consultants, or other beneficiaries in accordance with contract and agreement conditions
- Ensure that accurate project accounting records are maintained in the Free Balance Treasury system, verifying accuracy and completeness of all transactions;
- Properly file all financial documents (commitment and payment forms, invoices, acceptance and approval documents, other supporting evidence, deliverables and reports for all types of project expenditure, including matching grants and business trips);
- Prepare Withdrawal Applications based on the requirements of the Disbursement Letter and Credit agreement;
- Conduct the periodic physical inventory of fixed assets procured during the project;
- Prepare of the quarterly Interim Un-audited Financial Reports and annual project financial statements and submission of these reports to the World Bank on a timely basis;
- Drafting inputs related to financial management to the Project progress report;
- Prepare monthly and quarterly financial reports for the project operations, required by the MLGA, Ministry of Finance, Tax Authority of Kosovo and to other government institutions;
- Participation in evaluations of bids and proposals: review of financial aspect of bidding document; provides timely input for the preparation of the contract payment terms; ensures conformity with project budget.
- Advise PIU and MLGA on issues related to local taxation, banking and other pertinent regulations that affect financial activities.
- Regular review and control (desk and in the field) of Grant Scheme financial records to ensure the proper implementation of the financial procedures; Document the evidence of such review; present findings in the narrative part of the IFRs.
- Contribute on matters related to financial management in the periodic grant monitoring report.
- Assistance to external auditors during their audit by ensuring an effective audit of project financial statements and their timely submission to the WB; and follow up on the implementation of audit recommendations.
- Fulfilling other instructions issued by the project Coordinator, and MLGA Head of Finance and Budget Department, that are relevant to Officer's functional obligations under the mentioned Project.

IV. Reporting

The Financial Management Officer will report to and work under the direction of the Project Coordinator and the Project Director/MLGA General Secretary. S/he will deliver: a) quarterly Interim Un-audited Financial Reports b) monthly progress reports; c) Financial Management Report as part of the Procurement Status Report; d) Project Disbursement Report; e) Project Disbursement Plan; f) Contract and Credit monitoring report and g) annual financial statements, and any other ad hoc reporting requirements in coordination with the Project Coordinator and the Project Director/MLGA General Secretary.

V. Qualifications

- University/higher education in accounting and finance; Master's Degree or Professional Certification is an advantage.
- Demonstrated at least three (3) years of recent professional experience in accounting, finance and financial management positions;
- Working experience with donor financed projects and Kosovo Public Institutions in financial positions is an advantage;
- Demonstrated sound and good knowledge of Government accounting, financial management systems, and budgeting system, and tax and legal requirements in Kosovo.
- Demonstrated skills in keeping accounts and making financial transactions and in preparing various financial monitoring reports;
- Computer literate: Very good knowledge of MS Office applications. Other software is an advantage;
- Fluency in Albanian and English is a must. Knowledge of Serbian languages is an advantage;
- Be able to travel throughout Kosovo.

Annex 2.3 TOR Procurement Specialist (Permanent)

TERMS OF REFERENCE Procurement Specialist (Consultant) Municipalities for Youth in Kosovo Project

I. Background

The Government of Kosovo (GoK) has received a grant in the amount of US\$ 2.79 from the Japan Social Development Fund, administered by the World Bank, to support socioeconomic inclusion of marginalized youth in Kosovo. The grant is being implemented by a Project Management Unit (PMU) in the Ministry of Local Government Administration (MLGA). The Municipalities for Youth (M4Y) in Kosovo project aims to improve cooperation and trust between youth and local governments by enabling local governments to address youth socioeconomic needs through better-targeted youth initiatives and services. Building on the Municipal Performance Management System (MPMS) – a performance-based incentive grant system implemented by MLGA to provide financing for municipal capital investments, the M4Y project will earmark funds to selected municipalities for youth-driven and youth-selected subprojects with the purpose of improving the delivery of youth-related small infrastructure and services at the community level.

The M4Y is predicated on a demand-driven approach to local youth programming. All initiatives prioritized for funding will be identified by youth through a participatory planning process that involves targeted beneficiaries, community stakeholders and local governments. **The objective of the M4Y is to improve the socioeconomic inclusion of at least 3,000 marginalized youth in vulnerable communities in Kosovo through youth-driven civic engagement and skills building activities.** The project will be implemented in minimum 10 municipalities across all 7 regions of Kosovo and include municipalities from northern Kosovo. Within selected municipalities, the project will target about 50 vulnerable communities to benefit from the positive and productive engagement of local youth. The project will complement the IDA-funded Connecting Youth Project (CYP) with a proposed budget of US\$20 million. The two projects will have geographical overlap in 10 municipalities (CYP will cover all 38 municipalities), coordinated outreach activities and M&E systems with aligned indicators.

The project is structured around 3 components, implemented over a period of 3 years.

Component 1: Subgrants for Youth-Driven Community Development Initiatives finances subprojects prioritized by youth to improve youth-friendly facilities and services. The component will finance two rounds of subgrants to establish youth-driven community development initiatives that support youth inclusion and livelihoods at the community level. Through these subgrants, the project will finance about 200 youth-driven initiatives. Through these community-level activities, minimum 5,000 youth will gain greater access to youth-related services or community infrastructure. This component will also finance an objective community needs and mapping assessment to identify target communities.

Component 2: Youth Stakeholder Training will support youth mobilization, skills development, training of 3,00 youth, and coaching activities to support the engagement of young women and men in the subgrants described in Component 1. This will include: (i) community mobilization and outreach activities; (ii) soft skills training and project preparation/management training for youth in target communities; (iii) technical support for youth groups and CBOs; and (iv) follow-up support for youth throughout subproject implementation, including opportunities for work experience.

Component 3: Project Management and Administration, Monitoring and Evaluation, and Knowledge Dissemination will cover the costs of a PMU, establishment of operational support mechanisms (MIS), travel, telecommunications, printing and other office expenses, processes to respond to beneficiary feedback, as well as managerial oversight and external audits.

II. Objective of assignment

To support the Project Management Unit (PMU) on all procurement aspects of the Municipalities for Youth (M4Y) project. The Procurement Specialist will work with and support the Project Coordinator to conduct procurement activities under the project and update Procurement Plan for guiding and supporting purchases made under the project. S/he will provide advice on all procurement related matters, will help drafting bidding documents and requests

for proposal (RFP), including shortlist of firms/consultants, participate and assist the PMU and respective evaluation committee in the bid evaluation and selection process for consultants and preparation of evaluation report and contract award recommendation, on the draft correspondence with bidders/consultants, draft procurement related correspondence between the PMU and the Bank. S/he will ensure that each procurement activity is carried out in compliance with the credit agreement and in accordance with the World Bank's Procurement Regulations for IPF Borrowers: Goods, Works, Non-Consulting Services and Consulting Services (the Procurement Regulations), issued in July 2016, and revised November 2017 and August 2018. The Procurement Specialist, along with Project Coordinator will use the online tool STEP (Systematic Tracking of Exchanges in Procurement) for all procurement transactions.

III. Duties and responsibilities

The specific functions and responsibilities of the Procurement Specialist include, but are not limited to:

- Management of all project procurement activities;
- Update, elaborate and maintain the Procurement Plan in close collaboration with the Project Coordinator; Assist the PMU in revising/adjusting the Procurement Plan as needed during the life of the project and revise/update information through the STEP. Assist the PMU in maintaining respective procurement records (in hard copy and through STEP), including advertisements, bidding documents, correspondence with the Bank and with bidders, evaluation reports, draft contract/signed contracts, clearances from the World Bank, etc.;
- Assist Project Coordinator in preparation of procurement documents (documents (Request for bid –RFB), Request for Quotation (RFQ), and Request for Proposal (RFP)) in accordance with the agreed Procurement Plan and in line with the Bank's Procurement Regulations and standards documents as well as the timetable agreed with the World Bank;
- Assist PMU to identify the appropriate selection method, preparation of RFP and procurement proceedings for selection of consulting services;
- Advertisement inviting bids Specific Procurement Notice (SPN)/Request for Expression of Interest (REOI) in newspapers.
- Review of the Technical Specifications and Terms of References prepared by Technical Experts or other PMU members and ensure consistency with the other sections of the bidding documents and request for proposal documents;
- Assist the Project Coordinator for public bid opening, preparation of the minutes of the bid opening;
- Assist in bid evaluation and provide training to bid evaluation committee members on the World Bank procurement procedures;
- Assist the PMU and evaluation committee on evaluation of bids/quotations/proposals (with written clarifications if necessary) and preparation of the bids/quotations/proposal evaluation reports, with recommendation of award.
- Assist the Project Coordinator to submit request for “no objection” for different phases of the selection process (such as Bidding documents, evaluation reports, draft contract, etc) of prior review contracts;
- Assist the Project Coordinator in organizing negotiations with the selected consultants and finalizing contracts with the awarded contractors, suppliers etc;
- Publish the contract award notification of unsuccessful bidders / consultants;
- Assist Project Coordinator in checking and approving invoices to make sure that they are in accordance with the contract provisions (before submittal to accountant for payment);
- Along with Project Coordinator, facilitate post-review and procurement audits on a random basis by the World Bank's supervision missions;
- Assist Project Coordinator and contract client/beneficiaries in settling disputes, if any, under contracts with contractors and follow up on shortages and defective supplies according to contract provisions;
- Maintain proper records of all procurement documentation, and develop a procurement monitoring and reporting system according to the requirements of the World Bank (in hard copy and through STEP) and the Kosovo legislation;
- Encourage and facilitate training of staff to enhance the experience and qualification of staff;
- Along with Project coordinator, monitor and follow up the implementation of the procurement plan and submit monthly report (or as required) on actual status of contracts progress, and issues.

IV. Reporting

The Procurement Specialist will report to the M4Y Project Coordinator & Project Director.

V. Qualifications

- University degree in Economics, Business Management, Engineering, Law or equivalent;
- At least 5 years' recent experience working with international organizations such as the World Bank or other donor funded projects in procurement management with specific/relevant experience in procurement for goods, works, technical and consulting (TA);
- Working experience under Kosovo Public Procurement rules/regulations;
- Experience in projects or organizations with large budgets (e.g., above 1 million budgets) and purchasing of services/products will be considered an advantage;
- Practical experience with grant management (procurement aspects) is an advantage;
- Knowledge of the public sector at the central and local/regional levels in Kosovo is an advantage;
- Fluency in Albanian and English (read, write and speak); knowledge of Serbian is preferred;
- Excellent computer skills and mastering of MS Word, MS Excel;
- Excellent communication and team working skills;
- Excellent oral, written, interpersonal and organizational skills.

Annex 2.4 TOR Procurement Specialist (Temporary)

TERMS OF REFERENCE
Procurement Specialist (Part-Time Consultant)
Municipalities for Youth in Kosovo Project

I. Background

The Government of Kosovo (GoK) has received a grant in the amount of US\$ 2.79 from the Japan Social Development Fund, administered by the World Bank, to support socioeconomic inclusion of marginalized youth in Kosovo. The grant is being implemented by a Project Management Unit (PMU) in the Ministry of Local Government Administration (MLGA). The Municipalities for Youth (M4Y) in Kosovo project aims to improve cooperation and trust between youth and local governments by enabling local governments to address youth socioeconomic needs through better-targeted youth initiatives and services. Building on the Municipal Performance Management System (MPMS) – a performance-based incentive grant system implemented by MLGA to provide financing for municipal capital investments, the M4Y project will earmark funds to selected municipalities for youth-driven and youth-selected subprojects with the purpose of improving the delivery of youth-related small infrastructure and services at the community level.

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Component 2: Youth Stakeholder Training will support youth mobilization, skills development, training of 3,00 youth, and coaching activities to support the engagement of young women and men in the subgrants described in Component 1. This will include: (i) community mobilization and outreach activities; (ii) soft skills training and project preparation/management training for youth in target communities; (iii) technical support for youth groups and CBOs; and (iv) follow-up support for youth throughout subproject implementation, including opportunities for work experience.

Component 3: Project Management and Administration, Monitoring and Evaluation, and Knowledge Dissemination will cover the costs of a PMU, establishment of operational support mechanisms (MIS), travel, telecommunications, printing and other office expenses, processes to respond to beneficiary feedback, as well as managerial oversight and external audits.

VI. Objective of assignment

To support the Project Management Unit (PMU) on all procurement aspects of the Municipalities for Youth (M4Y) project. The Procurement Consultant will work with and support the Project Coordinator to conduct procurement activities under the project and update Procurement Plan for guiding and supporting purchases made under the project. S/he will provide advice on all procurement related matters, will help drafting bidding documents and requests for proposal (RFP), including shortlist of firms/consultants, participate and assist the PMU and respective evaluation

committee in the bid evaluation and selection process for consultants and preparation of evaluation report and contract award recommendation, on the draft correspondence with bidders/consultants, draft procurement related correspondence between the PMU and the Bank. S/he will ensure that each procurement activity is carried out in compliance with the credit agreement and in accordance with the World Bank's Procurement Regulations for IPF Borrowers: Goods, Works, Non-Consulting Services and Consulting Services (the Procurement Regulations), issued in July 2016, and revised November 2017 and August 2018. The Procurement Consultant, along with Project Coordinator will use the online tool STEP (Systematic Tracking of Exchanges in Procurement) for all procurement transactions.

VII. Duties and responsibilities

The specific functions and responsibilities of the Procurement Consultant include, but are not limited to:

- Management of initial project procurement activities for the first six months;
- During initial 6 months period, assist Project coordinator to update, elaborate and maintain the Procurement Plan and revise/update information through the STEP. Assist the PMU in maintaining respective procurement records (in hard copy and through STEP) for the initial period, including advertisements, bidding documents, correspondence with the Bank and with bidders, evaluation reports, draft contract/signed contracts, clearances from the World Bank, etc.;
- Provide assistance or guidance to Project Coordinator on all procurement related issues;
- Ensures the procurement of services in accordance with the Procurement Plan and World Bank Procurement Regulation for Borrowers, for all items financed through the Grant, using standard World Bank documentation and procedures;
- Will work with the Project Coordinator and relevant technical experts in the preparation of Terms of Reference for consulting services assignments and in preparation of procurement documents (documents (Request for bid –RFB), Request for Quotation (RFQ), and Request for Proposal (RFP)) in accordance with the agreed Procurement Plan and in line with the Bank's Procurement Regulations and standards documents as well as the timetable agreed with the World Bank;
- Advertisement inviting bids Specific Procurement Notice (SPN)/Request for Expression of Interest (REOI) in newspapers.
- Thoroughly reviews all bidding documentation prior to submission to the World Bank in a timely fashion for review and no-objection, in accordance with World Bank requirements outlined in the Grant Agreement and in the agreed procurement plan;
- Assist Project Coordinator in preparation of General Procurement Notice (GPN) and publication accordingly;
- Assist the Project Coordinator for public bid opening, preparation of the minutes of the bid opening;
- Assist in bid evaluation and provide training to bid evaluation committee members on the World Bank procurement procedures;
- Assist the Project Coordinator to submit request for "no objection" for different phases of the selection process (such as Bidding documents, evaluation reports, draft contract, etc) of prior review contracts;
- Assist the Project Coordinator in organizing negotiations with the selected consultants and finalizing contracts with the awarded contractors, suppliers etc;
- Publish the contract award notification of unsuccessful bidders / consultants;
- Along with Project Coordinator, facilitate post-review and procurement audits on a random basis by the World Bank's supervision missions;
- Assist Project Coordinator and contract client/beneficiaries in settling disputes, if any, under contracts with contractors and follow up on shortages and defective supplies according to contract provisions;
- Maintain proper records of all procurement documentation, and develop a procurement monitoring and reporting system according to the requirements of the World Bank (in hard copy and through STEP) and the Kosovo legislation;
- Encourage and facilitate training of staff to enhance the experience and qualification of staff;
- Along with Project coordinator, monitor and follow up the implementation of the procurement plan and submit monthly report (or as required) on actual status of contracts progress, and issues.

VIII. Duration and Reporting

- The contract will be signed, as soon possible after the selection of the candidate, for 6 months with a possible extension.
- The contract will be the Standard World Bank lump-sum contract with estimated level of efforts of 40 man-days for specific tasks during six months’ duration.
- Deliver training to M4Y Project Coordinator & Project Director in revising/adjusting the Procurement Plan as needed during the initial project period and revise/update information through the STEP;
- The payments will be monthly lump-sum following reports and deliverables:
- The Procurement Consultant will report to the M4Y Project Coordinator & Project Director;
- He/she will submit monthly reports with description of activities/tasks performed;

The Consultant should submit reports/deliverables:

	Deliverables	Expected delivery date
1.	Update initial Procurement Plan and Include all required procurement information in the Bank’s STEP system for the Project.	One month after the contract signature
2.	Preparation of General Procurement Notice (GPN) and publication	One month after the contract signature
3.	Progress report on preparation of procurement documents in accordance with the agreed Procurement Plan.	Continuous/monthly
4.	Progress report on training or guidance on all procurement related issues to PMU as well bid evaluation committee members on the World Bank procurement procedures	Continuous/monthly
5.	Progress report for all procurement activities conducted and information in the online tool STEP	Continuous/monthly
6.	Final report for procurement activities carried out for six months for procurement activities carried out in compliance with the credit agreement and in accordance with the World Bank’s Procurement Regulations for IPF Borrowers.	six months after the contract signature

IX. Qualifications

- University degree in Economics, Business Management, Engineering, Law or equivalent;
- At least 5 years’ recent experience working with international organizations such as the World Bank or other donor funded projects in procurement management with specific/relevant experience in procurement for goods, works, technical and consulting (TA);
- Working experience under Kosovo Public Procurement rules/regulations;
- Experience in projects or organizations with large budgets (e.g., above 1 million budgets) and purchasing of services/products will be considered an advantage;
- Practical experience with grant management (procurement aspects) is an advantage;
- Knowledge of the public sector at the central and local/regional levels in Kosovo is an advantage;
- Fluency in Albanian and English (read, write and speak); knowledge of Serbian is preferred;
- Excellent computer skills and mastering of MS Word, MS Excel;
- Excellent communication and team working skills;
- Excellent oral, written, interpersonal and organizational skills.

X. Selection

Experienced and qualified individuals will be selected according to the World Bank’s Procurement Regulations for IPF Borrowers’ (the Regulations), issued in July 2016, and revised November 2017 and August 2018, based on Consultant Direct Selection.

Annex 2.5 TOR Safeguards Specialist

TERMS OF REFERENCE Safeguards Specialist (Part-Time Consultant) Municipalities for Youth in Kosovo Project

I. Background

The Government of Kosovo (GoK) has received a grant in the amount of US\$ 2.79 from the Japan Social Development Fund, administered by the World Bank, to support socioeconomic inclusion of marginalized youth in Kosovo. The grant is being implemented by a Project Management Unit (PMU) in the Ministry of Local Government Administration (MLGA). The Municipalities for Youth (M4Y) in Kosovo project aims to improve cooperation and trust between youth and local governments by enabling local governments to address youth socioeconomic needs through better-targeted youth initiatives and services. Building on the Municipal Performance Management System (MPMS) – a performance-based incentive grant system implemented by MLGA to provide financing for municipal capital investments, the M4Y project will earmark funds to selected municipalities for youth-driven and youth-selected subprojects with the purpose of improving the delivery of youth-related small infrastructure and services at the community level.

The M4Y is predicated on a demand-driven approach to local youth programming. All initiatives prioritized for funding will be identified by youth through a participatory planning process that involves targeted beneficiaries, community stakeholders and local governments. **The objective of the M4Y is to improve the socioeconomic inclusion of at least 3,000 marginalized youth in vulnerable communities in Kosovo through youth-driven civic engagement and skills building activities.** The project will be implemented in minimum 10 municipalities across all 7 regions of Kosovo and include municipalities from northern Kosovo. Within selected municipalities, the project will target about 50 vulnerable communities to benefit from the positive and productive engagement of local youth. The project will complement the IDA-funded Connecting Youth Project (CYP) with a proposed budget of US\$20 million. The two projects will have geographical overlap in 10 municipalities (CYP will cover all 38 municipalities), coordinated outreach activities and M&E systems with aligned indicators.

The project is structured around 3 components, implemented over a period of 3 years.

Component 1: Subgrants for Youth-Driven Community Development Initiatives finances subprojects prioritized by youth to improve youth-friendly facilities and services. The component will finance two rounds of subgrants to establish youth-driven community development initiatives that support youth inclusion and livelihoods at the community level. Through these subgrants, the project will finance about 200 youth-driven initiatives. Through these community-level activities, minimum 5,000 youth will gain greater access to youth-related services or community infrastructure. This component will also finance an objective community needs and mapping assessment to identify target communities.

Component 2: Youth Stakeholder Training will support youth mobilization, skills development, training of 3,00 youth, and coaching activities to support the engagement of young women and men in the subgrants described in Component 1. This will include: (i) community mobilization and outreach activities; (ii) soft skills training and project preparation/management training for youth in target communities; (iii) technical support for youth groups and CBOs; and (iv) follow-up support for youth throughout subproject implementation, including opportunities for work experience.

Component 3: Project Management and Administration, Monitoring and Evaluation, and Knowledge Dissemination will cover the costs of a PMU, establishment of operational support mechanisms (MIS), travel, telecommunications, printing and other office expenses, processes to respond to beneficiary feedback, as well as managerial oversight and external audits.

II. Objective of assignment

To provide overall environmental management oversight during the implementation of Municipalities for Youth (M4Y) project. The Safeguards Specialist is responsible for ensuring that the M4Y subprojects are implemented according to the World Bank Environmental Operational Policies and procedures specified in the project-specific Environmental and

Social Management Framework (ESMF). S/he provides overall environmental management oversight, supporting and advising the Ministry of Local Government Administration (MLGA) on addressing environmental issues and provides safeguards related training and coordination activities.

III. Duties and responsibilities

Specific functional responsibilities of the Safeguards Specialist include, but are not limited to:

- Provide training and assist subproject Applicants in preparing environmental part of application package (Environmental Risk Assessment Questionnaire);
- Review environmental screening of subproject applications;
- Prepare Screening Reports and assign environmental category for the screened applications and required Environmental Assessment (EA);
- Provide orientation and guidance to Applicants on the preparation of Eas (Environmental and Social Management Plans (ESMPs) or ESMP Checklists) for subprojects in line with national legislation and WB safeguards policies;
- Regularly communicate with the Applicant and the World Bank on all environmental issues and follows agreed reporting schedule made for each of the approved subprojects;
- Assist PMU in disclosure and consultation of due diligence documents, disseminate information and report to MLGA and World Bank on consultation activities;
- Organize environmental orientation & awareness, and training for Municipalities and final beneficiaries;
- Prepare environmental information materials and help MLGA disseminate the information to the relevant stakeholders;
- Review subproject design, cost, and bid documents to ensure environmental concerns and adequate mitigation measures are incorporated, and subproject/ activity documents and environmental documents are harmonized;
- Carry out supervision of environmental mitigation and monitoring measures implementation at subprojects (selected for implementation under the Component 1), including site supervisions during implementation of subprojects and activities. Provide feedback and report on compliance with measures set in the ESMP/ESMP Checklist to the PMU, Municipalities and the World Bank as defined in the ESMF;
- Coordinate environmental supervision with others involved in subproject monitoring, namely: Municipalities and youth monitors;
- Communicate with vendors, contractors, and subcontractors for necessary environmental compliance;
- Assess baseline condition of subproject sites and preliminary assessment of potential environmental risks;
- Produce reports in a manner understood by non-technical people for effective dissemination purpose;
- Provide inputs to semi-annual, mid-term and end-term implementation progress reports.

IV. Reporting

The Safeguards Specialist will report to the M4Y Project Coordinator & Project Director.

V. Qualification requirements

- University degree, or above, in environmental sciences, environmental engineering, environmental studies, biology studies, chemistry or chemical engineering or equivalent;
- Minimum 5 years of recent relevant professional experience in environment management or similar;
- Experience of working on Projects funded by International Financial Institutions (including World Bank Projects) will be considered as advantage;
- Knowledge of international good practice for management of Environmental and Social risks, including World Bank ESF/Safeguards policies and IFC Sustainability Framework and supporting documents such as Guidance Notes, EHS Guidelines;
- Good communication and social skills including excellent facilitation and presentation skills paired with good interpersonal abilities;
- Fluency in Albanian and English (read, write and speak); knowledge of Serbian is preferred;
- Excellent computer skills (MS Word, MS Excel, MS Access).

Annex 3: Implementation Support Arrangements

Annex 3.1 Implementation Agency Readiness Assessment and Support Plan

This Annex provide an overview of the MLGA's readiness to implement M4Y and provides an Implementation Support Plan for the project describing how the WB will assist the client in achieving the PDO. In particular, the assessment and implementation support (IS) places emphasis on: (i) technical expertise in the areas relevant to the project, including project management, youth inclusion and community driven development; (ii) overseeing municipal capacity building to ensure high quality and accountable youth-led decision making and monitoring; and (iv) ensuring that the required fiduciary and safeguards are put in place and implemented according to the Grant Agreement and other project documents. IS will be carried out semiannually for three years and include an Implementation Completion Report (ICR).

I. Technical

MLGA has considerable experience in municipal capacity building and M&E through the implementation of several multi-million donor projects, including IPA-funded inter-municipal and cross-border cooperation projects. The PMU will consist of seconded MLGA staff with extensive experience in project management, M&E and municipal capacity building. Provided that this is the MLGA's first project with the World Bank, the project technical support will include: (i) engagement of an experience Project Coordinator with expertise in youth engagement and community driven development; (ii) engagement of experienced FM and Procurement specialists; (iii) engagement of an experienced part-time safeguards specialist; (iv) engagement of youth-specialized FP-NGO(s) to guide the subproject cycle, youth stakeholder training and subproject follow-up advisory support; and (v) engagement of an M&E firm to develop the Monitoring and Learning Framework, MIS and M&E capacity building activities for the MLGA.

In addition, the Bank's IS will include prior review of all key contracts (including of FP-NGO(s) and the M&E firm) and review of training plans and curriculum to ensure high quality and consistent knowledge sharing on youth civic engagement in line with global best practice. IS will include hands-on capacity building support for the MLGA and municipalities. Supervision will focus on supporting the MLGA to detail the subproject cycle of activities in the SGM, training and inputs from topical experts, and closely supervising the implementation progress at the national and local levels.

II. Financial Management

Use of country systems. Kosovo has participated in a number of detailed reviews of its public financial management (PFM), several central government and municipal PEFA (Public Expenditure and Financial Accountability) assessments, a country fiduciary review (2012), annual EU-SIGMA reviews, and other analyses by the World Bank and IMF. The various reviews have plotted the significant progress Kosovo has made in improving its PFM. The Country Fiduciary Assessment conducted in March 2012 showed that key strengths of the system are the sound legal framework, the integrated central treasury system, and an increasingly effective external audit office. The strengths are offset by limited professional and technical capacities and gaps in implementation. There is considerable scope for improving the quality of budget planning and preparation, internal financial control, audits, debt management, and capital investment management. The authorities are aware of these limitations, and progress is occurring with support from international bodies. Lagging areas include: (i) limited coordination of budgets, medium-term expenditure framework, sector plans, and budget ceilings; (ii) budget preparation and treasury systems that are not fully linked; and (iii) FM control and audits that are not fully effective.

Budget execution is controlled through the setting of allocation limits, which are based on forecasts of available resources and the individual needs of the spending institution, with due regard to seasonality of revenues and expenditures. Treasury manages allocations through the year and controls budget execution and cash management based on the cash plan submitted by Budget Organizations themselves. The Kosovo Financial Management Information System (KFMIS) is an important tool in managing and executing the budget. In general, internal control procedures are well understood. The Treasury is serviced through the Single Treasury Account with the Central Bank of Kosovo (CBK), through which all government revenues and expenditures are recorded. Reconciliations between CBK and Treasury records are performed on a daily basis. The financial information is input into the KFMIS, which produces reports.

Records and information are produced, maintained, and disseminated to meet decision-making control, management, and reporting purposes, as needed. Budget execution reports are by budget structure and present the fund balance commitment on a monthly and quarterly basis for each economic category.

The system of municipal PFM in Kosovo is fully compatible and integrated with the PFM system that operates at the central government level. The strength of the existing PFM system is centered on the successful roll out of the financial management information system to the municipalities through training and certifying staff in its application. The basic ingredients necessary for a national PFM system are in place and are integrated. The report of the Auditor General of 2017 has noted significant improvement in the quality of PFM at the municipality level over the past two years; however significant areas for improvement still remain. Two out of 10 pre-selected municipalities have had an adverse audit opinion and two others have had qualified audit opinions. In addition, there were a significant number of audit recommendations on governance and control framework functioning, even in large municipalities, and there is low management responsiveness to addressing those recommendations.

The project would rely extensively on the various elements of Kosovo's PFM systems, including: (i) planning and budgeting; (ii) internal control; (iii) flow of funds and payments; (iv) accounting and reporting; and (v) external audit.

Financial management staff. The MLGA Budget and Finance Division (BFD) is responsible for planning and budgeting and the processing of payments. The division reports to the General Secretary through the Director of Finance and General Services and follows policies and procedures established by the Law on Public Financial Management and financial rules on public fund expenditures. Based on the review of recent audit reports, the MLGA demonstrates that it has adequate FM capacity and compliance with related legislation and rules. No significant control issues or financial matters were reported by the auditors. The FM specialist that will be hired as part of the PMU will report to the head of the BFD and will work closely with other finance staff on preparing commitments, ex-ante controls in the payment of project expenditures, planning and budgeting for the project, preparation of quarterly IFRs, and withdrawal applications. The PMU FM specialist will have access to the KFMIS to view and generate project reports. Training on Bank financial management and disbursement policies and procedures will be provided for the MLGA Budget and Finance Division and PMU FM specialist.

Budgeting. The treasury budget allocation mechanism is considered to be adequate to cater to the needs of the proposed project. The approved project implementation plan and procurement plan will be the basis for the preparation of the initial draft of the forecast (to be prepared by the PMU FM specialist). The budgets and forecasts will reflect technical inputs from the project coordinator, procurement specialist, MLGA technical departments, and concerned municipalities. The project budget will include the cash forecasts for subgrant allocation and subprojects. These budgets would form the basis for Treasury to allocate funds to project activities, and when expenditures are paid, for requesting funds from the Bank. The project budgets would be approved by the MLGA General Secretary.

Internal controls. General government regulations for processing transactions and approving contracts exist. Recent external audit reports demonstrate that the MLGA is generally in compliance with those rules. For the proposed project, the MLGA is committed to maintaining an effective internal control system that ensures that project expenditures are properly verified and authorized; supporting documents are maintained; accounts are reconciled periodically; and project assets, including cash, are safeguarded. For those areas that are not regulated by current legislation, additional measures will be put in place for project activities.

The FM Manual of this POM describes the FM, disbursement, and internal control policies and procedures intended to guide staff and minimize the risk of errors and omissions, as well as delays in recording and reporting. These written standards are to clarify the segregation of duties and responsibilities, including levels of authority and clear controls over funds and assets, and to ensure timely and accurate financial reporting. Special attention is given to those areas that require clarity on the roles and responsibilities of different institutions involved during project implementation, such as municipalities.

The MLGA jointly with selected municipalities will be responsible for administering the subgrants program under Component 1, in accordance with the SGM, which will be prepared in a manner satisfactory to the Bank. Any changes made to the SGM during project implementation will require prior Bank approval.

Accounting system. The MLGA's BFD, supported by the PMU, will maintain project financial records (budget appropriations, allocations, commitments, and actual expenditures) in the KFMIS (free balance system) on a cash basis. The effective use of the KFMIS will enable the generation of financial reports. The project chart of accounts will be based on the KFMIS. Project funds will be accounted for separately and identified by project code. However, the existing chart of accounts does not enable recording of project expenditures by activity. The KFMIS is able to generate project reports by nature of expenditure, institution, and program. The MLGA will be required to maintain parallel contract monitoring financial data that will also enable reporting by activity. The data will be cross-checked periodically against the KFMIS.

Financial reporting. The MLGA's BFD, supported by the PMU, will prepare financial information on a quarterly basis and submit it through IFRs containing at least: (i) a statement of sources and uses of funds (with expenditures classified by component); (ii) contract monitoring; and (iii) KFMIS budget execution reports. The IFRs will be submitted for the Bank's review within 45 days from the end of the quarter. The annual project financial statements will be prepared on an IPSAS (International Public Sector Accounting Standards) cash basis. The report will cover the fiscal year, which coincides with the calendar year. The functional and reporting currency will be euros. The format of the IFRs and annual project financial statements will be described in the POM. The financial reports will include financial information on the subprojects.

Audit. The project's financial statements, as described above, will be audited annually by Kosovo's National Audit Office, under terms of reference acceptable to the Bank. The annual audit scope will be extended to include a relevant sample of subprojects. The audits of the project financial statements may be financed from project resources, if the performance of the audits by the National Audit Office are not satisfactory to the Bank. The audited financial statements must be presented to the Bank no later than six months after the end of the fiscal year and will be made publicly available in a timely manner acceptable to the Bank.

Disbursements

Except where otherwise stated, eligible expenditures will be completely financed by grant proceeds. The GoK's preferred method of disbursement is to reimburse funds pre-financed from the budget to finance project expenditures. Other preferred methods are direct payments and special commitments to third parties (consultants, suppliers, contractors). A disbursement condition linked to Component 1 is the adoption of an SGM acceptable to the Bank.

All payments will be made by the MLGA from its own sources of funds and no designated account will be needed. The MLGA will prepare all the relevant documents in support of applications for withdrawal, sign them, and forward them to the Bank.

Bank funds disbursed using the reimbursement method will be documented by Statements of Expenditures to support applications for withdrawal. Upon receipt of each application for withdrawal from the credit account, the Bank will, on behalf of the Recipient (MLGA), withdraw from the credit account and deposit into the Single Treasury Account an amount equal to the amount requested.

For direct payments, the Bank will require copies of the original documents evidencing eligible expenditures in such form and substance as specified in the Disbursement Letter. Records include such documents as invoices and receipts. The MLGA is required to maintain original documents evidencing eligible expenditures, making them available for audit or inspection. These documents should be maintained for at least two years after receipt by the Bank of the audit report and for a period required by local legislation.

Retroactive financing. To facilitate project readiness for implementation, retroactive financing of US\$50,000 will be provided for payments made for eligible expenditures incurred by the Recipient not earlier than the Donor/Grant Funding Request approval date but before the expected signing date of the Grant Agreement. These pre-financed funds will be provided by the Recipient/MLGA from its own resources and reimbursed to the Recipient after the project becomes effective. Retroactive financing will finance PMU consultants, the community mapping assessment, and some operating costs, such as transportation and phone cards.

III. Procurement

Under the Bank Procurement Regulations (Section VI C), the Project Procurement Strategy for Development (PPSD) is used to analyze and determine the optimum procurement approach to deliver the right procurement result. The PPCD carried out for the project entailed a strategic assessment of the operating context and beneficiaries' capabilities, as well as the market, the different stakeholders, and the risks impacting procurement processes, and it informed the procurement plan.

Most of the consulting services under the project will involve competition using the national market approach. The project will use the online Systematic Tracking of Exchanges in Procurement (STEP) tool.

Project Procurement Strategy Development. As required by the regulations, a PPCD has been developed and finalized after review by the Bank (see POM Annex 6.1). Market analysis has been carried out for different consulting services to ensure adequate participation of firms and individuals. Based on the PPCD, the procurement plan has been prepared to set out the selection methods to be followed by the Recipient during project implementation in the procurement of consulting services financed by the Bank. The project procurement development objectives are as follows: (i) procurement activities are conducted in a timely manner; and (ii) adequate recordkeeping is established. Achievement of the project procurement development objectives will be measured by the following project procurement result indicators: (i) timely completion of 90 percent of major contracts; and (ii) a recordkeeping system is established and functioning in the PMU.

Procurement methods. The following procurement methods are anticipated under the project:

- *Procurement of Goods, Works, and Non-Consulting Services.* This will involve procurement of equipment or refurbishment works identified under the youth-driven subgrants for community development initiatives. While the procurement procedures for such goods and works will be described in detail in the SGM, it is expected that the shopping procedures (comparison of not less than three quotations) will be used to procure such equipment and refurbishment works.
- *Selection of Consultants:* Consulting services identified under the project will include the hiring of experienced NGOs to provide training and support to targeted youth communities, the hiring of a consulting firm for the annual external FM auditing, the hiring of individual consultants for project implementation, such as a project coordinator, FM and procurement specialists, a safeguards specialist, short-term consultants for the needs and mapping assessment, for preparation of the implementation completion report, for integrated MIS, etc. Shortlists of consultants for services estimated to cost less than US\$300,000 equivalent per contract may be composed entirely of national consultants in accordance with the provisions of the ECA Regional Procurement Thresholds. Consulting firms and individual consultants will be selected in accordance with the Regulation for Borrowers. All terms of reference are subject to the Bank's prior review irrespective of prior/post review status.
- *Advertisements:* A General Procurement Notice will be published online on the UNDB website. Specific Procurement Notices will be published as the corresponding bid documents become available. All these advertisements will be made through the STEP system.

Debarments. The Recipient will respect debarment decisions by the Bank and will exclude debarred firms and individuals from participation in the competition for Bank-financed contracts. A current listing of such firms and individuals can be found at the following website address: <http://www.worldbank.org/debarr>

Assessment of capacity. The Bank team has carried out an assessment of the procurement capacity of the MLGA as the implementing agency under the project. The procurement assessment concluded that:

- The MLGA and its staff lack experience with Bank project financing.
- The agency's procurement regulations differ from the Bank's Procurement Regulations required under the proposed project.

- Hiring of new PMU staff with experience under the Bank procedures will be a challenge given the Ministry of Finance Decision issued on June 2016 in regard to the salaries of civil servants, as it may reduce the pool of qualified staff interested in participating in the competition.
- The Kosovo environment has been identified as high risk for corruption; pressure from high-level officials to influence the results of the selection/tendering process is an issue identified in the Bank’s project portfolio.

Risk. Based on the above, the procurement risk is assessed as High. To mitigate the identified risk, the following measures are proposed: (i) hire a local procurement specialist with knowledge of Bank procurement that will support the MLGA in the activities under the project; (ii) hire additional PMU staff to support the MLGA in FM, safeguards, preparation of the project completion report, and preparation of the management information system; (iii) have the PMU team, including the procurement specialist and FM specialist, report to the PMU coordinator; and (iv) have the MLGA set up in a timely manner an evaluation committee for evaluation of bids and proposals, and further, ensure the committee members have solid knowledge in the requisite field. In addition, PMU staff should attend procurement trainings and workshops organized by the Bank in the region. After the above measures are taken, the risk rating is expected to be Substantial.

Frequency of procurement supervision. In addition to the prior review supervision to be carried out by the Bank team, the capacity assessment of the MLGA recommends supervision missions every six months during the first year of implementation, and once every subsequent year. Post reviews will be carried out regularly, with a minimum sampling of two in ten.

Procurement methods and prior review thresholds. The procurement plan will set forth those contracts that will be subject to the World Bank’s mandatory prior review. The procurement thresholds applicable effective July 2016 as part of the regulation should be followed. All other contracts will be subject to post review by the Bank. The prior review thresholds will be periodically reviewed and revised as needed during the project implementation period based on implementation of risk mitigation measures, reports from procurement post-reviews, and improved capacity of the implementing agency.

A. Procurement Method Thresholds

Thresholds for Procurement Approaches and Methods (as of June 15, 2016) (US\$ thousands)									
		Works			Goods, IT and non-consulting services			Shortlist of national consultants	
Country	Region	Open international \geq	Open national <	RfQ \leq	Open international \geq	Open national <	RfQ \leq	Consulting services <	Engineering & construction supervision
Kosovo	ECA	5,000	5,000	200	1,000	1,000	100	300	N/A

B. Thresholds and Prior Review by the Bank for Procurement Decisions

Except as the Bank otherwise determines by notice to the PMU/MLGA, the following contracts will be subject to prior review by the Bank:

	Procurement Method	Procurement Method Threshold US\$	Prior Review Threshold US\$
Goods, works, and non-consulting services			
1.	Request for Bids (international) goods	> \$1,000,000	Works above US\$5.0 million per contract
2.	Request for Bids (international) works	>\$5,000,000	
3.	Request for Bids (national) goods	< \$1,000,000	Goods above US\$1.5 million per contract

4.	Request for Bids (national) works	<\$5,000,000	All national approach tenders are subject to post review
5.	Request for quotations (goods)	< \$100,000	-
6.	Request for quotations (works)	<\$200,000	-
	Selection Method		Prior Review Threshold
Consulting services			
1.	Quality Cost Based Selection (QCBS)	>\$300,000	Consulting services firms above US\$0.5 million per contract
2.	Least Cost Selection (LCS)	>\$300,000	
3.	Single Source Selection (SSS) (Firms and individuals)	-	
4.	Consultant Qualifications (CQ)	CQ < \$300,000	Individuals above US\$0.2 million per contract
5.	Individual Consultant (IC)		

IV. Safeguards

Provide that MLGA does not have previous experience implementing a World Bank operation, the World Bank Environmental Specialist will provide guidance and training to the PMU regarding ESMF implementation/environmental review procedures. The MLGA staff will also take training specific to World Bank environmental and social safeguards, including detailed instruction on safeguards policy issues, mitigation measures, and implementation good practices, as well as monitoring and reporting. Within 6 months of project effectiveness, MLGA will hire a part-time Safeguards Specialist to oversee screening of subgrant applications and ensure compliance with the provisions of the ESMF.

The World Bank Social Safeguards Specialist will also support the MLGA in developing a Grievance Redress Mechanism as part of the beneficiary feedback mechanism. Safeguards Specialists will, semiannually, track compliance with safeguards policy and monitor activity under the GRM.

Annex 3.2 Model Implementation Agreement between MLGA and Municipalities

Implementation Agreement
Between
(1) Ministry of Local Government Administration and
(2) (Municipality)

Registration number:	_____
Place:	_____

The Ministry of Local Government Administration, on the one hand (hereinafter – “MLGA”) and Municipality (hereinafter – the Municipality) on the other hand, (hereinafter – the “Parties”), have made this Agreement for the following reason:

SUBJECT OF AGREEMENT

The Parties agree to implement the ‘Municipalities for Youth (M4Y) in Kosovo Project’ (“Project”) financed by a Grant from the Government of Japan (“Donor”) under the Japan Social Development Fund in line with provisions set in the subject agreement. The International Bank for Reconstruction and Development (“World Bank”) will act as the administrator of grant funds provided by the Donor. The present Agreement is aligned with the terms and conditions for project implementation set out in the Grant Agreement between the World Bank and Republic of Kosovo (“Recipient”). The Recipient shall carry out the Project through MLGA (“Project Implementing Entity”) in collaboration with selected municipalities.

**ARTICLE 1
GENERAL TERMS**

- 1.1 The Municipality declares its commitment to the objectives of the Project implemented by the MLGA.
- 1.2 The Parties to the Agreement will carry out the Project activities according to the responsibilities assigned to them in the present Agreement.
- 1.3 In carrying out Project activities, the Parties to the Agreement will adhere to (i) “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 and revised in January 2011 and as of July 1, 2016 (“Anti-Corruption Guidelines”); (ii) safeguards provisions of the project-specific Environmental and Social Management Framework disclosed on MLGA website on November 30, 2018; and (iii) “World Bank Procurement Regulations for IPF Borrowers” dated July 2016, revised November 2017 and August 2018 (“Procurement Regulations”).
- 1.4 Any alterations to the Agreement shall be valid if made in writing and signed by both Parties and approved by the World Bank.

1. TERM OF THE AGREEMENT AND EARLY TERMINATION

- 1.1 This Agreement is valid until January 30, 2023 (M4Y Closing Date) and comes into force from the date of its signing by the Parties;
- 1.2 In case the Municipality fails to meet obligations as per this Agreement, the MLGA has the right to unilaterally terminate the Agreement and re-allocate the assigned funds with prior notification of 1 month;
- 1.3 In case the MLGA fails to meet obligations as per this Agreement, the Municipality has the right to unilaterally terminate this Agreement, with prior notification of 1 month.

2. FORCE MAJEURE

- 2.1 The Parties are released from the responsibility for non-fulfillment of their obligations under the present Agreement if this non-fulfillment was caused by circumstances beyond their reasonable control, such as: natural disasters, any other fact unpredictable and widely proven. The Party for which it becomes impossible to meet

obligations under the Agreement, is to notify the other Party of the above circumstances within 48 hours from the event;

2.2 If the force-majeure circumstances last longer than six months, then each Party shall decide the fate of the Agreement.

3. SETTLEMENT OF DISPUTES

3.1 Any disagreement, dispute or discrepancies which may arise out of the present Agreement between the Parties shall be settled through negotiations by the Parties;

3.2 If the Parties fail to agree, the unsettled issue shall be settled in court, in accordance with the Kosovo legislation.

ARTICLE 2 PROJECT EXECUTION

1. SUBPROJECTS FUNDING

MLGA

1.1 MLGA allocates the budget for youth subprojects in two annual rounds concurrent with the municipal budgeting process.

1.2 MLGA allocates budgets for youth subprojects according to a funds distribution formula made available to the municipality.

1.3 MLGA disburses subgrants directly to the grantees and/or procures works, goods and services in line with subgrant proposal.

Municipality

1.4 Municipality provide matching counterpart funding equal to at least 15 percent of the proposed municipal subgrant. Evidence of reserved matching funds is required.

1.5 Following Subgrant Agreements signing, Municipality disburses matching funding to grantees as the first subgrant advance.

2. SUBPROJECTS PREPERATION, IMPLEMENTATION AND OPERATION

MLGA

1.1 MLGA designs a needs-based capacity building plan to facilitate municipality's support for youth-driven community initiatives and provides resources for plan implementation.

1.2 MLGA provides training, stipends and coaching for community volunteers placed at Municipality to work on subgrants program and other youth activities.

1.3 MLGA approves the Subproject Evaluation Committee members proposed by the Municipality.

1.4 MLGA shares with the Municipality all subproject implementation progress reports, including reports prepared by Youth Monitors and Facilitating Partner NGOs.

Municipality

1.5 Municipality provides space, transportation and other logistics for project meetings and events.

1.6 Municipality commits 40 hours of staff time per month to facilitate preparation, implementation and supervision of subprojects. Engineer, youth officer, accountant and other relevant staff are included in these activities.

1.7 Municipality develops individual work programs for community volunteers, provides working space, access to work computer and covers all logistical and administrative expenses required to perform the activities in the work program.

1.8 Municipality establishes the Subproject Evaluation Committee, organizes calls for proposals and announces the winners.

1.9 Municipality supports capital investment grantees obtain environmental, construction and/or other official permits that may be requires.

- 1.10 Municipality integrates proposed investments in local development plans.
- 1.11 Municipality conducts regular supervision of capital investment subprojects and reports to MLGA any implementation irregularities, including those related to environmental protection.
- 1.12 Municipality provides officials certificates to all project volunteers to recognize their work experience.
- 1.13 Municipality develops Operations and Maintenance Plans for all municipal infrastructure and equipment financed by the Project and allocated budgets for implementation of the Plans.

3. PROJECT VISIBILITY

MLGA

- 1.1 MLGA organizes annual (Year 2 and 3) Youth Forums to disseminate subproject results and lessons learned, including about municipal support and youth orientation.
- 1.2 MLGA makes reference to Municipality financial and in-kind support in Project communications material.

Municipality

- 1.3 Municipality advertises broadly the launch of subgrants calls for proposals and organizes grant award ceremonies.
- 1.4 Municipality facilitates organization of municipal forums in which subproject budgets, expenditures and progress towards goals are presented.
- 1.5 Municipality organizes launch events for subprojects with municipal infrastructure and equipment.

4. SIGNATURES AND DETAILS OF THE PARTIES

<p>Ministry of Local Government Administration</p> <p>_____</p> <p>(Signature Secretary General)</p> <p>_____</p> <p>(Date)</p>	<p>Municipality.....</p> <p>_____</p> <p>(Signature Mayor)</p> <p>_____</p> <p>(Date)</p>
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Annex 3.3 TOR Facilitating Partner NGO(s)

TERMS OF REFERENCE Facilitating Partner NGO(s) Municipalities for Youth in Kosovo Project

I. Background

The Government of Kosovo (GoK) has received a grant in the amount of US\$ 2.79 from the Japan Social Development Fund, administered by the World Bank, to support socioeconomic inclusion of marginalized youth in Kosovo. The grant is being implemented by a Project Management Unit (PMU) in the Ministry of Local Government Administration (MLGA). The Municipalities for Youth (M4Y) in Kosovo project aims to improve cooperation and trust between youth and local governments by enabling local governments to address youth socioeconomic needs through better-targeted youth initiatives and services. Building on the Municipal Performance Management System (MPMS) – a performance-based incentive grant system implemented by MLGA to provide financing for municipal capital investments, the M4Y project will earmark funds to selected municipalities for youth-driven and youth-selected subprojects with the purpose of improving the delivery of youth-related small infrastructure and services at the community level.

The M4Y is predicated on a demand-driven approach to local youth programming. All initiatives prioritized for funding will be identified by youth through a participatory planning process that involves targeted beneficiaries, community stakeholders and local governments. **The objective of the M4Y is to improve the socioeconomic inclusion of at least 3,000 marginalized youth in vulnerable communities in Kosovo through youth-driven civic engagement and skills building activities.** The project will be implemented in minimum 10 municipalities across all 7 regions of Kosovo and include municipalities from northern Kosovo. Within selected municipalities, the project will target about 50 vulnerable communities to benefit from the positive and productive engagement of local youth. The project will complement the IDA-funded Connecting Youth Project (CYP) with a proposed budget of US\$20 million. The two projects will have geographical overlap in 10 municipalities (CYP will cover all 38 municipalities), coordinated outreach activities and M&E systems with aligned indicators.

The project is structured around 3 components, implemented over a period of 3 years. The project is designed around principles of inclusion and gender equity and will therefore seek to empower marginalized youth and women to participate. Component 2 is the subject of the current Terms of Reference.

Component 1: Subgrants for Youth-Driven Community Development Initiatives finances subprojects prioritized by youth to improve youth-friendly facilities and services. The component will finance two rounds of subgrants to establish youth-driven community development initiatives that support youth inclusion and livelihoods at the community level. Through these subgrants, the project will finance about 200 youth-driven initiatives. Through these community-level activities, minimum 5,000 youth will gain greater access to youth-related services or community infrastructure. This component will also finance an objective community needs and mapping assessment to identify target communities.

Component 2: Youth Stakeholder Training will support youth mobilization, skills development, training, and coaching activities to support the engagement of young women and men in the subgrants described in Component 1. This will include: (i) community mobilization and outreach activities; (ii) soft skills training and project preparation/management training for youth in target communities; (iii) technical support for youth groups and CBOs; and (iv) follow-up support for youth throughout subproject implementation, including opportunities for work experience.

Soft skills training and proposal development. The contracted Facilitating Partner NGO(s) (FP-NGOs) will hold soft skills trainings for a cohort of 150 young women and men (in each municipality per cycle) on leadership skills, creativity, conflict mediation, communication, and team work. The cohorts will also receive project development trainings, which will focus on community mobilization, subproject preparation (including design, beneficiary targeting, budgeting, and communications) and implementation (procurement, financial management (FM), and M&E) and introduce best practice approaches in gender-equity, citizen engagement, and climate-smart solutions. Training curricula will be developed through participatory approaches to ensure demand and applicability of soft skills to the Kosovo labor

market. This training will provide the entry point for youth beneficiaries interested in elaborating subproject proposals with guidance from the FP-NGO(s).

Implementation, monitoring and social accountability. FP-NGO(s) will provide ongoing support to youth groups/CBOs to ensure effective subproject implementation. A minimum of 500 youth will be engaged in volunteerism on subprojects or in municipality placements. Volunteers will receive a certificate recognizing their work and a daily stipend from FP-NGO(s) to reimburse their travel and other costs. This component will also finance the project's participatory monitoring activities organized by FP-NGO(s). This includes training of youth monitors and all logistics required to conduct project monitoring and social accountability activities, including regular field visits, social audits through community exchanges and municipal forums aimed at providing transparency in subproject implementation.

Disruptive technology. FP-NGO(s) will identify innovative technologies for delivering training, organizing volunteering activities and facilitating subproject implementation support to enhance access to project benefits, facilitate online youth engagement, and develop critical thinking skills among participants.

Component 3: Project Management and Administration, Monitoring and Evaluation, and Knowledge Dissemination

will cover the costs of a PMU, establishment of operational support mechanisms (MIS), travel, telecommunications, printing and other office expenses, processes to respond to beneficiary feedback, as well as managerial oversight and external audits.

II. Objective of Assignment

Youth programs in Kosovo tend to reflect donor or line ministry priorities with local governments remaining on the investment decision making for youth. The Municipalities for Youth (M4Y) in Kosovo Project will enable municipalities to directly address youth socioeconomic needs through earmarked funds to selected municipalities for youth-driven and youth-selected subprojects. This approach will increase cooperation between youth people, communities and municipalities, ensure local ownership and promote the sustainability of youth programming. To strengthen participating municipality's youth orientation and youth' capacity to design and implement community development initiatives, M4Y component 2 implementation will be supported by Facilitating Partner NGO(s) as described in this TOR.

The objective of this assignment is to carry out outreach campaigns, youth training and mentoring, capacity building for municipal staff, social accountability, and provide facilitation support to subprojects in selected municipalities. The FP-NGO(s) will work closely with the MLGA PMU, staff assigned by municipalities to support youth and M4Y community and subproject volunteers throughout the community subproject cycle. The FP-NGO(s) are likely to consist of one **leading FP-NGO** (large, national/international NGO) with multiple **regional FP-NGOs** (small, preferably regional or local NGOs) assigned per municipality. The regional FP-NGOs can be sub-contracted or be part of a FP-NGOs consortium. The leading NGO will be responsible for development of mobilization procedures, training curriculum, communication material and follow-up support guidelines to be implemented consistently by the smaller NGOs. The FP-NGO(s) will provide this support in accordance with the procedures outlined in the project operations manual (POM).

III. Scope of Work

To achieve the above objectives, the scope of work for the FP-NGO(s) will focus on three areas of activity: 1) preparation and mobilization support; 2) development of curriculum and training; and 3) implementation support and coaching to youth groups and municipality staff. These activities will be undertaken in the framework of Component 2, including the mobilization process, skills development, through subproject development and implementation support in targeted vulnerable communities. Specific tasks will include:

1) Preparation and Mobilization Support

The following table summarizes the activities and outputs related to FP-NGO(s) support for outreach activities, orientation, and baseline survey. This activity is described in detail in the POM section 3.2.

	Activities	Outputs/Deliverables
Outreach and Mobilization	<ul style="list-style-type: none"> • Develop strategy for mobilization of hard-to-reach youth for inclusion in POM • Support for updates to gender action plan in POM • Conduct outreach campaigns in line with Training of Trainers (TOT) manual and POM procedures • Recruitment of community influencers • Facilitate the participation of hard-to-reach youth in participatory needs and mapping assessment • Develop a visual brand (logo) for the project involving youth in the process • Prepare communication materials for mobilization campaigns 	<ul style="list-style-type: none"> • Recommended strategy for mobilization of hard-to-reach youth included in POM • Recommended changes to POM to advance gender inclusive procedures prepared • Report on community orientation and youth network mobilization meetings, and social and mass media campaigns completed • 1-2 community influences recruited per community • Community profiles completed for target communities • Proposals for project logo submitted • Communications material produced
Training Application Support	<ul style="list-style-type: none"> • Assist youth with application procedures and logistics 	<ul style="list-style-type: none"> • Minimum 150 youth per municipality apply annually to participate in training
Baseline Survey	<ul style="list-style-type: none"> • Collect baseline data from applicants in line with methodology provided in Monitoring and Learning Framework • Baseline data verified at training entry 	<ul style="list-style-type: none"> • Baseline data collected and inserted in Management Information System (MIS) • Unique beneficiary profiles created
Subproject Preparation	<ul style="list-style-type: none"> • Facilitate youth group formation and identification of youth leaders • Youth leaders coaches on a regular basis during subproject development process • Support preparation of technical specification/detailed design and beneficiary design verification • Review subproject proposals for eligibility 	<ul style="list-style-type: none"> • Youth groups formed and one youth leader identified per group (youth leaders trained in leadership skills as part of volunteering training) • Mentors assigned to youth leaders and regular coaching provided • Technical specifications/detailed designs reviewed by FP-NGO(s) • List of eligible subprojects submitted to Subgrant Evaluation Committee (SEC)

2) Curriculum Development and Training

The following table summarizes the activities and outputs related to FP-NGO(s) curriculum development and provision of training.

	Activities	Outputs/Deliverables
Training of Trainers	<ul style="list-style-type: none"> • Development of training curriculum for mobilization, training approaches per target group, and subproject preparation and implementation process in accordance with POM • Deliver training to local FP-NGO staff 	<ul style="list-style-type: none"> • Training curricula/manual for mobilization, training approaches, and subproject preparation and implementation developed and approved by MLGA/WB • Trainings delivered, Year 1 (months 4-6)
Soft Skills & Project Management Training	<ul style="list-style-type: none"> • Development of demand-driven training curriculum for soft skills and project management in accordance with the POM • Deliver training to two youth cohorts (ages 15-18 and 18-24) 	<ul style="list-style-type: none"> • Training curricula/manual developed and approved by MLGA/WB for soft skills and project management • Training delivered to 3,000 youth in 10 municipalities, Years 1-2

	<ul style="list-style-type: none"> • Provide all training logistics, including food and transport to beneficiary youth 	<ul style="list-style-type: none"> • Training logistics delivered according to youth needs
Monitoring and Social Accountability	<ul style="list-style-type: none"> • Development of training curriculum for participatory monitoring and social accountability in accordance with the POM (field visits, social audits, municipal forums) • Deliver training to local FP-NGO staff, MLGA PMU and Youth Monitors (Yms) 	<ul style="list-style-type: none"> • Training curricula/manual developed and approved by MLGA/WB for participatory monitoring and social accountability • Trainings delivered to FP-NGO staff, MLGA PMU and Yms, Year 1 (months 8-9)
Community and Subproject Volunteering	<ul style="list-style-type: none"> • Development of training curriculum for community and subproject volunteers (including youth leaders) in accordance with the POM • Selection of subproject volunteers and creation of shortlist of community volunteers • Development of volunteering resource materials • Deliver training to youth volunteers 	<ul style="list-style-type: none"> • Training curricula/manual developed and approved by MLGA/WB for subproject and community volunteering • Volunteering agreements signed with minimum 500 volunteers • Database of volunteers created • Resource material for volunteers produced and distributed • Trainings delivered to youth volunteers, Years 1-2
Municipal Capacity Building	<ul style="list-style-type: none"> • Development of training curriculum for municipal staff on youth support in accordance with the POM and findings of municipal capacity assessment. Modules may include: 1) Municipal obligations according to the Implementation Agreement; 2) Managing subgrants calls for proposals; 3) Developing work programs for Youth Volunteers; 4) Sustainability in local youth programming; 5) Subproject preparation and implementation support; 6) Youth-orientation in municipal services • Delivering training to assigned municipal staff and local council leaders 	<ul style="list-style-type: none"> • Training curricula developed and approved by MLGA/WB for municipal capacity building • Trainings delivered to municipal staff in selected municipalities and local council leaders of selected communities, Years 1-2

3) Subproject Implementation Support and Coaching

The following table summarizes the activities and outputs related to FP-NGO implementation support and coaching. It is envisioned that the FP-NGOs’ nature and level of engagement will depend on subgrants size and youth group experience with similar assignments (informal youth groups anticipated to need more support than established youth CBOs). The intensity and nature FP-NGOs support will change over time. Initially during the outreach and training, the FP-NGO(s) will lead the orientation and mobilization activities, training and project development support. However, once youth and municipal staff have undergone training and capacity building, the FP-NGO(s) will serve in a mentoring role to the youth volunteers that will lead the implementation of subproject and municipal support activities. The FP-NGO will also provide support to MLGA PMU and youth monitors on processing monitoring forms/data according to M4Y’s Management Information System (MIS).

	Activities	Outputs/Deliverables
Monitoring and Social Accountability	<ul style="list-style-type: none"> • Develop peer-to-peer network for community volunteers 	<ul style="list-style-type: none"> • National peer-to-peer networks established based on volunteering assignment

	<ul style="list-style-type: none"> • Support Youth Monitors and PMU M&E team to conduct regular field monitoring and social audits, and enter data into MIS • Co-facilitation of annual municipal forums with YMs • Provide ongoing mentorship to youth monitors 	<ul style="list-style-type: none"> • Monitoring data updated regularly (2-4 times a year) in MIS • Municipal forums held in each participating municipality annually, results documents and published • Youth monitors assigned mentors and received regular mentorship
Community and Subproject Volunteering	<ul style="list-style-type: none"> • Provide on-demand coaching and support to volunteers • Manage payment of stipends to volunteers 	<ul style="list-style-type: none"> • Youth volunteers assigned mentors and received regular coaching specific to their assignment • Youth volunteers received stipends for time spent volunteering
Subproject Implementation Support	<ul style="list-style-type: none"> • Assign focal points for each subproject team and develop implementation support plans for them • Support youth groups/CBOs in development of tender documents and procurement process • Supervise and monitor Component 1-related contracts • Support applicants in meeting environmental and social due diligence requirements as per POM procedures 	<ul style="list-style-type: none"> • Implementation support plans developed for each subproject team • Tender documents developed for each subproject • Subproject progress reports submitted quarterly to MLGA PMU • Completed Environmental and Social Risk Assessment Questionnaire submitted with subproject applications

IV. FP-NGO Teams Structure

The assignment will be managed by a **Core Team (CT)** within the Leading FP-NGO which will be responsible for the overall work program, curricula development, technology-enabled training and peer-to-peer networks, baseline collection, volunteer management, specialized trainings, etc. The CT is responsible for ensuring consistency and quality across field activities and will submit quarterly subproject progress reports to MLGA PMU. The FP-NGO CT is proposed to include the following members:

- 1 Project Manager based in Pristina
- 5-7 Experts experienced in the core technical areas of the assignment to develop curriculum; oversee and lead training (training of trainers, municipal staff and community volunteers); and coordinate outreach, volunteering and implementation support. The proposed Experts include:
 - Mobilization and Communications Expert
 - Curriculum Design and Instruction Expert
 - Digital and Networked Technologies Expert
 - Gender and Youth Inclusion Expert
 - M&E and MIS Expert
 - Municipal Capacity Building Expert
 - Financial Expert
 - Technical Expert

Implementation of outreach, youth training and subproject implementation support activities will be conducted by **Regional Teams (RTs)** part of smaller regional or local NGOs. To ensure field presence, the FP-NGOs will have regional or local offices aligned with locations of participating municipalities. Each FP-NGO RT will be comprised of a Regional Team Leader, and Community Trainers and Coaches (CT&Cs) commensurate with youth needs as identified in the needs and mapping assessments. Regional/local FP-NGOs will be responsible for overseeing CT&Cs, which will consist of existing regional/local FP-NGO staff and new regional/local recruits. Requirements for CT&Cs include:

- a. Qualifications and necessary experience on community engagement, youth training and coaching.
- b. Appropriate language skills for the target communities.
- c. The proposed number of CT&Cs is 30-40 (gender balanced).

V. Facilities and Logistics

The FP-NGO(s) will be responsible for the following:

- **Office facilities** – Office facilities such as furniture, equipment, computers, laptops, tablets, cell phones, internet connection, internet, telephone, and vehicles for the CT
- **Training and coaching facilities and logistics** – The Leading FP-NGO is responsible for training costs, including provision of training facilities, equipment (laptops, tablets, projectors, posters, manuals, reading material) and logistics (food, transport) which should be included in the financial proposal.
- **Travel costs** – If needed, accommodation, transport and per diem for key experts and CT&Cs not resident in the target municipalities may be included in the financial proposal. Unit rates for payment of accommodation must comply with state standards.
- **Management and Operational cost-** FP-NGO(s) should include reasonable management and operation costs in the financial proposal.
- **Working place and time.** CT&Cs will spend most of their time working with communities, youth groups, volunteers and municipal staff supporting the community mobilization process as well as sub-project preparation and implementation. CT&Cs will have work plans aligned with the community subproject cycle. It is expected that CT&Cs will spend at least 50 percent of their time in project communities.
- **Subproject workspace** – Youth groups with winning subproject proposals will be provided workspace for further design, assessment and implementation of subproject proposals. The workspace must include access to office equipment (computers, internet, printers, telephone, etc.
- **Volunteer stipend**– All subproject and community volunteers will be paid a EUR5 stipend per day of volunteering. FP-NGO(s) will track volunteering attendance and manage payment of stipends.
- **Remuneration fees:** The FP-NGO(s) shall indicate the remuneration fees and the salaries to be received by each CT&Cs in the financial proposal. The FP-NGO(s) shall pay the amount of salaries of and CT&Cs based on the salary rates indicated in the financial proposal and the signed contract.

VI. Reporting and Duration

The selected FP-NGO(s) will be contracted by the MLGA, the implementing agency, based in Kosovo for project implementation period of 36 months with an estimated start date of March 2, 2020. The projection closing date is January 30, 2023.

VII. Selection Criteria

The FP-NGO consortium is expected to have the following key qualifications and the ability to mobilize the Core Team and Regional Teams as described in Section IV. Due to the criteria of experience in diverse technical areas, regions of Kosovo (including northern municipalities) and experience with managing World Bank and/or funding from international financial institutions, the FP-NGO may be one NGO with regional/local partners in project areas or an NGO consortium with relevant geographic/technical expertise and experience and existing local offices in Pristina and M4Y municipalities.

Short-listing criteria include the following:

- The FP-NGO(s) should collectively have 5-10 years of work experience and demonstrated ability in:
 - Youth training in soft skills and civic engagement, particularly service learning and social impact innovation
 - Community-driven development approaches to addressing pressing infrastructure and service needs
 - Competition based subgrants youth programs
 - Volunteering programs
 - Social accountability mechanisms
 - Youth outreach and mobilization, including youth-centered social media campaign design and implementation
 - Municipal capacity building, including systems and behavioral change

- Technology-enabled peer-to-peer learning
- Familiarity with global, regional and local best practice in youth skills development, transition from school to work and civic engagement
- The FP-NGO(s) must have the necessary material and technical base (office premises, vehicles, furniture, equipment, office equipment, communications and others) to ensure the implementation of this ToR.
- The FP-NGO(s) must have experience working in M4Y municipalities and to ensure context-specific knowledge, preferably involve local/regional NGOs already established and functional in these municipalities.
- The FP-NGO(s) must experience in building local capacity through TOT programs, coaching and back-up support to field staff.
- The FP-NGO(s) should have a track record of implementing community-based and/or civic engagement programs financed by the World Bank and/or other international partners.
- The FP-NGO(s) should be able to present a team with the general experience and qualifications outlined in Section IV.
- The FP-NGO(s) should have minim 3 years registration in Republic of Kosovo and have an open bank account in Kosovo, to manage contract funds.
- The FP-NGO(s) should show a good standing financial records for the last two years.

VIII. Deliverables, Payment and Reporting

Reports described below will document FP-NGO(s) delivery of outputs as described in the Scope of Work in Section III and POM Chapter 3. All deliverables must be confirmed as acceptable prior to payment.

DELIVERABLES	DUE DATE	PAYMENT
Initiation		
<ul style="list-style-type: none"> • An updated Work Plan is presented (document format agreed with MLGA and approved by WB). • Recommendations provided on insertion/updates to the POM for mobilization of hard-to-reach youth and the promotion of gender inclusive procedures 	Within 2 weeks after contract signing	10% of the contract value
Preparation and Mobilization Support (Year 1)		
<ul style="list-style-type: none"> • Report on completed mobilization activities, including list of meetings held, youth-centered social media campaigns conducted and community influencers recruited 	Within 5 months after contract signing	20% of the contract value
<ul style="list-style-type: none"> • Report on training application support and process with data on selected participants (# of agreements reached) (Within 5 months after contract signing	
<ul style="list-style-type: none"> • Baseline data collected and inserted into MIS 	Within 7 months after contract signing	
<ul style="list-style-type: none"> • Report on group formation and subproject development support, including list of eligible subprojects 	Within 6 months after contract signing	
Curriculum Development and Training (Year 1)		
<ul style="list-style-type: none"> • Training programs/curriculum described in Section III finalized and approved by the MLGA and World Bank 	Within 3 months after contract signing	20% of the contract value
<ul style="list-style-type: none"> • Report on Training of Trainers, including adjustments to curriculum based on trainers’ feedback 	Within 4 months after contract signing	

<ul style="list-style-type: none"> Database of selected volunteers established, volunteer resource material produced and peer-to-peer networks established 	Within 7 months after contract signing	
<ul style="list-style-type: none"> Report on trained youth, volunteers and municipal staff, including adjustments to curriculum based on participants' feedback 	Within 7 months after contract signing	
Preparation and Mobilization Support (Year 2)		
<ul style="list-style-type: none"> Report on completed mobilization activities, including list of meetings held, social media campaigns conducted and community influencers recruited 	Within 17 months after contract signing	20% of the contract value
<ul style="list-style-type: none"> Report on training application support and process with data on selected participants (# of agreements reached) 	Within 17 months after contract signing	
<ul style="list-style-type: none"> Baseline data collected and inserted into MIS 	Within 19 months after contract signing	
<ul style="list-style-type: none"> Report on group formation and subproject development support, including list of eligible subprojects 	Within 18 months after contract signing	
Training (Year 2)		
<ul style="list-style-type: none"> Report on Training of Trainers, including adjustments to curriculum based on trainers' feedback 	Within 16 months after contract signing	
<ul style="list-style-type: none"> Database of selected volunteers established, volunteer resource material produced and peer-to-peer networks established 	Within 19 months after contract signing	
<ul style="list-style-type: none"> Report on trained youth, volunteers and municipal staff, including adjustments to curriculum based on participants' feedback 	Within 19 months after contract signing	
Subproject Implementation Support and Coaching (Year 1 and 2)		
<ul style="list-style-type: none"> Report on monitoring and social accountability support in communities, including MIS monitoring data updates, summary of municipal forums, field monitoring and social audits 	Quarterly after subproject selection	20% of the contract value
<ul style="list-style-type: none"> Report on community and subproject volunteering, including list of volunteers per assignment, tasks conducted, hours volunteered, total amount paid in stipends 	Quarterly after selection of volunteers	
<ul style="list-style-type: none"> Report on direct subproject implementation support, including overview of tender documents and completed procurement processes, contracts supervised and E&S due diligence requirements met 	Quarterly after subproject selection	
FINAL REPORT		
<ul style="list-style-type: none"> Final completion report on FP-NGO(s) activities in Year 1 municipalities 	Within 2 weeks of Phase 4 (small subgrants) and Phase 5 (large subgrants) completion	5% of the contract value
<ul style="list-style-type: none"> Final completion report on FP-NGO(s) activities in Year 2 municipalities 	Within 2 weeks of Phase 4 (small subgrants) and Phase 5 (large subgrants) completion	5% of the contract value

The results of FP-NGO(s) activities will be evaluated based on the results and indicators provided for in this ToR. Particular emphasis will be placed on the ability and efforts of FP-NGO on capacity building of municipal staff to independently manage youth-oriented subgrants by the time the contract ends. The FP-NGO(s) will be responsible for evaluating the performance of its staff, including Community Trainers and Coaches. The FP-NGO will report to the MLGA through the Project Manager (FP-NGO). All written FP-NGO reports will be in English and sent to MLGA with a copy for the World Bank.

Required reports include:

- Monthly and quarterly financial reports¹⁷ within 10 days after the end of each month (the established format will be negotiated during contract negotiations)
- Monthly and quarterly reports on the implementation of M4Y activities within 15 days after the end of each quarter (the established format will be discussed during the negotiations on the contract)
- Reports on the results of completed activities according to the payment schedule
- Regular self-assessment reports of individual consultants and community trainers and coaches (every 6 months).

¹⁷ Leading FP-NGO permits and convinces its sub-consultants to allow the Bank and / or persons or auditors appointed by the Bank to check and / or verify their accounts and records, as well as other documents related to the submission of the Proposal, for the provision of the Service and the execution of the Agreement. Any non-compliance with this obligation may constitute prohibited practice, subject to termination of the contract and / or the imposition of sanctions by the Bank (including the determination of disqualification) in accordance with the current procedures for sanctions of the Bank.

Annex 3.4 TOR Monitoring and Learning Framework & Management Information System

TERMS OF REFERENCE Monitoring and Learning Framework AND Management Information System Municipalities for Youth in Kosovo Project

I. Background

The Government of Kosovo (GoK) has received a grant in the amount of US\$ 2.79 from the Japan Social Development Fund, administered by the World Bank, to support socioeconomic inclusion of marginalized youth in Kosovo. The grant is being implemented by a Project Management Unit (PMU) in the Ministry of Local Government Administration (MLGA). The Municipalities for Youth (M4Y) in Kosovo project aims to improve cooperation and trust between youth and local governments by enabling local governments to address youth socioeconomic needs through better-targeted youth initiatives and services. Building on the Municipal Performance Management System (MPMS) – a performance-based incentive grant system implemented by MLGA to provide financing for municipal capital investments, the M4Y project will earmark funds to selected municipalities for youth-driven and youth-selected subprojects with the purpose of improving the delivery of youth-related small infrastructure and services at the community level.

The M4Y is predicated on a demand-driven approach to local youth programming. All initiatives prioritized for funding will be identified by youth through a participatory planning process that involves targeted beneficiaries, community stakeholders and local governments. **The objective of the M4Y is to improve the socioeconomic inclusion of at least 3,000 marginalized youth in vulnerable communities in Kosovo through youth-driven civic engagement and skills building activities.** The project will be implemented in minimum 10 municipalities across all 7 regions of Kosovo and include municipalities from northern Kosovo. Within selected municipalities, the project will target about 50 vulnerable communities to benefit from the positive and productive engagement of local youth. The project will complement the IDA-funded Connecting Youth Project (CYP) with a proposed budget of US\$20 million. The two projects will have geographical overlap in 10 municipalities (CYP will cover all 38 municipalities), coordinated outreach activities and M&E systems with aligned indicators.

The project is structured around 3 components, implemented over a period of 3 years.

Component 1: Subgrants for Youth-Driven Community Development Initiatives finances subprojects prioritized by youth to improve youth-friendly facilities and services. The component will finance two rounds of subgrants to establish youth-driven community development initiatives that support youth inclusion and livelihoods at the community level. Through these subgrants, the project will finance about 200 youth-driven initiatives. Through these community-level activities, minimum 5,000 youth (includes 3,000 direct and 2,000 indirect beneficiaries) will gain greater access to youth-related services or community infrastructure. This component will also finance an objective community needs and mapping assessment to identify target communities.

Component 2: Youth Stakeholder Training will support youth mobilization, skills development, training of 3,00 youth, and coaching activities to support the engagement of young women and men in the subgrants described in Component 1. This will include: (i) community mobilization and outreach activities; (ii) soft skills training and project preparation/management training for youth in target communities; (iii) technical support for youth groups and CBOs; and (iv) follow-up support for youth throughout subproject implementation, including opportunities for work experience.

Component 3: Project Management and Administration, Monitoring and Evaluation, and Knowledge Dissemination will cover the costs of a PMU, establishment of operational support mechanisms (MIS), travel, telecommunications, printing and other office expenses, processes to respond to beneficiary feedback, as well as managerial oversight and external audits.

II. Objective of Assignment

To develop a Monitoring and Learning Framework (MLF), online Management Information System (MIS), design of baseline and endline surveys, and collect endline survey data to enable adaptive project management through real-time monitoring, evaluation and learning under the Municipalities for Youth (M4Y) project. This consultancy aims to

provide useful and timely information about the project resources, activities and results to allow for periodic assessment and analyses that will guide and accompany project implementation. The objective is to generate actionable information about the project's performance during the life of the project and provide valuable knowledge for similar initiatives in the future. The MLF will include both the baseline and endline survey design. The baseline survey will be executed by the Facilitating Partner (FP)-NGO(s) providing soft skills training as part of the training intake while the endline survey will be executed by the MLF service provider or outsourced to a partner organization with relevant qualifications. The MLF is to be developed in collaboration with the M4Y PMU, selected FP-NGO(s) and focal points in participating municipalities. M4Y MLF must be compatible and aligned with the monitoring and learning system of the complementary youth intervention – Connecting Youth: Kosovo Youth Inclusion and Entrepreneurship Project. Specific objectives of the Monitoring and Evaluation (M&E) consultancy are:

Monitoring and Learning Framework

- To define the overall approach to monitoring, evaluation and learning for the M4Y project in coordination with MLGA's existing systems and processes for monitoring MLGA-supported activities at municipal level
- To develop the methods and tools for data collection, including design of baseline and endline surveys, and analysis of indicator information and develop corresponding guidance for users, , including on the execution of baseline and endline surveys
- To identify practical information management processes, related to monitoring, evaluation and learning, including clear schedules, responsibilities and interdependencies with other projects and MLGA M&E processes

Management Information System

- Design/adapt a web-based MIS (preferably open access) that allows for multi-stakeholder data inputs, real time tracking of indicators, data processing and analytics, and standardized reporting.
- Develop easy-to-use instruction manual and user-specific training for MLGA PMU, MLGA M&E staff in support departments, Facilitating Partner NGOs and Youth Volunteers.
- Provide periodic and on-demand technical assistance and systems maintenance support.

Endline survey

- Develop a technology-enabled endline survey tool (e.g. open access data collection app, SMS enabled surveys)
- Conduct beneficiary survey using quantitative and qualitative measurements to track endline values for project output, Intermediate Results and PDO indicators.
- Compare the endline results with the initial Intake/Baseline data for direct beneficiaries

III. Scope of Work

The selected M&E firm will work closely with the MLGA PMU and Facilitating Partner NGO to develop an LF, MIS and data collection tools that are in line with the project objective and responsive of the implementing partners monitoring and learning needs. Main activities and deliverables for this assignment include the following:

Monitoring and Learning Framework

- Assessment of project's monitoring and learning through review of project documentation, MLGA existing M&E processes and implementing partners' identified priorities
- A Monitoring and Learning Framework that will facilitate M4Y in reaching its learning objectives in line with the project's Theory of Change
- A list of outcome and the output indicators to supplement indicators as defined in the Project Paper
- Data collection forms, methods for collection and analysis of key indicators as related to the learning strategy (templates)
- Approved methodology for beneficiary baseline survey and training plan for data collection executed as part of soft skills training intake (M&E firm is involved in the design of the baseline survey, which is executed by the FP-NGO(s) as part of training intake)
- Training material for FP-NGO on the execution of baseline survey as part of soft skills training intake
- Basic Terms of Reference (TOR) for the project's final evaluation report, that is, the Implementation Completion and Results (ICR) report

- Proposal for Youth Participatory Monitoring and Evaluation throughout the project cycle, including guiding principles for development of Youth Monitors' training (developed by the FP-NGO) and involvement of youth in the design and execution of the project ICR
- Guidance on MLF tools and processes to support consistent implementation and timely generation of information and knowledge
- Standardized reporting templates in line with the project reporting requirements

Management Information System

- A functional software product with web interface that integrates subproject progress data with beneficiary survey results. The MIS must include the following:
 - i. Registration features that can segment and identify beneficiary groups (date of birth, gender, location, education/employment status)
 - ii. Ability to upload/store files, forms and images, and link them with unique beneficiary IDs to create beneficiary profiles
 - iii. Ability to assign user-specific activities and provide permission based on role
 - iv. Real time tracking of activities (pictures from the field, time log of inputs)
 - v. Geo-tagging (manual or automatic) to enable visualization of subprojects progress and results
 - vi. Dashboard that allows for easy tracking of key indicators against targets (baseline, target, milestones)
 - vii. Ability to conduct simple data analytics
 - viii. Ability to generate standardized reports (project aggregate, municipality and community level reports) and export data in usable formats to project stakeholders;
 - ix. A (cloud-based) data repository for hosting raw data collected in the field via the MIS
 - x. Ability to display and visualize the information collected from the system on the web;
 - xi. Ability to support multiple language
 - xii. Ideally software is open access (unlimited duration) and based on existing mature open access M&E tools, including proprietary off-the-shelf solutions (if one exists) that can be customized for the project.
- A technical guide with source codes, instructions for simple process modifications, connectivity and personnel requirements for running the system, sustainability plan. Guide will include recommended arrangements for back-up, synchronization, roles and responsibilities of information collectors, processors and other stakeholders, access, and types of automatically generate reports.
- A complete training package for MIS users consisting of an easy-to-use instruction manual, training material (visual aids, guide for TOT), hands-on training of key users/trainers
- Periodic and on-demand technical assistance and systems maintenance support during initial 12 months to address system stability, bug-fixing and user difficulties. Support can be provided remotely or online.

Endline survey (task can be outsourced)

- Technology-enabled survey instrument that allows for cost-effective and quick data collection
- Piloting and training plans, and a work plan for data collection (quantitative and qualitative) and analysis stage
- Manual and training content of required number of survey takers, supervisors, and data entry staff
- Data analysis plan, consent forms and protocols used during the endline assessment
- Data collection plan and locations: dates, teams and supervision

IV. Reporting and Duration

The selected firm will be contracted by the MLGA, the implementing agency, based in Kosovo over a period of 32 months with an estimated start date of March 2, 2020. The projection closing date is January 30, 2023. The PMU M&E specialist will be the primary contact person, with overall guidance being provided by the Project Coordinator. The World Bank will provide Technical Assistance on an as-needed basis.

V. Selection Criteria

Tenders by M&E firms will be evaluated based on the following criteria:

- Demonstrable experience in developing monitoring and learning frameworks for donor-funded projects
- Demonstrated experience in designing comprehensive MIS for national development programs
- Ability to provide project management and client liaison skills necessary to facilitate system design/development discussions with people of varying levels of educational and computer skills.
- Expertise and experience (a minimum of five years' experience) in designing completer user interactions and developing complex technical solutions.
- Expertise and experience in developing technical and user manuals, training materials and providing scheduled and on-demand training and technical assistance
- Experience in designing innovative and cost-effective beneficiary survey instruments
- Extensive research experience and data analysis skills (basic research and impact assessments)
- Assignment team must include 2-3 of these roles based on proposed MIS solution: MIS engineer, MIS programmer, system architect, monitoring and learning specialist.

VI. Deliverables and Payment

The selected firm shall be paid in accordance with the following payment schedule:

- *10% Upon contract signature*
- *10% Upon completion of inception report (within 1 month after contract signature)*
 - Successful completion of inception workshop with the project stakeholders, including a confirmation of monitoring and learning objectives, preferred processes and MIS functions
 - Inception report outlining project work plan, training schedules and milestones, baseline and endline survey methodology and instruments, agreed and signed off by all implementation stakeholders.
- *25% During Phase 1 & 2: preparation & configuration/customization (within 3 months after contract signature)*
 - A draft Monitoring and Learning framework with key data templates/forms and processes required for MIS development
 - A functional software product (demonstrating progress towards full functionality) allowing for testing of initial features.
 - A complete set of reference guide outlining the full system & training materials developed.
 - Training of key MIS users/trainers.
- *30% End of Phase 3: implementation (within 12 months after contract signature)*
 - A fully functional software product in line with MLF (fulfilling the full set of requirements) – The payment will not be made at the go-live date, but after the baseline data has been successfully inserted in the MIS.
 - Report of M&E training process
 - Record of closed technical assistance and systems maintenance requests
- *25% End of Phase 4: post-implementation arrangements (within 32 months after contract signature)*
 - A final PowerPoint presentation outlining the full range of MIS-related work
 - Electronic files with all raw data for endline survey in SPSS, STATA or other format in English
 - Survey report with methodology, instrument description, survey implementation process, comparison on endline data with initial Intake/Baseline data presented in narrative and tables/graphs

Annex 3.5 TOR Subgrant Evaluation Committee

TERMS OF REFERENCE Subgrant Evaluation Committee Municipalities for Youth in Kosovo Project

I. Objective

The Subgrant Evaluation Committee (SEC) reviews all youth-driven community development subgrant proposals based on selection criteria defined in the Subgrants Manual (SGM). SEC is responsible for ensuring the compatibility between the recommended proposals and the project's overall goals, World Bank procurement and safeguards requirements. SEC's recommendations are the basis for equitable distribution of project funds to targeted communities and beneficiaries.

II. Definitions

- a) **Chair** means the Mayor or Acting Mayor or other professional staff assigned from the municipality to perform the chairing role of the SEC. The Chair ensures that the SEC performs its obligations in a timely manner. The Chair may request SEC members to attend evaluation meetings in case of significant differences in evaluation outcomes. Meetings are overseen by the Facilitating Partner NGOs and reported to the MLGA PMU who takes a final decision on the evaluation dispute.
- b) **Voting members** refers to persons assigned to the SEC with the task to evaluate subproject proposals.
- c) **Committee** means Subgrant Evaluation Committee.

III. Responsibilities

The role of the SEC is to review each subproject proposal and related documentation, including safeguards documentation and photo materials related to the subproject. The SEC assesses the proposals against subgrants eligibility and selection criteria and provides recommendations for further approval by the PMU.

The Subgrant Evaluation Committee is assigned to:

- Ensure adherence to relevant project guidelines and the subgrants assessment criteria for eligible beneficiaries and activities;
- Review and assess subproject proposals based on eligibility criteria and endorsement of community stakeholders;
- Review and assess subproject proposals against predetermined selection criteria;
- Provide advice and justification the relative merit of subgrant proposals; and
- Prepare an evaluation matrix and recommendations for funding allocations to be presented to PMU for non-objection.
- Keep all proposal records and transmit for final documentation to the PMU;
- Act with discretion, impartiality and integrity throughout the selection process.

IV. Membership

The Committee will be comprised of 5 voting members: a) 1 academic, b) 2 civil society members and c) 2 youth representatives from non-target communities. The Facilitating Partner NGO will be in the observer role facilitating the process.

V. Operations

- Evaluation schedule: Committee members will be required to undertake 1 day reading time, and be available for up to 1 day meeting time per grant round cycle depending on the number of applications they are required to assess;
- Quorum: To achieve a quorum at least three of the SEC members must be in attendance;
- The Municipality and Facilitating Partner NGO will provide administrative support to the SEC;
- The Committee shall follow the general consensus principle, when determining its recommendations;
- Committee members will not publicly comment on behalf of the group. Neither will it seek to advocate on the needs of any individuals or organizations.

VI. Expectations and Requirements of Members

Members are required to:

- Understand and adhere to the principles of the project;
- Treat information with sensitivity;
- Keep informed of current developments, issues and concerns in the local community;
- Prepare for and actively participate in the evaluation meeting;
- Declare in advance any potential conflict of interest and to exit the room during the deliberation of any application in which they have an interest. Conflicts will be recorded in the minutes of the evaluation meeting;
- Act in a courteous manner, respecting others views and opinions. All members should respect the decision of the consensus view as adjudicated by the Chair.

VII. Support Provided to SEC Members

- All committee members will be briefed on the context of respective grant proposal they will be assessing;
- The Facilitating Partner NGOs can provide advice support and background information on each of the proposals to be reviewed by Committee members.

VIII. Evaluation Reports

- Evaluation Committee recommendations are reported to PMU for adoption;
- In order to avoid canvassing, membership of the panel is to remain anonymous, with only the structure, (number and overall composition of members) to be made available to the general public.

IX. Conflict of Interest

- Member are expected to sign a Declaration of Impartiality and Confidentiality Statement prior to evaluation;
- Members of the Committee are ineligible to receive any grant, sponsorship or funding from the project that is awarded through or on the advice of this Committee.

X. Resignation of Committee Member

- A Committee member may resign from the Committee by notifying the PMU in writing. The notification should comprise the reasons of resigning.

Annex 3.5 Municipalities

M4Y will be implemented in 10 municipalities with the highest 2019 MSP scores; 8 Albanian-majority and 2 minority municipalities. For illustration, table 9 shows the 10 municipalities (marked in grey) with highest 2018 MPS scores. The selection includes municipalities of all sizes and a wide geographic coverage. Table 9 will be replaced after publication of 2019 MPS scores in June 2020.

Table 9: Municipalities by Performance Score and Youth Population

Municipality (2020 list)	Performance (PMS) Score (2018)*	Youth Population (15-29)	Youth population (20-24)	Band Size of YP	Region	Minority -led
Junik/Junik	80	572	552	1	Gjakova	
Glllogvc/Glogovac	71	5886	6,230	3	Pristina	
Gjilan/Gnjilane	70	9824	8,322	4	Gjilan	
Dragash/Dragaš	69	3047	2,807	2	Prizren	
Istog/Istok	69	4151	3,538	2	Peja	
Pejë/Peć	67	9395	8,697	4	Peja	
Shtime/Štimlje	67	2971	2,490	2	Ferizaj	
Prishtinë/Priština	67	17427	17,708	5	Pristina	
Ferizaj/Uroševac	67	10985	9,850	4	Ferizaj	
Dečan/Dečane	67	4181	3,876	2	Peja	
Vushtrri/Vučitrn	66	7085	6,607	3	Mitrovica	
Prizren/Prizren	66	17946	16,553	5	Prizren	
Fushë Kosovë/Kosovo Polje	66	3207	3,133	2	Pristina	
Lipjan/Lipljan	65	5704	5,468	3	Pristina	
Hani i Elezit/Elez Han	64	900	831	1	Ferizaj	
Obiliq/Obilić	64	1998	1,999	2	Pristina	
Mitrovicë e jugut/Južna Mitrovica	62	6741	6,430	3	Mitrovica	
Rahovec/Orahovac	62	6253	5,380	3	Gjakova	
Gjakovë/Đakovica	61	10453	8,946	4	Gjakova	
Kaçanik/Kaçanik	61	3395	3,161	2	Ferizaj	
Podujevë/Podujevo	61	8499	8,277	4	Pristina	
Malishevë/Mališevo	60	6121	5,231	3	Gjakova	
Viti/Vitina	60	5130	4,124	2	Ferizaj	
Klinë/Klina	59	4265	3,788	2	Peja	
Suharekë/Suva Reka	58	6466	5,784	3	Prizren	
Skenderaj/Srbica	58	5243	5,088	3	Mitrovica	
Gračanica/Gračanicë	58	863	873	1	Pristina	X
Kamenicë/Kamenica	55	3752	3,295	2	Gjilan	
Novo Brdo/Novobërdë	55	595	593	1	Gjilan	X
Štrpce/Shtërpçë	53	540	582	1	Ferizaj	X
Ranilug/Ranillug	52	308	328	1	Gjilan	X
Parteš/Partesh	49	197	172	1	Gjilan	X
Klokot Vrbovac/Klokot Vërbovc	41	310	244	1	Gjilan	X
Leposavić/Leposaviq	37	TBC	TBC	1	Mitrovica	X
Mamushë/Mamuša	34	522	510	1	Prizren	
Zvečan/Zveçan	32	TBC	TBC	1	Mitrovica	X
Severna Mitrovica/Mitrovicë e veriut	21	TBC	TBC	1	Mitrovica	X
Zubin Potok/Zubin Potok	0	TBC	TBC	1	Mitrovica	X
		174,932+	161,467+			

Data is from Agency of Statistics of the Republic of Kosovo, 2019. PMS will be updated when available for 2019. [TBC – to be confirmed by the mayors.]

Annex 4: Application Forms and Volunteer TORs

Annex 4.1 Youth Stakeholder Training Application Form

(Available in Albanian and Serbian)

Applicant Name:	
Phone:	(Home) _____ (Mobile) _____
Email:	
Living Address:	
Date of Birth: DD/MM/YEAR (Provide copy of ID attached to the application)	
Gender Identity:	Vulnerability status:
Female <input type="checkbox"/>	Internally Displaced Person <input type="checkbox"/>
Male <input type="checkbox"/>	Returnee <input type="checkbox"/>
Genderqueer/Non-Binary <input type="checkbox"/>	Ethnic minority <input type="checkbox"/>
Prefer not to disclose <input type="checkbox"/>	Low-income household ¹⁸ <input type="checkbox"/>
	Female-headed household <input type="checkbox"/>
	Disabled <input type="checkbox"/>
Are you in school? Y/N _____ Grade: _____	Are you currently in training? Y/N _____
Highest obtained education level:	If yes, what kind of training?
Have you earned a cash income in the last 15 days? Y/N _____	
(If YES)	
Type of employment: _____ (informal/formal)	
How many hours a week do you work?	
Could you work full time (more than 6 hours a day) if you wanted to? Y/N _____	
How much do you earn a week?	
(If NO)	
Have you taken specific steps during the past four weeks in search of paid employment or self-employment?	
Y/N _____	
How many times over the past 12 months have you interacted with local government officials (in person, on the phone, via e-mail/online)?	
Not at all (no interaction) <input type="checkbox"/>	2-5 times (some interaction) <input type="checkbox"/>

¹⁸ Fulfils either one of these two criteria: 1) Female headed households; 2) Households in which adults earn less than minimum wage (€170 per month for workers between 35 and 65 years and €130 for workers under 35 years)

1-2 times (a little interaction) <input type="checkbox"/>	5-15 times (a lot of interaction) <input type="checkbox"/>
Would you be interested in a volunteering experience? Y/N	
(If yes) What types of volunteer work interests you?	
Renovating and rehabilitating public spaces/facilities	<input type="checkbox"/>
Implementing recreational activities	<input type="checkbox"/>
Raising awareness about environmental and social issues	<input type="checkbox"/>
Monitoring performance of subproject service providers/contractors	<input type="checkbox"/>
Volunteering in a municipality department	<input type="checkbox"/>
What motivates you to participate in this project?	
What skills or knowledge do you bring to this project?	
(Please provide in 2 min video alone or with a co-applicant)	
Name of emergency contact person: _____	
Relationship to trainee: _____ Contact phone: _____	
Participation Agreement. <i>By submitting this application, I confirm that the facts presented in my application are true and complete.</i>	
<i>(All the information presented in this form will be considered confidential. Failure to attend regular trainings will disqualify the trainee from further participation in project activities.)</i>	
Applicant Signature _____	Print: _____ Date _____
Parent Signature (if trainee under 18) _____	Date _____
<i>Filled out by approval committee:</i>	
Applicant lives in a target village/settlement/urban quarter?	Y/N _____

Annex 4.2 Youth Monitor Application Form

(Available in Albanian and Serbian)

Applicant Name:	
Community Name:	Municipality Name:
Gender Identity: Female <input type="checkbox"/> Male <input type="checkbox"/> Genderqueer/Non-Binary <input type="checkbox"/> Prefer not to disclose <input type="checkbox"/>	Do you have any previous experience in volunteering (If yes, explain briefly)?
What are the key tasks and obligations of a Youth Monitor?	
What qualities are desired from a Youth Monitor?	
Name of emergency contact person: _____ Relationship to trainee: _____ Contact phone: _____	
<p>Participation Agreement. <i>By submitting this application, I confirm my commitment to perform 20 hours of subproject monitoring (including training, preparation, field visits and reporting).</i></p> <p><i>(Failure to perform regular monitoring obligations will result in disqualification from volunteering activities.)</i></p>	
Applicant Signature _____ Print: _____ Date _____	
Parent Signature (if volunteer under 18) _____ Date _____	

Annex 4.3 TOR for Youth Accountant (Volunteer)

(Available in Albanian and Serbian)

I. Objective of assignment

To facilitate the accounting activities of M4Y subprojects and to support the daily financial management and book-keeping of municipal projects. The Youth Accountant will undertake accounting capacity building and services to M4Y grantees (youth groups and CBOs) and support municipality's regular accounting tasks. The aims to give young accountants and book-keepers without a permanent employment the possibility of training and work experience. Accounting support is limited to subprojects that involve municipal infrastructure and equipment and municipality's own investments and projects.

II. Duties and responsibilities

- Assist M4Y grantees in setting up regular accounting procedures, such as preparation of detailed subproject budgets, bank accounts, process payment receipts, monthly balance sheets, etc.
- Oversee M4Y grantees' accounting performance and provide on-demand accounting services throughout subproject implementation
- Support municipal accounting staff perform regular financial management tasks, including preparing financial statements, maintaining accounts payable.
- Assist municipal accounting staff in preparing income statements, monthly balance sheet; and
- Assist municipal accounting staff in overall office management.

III. Reporting

The Youth Accountant will report to the Head of the Municipality's Finance Department.

IV. Qualifications

- Relevant degree and training
- Interest in a career in accounting;
- Willingness to commit to a 1-year (part-time) position;
- Computer skills; and
- Excellent verbal and written communication skills.

Annex 4.4 TOR for Youth Engineer (Volunteer)

(Available in Albanian and Serbian)

V. Objective of assignment

To assist the Municipality's engineering support to M4Y subprojects with the purpose of ensure quality in design and civil works. The Youth Engineer will participate in the development of technical specifications for subprojects with capital investments, participate in tender procedures and monitor the quality of civil works. The volunteering post is open to engineering students and graduates who would like to gain practical experience with more experienced engineers in the Municipality.

VI. Duties and responsibilities

- Assist M4Y grantees in preparation of technical specifications for capital investment subprojects
- Support M4Y grantees in preparation of a statement of volumes of work and cost estimates
- Support grantees in preparation of tasks for the development of design solutions
- Assist M4Y grantees in obtaining construction and use permit, as needed.
- Support technical supervision of progress of subproject civil works
- Participate in the development and improvement of standard documents and procedures related to activities to ensure the quality of design and estimate documentation
- Monitor the quality of civil works at the stage of implementation and completion of subprojects;

- Monitor the quality of civil works and building materials to ensure their full compliance with the approved project (design and estimate documentation), working drawings, work design, compliance with building codes and standards applicable in the Republic of Kosovo
- Support the Municipality in planning and budgeting the sustainability, maintenance and operation requirements of subprojects.

VII. Reporting

The Youth Engineer will report to the Head of the Municipality's Planning Department.

VIII. Qualifications

- Higher engineering, construction and/or architecture degree and training
- Interest in an engineering career
- Willingness to commit to a 1-year (part-time) position;
- Computer skills;
- Familiarity with AutoCAD or similar engineering and design software; and
- Excellent verbal and written communication skills.

Annex 4.5 TOR for Youth Environmentalist (Volunteer)

(Available in Albanian and Serbian)

IX. Objective of assignment

To facilitate the Municipality's environmental consulting to M4Y and other youth initiatives, enhance communities' awareness of climate change, environmental pollution and protection, and support the Municipality in becoming more youth-oriented in its provision of environmental services. The Youth Accountant will provide on-demand environmental expertise to M4Y subprojects and track their performance on environmental sustainability, and support the provision of municipality's regular environmental services. The aims to give young environmentalists and climate change experts without permanent employment the possibility of additional training and work experience. Environmental consulting services are limited to subprojects that involve municipal infrastructure and equipment and municipality's own investments and services.

X. Duties and responsibilities

- Assist M4Y applicants in defining and formulating their sustainability goals and measures
- Assist M4Y applicants translate their sustainability measures into technical specifications
- Assist M4Y applicants in preparing environmental assessments (ESMP Checklist and ESMP), as required
- Oversee M4Y grantees' environmental performance and provide on-demand environmental consulting services throughout subproject implementation
- Organize community events to raise awareness about good environmental practices
- Prepare guidance note for municipalities on youth-oriented environmental services
- Pilot 1-2 initiatives from the guidance note.

XI. Reporting

The Youth Environmentalist will report to the Head of the Municipality's Planning Department.

XII. Qualifications

- Relevant environmental sciences degree and training;
- Interest in a career in environmental management;
- Willingness to commit to a 1-year (part-time) position;
- Computer skills; and
- Excellent verbal and written communication skills.

Annex 4.6 TOR for Youth Social Worker (Volunteer)

(Available in Albanian and Serbian)

I. Objective of assignment

To facilitate the social inclusion efforts of M4Y subprojects and improve the youth-orientation of Municipality's regular social services. The Youth Social Worker will work with M4Y subproject teams to ensure that youth facilities/services offered take into consideration the special needs of disadvantaged youth in the community. S/he will also identify opportunities for improving youth's access to municipal social services, including counseling, therapy, and unemployment services. The volunteering post is open to public health and psychology students who would like to gain practical experience in municipal social work.

II. Duties and responsibilities

- Assist M4Y grantees design subprojects that are responsive to needs of disadvantaged and at-risk-youth in their communities, including those that may be subject to abuse or neglect
- Assist M4Y grantees design subproject inclusion measures that target disadvantaged youth without singling them out
- Support M4Y M&E Specialist in identifying indicators and tools for measuring the subprojects' inclusion impacts;
- Identify opportunities for improving youth-orientation of municipal social services
- Pilot 1-2 initiatives for making social services more visible, attractive and accessible to youth

III. Reporting

The Youth Social Worker will report to the Head of the Municipality's Social Welfare Department.

IV. Qualifications

- Relevant degree and training (public health, psychology)
- Interest in a career in social work
- Willingness to commit to a 1-year (part-time) position;
- Computer skills; and
- Excellent verbal and written communication skills.

Annex 5: Environmental and Social Safeguards Forms**Annex 5.1 Environmental and Social Risk Assessment Questionnaire**

Form to be used to conduct a preliminary assessment of subproject environmental and social risks (step 3 in process cycle for ESM implementation). Form to be used for all infrastructure subprojects (even slight infrastructure).

Name of subproject:				
Location:		(Municipality)	(Community)	
Name of subproject group leader:				
No	Environmental Risk Questions	Yes/No	Not Known	Details/Notes
1	What type of works will be contracted for sub – project activities?			
2	Will there be only repair slight work/rehabilitation of buildings other small-scale civil works or other type of activities?			
3	Will the installation of equipment or other small correction going to take place under the sub-project and what nature?			
4	If using existing premises, please provide detailed description which and how.			
5	If the sub-project is a part of planned new infrastructure, please provide description which and how.			
6	Is the section (sub-project) located in the protected area?			
7	Are any protected species using the area anytime of the year (whether a PA or not)?			
8	What type of protected area (PA)? (level, and reason for protection)			
9	Is the sub-project located in or potentially affects archeological or cultural heritage site?			
10	Is the nature of the site: - Coastal/Riparian, - Urban, - Agricultural, - Industrial, - Other specific – please specify in the 'Notes' column?			
11	Is there a right of way issue or need for land acquisition?			
12	Does the sub-project require environmental permits, EIA or other type of EA under the national legislation?			
13	Does the sub-project require specific public consultations under the national legislation?			
14	Is generation of larger quantities of hazardous waste (asbestos, compact fluorescent lamps, lead paint debris, oil/fuel-contaminated equipment such as old boilers or diesel tanks, etc.) or special types of waste (radioactive lighting rods) expected as a result of the subproject?			
15	Will there be a procurement of chemicals?			
16	Other remarks/issues			

Annex 5.2 Indicative Good EHS Practices in Small Community Subprojects**Good Practices for Cleaning, Repair, and Rehabilitation of Streets and Public Spaces**

Possible Issues	Selected Mitigation Measures	Applicable IFC ESH Guidelines
Emission of dust and/or odors, including exposure to paint, paint thinner, cleaning solvents, trash Accidents that could lead to a fire or injuries	Include technologies for controlling odor and dust in project design Use correct tools, as well as protective clothing and masks for all workers	2.4 Chemical Hazards 2.7 Personal Protective Equipment (PPE) 4.2 Occupational Health and Safety 4.1 Environment
Changes to the soil (erosion/fertility/salinity/pollution) Increase in water use	Erosion control during work Use water efficiently and only as needed	2.1 General Facility Design and Operation 4.1 Environment
Disruption/congestion of transport and traffic Increase in traffic-related threats to motorists and pedestrians	Inform the affected communities of possible disruptions Create diversion signage and use flags to divert walkers and cars if needed	3.4 Traffic Safety
Production of excessive solid waste	Proper disposal of waste	1.6 Waste Management

Good Practices for Environmental Clean-Up Campaigns

Possible Issues	Selected Mitigation Measures	Applicable IFC ESH Guidelines
Worker injury due to trash collection tools, receptacles, and unknown / unsafe trash elements (e.g. medical waste, chemical waste, hazardous waste)	Use correct tools, as well as protective clothing and masks for all workers	2.4 Chemical Hazards 2.7 Personal Protective Equipment (PPE) 4.2 Occupational Health and Safety 4.1 Environment
Stirring up and/or exposing soil/dust	Soil dampening	4.1 Environment
Disruption/congestion of transport and traffic Increase in traffic-related threats to motorists and pedestrians	Inform the affected communities of possible disruptions Create diversion signage and use flags to divert walkers and cars if needed	3.4 Traffic Safety
Production of excessive solid waste Sustainability of trash collection activity to diminish future volumes of trash	Proper water storage, transportation, treatment and disposal during activity Complementary activity on waste prevention, recycling and reuse, and proper disposal	1.6 Waste Management

Good Practices for Planting Gardens

Possible Issues	Selected Mitigation Measures	Applicable IFC ESH Guidelines
Worker injury due to trash collection tools, receptacles, and unknown /	Use correct tools, as well as protective clothing and masks for	2.4 Chemical Hazards

unsafe trash elements (e.g. medical waste, chemical waste, hazardous waste)	all workers	2.7 Personal Protective Equipment (PPE) 4.2 Occupational Health and Safety 4.1 Environment
Stirring up and/or exposing soil/dust	Soil dampening	4.1 Environment
Increased water demand for sustaining plantings	Correct garden design and planting so as to minimize runoff and maximize water efficiency Proper selection of water-efficient species of plants	1.4 Water Conservation 3.1 Water Availability
Cutting of trees or the destruction of green spaces	Ensure that implementation plan avoids cutting trees and destroying green spaces and, if necessary, revegetation should be planned and included in the subproject	
Gardens as public spaces become place to dump trash	Waste management planning, including proper waste receptacles, plan for waste pick-up, etc.	1.6 Waste Management

Good Practices for Painting and Minor Rehabilitation of Classrooms in Schools and Youth Centers

Possible Issues	Selected Mitigation Measures	Applicable IFC ESH Guidelines
Unsafe or structurally unsound building design	Review of construction/rehabilitation design by engineer according to Kosovo building code for public facilities	3.2 Structural Safety of Project Infrastructure 3.3 Life and Fire Safety
Unsafe traffic management during construction	Minimize pedestrian interaction with construction vehicles, use appropriate signage, etc	3.4 Traffic Safety
Noise exceeding permitted levels	Implement noise canceling and mitigating measures	1.7 Noise
Emission of dust and/or odors, including exposure to paint, paint thinner, cleaning solvents, trash Accidents that could lead to a fire or injuries	Include technologies for controlling odor and dust in project design Use correct tools, as well as protective clothing and masks for all workers, provide OHS training	2.Occupational health and safety
Production of excessive solid waste, improper management and treatment of waste	Proper water storage, transportation, treatment and disposal during activity	1.6 Waste Management

Annex 6: Procurement Strategy and Plan**Annex 6.1 Project Procurement Strategy for Development**

PROJECT PROCUREMENT STRATEGY FOR DEVELOPMENT
PPSD Short Form
Rev Draft Nov 20, 2018

1. Project Overview

Country:	Kosovo
Full Project Name:	Municipalities for Youth (M4Y) in Kosovo
Total Finance (\$):	USD 2,785,000 (JSDF Grant)– closing date 30-Jan-2023
Project Number:	P165485
Summary of Project Development Objectives	Project Development Objective (PDO) is to improve the economic inclusion of at least 3,000 marginalized youth in vulnerable communities in Kosovo through youth-driven civic engagement and skills building activities.

i. Project Components and activities

The proposed project will work through local governments to effectively target vulnerable communities and channel resources for sub-projects identified, prioritized, and designed by disadvantaged youth. Youth participants will benefit from soft skills training and project proposal preparation, building skills that are both valuable for future employers and to lead effective transformations in their communities. The Ministry of Local Government Administration (MLGA) is the implementing institution, and municipalities will also be key stakeholders under the Project. The direct beneficiaries of this Project are underemployed, unemployed, or inactive youth ages 15-24 living in vulnerable communities. The Project includes the following components and activities:

Component Name Cost (Euro Millions)	Cost (USD Thousands)
Component 1: Subgrant for Youth-Driven Community Development Initiatives	\$ 1,719,000.00
Component 2: Youth Stakeholder Training	\$ 777,000.00
Component 3: Project Management, Monitoring and Evaluation, and Knowledge Dissemination	\$ 289,000.00
Total financing	\$ 2,785,000.00

The following activities are envisaged for under respective Project components:

Component 1. Subgrant for Youth Driven Community Development Initiatives

Activity 1.1 - Recruitment of Consultant for needs and mapping assessment (\$ 9,000).

Activity 1.2 -Youth driven initiatives (\$1,710,000). This activity includes sub grants to be provided to youth communities in the identified municipalities, which are demand driven; The procedures for approval of sub grants to youth communities will be described in the Project Operations Manual (POM).

Component 2. Youth Stakeholder Training

Activity 2.1 - Recruitment of an NGO to provide training to targeted youth communities and provide technical support on sub-grants preparation (\$ 777,000).

Component 3. Project Management, Monitoring and Evaluation, and Knowledge Dissemination

Activity 3.1 – Recruitment of project coordinator for Project Management Unit – PMU (\$ 72,000).

Activity 3.2 – Recruitment of financial management specialist for PMU (\$38,400).

Activity 3.3 – Recruitment of procurement specialist for PMU (\$54,000).

Activity 3.4 – Recruitment of consulting firm for annual external financial audit (\$ 16,000).

Activity 3.5 – Recruitment of safeguard specialist for PMU (\$18,000).

Activity 3.6 – Recruitment of consultant for Implementation Completion Report (\$7,500).

Activity 3.7– Recruitment of consulting firm to prepare integrated MIS platform (\$59,700).

Operating costs, launch workshop, and knowledge sharing events - \$23,400.

ii. Project Development Objectives

Improve the socioeconomic inclusion of at least 3,000 marginalized youth in vulnerable communities in Kosovo through youth-driven civic engagement and skills building activities.

iii. Result Indicators

Project Development Objective Indicators

- i. Number of beneficiaries gaining new skills in project preparation, management and implementation. Target: 3,000, of which at least 50% are young women
- ii. Number of youth-driven community initiatives completed. Target: 200
- iii. Percentage of beneficiaries reporting that project investments reflect their needs as identified at the project start. Target: 80% (equally for women and men).
- iv. Percentage of youth beneficiaries reporting minimum 20% of income increase: Target: 10%

2. Strategic Assessment of Country, Borrower and Marketplace

a. Operational Context

-The proposed project is consistent with the World Bank Country Partnership Framework (CPF) for the Republic of Kosovo (FY17-FY21). The strategic objective of the FY17–21 CPF is to support Kosovo in moving along a path toward more sustainable, export-oriented, and inclusive growth, in order to provide its citizens greater opportunities for a better life. This project directly supports CPF Focus Area 1 - Enhancing Conditions for Accelerated Private Sector Growth and Employment, and will contribute to achieving Objective 3 - Enhancing employment opportunities and inclusion for youth and women.

-The CPF highlights findings from the Risk and Resilience Assessment for Kosovo which identifies economic and political exclusion of youth as one of the greatest and most relevant risks for Kosovo in the near to medium term.

-The proposed project is also in line with Kosovo's 2016-2021 National Development Strategy (NDS), which identifies investments in human capital as key to reducing unemployment and promoting social inclusion in the country.

Governance and Economic Aspects

Kosovo is ranked as 85 out of 180 countries worldwide in Transparency International (TI) 2017 Corruption Perceptions Index. Although Kosovo has established institutions and legal mechanisms to fight corruption, the lack of coordination among organizations involved has posed a serious obstacle to success. According to a report published by the European Commission (EC) in 2016, the Kosovo Anti-Corruption Agency has improved its cooperation with the criminal investigation authorities but lacks the analytical capacity to assess risks in sectors vulnerable to corruption. As result, the number of corruption-related cases brought to justice is small and on the decline. Further work is needed on preventive measures. These include improvements in the transparency of decision making and public access to

information across the public sector, particularly in high-risk areas such as public procurement and access to administrative services. Kosovo is relatively small country, new statehood and the average age of its population and small size of the economy result in an economy of scale, which, in some fields, pushes up the cost of services and goods. The access to global markets is costly and firms are less able to integrate into global value chain, especially for highly specialized goods and investment for various equipment.

b. Client Capability and MLGA Assessment

The responsibility for the project implementation will be with MLGA. The Project Management Unit (PMU) within the MLGA will be in charge with project coordination, day-to-day facilitating the project management, including fiduciary and technical functions, as well as monitoring and evaluation. The PMU will be staffed with respective specialists to ensure fiduciary aspects of Project, such as the project coordinator, finance management (FM) specialist, procurement specialist, safeguard specialist and other short-term consultants. The procurement function will be covered by the procurement specialist, with the support of the project coordinator in the PMU.

The following SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis has been prepared to support the Borrower capability assessment in terms of the procurement for this project.

<p>Strengths</p> <p>Well-motivated staff in MLGA eager to be involved in donor financing projects.</p>	<p>Weaknesses</p> <p>MLGA has never been involved in a Bank-financed project.</p> <p>Not adequately trained PMU staff for new procurement framework and on STEP.</p> <p>Limited capacity of Evaluation Committee Members to carry out evaluation process including for large contracts.</p>
<p>Opportunities</p> <p>MLGA staff shows readiness and interest to strengthen local capacity on procurement, through attending continuous trainings.</p>	<p>Threats</p> <p>MLGA not prepared for undertaking procurement in accordance with new procurement regulations.</p>

c. Market analysis

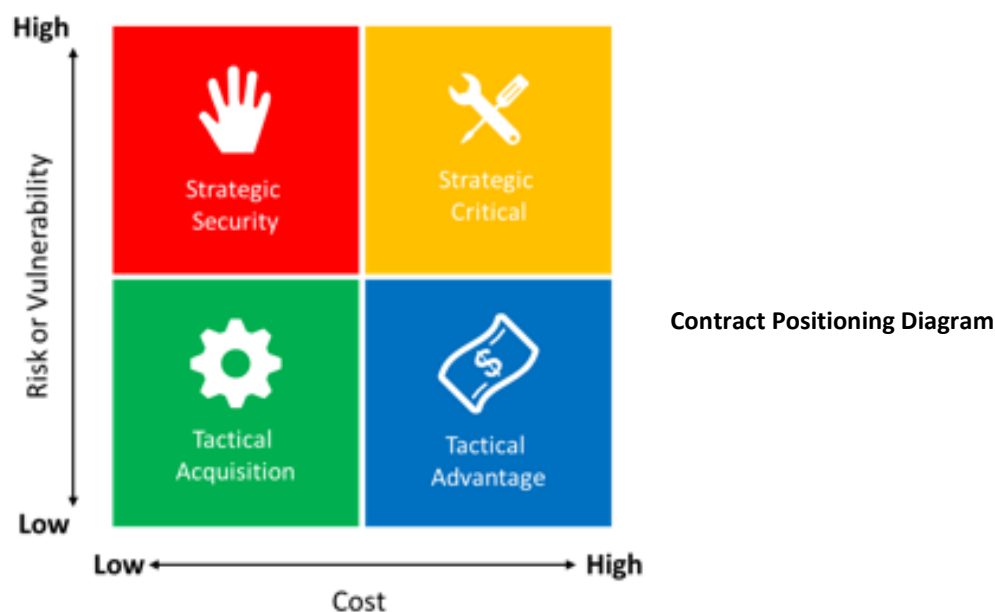
The project will finance the following main contracts and activities:

- Relevant Consulting & Training services: The previous youth entrepreneurship project in Kosovo has shown that local NGOs have sufficient expertise to handle the main consulting services under component 2, which involves training and technical support to targeted youth communities.
- Sub-grants for youth communities: Component 1 of the Project will finance sub-projects for youth communities, to be prepared and submitted with the support of the local NGO(s); these sub-grants will be selected according to criteria set forth in the Project Operations Manual (POM). It is expected that such demand driven sub-grants will not exceed \$30,000 equivalent and may include services, equipment or refurbishment works for the youth community. The SOM will describe all procedures related to the sub-grant approval, and implementation, including also procurement process for the mentioned services, equipment and refurbishment works.
- Services for annual external audit: The experience of current projects in the country shows availability of local interested and qualified firms for such kind of services.
- Consulting services for project management and capacity building for MLGA: This would include hiring individual consultants for Project Coordinator, FM specialist, Procurement specialist, safeguard specialist and other short-term consultants for implementation report, for preparation of management information system, for baseline survey, as well as for preparation of community needs assessment. From their nature, such services are expected to be provided from within Kosovo, as such expertise is available within the country.

As above, the main NGO consulting services under component 2 shall be procured following the Quality and Cost Based Selection (QCBS) method; The annual external FM audit assignment will be tendered using the Selection based on Consultant Qualification (CQ) method.

The remaining individual consultant assignments to follow *individual consultants (IC)* selection method, thus will be hired competitively as the required expertise can be covered by individual experts in respective areas.

Supply positioning for contracts financed by the project: Out of the Project total of \$ 2,785,000, the component 2 involves the main assignment (of \$ 777,000) by the NGO(s) for sub-grant training and support which involves a high cost/high risk assignment (thus it would fall under “Strategic Critical” part). The remaining procurement activities described above mostly are categorised as tactical acquisitions (i.e. low cost/low risk activities).



3. Procurement Risk Analysis

The MLGA is a government institution financed from the Kosovo Government budget, as such is required to follow the Kosovo Public Procurement Law (PPL) on the acquisitions made under Government budget. The procurement activities of MLGA are conducted by its Procurement Department, which currently includes the Head of Department and three procurement officers. The MLGA’s procurement regulations under PPL differ from the Bank’s Procurement Regulations required under the proposed Project. This will be the first Bank financed project to be implemented by MLGA. Hiring of new PMU staff with experience under the Bank procedures would be a challenge given the Ministry of Finance (MoF) Decision issued on June 2016 in regard to the salaries of the civil servants, as it may reduce the interests of qualified staff to participate in competition. Kosovo environment has been identified with high risk on corruption; pressure of height level officials to influence in the results of the selection/tendering process was also been identified in the WB project portfolio. To mitigate the identified risk, the following measures are proposed to be taken: (i) hiring a local procurement officer with knowledge on Bank procurement which will support the agency on the activities under the project, (ii) additional PMU staff to support MLGA on project coordination, FM, safeguards, preparation of project completion report, preparation of management information system, shall be hired; (iii) The PMU team, including the procurement specialist and FM specialist shall report to PMU coordinator; (iv) The MLGA shall set up in timely manner the evaluation committee/ for evaluation of proposals, and further, will ensure the committee members should have solid knowledge in the field of the assignment. In addition, the PMU staff should attend the procurement trainings/workshops organized by the Bank in the region. After the above measures are taken, the risk rating is expected to be Substantial.

4. **Procurement Objective**

- Procurement activities to be conducted in timely manner.
- Establish adequate record keeping.

5. **Recommended Procurement Arrangements for the Project**

(a) Activity description:

- (i) Selection of consulting firms/NGOs who will carry out respective activities described above (2.1, 3.4, and 3.7);
- (ii) hiring individual consultants for activities described above (1.1, 1.2, 3.1-3.3, 3.5-3.6);
- (iii) Operating cost expenditures, training, workshops/knowledge sharing, in accordance with the annual plan agreed in advance with the Bank;
- (iv) Sub-grants for targeted youth communities: Respective procedures shall be described in detail in SOM, given the demand-driven nature of sub-grants.

(b) Activity category: Individuals consultants (IC), Consulting Services with firms, and Operating Costs and training/workshop.

(c) Estimated cost for activities under Project: \$ 843,100 is the aggregate estimated cost for selection of consulting firms (activities 2.1, 3.4, 3.7 and 3.8); \$ 214,500 is the estimated cost for selection of seven individual consultants; \$ 23,400 is the anticipated operating cost and learning events/workshops. The aggregate amount for sub-grants is expected \$ 1,710,000.

(d) Risk rating: Substantial.

(e) Preferred arrangement for low value/low risk activities: Refer to procurement plan in next section.

Summary of PPSD to be included in the Bank's preparation of the PAD

PROCUREMENT:

1. Procurement will be conducted according to the World Bank's Procurement Regulations for IPF Borrowers' (the Regulations), issued in July 2016, and revised November 2017 and August 2018 for the supply of goods, works, and non-consulting and consulting services, and the Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants, dated October 15, 2006 and revised in January 2011 and as of July 1, 2016. Under the Regulations, the Project Procurement Strategy for Development (PPSD) is used to analyse and determine the optimum procurement approach to deliver the right procurement result. The PPSD carried out for the project entailed a strategic assessment of the operating context and beneficiaries' capabilities, as well as the market, the different stakeholders, and the risks impacting procurement processes, and it informed the Procurement Plan.

2. Most of the consulting services under the Project would involve competition using national market approach. The project will use the online tool STEP (Systematic Tracking of Exchanges in Procurement).

3. **Project Procurement Strategy Development.** As per the requirement of the Regulations, a Project Procurement Strategy Document (PPSD) has been developed and finalized after review by the Bank. Market analysis has been carried out for different consulting services to ensure adequate participation of firms/individuals. Based on the PPSD, the procurement plan has been prepared to set out the selection methods to be followed by the Borrower during project implementation in the procurement of consulting services financed by the Bank.

4. **Project Procurement Development Objectives (PPDO).** The project procurement development objectives are the following:

- Procurement activities to be conducted in timely manner.
- Establish adequate record keeping.

5. **Project Procurement Result Indicators.** The achievement of the PPDO will be measured by the following indicator:

- (a) Timely completion of major contracts by 90 percent.
- (b) Record keeping system is established and functioning in the PMU.

6. **Key procurement under the project.** The following procurement methods are anticipated under the project:

(a) *Procurement of Goods, Works and Non-Consulting Services.* Goods and works required under the project would include procurement of equipment or refurbishment works identified under the demand driven sub-grants for targeted youth communities. While the procurement procedures for such goods/equipment and works will be described in detail in the Project Operations Manual (POM) (POM), it is expected that the shopping procedures (comparison of not less than three quotations) will be used to procure such equipment/refurbishment works.

(b) *Selection of Consultants:* Consulting services identified under the Project would include hiring of experienced NGO(s) to provide training and support to targeted youth communities, hiring of consulting firm for annual external FM auditing, hiring of individual consultants for project implementation such as project coordinator, FM and procurement specialists, safeguard specialist, short term consultants for needs and mapping assessment, for preparation of implementation completion report, for management information system, etc. Short lists of consultants for services estimated to cost less than US\$300,000 equivalent per contract may be composed entirely of national consultants in accordance with the provisions ECA Regional Procurement Thresholds. Consulting firms and individual consultants will be selected in accordance with Regulation for Borrowers. All Terms of References (TORs) are subject to the Bank's prior review irrespective of prior/post review status.

7. **Advertisements:** A General Procurement Notice (GPN) will be published online on the UNDB website. Specific Procurement Notices (SPN) will be published as the corresponding bid documents become available. All these advertisements shall be made through STEP system.

8. **Debarments:** The Borrower will respect debarment decisions by the Bank and will exclude debarred firms and individuals from the participation in the competition for Bank-financed contracts. Current listing of such firms and individuals can be found at the following website address: <http://www.worldbank.org/debarr>

9. **Assessment of the Agency's capacity to implement procurement:** The Bank team has carried out an assessment of the procurement capacity of MLGA, as implementing agency under the Project. The procurement assessment concluded that:

- (i) The MLGA and its staff lack experience with the Bank project financing;
- (ii) The agency's procurement regulations differ from the Bank's Procurement Regulations required under the proposed Project;
- (iii) Hiring of new PMU staff with experience under the Bank procedures would be a challenge given the MoF Decision issued on June 2016 in regard to the salaries of the civil servants, as it may reduce the interests of qualified staff to participate in competition;
- (iv) Kosovo environment has been identified with high risk on corruption; pressure of high level officials to influence in the results of the selection/tendering process is an issue identified in the Bank's project portfolio;

Based on the above, the procurement risk is assessed as High. To mitigate the identified risk, the following measures are proposed to be taken: (a) hiring a local procurement officer with knowledge on Bank procurement which will support the agency on the activities under the project, (b) additional PMU staff to support MLGA on FM, safeguards, preparation of project completion report, preparation of management information system, shall be hired; (c) The PMU team, including the procurement specialist and FM specialist shall report to the PMU coordinator; (d) The MLGA shall set up in timely manner the evaluation committee for evaluation of bids/proposals, and further, will ensure the committee members should have solid knowledge in the field of the assignment. In addition, the PMU staff should

attend the procurement trainings/workshops organized by the Bank in the region. After the above measures are taken, the risk rating is expected to be Substantial.

10. **Frequency of Procurement Supervision.** In addition to the prior review supervision to be carried out by the Bank team, the capacity assessment of the Implementing Agency recommends supervision missions every six months during the first year of implementation, and once every subsequent year. Post reviews will be carried out regularly with a minimum sampling of two into ten.

11. **Procurement methods and prior review thresholds:** The procurement plan shall set forth those contracts which shall be subject to the World Bank’s mandatory Prior Review. It is proposed to follow the procurement thresholds applicable effective July 2016, as part of the Regulation. All other contracts shall be subject to post review by the Bank. The prior review thresholds will be periodically reviewed and revised as needed during the Project implementation period based on implementation of risk mitigation measures, reports from procurement post-reviews, and improved capacity of the implementing agencies.

A. Procurement Methods Thresholds

Thresholds for Procurement Approaches and Methods (US\$ thousands) As of June 15, 2016									
		Works			Goods, IT and non-consulting services			Shortlist of national consultants	
Country	Region	Open international \geq	Open national <	RfQ \geq	Open international \geq	Open national <	RfQ \geq	Consulting services <	Engineering & construction supervision
Kosovo	ECA	5,000	5,000	200	1,000	1,000	100	300	N/A

B. Thresholds and Prior Review by the Bank of Procurement Decisions

Except as the Bank shall otherwise determine by notice to the PMU/MLGA, the following contracts shall be subject to Prior Review by the Bank:

	Procurement Method	Procurement method threshold US\$	Prior Review Threshold US\$
Goods, works and non-consulting services			
1.	Request for Bids (international) goods	> \$1,000,000	Works above \$5Million per contract Goods above \$ 1.5 Million per contract
2.	Request for Bids (international) works	>\$5,000,000	
3.	Request for Bids (national) goods	< \$1,000,000	
4.	Request for Bids (national) works	<\$5,000,000	All national approach tenders are subject to post review
5.	Request for quotations (goods)	< \$100,000	-
6.	Request for quotations (works)	<\$200,000	-
	Selection Method		Prior Review Threshold
Consulting Services			

1.	Quality Cost Based Selection (QCBS)	>\$300,000	Firms consultant Services above \$ 0.5 Million per contract
2.	Least Costs Selection (LCS)	>\$300,000	
3.	Single Source Selection (SSS) (Firms and individuals)	-	
4.	Consultant Qualifications (CQ)	CQ < \$300,000	

Annex 6.2 Procurement Plan

Nr	Contract name/description	Estimated cost (USD)	Bank oversight	Selection method	Procurement approach	Evaluation Method	Contract start date	Contract completion date	Duration (months)
Component 1 – Support for Youth-Driven Community Incentives									
1.1	Consultant for needs and mapping assessment	9,000	Post	Individual Consultant	National - Open/Limited	Shortlisting	02/03/2020	04/05/2020	1
Component 2 - Youth Stakeholder Training									
2.1	Selection of NGO(s) for training of target communities and technical support	777,000	Prior	Quality and Cost Based Selection (QCBS)	National/ International - Open	Shortlisting	28/02/2020	01/30/2023	35
Component 3 - Project management									
3.1	Project coordinator	72,000	Prior	Individual Consultant	National - Open/Limited	Shortlisting	03/02/2020	01/30/2023	36
3.2	Financial management specialist	38,400	Prior	Individual Consultant	National - Open/Limited	Shortlisting	03/02/2020	01/30/2023	24
3.3	Procurement specialist (Permanent)	47,160	Prior	Individual Consultant	National - Open/Limited	Shortlisting	03/02/2020	01/30/2023	30
3.3	Procurement specialist (Temporary)	6,840	Prior	Individual Consultant	National Direct contracting		05/20/2020	11/20/2020	6
3.4	Annual External Audit	16,000	Post	Consultant's Qualification	National - Open/Limited	Shortlisting	01/02/2021	01/6/2021	4
3.5	Safeguard specialist	18,000	Post	Individual Consultant	National - Open/Limited	Shortlisting	01/07/2020	01/30/2023	2
3.6	Consultant for Implementation Completion Report	7,500	Post	Individual Consultant	National - Open/Limited	Shortlisting	01/08/2023	01/11/2023	1
3.7	Consulting firm to prepare integrated MIS platform	59,700	Prior	Consultant's Qualification	International - Open	Shortlisting	02/03/2020	02/11/2023	33
3.8	Operating costs, launch workshop and knowledge events.	23,400		-					
	Total	1,075,000							

Annex 7: Financial Management TOR and Forms

Annex 7.1 Audit TOR

TERMS OF REFERENCE

For the Normal & Extended Scope Financial Statements Audit of the Municipalities for Youth in Kosovo Project for the Year (...) Ended [MONTH DATE, YEAR]

I. Background

The Government of Kosovo (GoK) has received a grant in the amount of US\$ 2.79 from the Japan Social Development Fund, administered by the World Bank, to support socioeconomic inclusion of marginalized youth in Kosovo. The grant is being implemented by a Project Management Unit (PMU) in the Ministry of Local Government Administration (MLGA). The Municipalities for Youth (M4Y) in Kosovo project aims to improve cooperation and trust between youth and local governments by enabling local governments to address youth socioeconomic needs through better-targeted youth initiatives and services. Building on the Municipal Performance Management System (MPMS) – a performance-based incentive grant system implemented by MLGA to provide financing for municipal capital investments, the M4Y project will earmark funds to selected municipalities for youth-driven and youth-selected subprojects with the purpose of improving the delivery of youth-related small infrastructure and services at the community level.

1. The TOR should provide appropriate background information of the project, including:
 - (a) list the source and total amount of funds for the period subject to audit under this TOR (Bank's trust funds, counterpart funds, etc); and
 - (b) total disbursements / expenditures for the period subject to audit.

The auditor will audit the project financial statements for the year ended on December 31, 20XX.

II. Objective of Assignment

The objective of the audit of the **project** financial statements is to enable the auditor to express a professional opinion on the project's financial position as at the end of December 31, 20XX and of the income and expenditure for the accounting period ending on that date. The project's books of account provide the basis for preparation of the financial statements and are established to reflect the financial transactions in respect of the project.

The project's management is responsible for the preparation of financial statements, including the maintenance of adequate accounting records and internal controls, the selection and application of accounting policies, the safeguarding of the assets of the project, and adequate disclosure. As part of the audit process, the auditor will request from management written confirmation concerning representations made to us in connection with the audit.

III. Scope of Work

The audit will be conducted in accordance with the [International Standards of Supreme Audit Institutions \(ISSAI\) Framework](#) and/or [International Standards on Auditing \(ISA\)](#). Those Standards require that the auditor plans and performs the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In complying with ISSAI Framework and/or ISA, the auditor is expected to pay particular attention to the following matters, including special considerations for public sector entities:

- (a) In planning and performing the audit to reduce audit risk to an acceptably low level, the auditor should consider the risks of material misstatements in the financial statements due to fraud, as required [ISA 240 \(and ISSAI 1240\): The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements](#).

- (b) When designing and performing audit procedures and in evaluating and reporting the results thereof, the auditor should recognize that noncompliance by the entity with laws and regulations may materially affect the financial statements, as required by [International Standard on Auditing 250 \(and ISSAI 1250\): Consideration of Laws and Regulations in an Audit of Financial Statements](#).
- (c) The auditor should communicate audit matters of governance interest arising from the audit of financial statements to those charged with governance of an entity, as required by [ISA 260 \(and ISSAI 1260\): Communication with those Charged with Governance](#).
- (d) The auditor should appropriately communicate to those charged with governance and to management any deficiencies in internal control that the auditor has identified in an audit of financial statements, as required by [ISA 265 \(and ISSAI 1265\): Communicating Deficiencies in Internal Control to Those Charged with Governance and Management](#).
- (e) To reduce audit risk to an acceptably low level, the auditor should determine overall responses to assessed risks at the financial statement level, and should design and perform further audit procedures to respond to assessed risks at the assertion level, as required by [ISA 330 \(and ISSAI 1330\): The Auditor's Responses to Assessed Risks](#).
- (f) When certain aspects of an entity's operations are performed by a third-party service provider, the auditor is expected to include an understanding and assessment of the internal control environment of the service provider during the audit process, as required by [ISA 402 \(and ISSAI 1402\): Audit Considerations Relating to an Entity Using a Service Organization](#).
- (g) As part of the audit process, the auditor is expected to obtain written representations from management and, where appropriate, those charged with governance, as required by [ISA 580 \(and ISSAI 1580\): Written Representations](#).
- (h) When the external auditor decides to use the work of an entity's internal audit function to modify the nature or timing, or reduce the extent, of audit procedures to be performed directly by the external auditor, the determination shall be in accordance with [ISA 610 \(and ISSAI 1610\): Using the Work of Internal Auditors](#).
- (i) In determining whether to use the work of an auditor's expert or the extent to which the work of an auditor's expert is adequate for audit purposes, the determination shall be made in accordance with [ISA 620 \(and ISSAI 1620\): Using the Work of an Auditor's Expert](#).

In evidencing compliance with agreed **project** financing arrangements, the auditor is expected to carry out tests to confirm that:

- (a) All external funds have been used in accordance with the conditions of the relevant financing agreements, with due attention to economy and efficiency, and only for the purposes for which the financing was provided. Relevant financing agreements are included in Annex 1.
- (b) Counterpart funds have been provided and used in accordance with the relevant financing agreements, with due attention to economy and efficiency, and only for the purposes for which they were provided.
- (c) Goods, works, and services financed have been procured in accordance with relevant financing agreements,¹⁹ including specific provisions of the [World Bank Procurement Guidelines](#).²⁰

All necessary supporting documents, records, and accounts have been maintained in respect of all project activities, including expenditures reported using Statements of Expenditure (SOE) or Interim

¹⁹ Depending on the complexity of procurement activities, the auditor may consider involving technical experts during the audit engagement. When such experts are involved, the auditor is expected to comply with provisions of [ISA 620 \(and ISSAI 1620\): Using the Work of an Expert](#). Consideration of using the work of experts should be brought to the early attention of the borrower and the World Bank for mutual agreement and appropriate guidance.

²⁰ See [Guidelines: Procurement Under IBRD Loans and IDA Credits, Revised July 2014](#) and [Guidelines: Selection and Employment of Consultants by World Bank Borrowers, Revised July 2014](#).

Unaudited Financial Statements (IFS) methods of reporting. The auditor is expected to verify that respective reports issued during the period were in agreement with the underlying books of account.

Extended scope

In consideration of peculiarities in the nature of project the auditor will be required to carry out and report on the additional procedures and outcomes on the sub grants component.

The auditor is expected to:

- (a) Review general and program ledgers to determine whether expenditures incurred were properly recorded.
- (b) Review the procedures used to control the funds, including their channeling to grant beneficiaries.
- (c) Select a representative sample of subproject expenditures and carry out the following detailed tests:
 - (i) Determine whether advances of funds were justified with documentation, including reconciliations of funds advanced, disbursed, and available. The auditor must ensure that all funding received by the recipient were appropriately recorded in the recipient's accounting records and that those records were periodically reconciled with information maintained in the main project records.
 - (ii) Review procurement procedures to determine whether sound commercial practices, including competition, were used, reasonable prices were obtained, and adequate controls were in place over the qualities and quantities received.
 - (iii) Review goods and works procured to determine whether they exist or were used for their intended purposes in accordance with the terms of funding agreement, and whether control procedures exist and have been placed in operation to adequately safeguard them. As part of the procedures to determine if they were used for intended purposes, the auditors should perform end-use reviews for an appropriate sample of all items based on the control risk assessment. End-use reviews may include site visits to verify their existence or their use for their intended purposes in accordance with the objectives of the project. Questionable items must be quantified and reported.
 - (iv) Review technical assistance and services procured to determine whether they were used for intended purposes in accordance with the terms of funding agreement. The cost of technical assistance and services not properly used in accordance with terms of funding agreement must be quantified and reported.
- (d) As part of the procedures to determine if funds provided were used for intended purposes, the auditor should visit project activities to perform end-use reviews for an appropriate sample based on the control risk assessment.

Review of internal controls. Regardless of the level of risk, the auditor is required to review and evaluate the internal control to obtain a sufficient understanding of the design of relevant control policies and procedures and whether those policies and procedures have been operated as intended. The auditor must then prepare a report identifying significant deficiencies in the design or operation of internal control and other material weaknesses and reportable conditions.²¹ In fulfilling the audit requirement relating to an understanding of internal control and assessing the level of control risk, the auditor must follow, at a minimum, the guidance contained in applicable International Standards on Auditing.

Project financial statements

The auditor should verify that the project financial statements have been prepared in accordance with International Public Sector Accounting Standards cash basis. The financial statements should include:

- (a) A summary of funds received from the World Bank, other financiers and counterpart contributions from the borrower, all presented separately;

²¹ Material weaknesses are reportable conditions in which the design or operation of the specific internal control elements do not reduce to a relatively low level the risk that errors or fraud in amounts that would be material in relation to the financial statements may occur and not be detected in a timely manner by management performing its normal functions. Reportable conditions involve matters coming to the auditor's attention relating to significant deficiencies in the design or operation of internal control that, in the auditor's judgment, could adversely affect the recipient's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

- (b) A summary of expenditures paid, presented under project account headings and main categories of expenditures; and
- (c) Additional disclosures in explanatory notes, including details of statements of expenditures (SOE) supporting Withdrawal Applications submitted during the period, and a statement of fund balances.
- (d) When the entity makes publicly available its approved budget, a comparison of budget and actual amounts either as a separate additional financial statement or as a budget column in the financial statements; and
- (e) Notes, comprising a summary of significant accounting policies and other explanatory notes. The explanatory notes should include reconciliation between the amounts shown as “received by the project from the World Bank” and those disbursed by the Bank.

Review of Statements of Expenditure

The auditor is required to audit all SOE submitted to the World Bank in support of requests for reimbursements. Expenditures should be examined for eligibility based on criteria defined in the terms of the financing agreement and detailed in the Project Appraisal Document. The auditor should report any ineligible expenditures identified as having been included in withdrawal applications and reimbursed. The auditor should pay particular attention to whether:

- (a) the Summary Reports (or SOEs) have been prepared in accordance with the provisions of the relevant financing agreement;
- (b) expenditures have been made wholly and necessarily for the realization of project objectives;
- (c) information and explanation necessary for the purpose of the audit have been obtained;
- (d) supporting records and documents necessary for the purpose of the audit have been retained, and
- (e) the Summary Reports (or SOEs) can be relied upon to support the related withdrawal applications.

Audit Reports

Audit opinion

1. The auditor will issue an audit opinion on the project financial statements separately from the entity financial statements. The auditor’s opinion shall be based on an evaluation of the conclusions drawn from the audit evidence obtained and shall be expressed clearly through a written report that also describes the basis for that opinion. The audit report shall be prepared in accordance with [ISA 700 \(and ISSAI 1700\): Forming an Opinion and Reporting on Financial Statements](#).
2. A modified audit opinion shall be rendered in the financial statements when the auditor concludes, on the basis of the audit evidence obtained, that the financial statements as a whole are not free from material misstatement; or the auditor is unable to obtain sufficient appropriate audit evidence to conclude that the financial statements as a whole are free from material misstatement. Modified audit opinions shall be in accordance with [ISA 705 \(and ISSAI 1705\): Modifications to the Opinion in the Independent Auditor’s Report](#).
3. The auditor will include emphasis of matter paragraphs or other matter paragraphs in the audit opinion where the auditor, having formed an opinion on the financial statements, seeks to draw users’ attention, when in the auditor’s judgment it is necessary to do so, by way of clear additional communication in the auditor’s report. The paragraphs will refer to either a matter that, although appropriately presented or disclosed in the financial statements, is of such importance that it is fundamental to users’ understanding of the financial statements; or as appropriate, any other matter that is relevant to users’ understanding of the audit, the auditor’s responsibilities, or the auditor’s report. This form of opinion will be presented in accordance with [ISA 706 \(and ISSAI 1706\): Emphasis of Matter Paragraphs or Other Matter Paragraphs in the Independent Auditor’s Report](#).

Other audit reports

In addition to the audit opinion(s), the auditor will also, either in the audit report or in the report to management:

- (a) provide comments and observations on the accounting records, systems, and controls that were examined during the course of the audit;
- (b) identify specific deficiencies and areas of weakness in systems and controls and make recommendation for their improvement;
- (c) report on instances of noncompliance with the terms of the financial agreement(s);
- (d) quantify and report expenditures that are considered to be ineligible and either paid out of the designated account(s) or claimed from the World Bank;
- (e) communicate matters that have come to attention during the audit that might have a significant impact on the implementation of the project;
- (f) draw to the borrower's attention any other matters that the auditor considers pertinent; and
- (g) responses from management, including implemented and proposed remedial actions.

If, during the audit nothing has come to the attention that the auditor considers pertinent to be brought to the attention of the borrower, and a management letter is therefore not prepared, the auditor will issue a letter stating this.

The auditor's opinion on the financial statements and management letter should be received by the Bank no later than six months after December 31, 2017.

Public Disclosure

In accordance with "*The World Bank (the Bank) Policy on Access to Information*", the Bank requires that the borrower makes project audited financial statements publically available in a timely fashion and manner acceptable to the Bank. In addition, following the Bank's formal receipt of these financial statements from the borrower, the Bank makes them available to the public in accordance with this policy.

Management Letters, special audits (i.e. whose nature is not financial), and unaudited financial statements (e.g. Interim Financial Reports) are not considered to be a part of the definition of the audited financial statements for the purposes of disclosure.

Only in exceptional cases the Bank may agree — i.e., when the audited financial statements contain proprietary or commercially sensitive information — that the borrower or designated project entity may be exempted from disclosing the full set of audited financial statements, but is still required to disclose an abridged version of them in a form acceptable to the Bank. Exceptions are approved by World Bank management.

General

The auditor is entitled to unlimited access to all information and explanations considered necessary to facilitate the audit, including legal documents, project preparation and supervision reports, reports of reviews and investigations, correspondences, and credit account information. The auditor may also seek written confirmation of amounts disbursed and outstanding in the Bank records.

The auditor is encouraged to meet and discuss audit-related matters, including input to the audit plan, with the World Bank project task team.

It is highly desirable that the auditor reviews the Bank's financial reporting and auditing requirements contained in Operational Policies [OP 10.00 Investment Project Financing](#). The auditor should also be familiar with the 2017 Bank's [Disbursement Guidelines for Investment Project Financing](#) and the [Loan Handbook for World Bank Borrowers](#) (the Loan Handbook) and *Financial Monitoring Reports for World Bank-Financed Projects: Guidelines for Borrowers, November 30, 2001*; and [World Bank Procurement Guidelines](#).

The auditor should understand that working papers under World Bank project can be subject to the review by Client's and/or World Bank designated staff.

This term of engagement will remain effective for future fiscal years unless it is terminated, amended or superseded.

Annex 7.2 Sample Quarterly Project Forecast

Procurement Plan as of Quarter 2020										2020 Budget					2021	2022	2023
Contract Description	Package No.	Estimated Value in EUR	KB Chart of Accounts Classification	P/R/A	Contract Signing	P/R/A	Contract Completion	Q1 / Actual	Q2 / Actual	Q3	Q4	Total	Total Estimate	Total estimate			
Totals								10,770	70,470	533,711	1,651,562	2,266,513	1,494,066	967,262	470,759		
Component 1			Item Code				May-00	-	59,700	59,363	1,409,003	1,528,066	755,618	228,814	219,457		
A1 Support for the procurement, acceptance and usage of metrology equipment	1.1.1	4,288.13	13460	R	Sep-19	R	Sep-22			50,000	50,000	100,000	153,912	153,912	153,921		
A1 Public Awareness Campaigning	1.1.2	1,286.44	13460	R	Nov-20	R	Jan-21					-	56,172	56,176	56,176		
A1 Institutional Development Consultants	1.1.3	321.61	13460	R	Nov-19	R	Jan-20				3,511	3,511	(3,189)	-	-		
A1 NQI consultants	1.1.4	428.81	13460	R	Aug-19	R	Jul-22			9,363	-	9,363	18,726	18,726	9,360		
A1 Activity x	1.1.6	14,293.77	31690	R	Nov-19	R	Mar-20				1,355,492	1,355,492	519,992	-	-		
A1 Activity xx	1.1.7	10,005.64	31690	R	Jun-20	R	Sep-20					-	10,006	-	-		
A1 Vehicles	1.1.8	481.70	31700	A	Mar-19	A	Mar-19			59,700		59,700	-	-	-		
Component 2																	
A2 Matching Grants	1.2.1	17,424.11	21200							463,578	231,789	695,367	695,368	695,368	213,902		
A2 Matching Grants Distribution Implementing Arrangements		93,624.19	13460							463,578	231,789	695,367	695,368	695,368	213,902		
B1 Matching Grants Program Manager	2.4	258.37	13460	R	Jan-19	R	Aug-21	2,700	2,700	2,700	2,700	10,800	10,800	9,450	-		
B1 Support and Outreach Officer for Matching Grants Program	2.6	175.46	13460		Nov-19		Nov-21	1,800	1,620	1,260	1,140	5,820	6,600	6,300	-		
B1 Incremental operational costs	2.7	48,000							3,000	5,000	4,000	12,000	12,000	12,000			
B1 Trainings, study tour, conferences	2.8	60,000															
Component 3								10,770	10,770	10,770	10,770	43,080	43,080	43,080	37,400		
B1 Project Coordinator - PCU	2.1	652.56	13460	A	June	A	Oct-22	4,500	4,500	4,500	4,500	18,000	18,000	18,000	16,500		
B1 Financial Management Specialist	2.2	428.28	13460	A	Jul-19	A	Oct-22	2,970	2,970	2,970	2,970	11,880	11,880	11,880	9,900		
B1 Procurement Specialist	2.3	495.46	13460	A	May-19	A	Oct-22	3,300	3,300	3,300	3,300	13,200	13,200	13,200	11,000		
B1 Project Assistant	2.7	23,925.00	13460		Mar-19		Oct-22	275	1,650	1,650	1,650	5,225	6,600	6,000	5,500		
B1 Academic Sector Expert - MPG	2.8	85.76	13460	SP	May-19	P	May-22	702	702	702	702	2,808	2,808	2,808	2,808		
B1 Private Sector Expert - MPG	2.9	85.76	13460	SP	May-19	P	May-22	702	702	702	702	2,808	2,808	2,808	2,808		
B1 International Expert - MPG	2.1	214.41	13460	SP	May-19	P	May-22	1,755	1,755	1,755	1,755	7,020	7,020	7,020	7,020		
B1 Operating Costs / misc expenses	???	1,101.51			Sep-19	P	Oct-22	14,942	3,500	4,000	4,808	27,250	27,250	27,250	27,250		
B1 PCU Training		1,101.51			\				4,000	15,000	8,500	27,500	30,000	30,500	22,000		

Annex 7.3 Sample Interim Financial Reports

Municipalities for Youth in Kosovo Project (P165485/TF0A9991)											
Project Sources and Uses of Funds											
Amounts in Euro											
As of:	Quarter 02/2018			Year 2018							
	Actual			Planned			Variance (Over) Under			Life of Project	
	Current Quarter	YTD	CTD	Current Quarter	YTD	CTD	Current Quarter	YTD	CTD		
Sources of Funds (by financiers)											
Government funds	15	25	30				15	25	30		
Reimbursements (TF0A9991)							0	0	0		
Direct payments (TF0A9991)							0	0	0		
Other sources (to specify if any)							0	0	0		
Total Sources	15	25	30	0	0	0	15	25	30		
Uses of Funds (by expenditure category for each financier in accordance with Financing Agreement)											
Grants	0	0	0				0	0	0		
Goods	0	10	10				0	10	10		
Non consulting services	0	0	0				0	0	0		
Consultant services	0	0	5				0	0	5		
Training	0	0	0				0	0	0		
Operating cost	15	15	15				15	15	15		
Total uses of funds	15	25	30	0	0	0	15	25	30	0	
CTRL	0	0	0	0	0	0	0	0	0	0	
Free balance											
Difference	15	25	30								
Reconciling items if any..... (list)	0	0	0								
Signed by _____											
date _____											

Municipalities for Youth in Kosovo Project (P165485/TF0A9991)										
Uses of Funds by Project Component/Activity										
Amounts in Euro										
As of: _____		Quarter 02/2018								
		Year 2018								
Project Components/Activities	Actual			Planned			Variance (Over) Under			Life of the Project
	Current Quarter	YTD	CTD	Current Quarter	YTD	CTD	Current Quarter	YTD	CTD	
Component 1: Subgrants for Youth-Driven Community	15	15	15	0	0	0	0	0	5	-
Component 2: Youth Stakeholder Training	0	0	5				0	0	5	
Component 3: Project Management and Administration,	0	10	10				0	10	10	
Overall Total	15	25	30	0	0	0	0	10	20	-
CTRL		0	0	0	0	0	0	-15	-15	-10
Signed by _____										
date _____										

Municipalities for Youth in Kosovo Project (P165485/TF0A9991)												
Contract monitoring (consolidated)												
As of: _____		Quarter 02/2018										
		Year 2018										
Contract #	Contract	Vendor	Signing date	Closing date	Component	Category	Subcomponent	Amount	Paid	Paid during the quarter	Paid YTD	Unpaid
12					Component 3: Project Management	Goods	Subcomponent 1.1:	20	10	0	10	10
16					Component 1: Subgrants for Youth-Driven Community	Operating costs	Subcomponent 1.3:	35	15	15	15	20
13	FMS				Component 2: Youth Stakeholder Training	Consultant services	Component 2: Project Management	20	5	0	0	15
									0	0	0	0
									0	0	0	0

Annex 7.4 Kosovo Budget Planning and Execution

Kosovo Budget Planning and Execution is regulated by the Law on Public Finance Management and Accountability, and Law on Annual Budget Appropriations.

Medium Term Expenditure Framework

Kosovo Annual Budget preparation process starts with Instruction issued by Ministry of Finance and Office of the Prime Minister for preparation of Medium-Term Expenditure Framework (MTEF). MTEF instruction requires from Budget Organizations to submit their priorities for inclusion in the Statement of Policy Priorities and proposed expenditure estimates by funding sources for MTEF period (3 years). Specifically, budget organizations are instructed to include in their submission any “obligations from budget organization, including borrowing...”. An overview of steps for preparation of MTEF is provided in the table below.

Time	Action
15 March 2019	• Prepare their MTEF proposals for each Economic Category, and Project, by Each Funding Source (Budget Organizations).
22 March 2019	• Development of Statement of Policy Priorities (Strategic Planning Office, OPM)
22 March 2019	• Development of Macro-Fiscal Framework for the period, containing Revenue and Expenditure Forecast. (Department of Macro-Economic Policies, MoF)
12 April 2019	• Deliberations on the intergovernmental transfers for the MTEF period (Grant Commission).
End of April	• Submission of MTEF for approval by Government (Ministry of Finance).

Each Budget Organization is required to submit their proposals with expenditure estimates for each subprogram and project from any funding source. The proposals include estimate of ongoing expenditures, and detailed proposal for

new initiatives. This process involves review of each subprogram and project and estimate of expenditure for each project within Budget Organization.

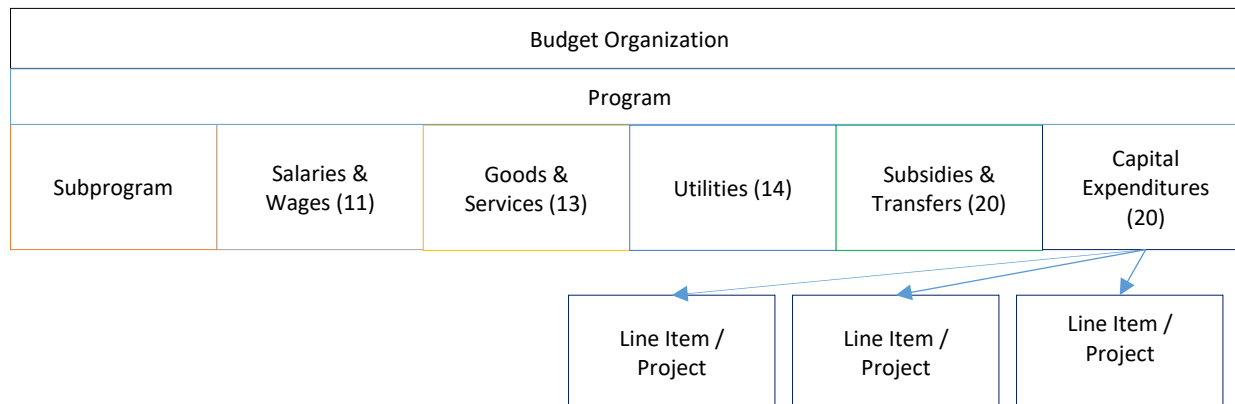
MTEF process also involves defining resources envelope for local level institutions. Local government institutions have two types of revenues. Intergovernmental Grants (General Grant and Earmarked Grants for Education and Health), and Own Source Revenues. Allocation of resources in form of Intergovernmental Transfers is regulated by the Law on Local Public Finance. The purpose of intergovernmental grants is to cover the cost of minimum standard of policies imposed by National Government.

The purpose of the process is to define resources and expenditure plans to create a framework of resources available for the medium-term period. MTEF informs Budget Organizations for resources that are available to them for the medium term, as well as sources of revenues based on the Macro-fiscal framework. Such information should be used to formulate the budget during the budget formulation process.

Revenues: Government Grant Own Source Revenues Borrowing: (Deficit financing – 2% and Investment Clause) Donor Funding	Expenditures: Salaries and Wage + No. of staff Goods and Services; Subsidies and transfers; Capital Expenditures.
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Budget Formulation

Kosovo budget is planned and managed at subprogram and line item level. A subprogram is usually a Department or equivalent organizational unit within a Budget Organization. An illustration of a subprogram for which budget is appropriated is provided below:



According to Chart of Accounts of the Budget of Republic of Kosovo, each Budget Organization, program and subprogram has its code. Budget Organizations have a 3-digit code, Subprograms a 5-digit code, while economic codes have a 5-digit code, and projects a 5 digit code;

Economic Category	Line Item
Salaries and Wages (11)	
Goods and Services (Code 13)	1310 – Travel Expenses 13140 – Expenses for travel abroad; ... 1340 – Service Expenses 13410 – Education and training services; ...

	1360 – Other Purchases – Goods and Services 13610 – Office Supplies
Subsidies and Transfers (20)	2100 – Subsidies 21110 - Subsidies for public entities ... 2310 – Subsidies for farmers 23250 – Developing professional training for farmers.
Non-financial assets (30)	3110 – Buildings 31110 - Residential Buildings 3160 – Equipment (Above EUR 1000) 31610 – IT equipment ... 3320 – Capital Transfers for Non-public Entities

The budget formulation process starts with a Budget Circular²² issued by the Ministry of Finance. There are two IT systems used for budget formulation and submission. Budget Development Management System (BDMS) is used for formulation of budget submissions for Salaries and Wages, Goods and Services, Utilities, Subsidies and Transfers. Program Costing Forms are used for each subprogram. These forms follow the structure of line items that are defined in the Chart of Accounts²³ of the Kosovo Budget. Public Investment Program (PIP) is system used for planning, budgeting and monitoring of capital projects. Budgeting of Capital projects follows the Chart of Accounts structure for capital items.

The process and requirements for budget formulation are set out in the Budget Circular which is issued following the approval of MTEF. This also marks the start of the budget process.

Time	Action
15 May	Issue of First Budget Circular (MoF)
25 June	Budget Submissions (BO) Presentation of Fiscal Framework (MoF)
10 July	Issue of Second Budget Circular (if needed) (MoF)
25 July	Submission of additional information (if required) (BO)
26 – 30 August	Budget Hearings (MoF, OPM, BO)
10 September	Presentation of Updated Fiscal Framework (MoF)
16 -20 September	Consultation on Final Budget Ceilings (Government)
25 September	Budget Circular with Final Ceilings (MoF)
29 October	Approval and Submission of Draft Annual Budget to Assembly
31 October	Law on Budget Appropriations approved by the Assembly

Budget appropriations approved by the Assembly are entered into Kosovo Financial Management Information System after the publication of the Law on Budget Appropriations in the Official Gazette. The budget in KFMIS is then subject to Treasury²⁴ Financial Rules and MoF regulations for spending of public funds.

Box 1: Funds Spending Procedure Relevant Definitions

<i>Funds Allocation:</i>	<i>Process of making funds available to be spent in accordance with budgetary appropriations included in the Law on Budget;</i>
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²² <https://mf.rks-gov.net/desk/inc/media/9B16C33B-8181-4A1D-A4A9-6625E1C1E9DA.pdf>

²³ <https://mf.rks-gov.net/desk/inc/media/771C7038-2472-4341-AFD4-9DFF900B3F17.xlsx>

²⁴ Notably: Financial Rule 01/2013/MF – Public Funds Expenditure and MoF Regulation 01/2016, amended by MoF Regulation no. 03/2017, and further amended by MoF Regulation 05/2017 on Management of Borrowed Funds.

<i>Funds Commitment:</i>	<i>Accounting recognition of a future potential obligation for which spending of public funds is required.</i>
<i>Funds obligation:</i>	<i>means a legal agreement, such as a contract or purchase order, entered by a budget organization that requires the Budget Organization to make expenditure.</i>

In addition to above, the budget is also subject to Rules for In-Year Changes which are set out in Law on Public Finance Management and Accountability and furthermore specified in Annual Budget Law.

According to Kosovo Legislation, there are 2 types of In-Year Changes: Transfers and Reallocations. Transfers are defined as any change of budget appropriations between:

- Budget organizations;
- Subprograms within Budget Organization; and
- Expenditure Category;

Reallocations are defined as changes to capital expenditures within a subprogram. Rules for reallocations apply to any changes between projects or in capital expenditure line items within a subprogram.

An illustration of such rules is presented in following table:

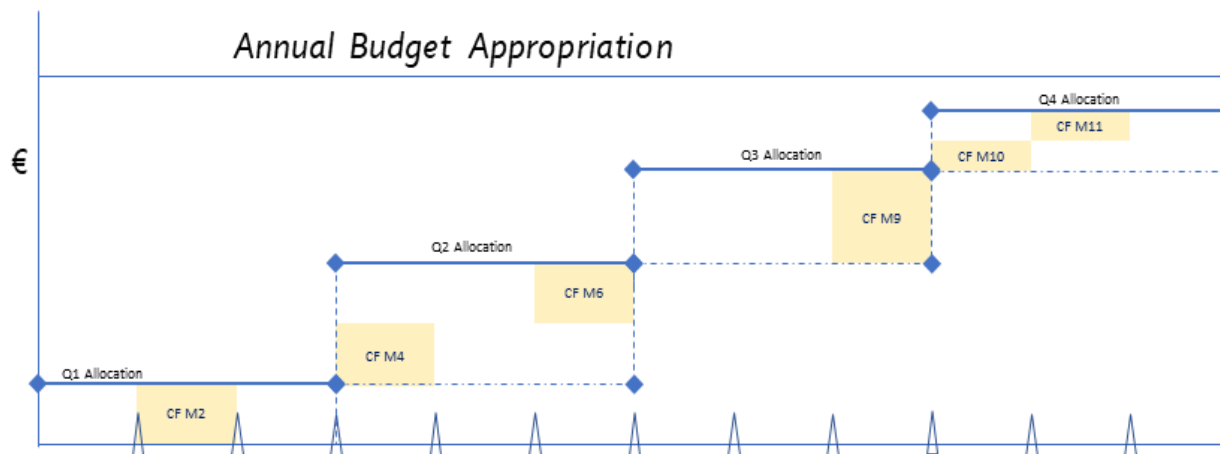
Adjusted Amount	Description	Approval requirement	Exemption
Up to 5%	Transfers: Negatively affected subprogram or expenditure category Reallocations: Negatively affected capital line item	Budget Organization	Salaries and Wages
More than 5% up to 15%		Minister of Finance	
More than 15% and less than 25%		Government	
25% and more		Parliament	

Spending of Funds

Following the registration of budget appropriation in KFMIS, Budget Organizations are required to submit a cash flow plan for each sub-program and each project from each funding sources. Cash flow plans are projections of funds commitment and expenditure for each month of fiscal year. Budget Organizations are required to prepare cash flow plans 30 days after the Law on Annual Budget Appropriations is entered into force. A Cash Flow Plan creates a basis for funds’ allocation and commitment. Specific rules that apply for funds allocations are as in following:

1. Salaries and Wages – on monthly basis;
2. Goods and Services, Subsidies and Transfers and Capital Expenditures on quarterly basis.

Figure 1: Allocations and Commitments



Cash flow projections and subsequent funds’ allocations and commitments are carried out for each subprogram and each project / capital line item by each funding source. No payment can be made without funds commitment. Changes to commitments will trigger changes to allocations, and this will trigger changes to cash flow projections. If cash flow changes imply any change to budget appropriation, it will trigger the application of rules for In-Year Budget Changes set out in LFMPA and Annual Budget Law.

Payment process and procedure

Payment process is set out in Financial Rule 01/2013/MF. Payment processes are classified into two types:

Processes for funds’ spending for which no procurement procedure is required. Examples of such spending are: Travel Per Diems, Petty Cash Payments, Utilities, Subsidies and Transfers, and any Interdepartmental Transfers. For such payments, the KFMIS Approval Module is required.

No.	Step	Responsibility	Description
0	Initiation	Project coordinator, component coordinator	Following the annual workplan
1.	Preparations for Call for Proposal	<ul style="list-style-type: none"> - Procurement consultant, FM specialist - If grants, to be defined in a separate procedure 	
2.	Selection of beneficiaries	<ul style="list-style-type: none"> - Evaluation committee - If grants, to be defined in a separate procedure 	
3.	Vendor Identification	Finance Management Specialist, BO Finance Officer, BO Chief Financial Officer	BO Budget and Finance Office: <ul style="list-style-type: none"> • Provides PIU Finance Management Specialist with a KFMIS Vendor Identification Form; PIU Finance Management Specialist: <ul style="list-style-type: none"> • Fills out the form with data such as: Name, Personal or Business ID, Bank Details, • All supporting documentation. • Submits to BO Finance Office Chief Financial Officer: <ul style="list-style-type: none"> • Signs the forms for submission to MoF Treasury;

4.	Submission of documentation to Finance Office	Financial Specialist	Payment Documentation that may include: <ul style="list-style-type: none"> 1. Beneficiary details; 2. Supporting documentation, including any: <ul style="list-style-type: none"> • Invoice, • Confirmation of meeting the criteria for payment;
5.	Funds Commitment	BO Commitment Officer	Commitment Officer: <ul style="list-style-type: none"> 1. Commits funds by using KFMIS Approval Module generates a Payment Commitment Order;
6.	Expenditure registration	BO Expenditure Officer	Checks: <ul style="list-style-type: none"> • Whether necessary documentation is attached; • Checks whether the funds for payment are allocated, if not, revision of allocation is required; • Registers expenditure in KFMIS;
7.	Compliance Control and Payment	BO Certification Officer	Certification Officer: <ul style="list-style-type: none"> • Performs physical examination of payment documentation to ensure compliance; • Approves the payment in KFMIS.

Process for spending of funds for which procurement procedure is required. The use of Purchasing Module is required for this payment. An overview of steps and responsibilities is provided in matrix below.

No.	Step	Responsibility	Description
0.	Initiation	Project coordinator, component coordinator	Pursuant to approved procurement plan and annual workplan
1.	Checking availability of funds	PMU Financial Management Specialist	<ul style="list-style-type: none"> • Checks the funds availability as per budget plan (appropriations, allocations); • Request for expenditure is made;
2.	Funds commitment	BO Commitment Officer;	<p>Funds are committed before the procurement procedure is initiated:</p> <ul style="list-style-type: none"> • Request of purchase is prepared and signed by the authorization officer; <p>Dates of payment should also be indicated in the request.</p> <p>BO Commitment Officer:</p> <ul style="list-style-type: none"> • Registers commitment in KFMIS based on Purchase Request form; • Register potential dates of payment;
3.	Procurement and Contracting	PMU Procurement Specialist, Evaluation Committee, BO	Procurement Specialist: <ul style="list-style-type: none"> • Supports procurement process;

			<p>Evaluation Committee:</p> <ul style="list-style-type: none"> Selects the supplier; <p>Contract is signed by the BO (Head of BO as the case may be).</p>
4.	Vendor Identification	Finance Management Specialist, BO Finance Officer, BO Chief Financial Officer	<p>BO Budget and Finance Office:</p> <ul style="list-style-type: none"> Provides PIU Finance Management Specialist with a KFMIS Vendor Identification Form; <p>PIU Finance Management Specialist:</p> <ul style="list-style-type: none"> Fills out the form with data such as: Name, Personal or Business ID, Bank Details, All supporting documentation. Submits to BO Finance Office <p>Chief Financial Officer: Signs the forms for submission to MoF Treasury; This step is performed after the signing of contract and before the Purchase Order is Generated.</p>
5.	Generating Purchase Order	BO Procurement Manager	<p>Supplier is asked to reconfirm in written delivery dates.</p> <p>Within 3 days of contract signing:</p> <ul style="list-style-type: none"> Purchase Order is generated from KFMIS and submitted to Chief Financial Officer.
6.	Contract Management Activities	Relevant contract monitoring group or committee (contract manager)	
6.1	Receipt of deliverables	Contract Manager	<ul style="list-style-type: none"> Monitors execution of the contract; Confirms receipt of deliverables;
6.2	Invoice Receipt	PMU, BO Archives	Invoice is submitted to PMU, and a copy to BO Budget and Finance Office.
6.3	Submission of documentation to Finance Office	Financial Specialist	<p>Payment Documentation that may include:</p> <ul style="list-style-type: none"> Beneficiary details; Invoice, Supporting documentation, Confirmation of meeting the criteria for payment;
6.4	Registration of Assets	BO Acceptance Officer	Registers Asset in KFMIS
6.5	Expenditure registration	BO Expenditure Officer	<p>Checks:</p> <ul style="list-style-type: none"> Whether necessary documentation is attached; Checks whether the funds for payment are allocated, if not, revision of allocation is required; <p>Registers expenditure in KFMIS;</p>
6.6	Compliance Control and Payment	BO Certification Officer	Certification Officer:

			<ul style="list-style-type: none">• Performs physical examination of payment documentation to ensure compliance; Approves the payment in KFMIS.
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Annex 8: Subproject Checklists**Annex 8.1 Subproject Monitoring Checklist**

(filled in by Youth Monitors)

Subproject Name:	
Subproject Number:	
Subproject Site:	
Subproject Objective:	
Estimated Cost:	
Date of Site Visit:	
Team members and/or Beneficiaries met (names and titles):	

	Yes	No	Comments (if this has been done very well or very poorly, please explain)
Criteria			
Consultations			
Did the subproject seek professional opinion of technical experts (municipal and private) in the design, implementation, and sustainability of this activity?			
Did the subproject visit with, inform, and take information into account from young people in the community (neighborhood, school) other than team members?			
Have young people (other than team members) been involved in the implementation of the activity?			
Budget			
Are activities being implemented according to subproject budget?			
Does the subproject have any cost overruns/cost savings?			
Are justifications provided for all expenditures?			
Technical soundness			
Are service providers/contractors delivering according to technical specifications?			
Implementation schedule			
Is the subproject being implemented according to proposed timeline?			
Environmental sustainability			
Does the subproject use renewable energy sources?			
Does the promote reuse/recycling and/or minimize waste?			
Social cohesion/inclusion			

	Yes	No	Comments (if this has been done very well or very poorly, please explain)
Criteria			
Has the subproject increased interaction among youth that would otherwise not be in contact with each other (different political, religious, sexual orientations)			
Environmental sustainability/management			
Does the subproject take steps to reduce the production of waste requiring treatment or disposal?			
Does the subproject promote reuse and recycling?			
Does the subproject use renewable energy sources and/or minimize energy use?			
Did the young people inform the neighboring population of the planned activity, including hours of work and any diversion of traffic in the vicinity of the work site?			
Did the young people plant the selected planting sites in an appropriate way and well-designed?			
Did they install equipment/service in according to best practice and without hazard to the local community (e.g. no loose wires).			
Maintenance			
Is the subprojects operations and maintenance plan being followed?			
Subproject effectiveness	Planned	Actual	
How many young persons have benefitted from the product/service provided thus far?			
How many disadvantaged youth have benefitted from the product/service provided thus far?			
How many young people (volunteer) have been involved in the implementation of the activity?			

Monitoring Report completed by (print name):

Monitoring Report completed by (signature):

Title: _____

Completed on (date):

Annex 8.2 Technical Checklist

The technical checklist is relevant for subprojects that include small civil works (rehabilitation and small-scale operations). The checklist will be completed in *two stages* of subproject implementation:

Stage 1: From subproject preparation to selection, so that applicants and municipalities know what documents need to be prepared for the subproject implementation, and what issues need to be considered to ensure 100% functionality of the subproject. The template of the technical checklist for the preparation of the subproject/microproject proposal is filled out by the applicants with the consultative support of the Municipal Engineer before submitting the documents to the FP-NGO(s) for verification of eligibility. The FP-NGO Technical Expert reviews and confirms the correctness of completing this technical checklist prior to submitting the eligible proposals to the Subgrants Evaluation Committee for final selection.

Stage 2: After the Subgrants Evaluation Committee nominates the subgrants winners, the signing of the Subgrants Agreements, and the preparation of subproject technical documentation.

The Stage 2 technical checklist should inform that all the matters related to ensuring 100% functionality have been taken into account; in case of standard designs, the latter are justified, and the design corresponds to the priorities indicated in the Municipal Development Plan.

Template of Technical Checklist at Stage 1 of subproject proposal preparation:

1. List of technical documents to be prepared for the implementation of the subproject.

Preparation of technical documentation is to be regulated by relevant Regulations on procedures for issuing permitting documents for designing, construction and other changes to real property and procedure for commissioning the completed projects in the Republic of Kosovo.

No	Activity	Who will execute (name of organization)	Outcome	Required or not
1	Preparation of schemes or plan of the facility	Specialist or organization (firm)	Drawings (technical passport)	
2	Engineering survey of the facility if necessary	Specialized licensed organizations	Conclusion	
3	Preparation of a defective act	Working Commission	Defective act	
4	Topographical works	Qualified specialist, Private licensed firm	Topographical survey of the required scale	
5	Laboratory and other surveys	City services	Analyzes	
6	Draw up the APC, EPC	City Architecture	APC, EPC	
7	Engineering and geological survey	Specialized licensed organizations	Engineering survey	
8	Draw up technical specifications*	City services	Technical conditions	
9	Preparation of design estimates (DE))	City Architecture, Private licensed firm	DE	
10	Preparation of a general explanatory note	Design institution (firm)	Explanatory note	

No	Activity	Who will execute (name of organization)	Outcome	Required or not
11	Technical specifications for types of work, equipment and materials	Design institution or technical supervision specialist	Specifications	
12	Bill of Quantities, Bill of Materials and Equipment	Design institution or technical supervision specialist	Bill of quantities, Bill of materials and Equipment. Table 1,2,3	
13	Expertise of design estimates (for new construction, reconstruction and conversion)	State Experts	Conclusion	
14	Harmonization of design estimates (for construction, reconstruction and conversion)	City Architecture	Agreed DE	
15	Registration and receipt of permits for construction and installation works (CIW)	Construction supervision services	Registration and permission to carry out CIW	

2. Have the following matters been taken into account when preparing the subproject proposal that ensures 100% functionality after the subproject completion.

No	Matters	Required or not	Considered or not
1	Subproject safety from the effects of atmospheric disturbances (snow, rain, wind etc.)		
2	Connections and availability of utilities: electricity, drinking water, heating, outdoor lighting, internet and other		
3	Adequate equipment to ensure 100% functionality		

The template of the Stage 2 technical checklist is completed by the Municipal Engineer and signed by the PMU Project Coordinator after the subgrants selection has been made, and the Subgrants Agreements are signed.

TECHNICAL CHECKLIST – SUBPROJECTS

This technical checklist certification summary sheet is completed by the M4Y Project Coordinator to confirm that, following its reconstruction/rehabilitation, each subproject is fit for purpose. A separate sheet is required for each subproject as part of the prior review documentation.

Details of infrastructure/facility

Description of infrastructure/facility	Community/settlement	Municipality	Region

1. Appropriateness and forward planning

The infrastructure/facility is fit for purpose in terms of the 4 agreed <i>appropriateness and forward planning</i> criteria: its adequacy to meet anticipated demand, the filling of an identified gap in existing provision, the demands it is expected to place on existing infrastructure, and its consistency with other elements of the Municipal Development Plan.	Response	Yes	No	Maybe
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Comment			

2. Appropriate use of standard designs

Is a standard design proposed? Indicate Yes, No, or "Modified"	Yes	No	Modified
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
If "Modified", indicate key modification(s) made			

The infrastructure/facility is fit for purpose in terms of the 4 agreed <i>standard design</i> criteria: Where a standard design has been used, its use can be justified in terms of the layout, functionality, and any adjustments made to suit local circumstances.	Response	Yes	No	Maybe
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Comment			

3. 100% functionality

The infrastructure/facility is fit for purpose in terms of the 5 agreed <i>functionality</i> criteria: being structurally sound, weatherproof, secure and connected to all utilities and services necessary for its effective functioning. These include electricity, potable water supply, sanitation, heating, and (where appropriate) external lighting.	Response	Yes	No	Maybe
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Comment			

Certification

As summarized in the above tables, I certify that this infrastructure / facility is considered fit for purpose in terms of the adequacy of: its appropriateness and related forward planning, 100% functionality, and the appropriate use of standard designs.

Name	Designation	Date	Signature