

World Bank Group Strategy for Fragility, Conflict and Violence (FCV) Consultation Meeting with Government representatives

Feedback Summary

Date: 05/23/2019, 9 am to 10.30 am

Location: Pristina, Kosovo

Audience: Government representatives

Overview and Key Issues Discussed: Diego Garrido (Senior Operations Officer, Kosovo) and Olivier Lavinal (FCV Group) welcomed the participants present in Pristina. Olivier presented the FCV strategy concept. Participants were then invited to ask questions and to express their views. For purposes of conciseness, the following summary highlights comments and recommendations that were provided by individual representatives.

Specific Feedback from Stakeholders

1. Overall

Participants commended the WBG for a relevant conceptual framework for Kosovo. As a young State, Kosovo faces a number of institutional challenges that are taken into account in some of the areas of engagement. Special focus was put on the need to develop a harmonized and balanced territorial development that takes into account all the regions (including Northern municipalities with Kosovo-Serb majority) but also proposes inclusive growth across the national territory. Participants highlighted the need to focus on uniting factors: social inclusion; just and fair treatment for all, with special focus on youth and women; SMEs ecosystems; skills development.

2. Theme: Private Sector Development

Participants highlighted the imperative need for investing more in the private sector. The main question raised was related to the plan to set forth to attract private investors and spur private-generated growth. This is all the more critical that the majority of formal employment creation stems from the public sector. To cater to the vast young population, an accountable and well-functioning private sector is essential. Among the top priorities listed, the need to improve the business environment to encourage SMEs and accelerate conducive ecosystems and the focus on access to financing (through guarantee schemes such as the Credit Guarantee Fund, WB project). This speaks to the importance of strong institutions and accountable systems that promote transparency and level-playing fields.

3. *Theme:* Programming should focus on programmatic approaches, and steer away from project financing

Participants insisted on the crowded donor environment. In this context, the coordination (better than cooperation) among donor partners is essential. While the State is responsible for this coordination, it is key that the main donors be convinced to partner, in keeping with the comparative advantages of respective organizations. Similarly, in order to respond to the challenges that Kosovo faces both in the short and long term, participants encouraged the development of programmatic approaches. These should be less concerned with solely disbursement indicators and focus on quality at entry and capacity building of stakeholders.

Specific Feedback from Stakeholders

4. Theme: Innovate for Impact in FCV settings

Participants outlined the importance of creating ownership and strengthening the approaches and tools to promote citizen engagement. Some critical development issues in Kosovo such as land registration and women empowerment are conducive to greater participation and communication. Some participants highlighted the need for the WBG to assist the government to communicate better and across the entire society. Special focus on strategic communication is instrumental to allow for open and innovative approaches that promote inclusion over anything else.

5. Theme: Focus on Incentives, Institutions and Implementation ('3 Is')

One of the main challenges in Kosovo is related to State building and rule of law. In this context, specific efforts should be put on the understanding of incentives of stakeholders (including perverse incentives). The WBG program should monitor closely the political economy of the country and adapt its interventions to address these incentives. In the programs to prioritize, participants emphasized the importance of accountable and legitimate institutions at both national and local levels. This requires sustained engagement from the WBG and a continued focus on skills enhancement. It is critical to implement reforms with clear development impact. In terms of programming, participants called for a candid dialogue with the government to ensure that the right issues be prioritized, and new solutions be designed jointly.

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List of Participants:

- 1. Krenare Bekteshi Muçolli DDA/MEI
- 2. Muzafer Çaka MESP / ICCA
- 3. Fatlume Halili DBNF / MoF
- 4. Ardita Haxhijaj Debt Unit Treasury
- 5. Genta Daci DBNE
- 6. Magbule Shkodra MZHR
- 7. Veneranda Nreca MZHR
- 8. Gazmend Mejzini CERP / MT