



*Empowered lives.
Resilient nations.*

CORRUPTION-RISK ASSESSMENT IN THE KOSOVO EDUCATION SECTOR





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FINDINGS AND RECOMMENDATIONS

**UNITED NATIONS DEVELOPMENT PROGRAMME
2015**

The research and writing of the report was a collaborative effort of UNESCO International Institute for Educational Planning (IIEP) based in Paris, France and UNDP Support to Anti-Corruption Efforts in Kosovo (SAEK) project team based in Pristina, Kosovo. The analysis and conclusions of this report do not necessarily represent the views of UNDP, UNESCO, IIEP or SDC.

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LIST OF ABBREVIATIONS

CCM	Central Commission of Matura
EC	Evaluation centre
EMIS	Education Management and Information System
HPS	Higher pedagogical schools
IIEP	UNESCO International Institute for Educational Planning
ISCED	International Standard Classification of Education
IMF	International Monetary Fund
KAA	Kosovo Accreditation Agency
KACA	Kosovo Anti-Corruption Agency
KCF	Kosovo Curriculum Framework
KCSAA	Kosovo Curriculum, Standards and Assessment Agency
KEC	Kosovo Education Centre
KESP	Kosovo Education Strategic Plan
LGF	Local Government Funding
LLGF	Law on Local Government Finance
MDE	Municipal Directorate of Education
MEST	Ministry of Education, Science and technology
MoF	Ministry of Finance
NCF	National Curriculum Framework
NLCT	National Council for Licensing of Teachers
NQC	National Quality Council
PPRC	Procurement Regulatory Commission
PRB	Procurement Review Body
SAEK	Support to Anti – Corruption Efforts in Kosovo (SAEK)
SIDA	Swedish International Development and Cooperation Agency
TTRB	Teacher Training Review Board
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific, and Cultural Organization
UNICEF	The United Nations Children’s Fund
UNMIK	United Nations Interim Administration in Kosovo

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EXECUTIVE SUMMARY

This report presents the major conclusions of the Corruption-Risk Assessment in the Kosovo education sector carried out as part of the Support to Anti-Corruption Efforts in Kosovo project (SAEK, 2013-2016) with the support of UNESCO International Institute for Educational Planning. This assessment consists of a desk review of existing documentation on Kosovo's education system and in-depth interviews conducted with the major stakeholders active in the education field in Kosovo, from the central level, down to the municipal and university/school levels.

An analysis of corruption risks in the education sector at central, municipal and school/university level highlights that at ministry level, major risks relate to procurement of textbooks; that given the absence of school autonomy, risks are low at school level; and that major risks relate to discretionary power of Directorates for Education at the municipal level, particularly in the area of recruitment of school personnel and of school construction and maintenance. It also emphasizes the existence of major risks at university level.

A detailed analysis of corruption risks in three major domains, namely: formula funding, teacher management, and procurement is provided in this report. For each domain, a distinction is made between pre-university and higher education, since the risks associated with these two levels are quite different.

The report recommends to build on recent, on-going or currently-discussed initiatives that may have an indirect but positive impact on the reduction of corrupt practices; and to focus future interventions on school financing, recruitment of school directors and teachers, school actors' behavior, and school construction, renovation and equipment. The report further recommends to:

- run a Public Expenditure Tracking Survey of the Specific Grant for Education, from the Ministry of Finance, down to municipalities and schools;
- support the efforts of the municipality of Pristina to standardize new procedures in the area of staff recruitment, and public procurement;
- organize capacity-building workshops for the municipal directors of education culminating in the signing of a Charter of Transparency in Education by all municipal directors of education;
- develop a training module on ways of heightening ethical behaviour among school stakeholders, to be included in particular as part of teachers' pre-service and in-service training;
- on a competitive basis, invite students from the University of Pristina to develop an e-platform on transparency issues.

I. BACKGROUND

Kosovo's education sector has undergone many new developments over recent years, with specific focus on the introduction of a new formula for allocating funds to schools; the decentralization of power to municipalities; and the improvement of education quality, through various means, including: (i) building new schools to help reduce the number of shifts; rehabilitating schools and opening new universities; (ii) upgrading and training the teaching staff; and (iii) boosting and adapting the provision of textbooks, and other teaching materials, as well as expanding the use of ICT. Particular attention has been given to the revision of the national curriculum framework for pre-university education, and to the setting up of new mechanisms for the accreditation of teachers and universities. Over the recent years, key legislation has been approved and enacted, in particular the laws on: pre-university education; higher education; the licensing and registration of teachers; the Matura exam; local government; and education in municipalities. The Kosovo Education Strategic Plan (KESP) and its associated Action Plan for 2011-16 tackle all levels of education and address issues of access, quality, management, and implementation.

All these reforms have helped Kosovo improve many aspects of its education system. At the same time, however, if not properly monitored they may also open up new opportunities for malpractice and corrupt behaviour. Therefore, as part of the Support to Anti-Corruption Efforts in Kosovo project (SAEK, 2013-2016), UNDP Kosovo decided to conduct a corruption-risk assessment in the education sector. In preparation for that, it conducted a census, which revealed that over half of the respondents considered corruption to be a major problem in schools and everyday life. In the last two years, in more than 5% of the contacts that respondents had with education institutions, they were either asked for payment, a gift, or they gave "rewards" worth 50 Euros or more, in exchange for services rendered. In most cases, the money/gifts were requested by a third party, rarely directly by the contact; or else the respondents provided the gifts unprompted. The lack of strict administrative control is perceived to be the greatest cause for corruption in education institutions. The expectation that problems can be overcome through a bribe is alarmingly high among targeted respondents, particularly students.

To explore more deeply the issue of corruption in the education sector, UNDP decided to assess corruption risks in the administration of Kosovo's educational services, at all levels of the education sector. It was also decided to focus on the following three domains, namely: (i) formula funding; (ii) teacher management; and (iii) procurement. Due to limited time, some important issues involving (inter alia) student admission to universities; exams, credentials and diplomas; quality assurance and accreditation; information systems; etc., were not included within the scope of the study. UNDP called on the International Institute for Educational Planning (IIEP-UNESCO) to map the corruption risks. Firstly, that mapping involved a desk review of existing documentation on Kosovo's education system (laws, reports, academic and press articles, etc.). Some documents were collected by the UNDP Kosovo Office and others by IIEP's Documentation Centre. The mapping exercise also drew on in-depth interviews conducted by the author with the major stakeholders active in the education field in Kosovo, from the central level, down to the municipal and university/school levels. The interviewees of the six schools visited (in the municipalities of Pristina and Drenas/Glogovac) included the school director, teachers and students. Representatives from various regulatory and control bodies, as well as civil-society organisations and development partners were also met (for more details, see Table 1 below). Altogether, almost 40 meetings were held in one week (from 27 to 31 January, 2014) and 72 people were interviewed. All were told that their contribution would remain anonymous.

Table 1. List of institutions interviewed

regulatory bodies	<p>Assembly of the Republic of Kosovo Public Procurement Regulatory Commission State Council for Quality Kosovo Accreditation Agency</p>
representative bodies	<p>Association of Education, Science and Culture (Teacher association) Parent Council of Kosovo Independent Parliament of Students, University of Pristina</p>
central institutions	<p>Ministry of Education, Science and Technology (MEST)</p>
regional institutions	<p>Regional Education Authority for Inspection, Pristina</p>
municipal institutions	<p>Municipal Directorate for Education (MDE), Pristina Municipal Directorate for Education, Drenas/Glogovac</p>
public schools	<p>Primary public schools, Pristina (2) Secondary public schools, Pristina (2: 1 general, 1 vocational) Primary public school, Drenas/Glogovac (1) Secondary public school, Drenas/Glogovac (1: general)</p>
universities	<p>University of Pristina, Faculty of Electrical Engineering (public) University for Business and Technology (private)</p>
control bodies	<p>Office of the Auditor General Procurement Review Body Kosovo Procurement Regulatory Body</p>
private sector	<p>Textbook publisher</p>
civil-society organizations	<p>Kosovo Education Centre Internews Kosova</p>
development partners	<p>UNDP UNICEF UNMIK SIDA USAID World Bank</p>

II. CORRUPTION RISKS BY ADMINISTRATIVE LEVEL

An analysis of corruption risks in the Kosovo education sector by administrative level (i.e. ministry, municipal and school/university level) is laid out below. A more detailed description of corruption risks in the three focus areas is provided in Section IV.

2.1 At ministry level, major risks relate to textbooks procurement

Following the adoption of laws on pre-university education and local government, important responsibilities were devolved from the Ministry of Education, Science and Technology (MEST) to the municipal directorates for education (MDE). This is true of the three domains under review:

- *Financing* has been decentralized to MDEs. A grant of 142 million Euros was allocated to MDEs on 15 April 2013. In 2007, the amount was just 87 million Euros. The budget of the Pristina MDE alone (16 million Euros) exceeds the MEST budget. In this context, MEST appears to have mainly “a channelling role” between MDEs and the Ministry of Finance (MoF). Similarly, the role of MEST is quite narrow as regards university funding. It was mentioned during the interviews that the Dean of the University of Pristina (UP) especially, has direct links with the Prime Minister and the Ministry of Finance (MoF). Moreover, UP has a budget of 29 million Euros (as against 5 million for the three other universities), which gives it a very influential position within the education system;
- *Teacher management* is no longer a responsibility of MEST. School directors are recruited at the municipal level, and teachers are directly hired by the schools. One representative from MEST indicated during the interviews that “according to public opinion, MEST is in charge of teacher management; but in fact it plays no role.” It has no say on who is hired in the system. Similarly, the recruitment of university staff is the responsibility of tertiary-education institutions. According to the legislation on titles and grades in higher education, “universities and university colleges may appoint the following grades of academic staff: regular professor, associate professor, assistant professor and university assistant”. The role of MEST is limited to teacher accreditation.
- For the past few years, *capital expenditure* has been gradually devolved to municipalities, and procurement for school construction, renovation, and equipment, is controlled by municipalities. Municipal procurement officers are responsible for organizing the tendering process. Only those contracts exceeding 500,000 Euros need to be approved by the General Secretary and the Minister. Similarly, universities have broad autonomy as regards procurement; they also have their own procurement officers. Finally, control of the procurement process is not administered by MEST, but by internal auditors, the Procurement Review Body, and the Office of the Auditor General.

MEST still plays a key role in steering the education policy, producing strategic documents, setting the academic agenda, and developing the new curriculum – its reduced involvement in matters of management limits risks of corruption within the ministry. However, the role of MEST is still important in the area of textbook production and distribution. Hence, under the law governing the publishing of textbooks, educational teaching resources, reading materials and pedagogical documents, “MEST announces the public bid on publishing the textbooks (...); it assesses the anonymous manuscripts of school textbooks (...); decision for approval of the school textbooks is issued by MEST”; but, as further described in Section IV of this document, there are significant risks of corruption in this domain.

2.2 Given the absence of school autonomy, risks are low at school level

The law on pre-university education provides for the delegation of financial responsibilities to schools. It indicates that: “Municipalities shall delegate responsibility for budget and finance to educational and training institutions according to a municipal formula specified in a legal act (...). When responsibility is delegated, every governing board shall have, for each financial year, a budget allocation and shall approve the budget plan for the educational institution (...). [The municipality] may further delegate responsibility for approving expenditure in specified areas, and within specified financial limits, to the director of the institution, such arrangements being the subject of a schedule of delegation approved, and revocable, by the respective municipality”. Nevertheless all stakeholders interviewed clearly indicated that school financial autonomy is straggling in most MDEs. Resources reaching the schools are predominantly in-kind. None of the visited schools had a bank account. Only one of the six school directors interviewed knew how much his school had been allocated for the current academic year. Consequently, financial risks are fairly low at this level.

As to public procurement, the World Bank and the International Monetary Fund (IMF) have been discussing how to decentralize this to the schools for their daily procurement, as a way of making the process more efficient and faster. However, schools can conduct public procurement, limited to contracts up to 999 Euros. According to the law on public procurement, every contract above 1,000 Euros must be signed by a duly-certified procurement manager, while contracts below 1,000 Euros can be signed by any other staff. As schools cannot afford such procurement staff, their role is limited to the purchase of small goods, from the list of private companies provided by their MDE. Accordingly, any risks of corruption are low as very small amounts of money are involved. Similarly, schools can no longer choose their textbooks. It was mentioned during the interviews that this was decided in 2009 to avoid situations where publishers were trying to unduly influence the choice of schools and teachers. That decision has de facto reduced opportunities for wrongdoing at school level.

Schools have greater responsibility in teacher management. Indeed, the school director takes part in the appointment of teachers – school-board members (composed of parents) participate only as observers in teacher-selection committees. However, several interviewees emphasized that school directors have little say in the selection process; the two MDE representatives, who are also on the selection committee, make the final decision. As regards teacher evaluation, one of the interviewed school directors mentioned that she had developed an administrative form to assess teacher performance. Since there is no provision for rewarding teachers who perform well, risks of pressure from teachers are quite low. Potential risks at school level may have to do more with favouritism in the distribution of overtime, or access to teacher training for instance. Furthermore, teacher misbehaviour (for instance absenteeism or verbal abuse) is a matter of concern for various stakeholders, as will be further developed below.

2.3 Major risks relate to discretionary power at the municipal level

As mentioned above, major responsibilities have been devolved to municipal directorates for education (MDE). The municipal directors of education are thus seen by most interviewees as “the ones leading all education processes”. They are appointed by the mayor, and usually change after each election. More specifically:

- Pursuant to the law on local government funding (LGF), the thirty-eight municipalities of Kosovo receive operating grants under the Kosovo Consolidated Budget (KCB), namely the General Grant, the Specific Grant for Education, and the Specific Grant for Health.

The Specific Grant for Education is determined and allocated to municipalities according to a complex formula introduced with the support of the World Bank¹. For instance, the municipality of Pristina received a grant of 21.4 million Euros for the current year, out of which 16 million went to education. The MDE added 5.1 million to this amount. The grant finances wages, capital expenditure and goods and services (with 80% going to salaries). According to one municipal officer, funds can be then shifted between sectors; there can also be shifts between budget lines, and even sometimes between schools. The complexity of the state funding formula combined with the discretionary power of municipalities to allocate funds makes it quite difficult to track financial flows.

- According to the law on education in municipalities enacted in 2008, MDEs are in charge of the recruitment, and payment of school directors and teaching and administrative staff in schools. School directors are selected by a committee involving two representatives from the municipality, and one from MEST. Teachers are selected by a committee comprising the school head and two representatives from the municipality. The composition of these committees leads many observers to consider school directors as “political appointees” and they decry the politicization of all recruitment processes. They claim that this has to do with the fact that schools are used as polling stations, and that it is the school directors who organize the voting. Furthermore, since 2008, MDEs have also been responsible for teachers’ professional development; they devote part of their budget to teacher training and inform schools about training opportunities. If not properly monitored, the important role played by MDEs in the management of school staff is a significant source of corruption risks, as further explained in Section IV below.
- *Procurement* is another area where the role of MDEs is key, especially as regards school construction, renovation and equipment. Under the local self-government act, municipalities are responsible for “the construction of education and training facilities; for maintaining and repairing the premises and equipment of educational and training institutions; and for ensuring a healthy environment for pupils and staff, including water, hygienic-sanitary conditions, health service, as well as a safe environment including safe utilities and effective security”. Tendering is the responsibility of the MDE Department for Procurement. The certified procurement officer is responsible for preparing the file, notifying the procurement committee, checking the criteria and so on. Complaints can be made to the Procurement Review Body, but no cases were registered for the education sector in 2012-13. Weak internal and external audit mechanisms may be a source of corruption risks in procurement at the municipal level.

Weak capacities of municipal staff may also increase the risk of corruption at the municipal level. MDE representatives themselves emphasized the difficulties encountered by municipal staff to undertake all the responsibilities given them during the interviews. They indicated that most MDE staff are more than 50 years old, are unqualified, and cannot use computers. They also mentioned the unequal distribution of the workload among such staff.

2.4 Major risks exist at university level in the three areas of focus

The University of Pristina occupies a very specific place within the Kosovo higher-education sector, given the size of its budget (29 million Euros versus 5 million for the three other public universities), the size of its staff (1,169 academic staff as against 688 for the University of

¹ The formula is based on several indicators, including enrolment figures, but also indicators of distance, space, utilities, etc. It is adjusted according to types of schools (pre-schools, general schools, vocational schools). It is revised every year.

Mitrovica), and its student enrolment (about 50,000 in contrast to 2,000 for the University of Prizren). The University Senate constitutes the highest body for academic issues: it is headed by the Dean of the university, assisted by four vice-rectors; it includes representatives from each academic department (two representatives per department) and of two student representatives. The University Board is responsible for financial matters; four MEST representatives sit on the board together with three academic staff. It appears that the university has a lot of autonomy in the three areas under study.

- In *funding*, the Department of Finance of the University of Pristina sends annual requests to all academic departments to establish the following year's budget. The vice-rector for financial issues gathers the requirements from all academic departments. All planned resources (including new positions open for recruitment) are included in a template. When decisions are made by the University Board, academic departments are informed of the budget allocation. The MEST Department of Budget explained that the overall budget of the university is set through direct negotiation between the Dean of the University, the Ministry of Finance (MoF); and stated that the University of Pristina does not report to MEST. And The budget of the university is audited, but no major irregularities have been reported. The autonomy of the university, combined with weak verification procedures, may prompt corruption.
- As regards *academic staff*, the recruitment of regular professors, associate professors, assistant professors, and university assistants is performed by the university. Academic departments submit their requests, and the vacancies are then advertised. A committee composed of professors from the academic departments is responsible for the selection process, with due respect to legislation governing titles and grades in higher education, and university statutes. Several interviewees stressed the high degree of politicization affecting appointments at university level, from that of the Dean, down to heads of faculties and academic staff. A representative from the Assembly of Kosovo referred to the conclusions of a joint working group involving MEST and the Kosovo Assembly Commission on Education, suggesting for instance that the Dean no longer heads the University Senate; that deans sit on separate executive committees; and that the membership of the university board be scrutinized to avoid conflicts of interest.
- Whether through the literature review or the interviews, not much information was collected on public *procurement* at university level. Interviews planned at the University of Pristina had to be cancelled given the events that occurred just outside the university premises at the time of the field mission². However, several stakeholders did mention the autonomy of universities to conduct public procurement, and the weaknesses of external audits of procurement processes. Discretionary power combined with lack of accountability may, here again, provide opportunities for malpractice at university level.

In summary of Section II, the analysis of the division of responsibilities between various administrative levels (that is central, municipal and institutional) provides important information on where the major risks of corruption lie in the education system of Kosovo. This is summarized in *Table 2* below for the three areas of focus. Of course, more exhaustive studies would be required to collect factual data on corrupt practices in order to corroborate the assumptions made. Nonetheless, this does constitute a first step in the mapping process. More detailed analysis of corruption risks is given in Section IV.

² A student protest occurred in February 2014 in Pristina, after media accused the Dean of the University of Pristina and other university staff of faking their academic credentials. After days of clashes between protesters and the police, the Dean resigned from his post together with four other high-level university officials.

Table 2. Degrees of risks by level and by area

	Financing	Teachers	Procurement
Central level	0	0	XX (textbooks)
Municipal level	X	XX	XX
School level	0	X	0
University level	XX	XX	XX

0: Minimum X: Medium XX: High

III. RECENT AND IMPORTANT INITIATIVES TO BUILD ON

Innovative and important initiatives have been made in Kosovo's education sector during the recent years and months, initiated by public authorities and development partners. Some of these may curb malpractice within the sector. At the same time, any anti-corruption strategy for education should build on these already existing initiatives. For this reason, they are briefly summarized hereunder.

- Strenuous efforts have been made to strengthen the *educational management information system* (EMIS) of Kosovo, with the support of UNICEF and SIDA. Three officers and one IT person are in charge of EMIS at the MEST Department for Planning and Analysis. The database includes school data, for instance, location, type of education provided, number of rooms, physical conditions, teaching, administrative and support staff, enrolment figures, class sizes, number of learners from ethnic minorities, etc. The MDEs and schools have access to the database through an ID code and password. All schools must enter the required data. Information on teachers and school's physical conditions are entered in September; enrolment figures in September/October; and data on student achievement at the end of December and June. Collaboration between MEST and MDEs on EMIS was said to be improving. Municipal statistics officers have been trained with the support of the World Bank.
- With the support of USAID, and in collaboration with the Teacher Association, a *school code of conduct* was designed in 2011. It is a binding document that sets rules of teacher and learner behaviour. It covers issues such as absenteeism, verbal abuse, smoking, alcohol, etc. (the issue of gift-giving is addressed by the law). The code of conduct is displayed on the MEST website and all schools have received a copy; it was displayed on the walls of all schools visited during the field mission. Parent and student councils have also been given a copy. All persons interviewed at the school level (including teachers and students) knew of the code and its content. Regional inspectors check the availability of the code during their school visits. School participants can express grievances – complaints boxes were seen in the six schools visited. Yet disciplinary action against teachers appears to be rare. In serious cases, the school director sends a written note to the MDE, but no such cases have ever been registered in the municipality of Drenas/Glogovac, for instance.

- UNICEF implements a *project on school-based violence* in collaboration with the Kosovo Pedagogical Institute, which deals with both verbal and physical violence. Within the framework of this project, UNICEF has developed a protocol (sent to the Council for Child Protection) on the prevention of school violence. It led to the adoption of a government regulation against school violence in September 2013. UNICEF has begun disseminating it in regions and schools. A future code of conduct to prevent school violence will be developed on this basis, as well as a manual to combat verbal abuse in schools. A database to record such cases already exists, but the registration of occurrences is not considered satisfactory; consequently, a separate database will be established and inspectors will ask school directors to enter cases into the database. The names of those responsible for misconduct will be kept by school directors. Cases of sexual abuse will go to court.
- For the last three years, and with the support of the Rectorate, the Independent Parliament of Students of the University of Pristina has conducted a *survey to monitor the major flaws of the university*. The survey questionnaire was sent to 3,000 students. Major issues reported include: irregularities in the registration of students; non-paying students informed of their admission very late; payment of scholarships delayed; problems with equipment and facilities; non-adherence to office hours; courses not starting on time; professor absenteeism; bad relationships between students and teachers; cases of sexual harassment; irregularities during exams; etc. Survey recommendations are sent to the Dean's office. One student representative stated that the survey had helped improve the scrutiny of registration processes, the quality of food and facilities (dormitories), and students' awareness of their rights. Names of professors who were politically affiliated and not fulfilling their teaching duties were published in the media and 16 contracts were terminated.
- With UNDP support, Internews Kosova has developed an online platform for citizens to report cases of corruption within Kosovo society. The sectors covered include the utilities, health, and education. Internews Kosova collects allegations of misconduct through its website. It works with investigators all over Kosovo (especially law students), building on its expertise in investigative journalism. Of the 2,835 cases reported, 500 relate to education. All of them have been investigated; 207 have been verified; and 95 have been passed to the competent authorities. Internews Kosova is careful to protect its sources. One person interviewed questioned the procedures of investigation used and the follow-up of identified cases. Others emphasized the importance of having watchdogs to raise awareness among citizens about corrupt practices. Via social media, further online watchdog projects may develop in the near future within the education sector.
- Following last year's local elections, the newly elected leadership of the municipality of Pristina decided to make the *recruitment procedures of school directors and teachers* more transparent. The idea is to advertise new posts; to involve a representative of the school board on the selection committee, as well as a representative of the parent council as observer (together with a representative from the student council for secondary schools); to invite inspectors and members of CSOs to participate; to hold the interviews on school premises; to publicize the result of the selection process; and, to provide avenues for appeals against decisions. Pristina's 62 schools have been informed of the new rules – all interviewed school directors were familiar with the rules. One teacher expressed doubts about the involvement of parents in selection committees; another person mentioned that citizens may not be interested in monitoring a selection process; yet another emphasized that it might prove difficult to involve "critical friends in rural schools due to tight family relations"; but most players referred to this reform as a very positive move towards more transparency.

IV. MAPPING OF CORRUPTION RISKS BY AREA OF FOCUS

Possible risks of corruption in the area of financing, teacher selection, and procurement are further detailed hereunder. They have been identified mainly on the basis of the interviews held during the one-week field mission conducted in Pristina and Drenas/Glogovac. They are not exhaustive and could be better specified via more in-depth studies in each of the areas of focus. For each area, a distinction is made between pre-university and higher education, as the risks associated with these two levels are quite different.

4.1. Financing

a. At the pre-university level

Allocation of funds through formula funding

At pre-university level, funds are allocated according to a state formula that is detailed in a joint MoF/MEST instruction and approved by the Grants Commission. According to the legislation on pre-university education, the formula is based on the following criteria: pupil/teacher ratio for allocation of personnel and payroll; funding for replacement of teachers on medical or maternity leave; funding per pupil for operating expenses and capital expenditure; funding for educational and training institutions by type and size of facility; funding for schools in high-mountain areas. The formula uses minimum and maximum class size; it is based on enrolments from the previous year. It covers neither teacher training nor the presence of security personnel at schools. Every year, it is revised and published on MEST website. Interviewees at municipal and school levels were very critical of the formula. Some of the arguments used are summarized below:

- The formula is very complex and hard to understand. There are so many parameters which makes it very difficult to check whether resources have been allocated properly;
- Since the names of the pupils are not included in the database, schools can be tempted to inflate the number of classes to secure more funding and maintain staff numbers (some classes having just three pupils);
- Even though inspectors check enrolment figures once a year, manipulation of the number of dropouts and pupil transfers may occur;
- The indicators used in the formula should be better contextualized. The space indicator, for instance, was not considered relevant (it was suggested to replace it by an indicator on the age of the building); and,
- Finally, municipal and school-based stakeholders stressed that the funds allocated through the formula were insufficient to meet to school needs.

According to one interviewee, MDEs distribute funds unevenly to schools. Another stated that MDEs have quite some leeway to shift resources between various budget lines. Altogether, the complexity of the state funding formula, combined with the discretionary power of municipalities in resource allocation, make it quite difficult to track financial flows within the education system.

Management of school funds and petty cash

Despite existing legislative provisions regarding school autonomy, schools do not yet have a bank account, nor do they manage a budget. Budget codes are directly managed by the MDEs. Consequently, schools are obliged to go through the municipality even for minor repairs. As an illustration, one school head said that it took him a very long time to get a broken door fixed. Another said that he had to borrow goods from shops and use his own money and time to renovate the school building. Schools only receive petty cash from MDEs for small outlays. The allocation criteria for petty cash are not clear: one school visited declared it received 500 Euros for 1,300 pupils; and another 1,200 Euros for 1,262 pupils. School directors keep invoices of the spending. Even if some leakage of petty cash may occur, it would be minimal given the very small amounts involved. This situation may evolve in the future, once the movement towards more school autonomy is confirmed.

Self-generated funds

With the exception of vocational schools (which can generate income from adult education) a self-generated school income budget was not implemented in any of the schools visited. One of the reasons given by MDEs is that funds may not be properly used by school directors, or might even be misappropriated. Funds raised by vocational schools go into MDE accounts; but under new legislation, a portion of the amount collected should go back to the school to cover, for instance, teachers' overtime. Also according to new legislation, schools should be allowed to rent sports facilities and keep the money for their own use. School councils (headed by a parent representative) will be responsible for checking the use of such school-generated funds. Their role is perceived as quite weak, but since most schools have not generated funds so far, risks are minimal. Risks may increase once the new legislation is put into effect.

School fees

According to the law, schools cannot collect any fees from parents, unless the council of parents agrees to the collection of such fees. Inspectors do not have a mandate to verify school funding, but they are empowered to deal with cases where schools ask for fees from parents. Parents can make complaints accordingly, but the MEST Department for Inspection declared that no case has come to light so far. Some schools mentioned that they collect about 100 Euros per year for the re-issue of student certificates if these are lost (one euro per student), but this is symbolic and represents only small amounts. Finally, some abuse regarding the financing of school trips, purchase of school uniforms, use of school halls, etc. is referred to in the literature.

b. At university level

Allocation of funds

Until now, there has been no specific formula for allocating funds to universities. Previous-year budgets are carried over to the following year without any close linkage to enrolments. The three major components considered are: teaching; facilities; and the existence of science activities. This creates some opacity in the way budget allocations are decided. A World Bank expert is starting to work on a funding formula for higher education. The formula will be adjusted to each university, some requiring more facilities, etc. A working group has been established to allow all universities to participate, but the process is more complex for the University of Pristina. To fine-tune the formula, MEST will need to have access to financial information. An MoU on data exchange should be signed with university management shortly, as a sign of "good intent".

Management of funds

Universities have a lot of autonomy in the use of funds. The University Board, composed of MEST and faculty representatives, is responsible for budget issues. Members of the Parliament of Students do not sit on the board. The Oversight Committee on Public Finances (Assembly of Kosovo) indicated that regular audits are conducted in the higher-education sector (this was the case in 2010, 2011 and 2012); their findings are shared with the Parliament and made public; and hearings are sometimes held. The Parliament of Students makes recommendations to the institutions concerned, yet it was mentioned by one interviewee that general audits do not directly look (inter alia) for leakage of funds, but are limited to checking the observance of financial regulations. No major irregularities have been detected in this context.

Self-generated funds

Representatives from the Faculty of Engineering (University of Pristina) explained that the faculty does not develop projects with outside partners because “there are too many restrictions with contractual issues”. If there is a memorandum of understanding with a private company, it must be approved and signed by the Dean, and the money is then sent to the general account of the university. The faculty has created its own institute, but the latter has no bank account. It was suggested that payments go to the university account and then be transferred to a specific account managed by faculty staff. In the meantime, there is a potential for corruption relating to self-generated income in the top echelons of the university’s administration.

Finance-related risks are summarized in Table 3 below.

Table 3. Risks related to financing

Areas of focus	Risks identified	
	Pre-university education	Higher education
Financing	<ul style="list-style-type: none"> • Complexity of the funding formula • Discretionary power of MDEs in the allocation of funds/weak accountability instruments • Understatement of dropout to inflate enrolment figures • Misuse of petty cash money (min) • Misuse of self-generated income (min) • Money collected from parents to re-issue student certificates (min) • Misuse of fees collected from parents for school trips, etc. 	<ul style="list-style-type: none"> • Lack of a clear financial formula to allocate funds • Discretionary power of university boards in the management of funds/weak accountability instruments

Min: The risk is considered minimum at this point

4.2. Teachers and professors

a. At pre-university level

Assessment of the number of teachers required

It was mentioned during the field interviews that in one case MEST refused to pay the salaries of some teachers. The reason given was that MDEs had over-recruited. They were used as administrative staff, as the total number of teachers had in fact decreased. This suggests a possible risk of inflation of the teacher requirement at the municipal level.

Recruitment of school directors and teachers

The Law on Education in Municipalities 03/L-068³ provides that the “selection of the directors and/or deputy directors⁴ of educational institutions should be made in accordance with legal procedures for recruitment and the legal criteria determined by MEST, by way of a commission established by the municipality: two members shall be from the municipality and one from MEST”. Irregularities in the process of recruitment of school directors, leaving room for appointments based mainly on political affiliation, favouritism, nepotism and so forth, is well documented in the literature and openly referred to by all stakeholders. Moreover, it was often underlined that the selection process of school directors in turn had negative repercussions on the further recruitment of teachers in that it contributed to the politicization of all hiring of teaching personnel. Under the legislation on inspection, when the teacher-recruitment process is violated, teachers can turn first to a regional inspector, then to the Director of inspectors, and finally to the General Secretary. Beyond this point, the case can be taken to court. In 2013, 710 complaints were submitted.

Teachers' diplomas

If schools have doubts regarding teachers' qualifications, they can ask their MDE for verification. This is especially true of foreign diplomas. MDEs regularly ask MEST to support them in this task. The regional inspectorate stated that inspectors check CVs and diplomas during school visits, plus any possible mismatches between the CVs and what teachers teach, but they have very little time for this task, given the long list of other points they must cover in less than a day.

Short-term assignments

Due to a decrease in population, enrolment numbers are lower. This means a lower overall teaching load. As a result, all MDEs have a redundancy list, which is governed by administrative instructions: the most recently-hired should be the first to be put on the list. Some teachers can remain on the redundancy list for over 10 years, still receiving their salaries. Yet it appears that for short replacements (up to one academic year), MDEs do not always choose teachers from the redundancy list. Their power to appoint short-term staff is discretionary. School representatives mentioned, for instance, that in the event of maternity leave, they need to inform the MDE one month in advance; then someone they do not know is appointed in replacement by the MDE. The percentage of teachers on short-term assignment can be quite high (about 20% in one of the municipalities visited). Since the selection process is not competitive, this can breed corrupt practice.

³ http://www.gazetazyrtare.com/e-gov/index.php?option=com_content&task=view&id=155&Itemid=56&lang=en

⁴ That is principal and/or deputy principal.

Payment of salaries

All interviewed school staff indicated that they receive their salaries on time. The average weekly teaching workload is 20 hours. To be paid, part-time teachers must teach at least 12 hours. Some teach in two different schools or even in two different municipalities. But even if they teach extra hours in another school, they all have a main place of work. They are codified into the payroll under this main place of work. If their name appears twice, it will be signalled by a red mark in the database. This limits risks of teachers working in two different schools at the same time to double their wage. As well, since teacher-performance evaluation is not yet in place, they are not paid bonuses. This limits risks of pressure from, or of collusion between teachers vis-à-vis school directors and inspectors.

Teacher licensing and training

MEST introduced teacher licensing (accreditation) in 2009 and created a system that not only provides a “work permit” but also gives opportunities for career development. The State Council for Teacher Licensing is responsible for regulating licensing policies; accrediting training providers; and licensing teachers. Teachers who want to advance in their career need to renew their license every five years, and follow accredited teacher- training courses. A career teacher, for instance, needs to complete 100 hours of training over a period of 5 years. MDEs ask schools how many teachers will attend training courses and provide a list of available courses. Schools identify training needs and decide who will attend in a discretionary way. This creates competition among teachers for training, and possible risks of favouritism or pressure. When the full reform of teacher licensing is in place, the school director will have an even more strategic role to play since he/she will be involved in the evaluation of teacher performance. Biased evaluation, nepotism or any other sort of irregularity may occur in this context.

Private tutoring

Private tutoring is not considered as a major issue by interviewees, and teachers offer private tutoring in their home. School directors are vigilant to inform teachers on administrative instructions in this regard. Some schools offer catch-up classes. Yet there may be cases where teachers get parents to pay for private tuition, by failing students on purpose, or giving them lower grades.

Teacher behaviour and absenteeism

Several players mentioned that there is no mechanism in place to punish teachers for misconduct. When there is a problem with a teacher, the school director informs the MDE, who then send a written note to the teacher. However, teachers are never expelled.. Parents can also file a complaint with the municipality. In the event of a dispute, the case can be passed on to MEST inspectors and then go to court. Disciplinary action against teachers never reaches the Department for Inspection, even though it has legal competence in this regard. MEST does not interfere in disciplinary action and complaints file with it do not go to court. The case of a violent teacher who was reinstated in his position was provided as an illustration of teacher impunity.

Teacher absenteeism was described as a “virus”. School directors keep the attendance register. Teachers absent for more than one month can be replaced. According to one school director however, there is a legal vacuum regarding teacher absenteeism for less than one month. For occasional absenteeism, internal teacher substitutes are utilized.

b. At university level

Recruitment

The selection of faculty members is made by an evaluation committee of three to five professors. They check candidates' credentials; but it often proves difficult to verify the quality of the publications provided. One interviewee suggested in this regard that there should be a restricted list of international journals to be considered. The evaluation committee reports to the faculty board. The board then checks the legality of the process and rules on the recommendation made. Complaints can be raised with a commission of the University Senate. During the accreditation process, and with the help of the NARIC Office, the Kosovo Accreditation Agency also checks the list of staff, their CVs and diplomas. If it turns out that someone does not have the qualification required, the Agency informs the institution concerned.

Yet, despite all of the procedures in place, many references can be found in the available literature and in the interviews conducted, to the over-politicization of recruitment processes at all university levels, from the Dean down to lecturers. The media have disclosed various scandals involving high-ranking university officials, which led to the resignation of several officers in February 2014, including the Dean of the University of Pristina himself. According to one interviewee, the university has become "a tool to satisfy and provide jobs to party militants". As another put it: "the university is considered as a tool to buy political support. Since it employs a lot of staff, it is also regarded as a way to employ relatives". He further argued that "there should be a consensus among political parties to reform the University of Pristina. The Dean should no longer be a political appointee". Cases of MPs and politicians registered as university professors were pointed out.

Payment of salaries

The MEST Department for Budget emphasized that at university level there are many discrepancies in salary figures that need further investigation. Amounts for honorariums can be very different when checking the list of salary payments – they could exceed 3,000 Euros. Cases of high wages among university staff have also been reported in the media.

Professors with several job places

According to current legislation, professors can teach only in two places of work. Every year, they should disclose where they teach. The representative from the Kosovo Accreditation Agency said that they call them to check where they are working and also call higher education institutions to verify who is working where. In the event of false declarations, the agency informs the University of Pristina. Still, cases were mentioned of professors working full-time in a given university, and full-time or half-time in another (particularly in the social sciences). Cases of professors using replacements to enable them to work in a different place were also cited. The most recent case concerned a professor from the University of Pristina who was the Dean of a private university at the same time.

University-staff behaviour

An audit conducted in two public universities helped detect various cases such as: professors teaching in four universities; lecturers only teaching four hours; ghost professors and absenteeism; professors teaching without TOR; cases of dual contracts; etc. Public hearings were held, and the World Bank set deadlines to solve some of the cases identified. Student

representatives also mentioned cases of professors arriving late, not showing up, postponing exams, blocking access to the assessment of student papers, etc. The obligation for students to purchase textbooks written by professors was regarded as an issue in some faculties (for instance, of economics), but not in others, such as medicine. A code of conduct has been designed by the University of Pristina; but three to four scandals surfaced after the adoption of the code. And students do not know how to raise complaints.

The risks identified involving teachers and university professors are summarized in Table 4 below.

Table 4. Risks relating to teachers and university professors

Areas of focus	Risks identified	
	<i>Pre-university education</i>	<i>Higher education</i>
Teachers and university professors	<ul style="list-style-type: none"> • Inflation of the number of teachers at municipal level • Politicization of the process of recruitment of school directors and teachers • Favouritism and nepotism in the appointment of school staff for short-term assignments • Favouritism and nepotism in the distribution of overtime hours at schools • Favouritism and nepotism in the selection of teachers for training courses • Bias in teacher evaluation (min) • Teacher absenteeism 	<ul style="list-style-type: none"> • Politicization of the process of recruitment of university staff at all levels • Politicians recruited as university professors • Ghost university professors • High level university officials and professors using false credentials to be recruited or promoted • Unjustified high level of some salaries • University professors teaching in several universities (public and/or private) • Substitute professors mobilized to enable professors to work in another place • Absenteeism of university professors • Pressure on students to purchase the book written by the professor (Economics)

4.3 Public procurement

a. At pre-university level

According to the law on education in municipalities, “municipalities shall provide educational administration services sufficient for the functions of pre-primary, lower secondary, and upper secondary education”. Certified procurement officers trained by the Kosovo Institute of Public Administration are responsible for organizing tendering with the support of the Public Procurement Regulatory Commission (PPRC). There are 340 certified procurement officers in Kosovo; some of them work within MDE Departments for Procurement. They evaluate needs; prepare the file; announce the bid; notify the procurement committee; check the criteria applied; and organize the tendering process. All procurements above 1,000 Euros come under their responsibility. MDEs are autonomous when it comes to signing tenders (three signatures are needed). All procurements above 500,000 Euros must be signed not only by the procurement

officer and the mayor, but also by the General Secretary and the Minister.

Procurement officers can come under a lot of pressure during calls for tenders. One interviewee claimed that procurement officers are being threatened or intimidated for large contracts (above 125,000 Euros). For contracts above 500,000 Euros, there is less pressure because such contracts must also be signed by the General Secretary and the Minister. According to RIINVEST and CIPE (2012)⁵, while the law on public procurement enacted in 2011 strengthens the independence of procurement officers, "... they remain in a weak position and are subject to intimidation. What is more, the increased competencies of public procurement officers are expected to increase their exposure to greater pressure from their superiors".

The bidding process can be examined by the MDE Internal Audit Department. Involved parties have 10 days to challenge the decision reached by the procurement committee. To make a complaint, a fee of 500 Euros is charged; if the appeal is upheld, the complainant is refunded the 500 Euros. Complaints are reviewed by the Procurement Review Body (PRB) at central level. PRB is composed of five members accountable to the Assembly of the Republic of Kosovo. They have ten days to review the case and share their conclusions with contracting parties. A review panel has fifteen days to make a decision; this period can be extended by a further 20 days. In all, the process cannot take longer than 45 days. Members of the procurement committee cannot be punished. Only the procurement officer can be sanctioned. Fines are at least 5,000 Euros. The license of the procurement officer can be revoked (only one case thus far).

Complaints (all sectors included) represent 3.5% of the contracts (420 complaints out of 12,000 contracts). The representative from PRB mentioned that MEST deals with the complaints relating to the procurement in the education sector. He also indicated that the PRB can conduct investigations in the education sector, although in fact its workload does not allow it to do so. The PRB receives 500 complaints per year and has just 5 officers to deal with them. They do not consider education as a priority sector; their most important cases are in the electricity sector. As an illustration, in the period 2012-2013, no investigation was conducted by the PRB in the education sector although there were XXXXX complaints. The weakness of accountability mechanisms clearly heightens the risk of corruption at each stage of the bidding process (decision to call for bids, selection criteria used, selection process, etc.). This can have two detrimental consequences: goods are bought at a high price and are of low quality.

Several interlocutors stressed problems related both to the need for assessment before calling for tenders, and to flawed contract fulfilment. A representative from the Office of the Auditor General asked the following question: "People focus on the compliance of the three bids, and on possible related complaints. But very few are interested with what happens before and after: Why do we buy? What happens afterwards?" This is particularly true in school construction and renovation, and with textbooks (further described below).

School construction and renovation

Since the law on education in municipalities was enacted, MEST has transferred to municipalities the responsibility of constructing educational facilities. It stipulated that: "Public educational facilities may be constructed by the municipality and funded through the budget of the municipality and other donations. Municipal competencies in education facility construction shall include identification of needs for building education facilities, determination of building locations and provision of municipal land; preparation of an implementation plan, design of the facility, issuance of the construction permit, procurement of construction services and materials, necessary inspections, issuance of final occupancy permits, and creating normal conditions for the education and training process".

⁵ RIINVEST Institute; CIPE (Center for International Private Enterprise). 2012. *Improving Transparency and Governance of Public Funds. Public Procurement Process in Kosovo*. Pristina: RIINVEST Institute.

Nonetheless, MEST has retained a number of responsibilities in this domain that are detailed in the law as follows: “Competencies of the MEST in educational facility construction shall include provision of technical assistance to municipalities in the planning and design of educational facilities if requested; reviews of all plans and designs for conformance with the Kosovo school design and construction standards prior to the commencement of construction services procurements; funding and approvals of construction to be funded by direct grants from the MEST; and pre-occupancy inspections of constructed facilities for compliance with approved plans and the creation of normal conditions for the education and training process”. Within this framework, MDEs report to the MEST Department for Infrastructure.

In 2010, an assessment of school facilities was conducted by the Department for Infrastructure together with the World Bank. The Department for Infrastructure provided the benchmarks. Many infringements were identified; for example, misappropriation of resources and postponement of the building of new schools⁶. Most of the interviewed school directors were very unhappy about how construction and renovation had been done in their schools. They emphasized that they had not been consulted in the process. They complained that the schools were not functional and of low quality (inadequate heating, bad acoustics, windows and doors poorly insulated, lack of open space for pupils to play sport, etc.). The director of a newly-built school, the walls of which had been damaged by sewerage even expressed concern for pupils’ health. One student indicated that learning time is shortened by power failures and lack of heating (from 40 down to 35 hours per week).

Mechanisms to report irregularities in the system were described as non-operational. One school director who was displeased with construction work mentioned that he had asked the MEST Technical Committee for the minutes of a meeting on construction works, but he had never received the document. Similarly, a representative from the Regional Inspectorate (responsible for checking the land cadastre and building plans), explained that she had mentioned in her report that the building plan for new schools was missing. She asked for feedback, but no-one had acted on her recommendations. Regional and school players argued that corruption during bidding processes could explain the poor quality of construction and renovation work. A representative from the municipality of Pristina also acknowledged that corruption in construction work was a problem. This is one reason why the municipality plans to change current bidding procedures, by standardizing and publicizing them.

Textbooks

Before 2009, the textbook market was opened to competition. Schools were in charge of selecting textbooks. However, it was argued at the time that textbook publishers were trying to weigh upon the choices made by schools and teachers. To limit such risks, it was decided that MEST would select manuscripts and purchase textbooks for grades 1 through 9. Since then, textbooks have been provided free of charge to all pupils. They are supposed to be returned at the end of the school year (MEST deducts the number of returns from the total of new books required). However, few pupils comply with this requirement, in particular because the quality of textbooks is low and they are soon damaged. Consequently, the textbook industry has become a “secure market”, whereby three million copies (300,000 pupils each given ten titles) are printed or re-printed every year

Under the law on the publishing of textbooks, educational teaching resources, reading materials and pedagogical documentation, MEST is in charge of textbook procurement. The law states

⁶ Information provided during the interviews

that: “MEST announces the public bid on publishing the textbooks, educational teaching resources, reading material, and pedagogical documentation according to the education curriculum. All registered publishing houses that are engaged in publishing school textbooks, educational teaching resources, reading material, and pedagogical documentation have the right to participate in the bidding. MEST re-tenders the bid ...[if]...the first bid fails”. To assess manuscripts, the Deputy Minister appoints at least three experts in the subject concerned. Company names are not disclosed to the experts.

Nonetheless, during the interviews it was emphasized that there is no truly open competition. Until the nineties, “Libri Shkollor” was indeed the only textbook publisher in Kosovo. Since then, 95% of the textbooks have been published by “Libri Shkollor” and Dukagjini. This has created a risks of collusion to share the market – one interviewee mentioned that in some cases only one manuscript is submitted. This may have also created a risk of collusion between the two publishers to fix prices, which are negotiated with MEST’s Department for Procurement. In some cases, authors put the two publishers into competition to obtain a higher remuneration. The average amount given for writing a textbook is 6,000 Euros; if there is a group of authors, they distribute this amount among themselves. If there is a re-publication, authors get half of this amount. They also get a percentage on sales (15 to 20%).

Issues related to the authorship of textbooks were also mentioned during the field visit. In schools, complaints were made about the low quality of textbooks. The existence of a list of “preferred” authors was mentioned. A reading of the catalogue of published textbooks showed that the same authors signed several textbooks and teaching materials. According to one interviewee, one of them was a ministry official. If this is confirmed, it would point to risks of conflict of interest in the selection of authors.

As regards textbook distribution, publishers are responsible for getting the books to every school. The list of schools is provided by MEST. Books are delivered on time and to all pupils. However, the audit conducted in 2013 by the Auditor General at the request of the Oversight Committee on Public Finances (Assembly of the Republic of Kosovo), showed that in the seven schools that were audited, a surplus of 566 textbooks was noted, and that the surplus had been sold by private companies as scrap paper. It turned out that some textbooks were delivered on the weekend, and that neither MDEs nor school principals were present, to acknowledge receipt. A public hearing regarding MEST is underway in this regard. This may have more to do with mismanagement than corruption, but still it makes it quite difficult to track textbooks from the central level down to students, and represents a significant waste of resources.

Canteens

In all the schools visited, students had to bring their own lunch. One interlocutor mentioned that unauthorized canteens were operating in some schools, but no other details were provided.

b. At university level

The documents collected for this work did not deal specifically with the issue of procurement at university level, consequently, little information was collected.. Yet, it appears that all public universities have their own procurements department and their own procurement-licensed staff. While they must stick to the procurement rules, they do have quite a lot of autonomy. In principle, they are monitored through internal audits. Furthermore, complaints can be heard by the Procurement Review Body (PRB), and large contracts are overseen by the Auditor General.

That notwithstanding, it was not possible to get further information about the outcomes of the audits conducted; and it seemed that complaints were not reaching the PRB.

Canteens do not seem to be an issue, as university staff mentioned that there are no canteens on university premises.

The procurement risks identified are summarized in *Table 5* below.

Table 5. Risks associated with procurement

Areas of focus	Risks identified	
	Pre-university education	Higher education
Procurement	<ul style="list-style-type: none"> • Intimidation of MDE procurement officers to influence the bidding process in favour of an individual or organization • Collusion of publishers to share the market • Collusion among publishers or among school construction companies to inflate prices • Contract awardees selected on subjective grounds (political consideration, favouritism, bribes, etc.) • Favouritism in the process of selection of textbook authors • Conflicts of interest in the choice of textbook authors • Leakage of resources (including through the delivery of unrequired surpluses, for instance, textbooks) • Substandard school buildings, school equipment, textbooks delivered by contractors • Under-supply of equipment or provision of substandard equipment disregarded by the administration 	<p>Autonomy of universities to conduct procurement/weak monitoring mechanisms: high risks of corruption at each of the stage of the bidding process, such as:</p> <ul style="list-style-type: none"> • Intimidation of university procurement officers to tip the bidding process in favour of an individual or organization • Contracts awarded on subjective grounds (political consideration, favouritism, bribes, etc.) • Substandard university buildings/ equipment provided by contractors • Under-supply of equipment or provision of substandard equipment disregarded by the administration

A consolidation view of the risks identified in the three areas of focus is provided in Table 6 below.

Table 6. Mapping of corruption risks in the areas of financing, teachers and procurement: a summary

Areas of focus	Risks identified	
	<i>Pre-university education</i>	<i>Higher education</i>
Financing	<ul style="list-style-type: none"> • Complexity of the funding formula • Discretionary power of MDEs in the allocation of funds/low accountability mechanisms • Minimization of dropout numbers to inflate enrolment figures • Misuse of petty cash (min) • Misuse of self-generated funds (min) • Money collected from parents to re-issue student certificates (min) • Misuse of fees collected from parents for school trips, etc. 	<ul style="list-style-type: none"> • Absence of a clear financial formula to allocate funds • Discretionary power of University Boards in the management of funds, weak accountability mechanisms
Teachers and university professors	<ul style="list-style-type: none"> • Inflation of the number of teachers at municipal level • Politicization of the process of recruitment of school directors and teachers • Favouritism and nepotism in the appointment of school staff for short-term assignments • Favouritism and nepotism in the distribution of overtime hours at school level • Favouritism and nepotism in the selection of teachers for training courses • Bias in teacher evaluation (min) • Teacher absenteeism 	<ul style="list-style-type: none"> • Politicization of the process of recruitment of university staff at all levels • Politicians recruited as university professors • Ghost university professors • High-ranking university officials and professors using fake credentials to be hired or promoted • Unjustified high level of some salaries • University professors teaching in several universities (public and/or private) • Substitute teachers mobilized to enable professors to work in another place • Absenteeism of university professors • Pressure on students to purchase the book of the professor (economics)

Areas of focus	Risks identified (ctd)	
	<i>Pre-university education</i>	<i>Higher education</i>
Procurement	<ul style="list-style-type: none"> • Intimidation of MDE procurement officers to tip the bidding process in favour of an individual or organization • Collusion of publishers to share the market • Collusion among publishers or among school construction companies to inflate prices • Contracts awarded on subjective grounds (political consideration, favouritism, bribes, etc.) • Favouritism in the process of selection of textbook authors • Conflicts of interest in the choice of textbook authors • Leakage of resources (including through the delivery of unrequired surpluses, for instance, textbooks) • Substandard school buildings, school equipment, textbooks delivered by contractors • Under-supply of equipment or provision of substandard equipment disregarded by the administration 	<ul style="list-style-type: none"> • Autonomy of universities to conduct procurement, weak control mechanisms: high risks of corruption at each stage of the bidding process such as: • Intimidation of university procurement officers to tip the bidding process in favour of an individual or organization • Contract awardee selected on subjective grounds (political consideration, favouritism, bribes, etc.) • Substandard university buildings/ equipment provided by contractors • Under-supply of equipment or provision of substandard equipment disregarded by the administration

V. RECOMMENDATIONS

It is recommended to build on recent, on-going or currently-discussed initiatives that may have an indirect but positive impact on the reduction of corrupt practices. Here are a few:

- the enactment of new laws that may help clarify the standards and procedures in different domains: the representative from the Parliamentary Committee on Education mentioned that the laws on local governance, on higher education, and on inspection may be amended in 2014; the statutes of the University of Pristina may also be changed;
- the introduction in the EMIS system of a new per-student module (replacing the current per-class module), that would help bring down risks of dropout-data manipulation;
- the review of the funding formula used for pre-university education, in order to simplify it and make it more relevant: MEST is supposed to report on the implementation of the formula in the coming months; an independent review may be considered at a later stage;
- the development of a funding formula for higher education would help streamline allocation of resources to universities;
- the revision of the selection procedures of school directors and teachers by the municipality of Pristina would help lessen corrupt practices (see Section III above); the revision of bidding procedures that may be forthcoming could also be a positive move towards more transparency and accountability in the area of procurement;
- capacity-building among stakeholders at all levels of the system, such as MEST personnel in the area of budgeting, teacher management, etc. (multi-donor funding); MDE staff, including statistics and procurement officers (World Bank); school directors in the area of management (GIZ); inspectors in the area of teacher performance assessment, self-evaluation, etc. (World Bank); members of school boards (USAID); etc.;
- the support to internal auditors (European Union) and to the Office of the Auditor General (SIDA).

During the field visit, there was no mention of specific programmes aimed at strengthening the capacities of university staff (administrators, human-resource officers, accountants, procurement officers, internal auditors, etc.). Such programmes may already exist. If not, they could usefully support system-wide efforts to fight corruption in the education sector.

It is also recommended to focus future interventions on school financing, recruitment of school directors and teachers, school actors' behavior, and school construction, renovation and equipment. No specific suggestions will be made in what follows on textbooks, changes having to do mainly with market liberalization. Yet, useful support could be provided to more systematic audits of textbooks; and to their publication and wide dissemination.

More specifically, the following activities are recommended for follow-up and action.

Recommendation 1

Run a Public Expenditure Tracking Survey (PETS) of the Specific Grant for Education, from the Ministry of Finance, down to MDEs and schools

PETS could be conducted by a national team, independent of MEST, potentially supported by external experts. The design of the PETS, the identification of its objectives, the analysis of its findings, and the formulation of its recommendations, should be made in close consultation with the MoF, MEST, and MDEs. Several issues could be documented within this framework, for instance: inequities in the resource allocation between MDEs and schools; resource leakage (in cash or in kind) at different levels of the system; financial losses incurred by higher prices enabled by a poor procurement process; etc. This would require that the survey team have access to data at the central, municipal and school levels. One major difficulty may have to do with the fungibility⁷ of funds at the municipal level. Major action could be undertaken as a follow-up to such a task; for instance, publishing the amounts transferred at each level of the system.

Recommendation 2

Help the municipality of Pristina standardize new procedures in the area of staff recruitment (school directors and teachers), and public procurement

The efforts made by the municipality of Pristina to open the procedures for the selection of school directors and teachers on the one hand and, on the other hand, to improve transparency of bidding procedures by inviting civil-society organizations to monitor the process should be encouraged and supported. As regards the selection of staff, this could consist of helping MDEs develop standardized tools, such as: announcements that clearly set out the criteria and requirements for the position; interview protocols ensuring that the best candidates have been selected; a set of transparent and regular criteria for short-listing and appointment procedures; regulations specifying the new composition of selection committees; clear and concise terms of reference for the school directors and teachers once recruited. This could help the municipality standardize processes in the long run, and share its experience with all other municipalities in Kosovo.

Recommendation 3

Organize capacity-building workshops for the municipal directors of education culminating in the signing of a Charter of Transparency in Education

A (or series of) workshop(s) could be devoted to the issue of transparency in education, that would involve the Directors of Education from all of the municipalities of Kosovo – according to interviewees, they could convene once a month. Each workshop could focus on a specific topic: for instance, transparency in school financing, in school staff recruitment, and in school construction, renovation and equipment. The objectives of such meeting(s) would be:

⁷ The fact that funds placed at the disposal of administrative authorities for one purpose can be transferred and used for another purpose.

- I. to discuss major risks of corruption faced by municipal education departments in these areas of focus;
- II. to share successful experiences and tools developed to try and address such risks; and
- III. to agree on common principles and procedures to be followed within this framework.

The conclusions reached on each topic could be used to draft a charter of transparency in education that would be submitted for signature to all municipal directors of education.

Recommendation 4

Develop a training module on ways of heightening ethical behaviour among school stakeholders, to be included in particular as part of teachers' pre-service and in-service training

Several activities could be conducted in preparation of this module, for instance:

- I. a round table to discuss how the following tools and resources could be used in a comprehensive way; that is the school code of conduct developed with the support of USAID; the protocol and manual on school violence designed by UNICEF; and the study on physical violence in schools prepared by the Kosovo Pedagogical Institute;
- II. focus groups bringing together school principals, teachers, representatives from teacher and student associations, to identify major ethical predicaments at school level; and,
- III. review and assessment of existing complaint mechanisms and disciplinary procedures; etc.

A training module on how to improve ethical behaviour among school stakeholders could be developed on this basis, in consultation with teacher trainers. This module would aim at sensitizing teachers to the dilemmas they may confront in their daily practice, and at encouraging them to reflect collectively on how to overcome them.

Recommendation 5

On a competitive basis, invite students from the University of Pristina to develop an e-platform on transparency issues

The e-platform could serve, for instance, to:

- I. facilitate access to the findings of the survey conducted by the Independent Parliament of Students on the malfunctions of the university (with issues concerning irregularities in the process of registration, absenteeism of professors, cheating during exams, etc.);
- II. provide access to specific information, tools and resources, that could help improve transparency at the university level, and reduce academic fraud – for instance, basic information on the university budget, staffing, etc. (overall and per academic department), anti-plagiarism software, etc.; and,
- III. help students access online international academic databases, online university libraries etc., and find the information they need for their academic work.

Students should be invited to develop proposals, with the best proposal selected through an open competitive process; however, care should be taken to ensure that the platform is not used to implicate individuals.

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