FAITH

"Increasing the Financial Autonomy and

Accountability at public higher education institutions in Kosova"

544142-TEMPUS-1-2013-1-AT-TEMPUS-SMGR

Report D 1.1 and D 3.1.1

"Training needs analysis and training plan for the modernisation & strengthening of Human Capacities"

WP	**WP1, WP3**
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I. Initial situation

The analysis of training needs was first meant to be developed solely on the basis of the questionnaires realised in WP1 as well as during several background discussion. These questionnaires, especially a SWOT-Analysis related to the Kosovan system of financial management (see appendix), gave the first indication of which key topics should be considered during the project. One of the main observations during the survey was a difficult access to appropriate higher education-related data. Many parameters for a transparent financial management seems are not "push per button" available. While this "push per buttom" statistic database of higher education is not part of the project, however, this is essential for a sustainable reform of higher education funding and public financial management (in terms of accountability and planning) between the Ministry and the public universities. For this reason the European partners agreed that it is desirable in a first step for the preparation of the White Paper as well as starting point of the training workshop for top management to collect key figures by the universities. These key figures should provide a descriptive overview of number of study programmes offered, students' data of Kosovos partner universities, and basic information about the Kosovo higher educational system.

During the kick-off meeting of the project it became also obvious that there existed a high level of demand for coordination between the Kosovan project partners to clearly point out the status-quo of autonomy and accountability and to define, what the key topics of the project should be. The EU partners came to the conclusion that giving the Kosovan partners the possibility to discuss these aspects in the initial state of the project would be of vital importance for the definition of the next project steps and for the project's success at all. Therefore it did not make sense to elaborate a training plan in this early state of the project.

Since the project and the study visits are also seen as a neutral discussion forum, some higher education-related conflict-ridden topic will be addressed on neutral ground and should be a starting point for national discussions.

Furthermore, during the first phase of the project it has been seen that a much higher need for discussion between the involved stakeholders (Ministry and universities) exists as it was evident before the project. This leads to the fact that it has been decided to postpone the detailed elaboration of training needs and training plans to a later point in time to have the possibility to integrate the results of the discussions from the first consortium meetings.

Anyway it was possible that the workshops WS1 'Financial Autonomy and Accountability' and WS2 'IT-Systems' took place without having elaborated a detailed training plan, because the general approach of handling the workshops was already fixed in the project proposal, furthermore it was quite obvious that the topics of WS1 and WS2 highly depended on input from the EU partners. Therefore it made sense to combine WS1 and WS2 with the study visits at the EU partner institutions.

II.   Analysis of Training needs and training plans

a. General Remarks

The observations made in the kick-off meeting lead to the fact, that general discussions about the status-quo and the specification of the meaning of autonomy and accountability in general should be a part of all upcoming consortium meetings. This strategic work is covered by WP4, which aims to the development of a 'White Paper' for a Financial Model for the Kosovo Public HE system. As there exists a strong interdependency between this strategic work and the topics of the training modules, EU partners came to the conclusion that it would be very helpful to combine both aspects in all upcoming project meetings.

During the study visits it became clear that the legal documents (higher education law) and strategic higher education-related policy documents (development plan, etc.) already exists in a very modern way, but there is no connection with the distribution of financial resources within the sector. For this reason, it is highly recommendable to organise recurrent intensive trainings

sessions for senior representatives from the top management. Therefore, in each workshop, a subdivision between strategic themes for the top management (in connection with the white paper) and "practical workshops " will be scheduled. With this approach a broader efficacy are generated for the participating Kosovarian Universities:

- White Paper group: HEI Top-Management-level staff and representatives of governmental partner institutions working on general aspects of autonomy and accountability with the aim to formulate the White Paper
- Workshop group: Different target groups of the HEIs training and working on specific topics ➜ training modules in the true sense

At the numerous conversations/discussions during the study visits it became apparent that there is high discrepancy between the public authorities and universities about the opportunities that are possible within the current legal framework. Hence, a special intensive unit will be scheduled during the third workshop as a briefing session on the higher education law as well as procurement rules for the universities.

The following training plan only describes the different topics of the workshop group (training modules). The White Paper group meetings will be part of every project meeting.

b. Methodology

The training modules shall be targeted to strengthen human capacities to enable the partner institutions to act effectively in an autonomous Higher Education system, focused on financial management. Therefore the modules shall provide know-how that can be used to modernise different aspects of the actual system of financial management. In the first instance 5 key topics identified, which should be covered by the training modules. In order to ensure that the relevant contents can be conveyed, workshops will be led by experts of the EU partners who concern themselves with the relevant topics in their institutions.

The workshops will be designed as classroom-based trainings in connection with interactive parts involving the participants. Initially, experts will give input related to the topic (e.g. theoretical background if necessary) and will share good practises of their institutions. In the interactive parts the participants shall be able to adapt the contents to their specific contexts by working on destined problems from their Institutions, where the experts will act as moderators.

c. Description of training needs and detailed training plan

i. Financial Autonomy and Accountability

For Kosovan public Higher Education Institutions Autonomy is a quite new and very much debated topic. It seems that there exists a mismatch between the governmental point of view on how autonomous Higher Education should look like and the point of view of the HE providers. Particularly related to financial management, HE providers complain about a general lack of autonomy, whereas governmental institutions criticise a lack of accountability for spending the public funds. There seems to be consensus that the amount of public funds should be based on the performances of the HEIs and should therefore be criteria-based or formula-based. However there were no concrete ideas or proposals at the beginning of the project, on how performance based funding might be designed in detail.

The training module related to this topic should contain best-practices about the design and the organisation of autonomous Higher Education Systems in other countries with a focus on financial management. Based on the funding systems of the EU partners, different models of performance-based funding shall be introduced.

TRAINING-PLAN:

Training needs analysis: Financial Autonomy and Accountability (WS1)
Target group:
• Top-Management-Level staff
Expected learning outcomes:

- Participants will gain knowledge of the basic principles of managing autonomous Higher Education Institutions
- Participants will get a general idea of different governance approaches regarding Higher Education
- Participants will know the mutual duties and responsibilities in the relation between HEIs and their main stakeholders
- Participants will become acquainted with models of performance-based funding of HEIs

Contents:

1. Basic principles of Autonomy in Higher Education
    a. Input: Current situation in Austria, Germany and Spain
    b. New Public Management: The way to financial autonomy
2. The impact of autonomous HEIs to a region or a country
3. The allocation of state-money to HEIs
    a. Basic principles of financing Higher Education
    b. Global budgets and target negotiations
    c. Target-based funding, performance agreements
4. Internal strategic processes: University development planning

ii. IT-Systems for Financial Management

One of the project's objectives is the modernisation of the IT sector for facilitating the implementation of financial autonomy and accountability and to enable the Kosovan HEIs to deal with processes in financial management in an effective way in their daily work. An important prerequisite of modernizing IT-Systems is the knowledge on how to identify the requirements to IT-systems on the basis of daily work processes. Therefore it is important to consider the existing IT infrastructure as well as the requirements that might arise from the results of changes in the system of financial management itself.

The workshop should initially summarize the existing IT-infrastructure on the basis of the analysis done in WP1. In addition, participants shall get an overview of the IT infrastructure at the EU partner institutions. The main focus of the module shall be a workshop with financial managers and IT experts of

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the Kosovan HEIs where the most important processes of financial management will be discussed and transferred into specifications usable for the identification of additional software system needs.

TRAINING-PLAN:

WS 2: IT-Systems for Financial Management
Target group:
- Staff of IT departments   - Financial Managers
Expected learning outcomes:
- Participants will reflect the status-quo of IT-Systems currently used at their Institutions   - Participants will be able to identify the requirements to IT-Systems on the basis of processes, mainly in financial management. They will become aware of the steps that have to be taken before the implementation of new software systems.   - Participants will gain knowledge on how to formulate software specifications related to the identified requirements
Contents:
1. Presentation and discussion of the results of WP 1.2 – Technical infrastructure needs Analysis 2. Financial Management software infrastructure: Situation in Germany, Austria and Spain 3. Preconditions for the implementation of a financial management software 4. Workshop: Formulating software specifications on the basis of processes in financial management

iii. Resource allocation

In difference to the allocation of public funds by the state, one important aspect in financial management of HEIs is the internal allocation of resources. The design of internal resource allocation highly depends on the organisation of an HEI and of the responsibilities within the institution. On the other hand the

implementation of internal resource allocation mechanisms requires skills in process management in order to design effective processes that take the departmental structure of HEIs into account. Therefore the training module should contain basic information about organisation theory and process management in the way of a keynote speech.

During the study visits different models of internal budgeting mechanisms at the EU partner institutions were already introduced. These approaches should be wrapped up in the training module and can be the basis of an interactive discussion, in which the participants reflect the models used at their institutions with the goal to identify necessary adjustments in accordance with the current state of discussion in the project. Another important aspect is that the participants should be enabled to document processes in a way that these documents can be used for the formulation of IT-System requirements to support internal budgeting mechanisms.

TRAINING-PLAN:

WS 3: Resource allocation
Target group:
- Top-Management-Level staff   - Financial Managers
Expected learning outcomes:
- Participants will be able to reflect the different approaches of internal resource allocation in Higher Education (on the basis of the inputs from the study visits)   - Participants will gain knowledge about the principles of organisation (structural organisation and process-related organisation) and responsibilities according to organisational structures   - Participants will gain knowledge of the principles of process management   - Participants will be able to record and documents processes related to internal resource allocation (budgeting).   - Participants will be able to derive IT-System requirements from the process documentations

> **Contents:**
>
> 1. Keynote speech
>   a. Basic principles of organisational theory
>   b. Basic principles of process management
>   i. Recording and analysis of processes
>   ii. definition of responsibilities
> 2. Wrap-up: Common models of internal budgeting processes
> 3. Workshop: Analysing the internal budgeting processes at the Kosovan partner Universities
> 4. Workshop: Using process documentations for the formulation of IT-System requirements

iv. Internal legal framework for financial management

One aspect that was identified during the discussions in the first consortium meetings and that might be crucial for the overall success of the project was the controversial position of the governmental institutions and the HEIs regarding the interpretation of the existing legal framework for Higher Education in Kosovo. From the point of view of the HEIs the legislation is not supportive enough to be able to implement autonomous structures, whereas the governmental institutions pointed out several times that the existing laws are supportive, but are not implemented properly within the institutions. It seems to be obvious that there is a lack of experience on how to implement a legal framework with the help of internal rules and standards, which can state aspects of financial autonomy more precisely and comply with the governmental legislation. On the other hand side it seems to be important to precisely identify the aspects already discussed within the project, which may lead to the necessity of adjustments of Higher Education laws.

The first requirement to this training module is to introduce the existing legal framework of Higher Education in Kosovo and to clarify, which possibilities already exist to implement autonomous structures in financial management.

The second aspect of the module then should be a workshop that will highlight approaches of how to formulate internal rules at the HEIs that specify how autonomy shall be handled at the institutions. The trainers of the modules will illustrate how their institutions deal with internal rules and standards and will coach the participants in adapting the aspects for their institutions.

TRAINING-PLAN:

WS 4a: Internal legal Framework for Financial Management
Target group:
- Top-Management-Level staff   - Staff of legal departments
Expected learning outcomes:
- Participants will know about Higher Education legislation of Kosovo   - Participants will be able to reflect on legal matters by interpreting the existing legislation   - Participants will have clarity about the possibilities to regulate matters of financial management by internal rules and standards which fit to the existing legislation   - Participants will be able to identify eventualities which are not covered by existing legislation and will be able to express suggestions for possible amendments of laws   - Participants will gain knowledge about how to compose internal rules and standards
Contents:

1. Kosovan legislation in Higher Education: key facts
2. Internal rules vs. state law: Situation in Austria, Germany and Spain
3. Workshops:
    a. Who is allowed to act? Solving current questions in financial management in the legal perspective
    b. How to formulate internal rules and standards

v. Fundraising and Grant Writing

The objects of the training workshop is become less dependent on restricted state /university fund, and become financially sustainable: Applying for a grant is a "search and react" strategy, fundraising requires regularly scheduled and/or spontaneously targeted efforts using a more data driven, proactive and opportunistic approach over months. Applying for grants is just one tool in the toolbox a fundraiser can use when opportunities arise. Grants are also usually very specific in terms of how the funds may be used while fundraisers work as retained or employed specialists who can assign generated funds with more ambiguity. Understanding the creation process of a grant proposal is a big part of the success in grant writing. The main outcome of the workshop is getting knowledge about efficient drafting a grant proposal and managing a project budget. Therefor available and relevant EU/International (research) funding programmes will be presented, effective successful proposal writing presented and how to effectively design a project budget.

TRAINING-PLAN:

WS 4b: Topic Fundraising and Grant Writing
Target group:
- Vice-Rectors for Finance and Vice-Rectors for Research   - Director of Budget, project managers & researchers
Expected learning outcomes:
- Participants will get knowledge about differences between Fundraising and Grant Writing   - Participants will get knowledge to structure a proposal according to the type of proposal, the type of project, and the organization   - Participants will be able to prepare needs analysis, Project Cycle Management & Logic Matrix Framework   - Participants will be able to effectively define project objectives, stakeholders, activities, subactivities, results and indicators

• Participants will gain knowledge about how to define and how to effectively design a project budget
Contents:

4. relevant EU/International (research) funding programmes
 	
5. Guidelines for effective proposal writing
 	
6. Workshops:
 	
    a. Who to design a project budget
 	
    b. How to define project objectives, stakeholders, activities, sub-activities, results and indicators

vi. Further training workshops

The project proposal contains a fifth workshop, whose topic was meant to be 'Fundraising'. From the point of view of the EU partners it does not make sense to handle this topic in an entire workshop, because the preconditions on how Kosovan HEIs might use external funds is not very clear in the actual state of the project. As discussed in the 2nd Project Management Board meeting and as described in the depiction of the initial situation in chapter I, the best option would be to leave the specific topics of the remaining workshop open in the current state of the project and to maintain using the discussions, primarily in the White Paper group, for the identification of further training needs. The next step then would be to carry out an evaluation on the basis of the results of WS3 as well as WS4, taking into account the demands of all consortium members, in order to identify the further training needs.

d. Evaluation and Quality control

For each workshop an evaluation questionnaire will be provided, which has to be filled out by the participants. The questionnaire shall contain the following topics:

- Adequateness of the information provided (quality and quantity)
- Fitting of the information to participants' needs
- Quality of presentations and workshops
- Identification of further training needs not covered by the workshop
- Organisation: Logistics, venue, Supporting material

The questionnaires will be evaluated by the Institution hosting the workshop. The results will be made available to the Quality Board.

Appendix: SWOT-Analysis of the current system of financial management

A) STRENGTHS

• **Ministry's point of view**	• **Universities' points of view**
• Ensures sustainability, since universities receive public funds • Government ensures the main funds for runing universitites • Universities become the main institution accountable for effeciency of fund management	• None • Government grants are sure money • Funding certainity in terms of the financial resources

B) WEAKNESSES

• **Ministry's point of view**	• **Universities' points of view**
• Does not promote organizational growth and excellence • Faculties cannot much promote and consider their strategic development needs • It is not supportive when it comes to generation of own incomes • Does not promote competition internally and externally	• Budget not related to any indicator (e.g. number of students) • Budget not related to the real costs (e.g. subject specific costs per student) • Budget is only based on Ministry's budget lines • One-Way budget decision (Ministry of Finance → Ministry of Education → University) • Revenues generated by Universities cannot be used at Universities • Budget is not related to the promoted extension • System depends strongly on governmental financial system

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	• No flexibility
	• Operation is followed by many redundant administrative procedures
	• Delays, because requirements of Universities often remain a relative time undone at Ministry officials

C) OPPORTUNITIES

• **Ministry`s point of view**	• **Universities` points of view**
• Possibility to promote excellence in teaching and research	• Cooperation with industry (staff incentives are needed to promote cooperations)
• Increase the efficiency of public fund management	• Identification of the needs of the economy, willingness to adapt study programs to these needs
• Better possibility to promote quality management reform	• Increase of participation at project calls
• Better stimulation of organizational growth and development	• Connecting the Government`s needs for research with Universities
• more tangible reflection of measured performance	• Tuition fees might be adjusted more frequently
	• Part-time studies with higher prices
	• Provision of student services within Universities` premises
	• Budgeting according to indicators (number of students, number of departments, etc.)

D) THREATS

• **Ministry`s point of view**	• **Universities` points of view**
• Resistance to implement the new financing system because of installing	• Government debt can cause budget

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new working practices and new job demands • Implications of the implementation of the new financing concept in changing the university regulations in administration and operation	decrease • Poor strategic planning (e.g. increasing number of students, programs, staff etc. without budget increase) • Large of number of students • Financing of the HEI solely from the government's grant risks the university's autonomy • Mismatch between research interests of the Government and the Universities • High costs of scientific researchers • Risk of not being able to secure enough additional sources of finance which would be needed to cover the costs of additional fields of research