

Strengthening the university autonomy in Kosovo and raising accountability and transparency for research and scientific projects

2022



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1	Introduction	7
<hr/>		
2	Kosovo Higher Education system and the university autonomy	9
<hr/>		
3	Analysis of university financial autonomy dimension in Kosovo	13
<hr/>		
4	Steps ahead and improvement of the situation	16
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1. Introduction

Strengthening university autonomy in higher education is important to increase accountability, transparency, and financial sustainability. The definition of mechanisms that support university governance and autonomy is coming as a response to diverse challenges in different countries' contexts in Europe. As a result, the need for gaining and enhancing public trust in higher education became manifest to develop appropriate forms of transparency and accountability for both public and private institutions (Stand, 2019)¹. Even though transparency issues take different forms in each country, the intense debates between higher education institutions and the government manifest the need to foster the mechanisms that lead to strong university governance and increased accountability and transparency of Public Universities in Kosovo that equip the graduate with the most demanded attributes, life-sustaining skills as well as enhance the values and the impact of higher education to society and the country's economy. In this contest, more innovation efforts should be given in the identification of appropriate forms of transparency and accountability tools that will inspire future transformations and ensure cohesion of European higher education, mostly with the application of international projects that aims to enhance the capacity of research and infrastructure in Kosovo as well as the capacities for adsorbing funds.

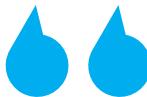
Despite the challenges, higher education institutions should invest more in dealing with issues of social, academic, and financial accountability to academic staff. To foster the transition of the higher education system towards decentralized, autonomous governance and the capacities of national authorities in Kosovo, the consortium took the initiative to address such an important topic with an increasing demand for comparability and performance-based university model across borders following the standards of the European universities.

In general, there are several pros and contra arguments that universities in Kosovo have substantial functional university autonomy and transparency on the income from projects and other funds coming from non-public sources (donors). The biggest concern is related to the lack of autonomy and difficulties with financial management transparency, but also in dimensions of the university autonomy, including organizational, staffing, and academic aspects. The most concerning issues regarding the financial aspect are the capacity to maintain the financial sur-

¹ <https://www.ibcmitrovica.eu/strengthening-university-autonomy-and-increasing-accountability-and-transparency-of-western-balkan-universities-stand/>

plus, the lack of capacity to use own generated income, as well as the lack of a clear financing formula that supports the research and scientific projects². This issue brings obstacles in fulfilling the mission and vision of HEIs in Kosovo and increasing the motivation for participation in international projects and sharing of the projected income based on performance and university progress on enhancing the research and innovation results. However, some discussions mostly present this issue as a lack of accountability. These kinds of positions are mostly present in institutions that lack budget and experience in spending public funds and lack a framework that fosters accountability and governance. In Kosovo, there is not enough support for achieving university/financial autonomy and enhancing transparency and accountability. There is an underdeveloped legal framework that does not considerably support the whole process and needs to be updated.

This paper presents the processes and mechanisms of the university autonomy in increasing the management capacities, accountability, and transparency for financing research and scientific projects.



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² HERAS, Concept Document Mapping of the Research and Innovation System in Kosovo. 2019, Prishtina

2. Kosovo Higher Education system and the university autonomy

The Ministry of Education in Kosovo works on secondary legislation to support the development of accountability of HEIs. However, there is a lack of know-how on putting a decent higher education national governance system in place to promote the development of modern universities with their functional autonomy. For example, the Higher Education Law of Kosovo³ promotes university autonomy (Article 13) in three main dimensions of autonomy, except financial autonomy. However, there is a need to develop a further framework on how these general dispositions should be embedded in university regulations and implementation.

In the current law on Higher Education, scientific research is not imposed with clear criteria as the main activity for the functioning of a Higher Education Institution (HEI)/university as well as for the influence of academic staff to deal with the research. The publications are mostly required for staff promotion, while scientific projects in most universities are not considered for promotion or award.

The state budget for the HEIs consists of 3 categories of grants, such as the institutional development grant, the teaching grant, and the research grant. The first two are exclusive to public institutions, while the third is a competitive grant. In terms of the internal organization and financial management of HEIs, the aforementioned law introduced a clear division among the academic decision-making bodies (the Academic Senate, Faculty councils, and authorities such as the Rector and Deans - which until then were in charge of financial decisions as well)

³ The Higher Education Law (No.04/L-037)

and administrative decision making (sanctioning organs such as the Administrative bodies in institutional level and Administrators in Faculty level).

In Kosovo, the Ministry of Education Science Technology, and Innovation (MESTI) is the main institution in charge of the development of research and innovation at the policy-making level. The new legal framework that regulates the research and innovation sector was developed in 2010 with the adoption of the 2010-2015 National Research Programme (NRP) and the possibility of updating every five years. This year Kosovo is in process of adopting a new program 2023-2028 that recognizes science and research as its developmental priorities that can provide long-term social stability, and economic development, as well as enhance its cultural identity.

Therefore, research and innovation is a broad area where many sectors and bodies are involved. The Assembly of Kosovo adopts the research and innovation legislation as well as approves policy and financial documents, such as the National Research Program (NRP) and funds. It also appoints Research and Innovation bodies such as the National Research Council (Qeriqi and Gallopeni, 2019)⁴. The Ministry of Education, Science, and Technology and Innovation (MESTI) is responsible for the development of the scientific research and higher education system and the promotion of technological development that strengthens the accountability of using public funds by universities. Another issue with public universities in Kosovo is that there is no clear model and format for using these funds. Other regional countries set a different set of formulas for investments 70/30, 50/50 in the case of Slovenia, or 80/20. The share of the funds in this form increases the competencies of the staff and management to work more and generate their income. Based on the current situation, most of the project and benefits go into the distribution of the staff cost to the staff involved which creates a situation where the allocation and involvement are not very transparent nor correct with the budget distribution. This form of utilizing the funds coming from projects is not very transparent and correct due to the lack of clear tasks or activities based on the contracts that mostly are designed to determine the teaching hours. However, the legal framework of research and innovation in Kosovo does not provide a ground for setting up this model, nor impose the mandatory engagement of the staff outside of teaching activities within the contract. Very few staff engaged based on personal initiative have an opportunity to get staff cost as additional payment from the regular contract. This resulted in most of the cases with the same individuals engaged in several projects and created mistrust in the allocation of staff within projects. The research development in universities is designed based on then the following legislation:

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4 HERAS, Concept Document Mapping of the Research and Innovation, System in Kosovo. 2019, Prishtina

- Education Strategic Plan 2022
- Law on Scientific Research Activities 04/L-135
- Law (No. 06/L-049) on Scientific Innovation and Transfer of Knowledge and Technology
- Law (No. 04/L-037) on Higher Education in the Republic of Kosovo
- Law (No. 2004/ 19) on Academy of Science and Arts of Kosovo

The greatest attention of the National Research Programme of Kosovo is focused on strengthening the links between science and society, and enhancing economic and social development. The focus also is being placed on research that contributes to the development of human capacities and better utilization of potential grants.

According to the legislation in place, the Law on Scientific Innovation and Transfer of Knowledge and Technology (SITKT) makes MESTI the main institution responsible for preparing innovation policies and implementation mechanisms for the Scientific Innovation and Transfer of Knowledge and Technology. Within the MEST, the Department of Higher Education, Science and Technology (DHEST) is the main responsible body in the area of Higher Education, Research, and Technology. According to the current legislation, the national funds for research are mainly shared between publications and small innovation projects. Also, there are a few research projects which have been implemented during the last few years, and some of them are still in progress. These research projects are implemented in cooperation with different Universities, ERASMUS+ Capacity Building Program, HORIZON 2020, USAID, GIZ, and other donors.

However, the adopted decentral governance model of Kosovo institutions (Opening of new public universities in Kosovo in addition to the University of Prishtina) led to a lack of strategic capacity with consequences for the development of the institutions' missions. The need for including standards for good governance in the external quality assurance system, implementation of proper autonomy with financial accountability, and increasing the university autonomy in long run remains the biggest challenge due to the underdeveloped capacity to make and implement strategic issues.

Higher Education Institutions in Kosovo seem to be striving to enhance university autonomy and transparency through internationalization and inter-university cooperation and an increasing number of international projects. Thus, Kosovo needs to include in the path of strengthening university autonomy through empowering university governance with updated regulations and structures at national and university levels for funding based on a good performance model.

European University Association (EUA)⁵, promotes university autonomy in four main dimensions: organizational autonomy, financial autonomy, staffing autonomy, and academic autonomy. The EUA together with public universities in Kosovo and International Business College Mitrovica (IBC-M) and MESTI runs the Erasmus + Structural Project STAND that prepares the first scorecard report on university autonomy for Kosovo. In this case, this consortium approach can support negotiation in raising the priorities towards the new framework reforms for all HEIs in Kosovo that cover the need for enhancing the capacities of human, technical and organizational levels in research and also the project implementation. Besides this, there is also a need for enhancing academic freedom, institutional autonomy, student and staff participation in research and projects, and financial transparency based on their performance.

To come up with an analysis of the current situation on financial university autonomy the paper included the analysis of a few responses from the interview with representatives of public institutions in Kosovo. Based on the interview there is also clear evidence that universities lack a holistic approach to management structure, which includes organizational, financial, staffing, and academic dimensions as well as technical management of the data, where a united University Management system (data on publications and projects) is used, bringing together analytics and statistics of abovementioned elements.

⁵ <https://eua.eu/>

3. Analysis of university financial autonomy dimension in Kosovo

Universities in Kosovo, still possess lack institutional actions and mechanisms to support the project activity in scientific research and fund allocations. It is in considerable need to undertake certain actions in coordination with national authorities, such as the Ministry of Education, Science, and Technology, on a strategic approach, where one model based on good practices from the region would enhance the research quality and capacity building.

According to the Law on the management of public finances, the universities are obliged to request the budget from the government in two consultation cycles after which their budgets are approved by the Government.

The law emphasizes that the funds/budget is allocated annually based on item-line budget (capital investments, goods, and services, etc.) and following the law on Public Finances. One of the main issues that public universities are facing is that other public universities (except the University of Prishtina), are not yet budgetary organizations. In addition, in case the university generates income from other sources such as projects or surplus the possibility of keeping it is regulated by the “Law on the management of public finances”. Referring to the Law donations and project funds/grants can be kept by the Universities. However, the incomes generated by the Universities are usually very low.

Based on the Law for the management of public finances, Universities cannot borrow money. Only the Government of Kosovo is allowed to take loans. The government of Kosovo could take loans on behalf of universities, but not universities directly can do.

The Higher Education Institutions receive their budget as an itemized budget (on yearly basis). Regarding the financial situation, the university budget is from direct public funding whereas the level of income generation by the University itself is based on projects. Competitive, public funding is also a concerning issue, Therefore, there is an urgent need for developing and approving the funding formula aiming to ensure the performance and financial accountability of the institutions and further promote competitiveness in the sector of Higher Education.

Based on the response from the public universities the itemized budget (the same for all budgetary organizations) is not the most suitable. A very high percentage of the budget is from direct public funding and this situation does not influence the universities to deal with research due to the commodity that the staff has with full financing from the MESTI. However, the lack of income generation and lack of the entities suitable for income generation stands with public universities in Kosovo. The financing does not promote the capacity for improving the financial sustainability and strategic development of the institution.

Several institutions are working closely with donors like the EU, USAID, GIZ, and others donors to promote research and scientific projects. There is a collaboration with regional countries which needs improvement and higher communication to share knowledge. However, the collaborations are at the project implementation level. Such cooperation is diverse in terms of scope and expertise generation. The Centre for Innovation Support and Technology Transfer (CITT) part of the Department for Technology and Science within the Ministry of Education Science Technology and Innovation (MESTI) serves as the main source of information and the linkages between science, technology, and industry actors to accelerate the process of technology transfer, technology development, and innovation in Kosovo. Participation in these calls allows for enhancing the chances for new projects. However, based on the data reported in the last five years there are 122 applications for small projects out of 1741 academic staff employed in public universities. This number reflects the low interest of staff to apply.

In general, the level of financial autonomy of public universities in Kosovo is comparatively low. According to Alija et al (2022)⁶ the evaluation based on EUA criteria, Kosovo has a theoretical score of 31% and belongs to the “low cluster” (grouping systems with scores up to 40%)⁷. The results from the assessment and report from the University of Prishtina, University of Applied Science Ferizaj, University of Gjakova, University of Gjilan, University of Mitrovica, and University of Peja the governance and financial capacities of public institutions in Kosovo presented⁸ are as followed:

6 .Alija, B.Gallopeli, M.Kerolli, Scorecard report, 2022 Stand Project

7 Assessment based on EUAs “autonomy clusters”.

8

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Only the Government of Kosovo is allowed to take loans. The government of Kosovo could take loans on behalf of universities, but not universities directly can do.

- **Public Universities as budgetary organizations:** Due to their prolonged establishment/transitory phase, new public Universities (except the University of Prishtina) are not yet “budgetary organizations” therefore they receive their budget through the Ministry of Education Science Technology and Innovation instead of doing that directly through the Ministry of Finances as regulated by Law. This situation creates difficulties concerning the procedures and efficacy;
- **Influence of the procedure set in different Laws and Implementation of the projects:** Besides the elements elaborated in this report, these are also important aspects for University autonomy in Kosovo Law on Public procurement provisions that often are “challenging” in terms of successful implementation of the projects. Provisions of this law are not supportive as regards the procedures for contracting of service and finalization of the work.
- **Management of the finances** which are competence of the Universities should be reconsidered and aligned with the need for promoting better performance, income generation, strengthening accountability, increasing the capacities of the internal structure of institutes, knowledge transfer centres, etc., as well as on the best practices that promote better performance and competitiveness in absorbing the funds from the available source.

4. Steps ahead and improvement of the situation

Following the analysis of the legal framework and strategic documents, as well as the interviews with university representatives the government through the national science program aims to confirm the commitment to improving the situation concerning the autonomy and financial accountability of the HEI by promoting the planning and reporting, improving the situation as regards to the income generation as well as strengthening the link with the job market.

However, based on the analysis Kosovo is still facing the following challenges that need urgent attention:

- ▶ dynamic changes in its society, economy, and culture;
- ▶ challenges such as the application of new scientific projects and lack of advanced infrastructure;
- ▶ limited human, material, and natural resources meaning that each of these resources must be used in the best possible way;
- ▶ Limited conditions for synergizing science and research legislation (Law on Higher education with Law on research and scientific activities, etc).
- ▶ No clear public financing model and using surplus.

Kosovo is in a good position by adopting a new national science program 2022-2028 that is focused on:

- ▶ strengthening Kosovo's scientific and technological bases and strengthening active participation in the European Research Area (ERA)
- ▶ boosting research and innovation capacity, competitiveness, and jobs
- ▶ delivering community priorities and enhancing the socio-economic model and values and research ethics

Following the issues with the implementation of the previous science program and problems with fund allocation without clear model and performance indicators, this process requires urgent measures by MESTI and HE to work together in updating the overall legal framework of Higher Education. This can be done by:

- Developing a strategic policy dialogue and participation in the process of the development and harmonization of the legal framework that would ensure transparency on financial autonomy;
- Ensuring the proper balance between financial autonomy and accountability and setting up a good financial model based on the performance of the universities. The initial share of the public fund can be 80/20, where 20% of the overall budget should be generated by the public universities in Kosovo.
- Setting up a clear procedure for generating income and utilization;
- Addressing the inability to keep surplus as a prerequisite for better planning and implementation of a performance model.
- Addressing the issue of the decision on the staff salaries and enhancing the salaries of administration staff.
- Promoting the link and partnership between the academia and labor market - industry and businesses as well as the use of income from the business for the service

Specific actions on a financial system:

- Defining an appropriate financial model as a share between MESTI and public universities. Assigning a formula that measures the performance and possesses good ground for financial accountability of the institutions and further promotes the s competitiveness;
- Determining the new budget allocation mechanisms compared using best practices from other public universities in the region.
- Strengthening the capacities for financial management and transparency and enforcing the performance mechanisms.
- Strengthening the performance indicators that promote better staff performance.
- Ensuring proper mechanisms that contribute to the strength of the capacities for absorbing the funds from the government and other funds.

