

Guideline for drafting the Action Plan

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This guideline is drafted in Albanian language.

The drafting of this guideline is part of the project activity “Aid for Trade” in order to strengthen the capacity of relevant staff of the Ministry of Trade and Industry in the translation of strategic documents into work plans (preparation of internal work plans and drafting of project proposals).

The manual is prepared in response to the needs of training participants on drafting the action plan, whereas the point of views expressed in this material belong exclusively to the author.

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Abbreviations and terminology

Abbreviations	
IPD	Industrial Policy Division
KIESA	Kosovo Investment and Enterprise Support Agency
MTI	Ministry of Trade and Industry
Terminology ¹	
Baseline	Existing situation prior to the implementation of the action plan, based on the accurate and reliable evidence.
Indicator	Indicator which enables verification of changes as a result of implementation of the action plan. The indicator should be measureable and linked with “the baseline”.
Targets	Goals or targets defined to be achieved as a result of implementation of the action plan. Targets should be well defined and easily measureable.

¹ In this guideline we have used some terms in the English language, translation of which in Albanian language may not reflect the full meaning intended.

1. Purpose of the action plan

The action plan is a document which defines in detail the steps to be undertaken in order to achieve the objectives set in the strategy. This action plan defines the necessary sources, time and responsibilities for implementation of each strategic objective by ensuring efficient use of resources, and adequate cooperation between all parties involved in the implementation of the action plan.

The minimum period of the action plan should include the time period of the strategy, because if e.g. the strategy involves a period of 5 years and the action plan a period of 3 years, it will be hard to make sure that we have planned activities that enable achievement of the objectives set in the strategy.

The Action Plan is an internal document and may be changed based on the findings of the monitoring and assessment report. Changes can be made only in cases where there is assurance that any activity in the action plan may not be implemented or if we have information that an indicator may not be achieved due to the new circumstances.

2. Parties involved in the drafting of the action plan

In the drafting of the action plan should take part the representative of institutions/departments and stakeholders that meet one of the following conditions:

- ✓ are responsible for implementation of the strategy (or part thereof);
- ✓ participated in drafting of the strategy;
- ✓ have knowledge of the legal basis relevant to the field of the strategy;
- ✓ have information in relation to the implemented projects in the field of the strategy;
- ✓ are well informed where to obtain relevant information for definition of indicators and sources of their verification;
- ✓ are responsible for implementation of activities
- ✓ provide funds for the activities ; and
- ✓ carry out the monitoring of the implementation of action plan;

The cost should be estimated during the drafting of the action plan for each of the activities and therefore information is needed from the persons that in one way or another were involved in similar projects with planned activity(s).

Engaging an experienced person in projects is very important, because this ensures that the action plan doesn't include activities that are proved to be unsuccessful or activities being already developed and which are no longer needed.

3. Structure of the action plan

In Figure 1 are reflected the key elements of the action plan. The action plan initially defines the overall objective, and then the strategic objectives and specific

objectives. For the purpose of illustration, the first strategic objective is achieved through the specific objective which is implemented in three activities.

Each activity should have defined: the indicator, the time period needed to implement each activity, financial cost, responsible persons and supporters to the implementation of each activity, financial resources and verification tools to be used in order to verify that the planned activity is implemented and the indicator is achieved.

Figure 1: Elements of the action plan

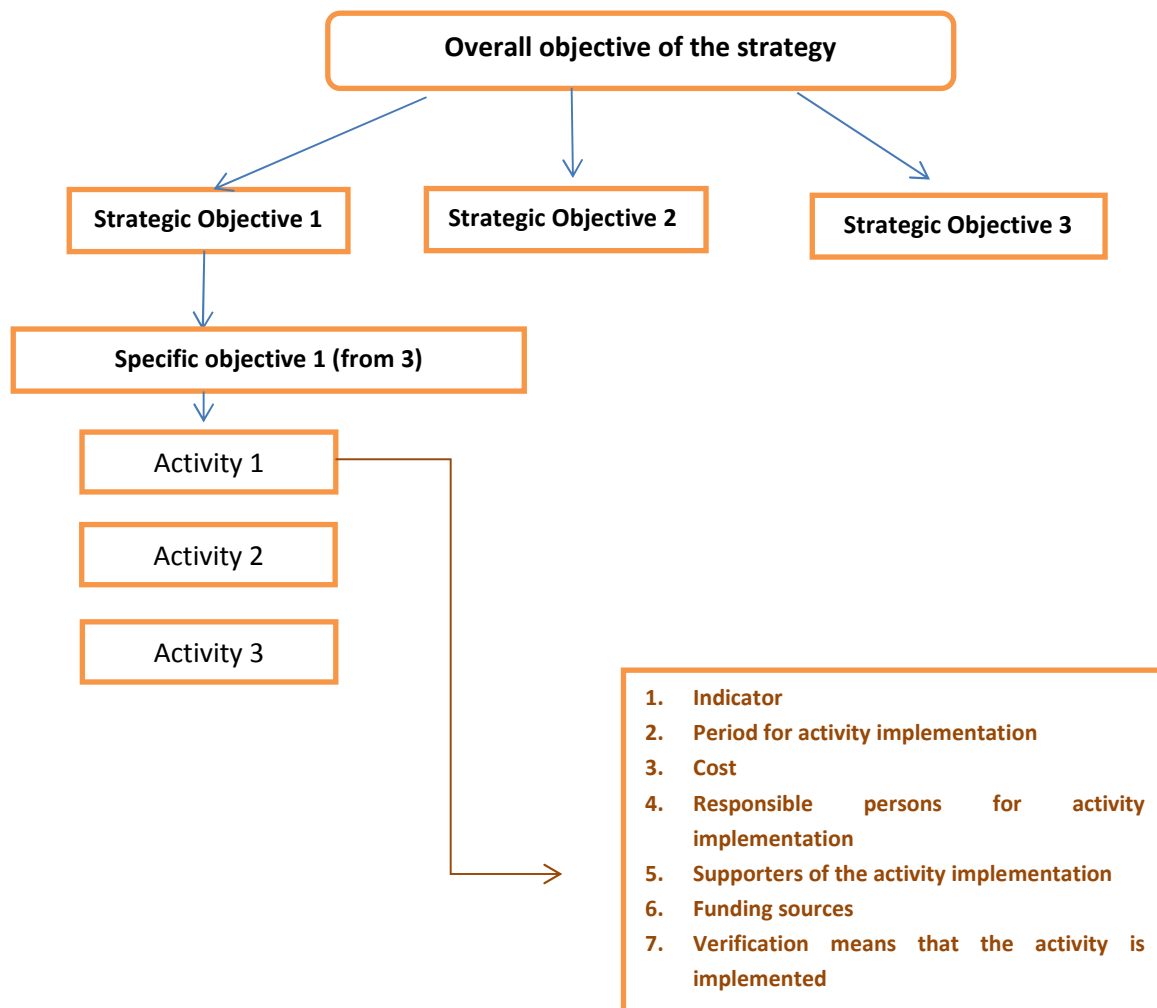


Table 2 reflects the structure of the action plan model selected for purpose of this guide. Every strategic document has an overall objective, which is aimed to be achieved through several strategic objectives.

Specific objectives should be defined in order to achieve a strategic objective. For each specific objective should be defined a measurable indicator, which directly contributes to achieving the strategic objective and the overall objective of the strategy.

The necessary activities should be identified in order to achieve the specific objective (in Table 1 we have assumed that for Objective 1.1, are needed 5 activities). Whereas, for each of the activities should be defined the measurable indicator of the activity, should be noted the responsible people and supporters for implementing the activity and achieving the indicator, and must also specify the period for implementation of the activity, the cost for each activity and the financing source, as well as specify what tools we should refer in order to verify that the activity is implemented and the indicator is achieved.

Table 1: The structure of the action

1.	Strategic objective 1:												
1.1.	Specific objective:												
	Indicator for specific objective 1.1.:												
	Activity	Output indicators	Responsible institution	Supporting institution	Implementation					Cost	Finance source		Reference Document/Verification means
					2016	2017	2018	2019	2020		Funder 1	Others (specify)	
1.1.1													
1.1.2													
1.1.3													
1.1.4													
1.1.5													

3.1 Definition of objectives

The overall, strategic and specific objectives are defined in the strategy, while the action plan specifies in details how to achieve each of the objectives.

Part of the Private Sector Development Strategy², which is being drafted by the Ministry of Trade and Industry (MTI) for the period 2016-2020, is the development of Competitiveness and Enterprises sector. The overall strategic objective of this sector is **“Increasing Competitiveness and Development of Entrepreneurship in Kosovo”**. The first strategic objective for implementation of this aim is **“Modernization and Development of Industry”** and one of the defined measures for implementation of this target is **“Support to the enterprises for modernization of manufacturing technology”**. More specifically, it was decided to support the manufacturing sector, which will impact the growth of domestic products and as a result increase this sector’s competitiveness both inside and outside of the country, and all of these objectives belong to MTI’s mandate. To illustrate guidelines for drafting of the action plan will be used the objective presented in the Table 2 and all explanations in this guide will refer to this table.

² The Private Sector Development Strategy 2016-2020 is being drafted, therefore the example presented in this guideline will not necessarily be part of this strategy, but has been used only as an illustrative example.

Table 2: Action plan, an example of guidelines

Sector: Competitiveness and Enterprises of the Private Sector Development Strategy

1.	Strategic Objective 1: Modernization and development of the industry												
1.1	Specific Objective: Support to the enterprises for modernization of manufacturing technology												
	Indicator: Increase of production; Target: Increasing production of supported enterprises by 30%												
	Activity	Output indicators	Responsible institution	Supporting institution	Implementation					Cost	Finance sources		Reference document/Verification tools
					2016	2017	2018	2019	2020		Kosovo Budget	Other (specify)	
1.1.1	Drafting of the document for support of enterprises (situation analysis, statistics about actual level of technology in Kosovo), definition of criteria (sectors, co-financing)	Document drafted	IPD	Business Associations Donors	√								Finalized document
1.1.2	Development of application and other documents for application	Application developed	IPD		√								Application
1.1.3	Call for application	Invitation for application	KIESA	DPI	√	√	√	√	√	1,500 (300* 5 years)	1,500		Copies by printed media

1.1.4	Information campaign	Promotional advertisement	KIESA	IPD, Business Associations, Donors	√	√	√	√	√	2,000 (for development of advertisement)	2,000		Link to the commercial; record of the commercial
1.1.5	Committee for application assessment	Committee established	KIESA	IPD	√								Decision for nomination of the committee members
1.1.6	Assessment of application and announcement of results	Applications assessed	KIESA	IPD	√	√	√	√	√				Report with assessments: approved and rejected
1.1.7	Award of grants	20 enterprises support	KIESA			√	√	√	√	2,000,000 (500,000*4 years)	1,000,000	1,000,000	Financial statement
1.1.8	Assessment of support/modernization effects	Report finalized	IPD	Research institution			√		√	20,000 (2 studies, each of 10,000)	20,000		Report with the obtained outcomes

In the specific case through “Support to the enterprises for modernization of manufacturing technology” aims the “Development and Modernization of Industry” that impacts on the increase of competitiveness, which is the aim of the “Competitiveness and Enterprise” sector of the Private Sector Development Strategy.

3.2 Definition of indicators for specific objectives

A challenge in the process of drafting the action plan is defining indicators for each specific objective. This indicator may have been defined in the Strategy paper. The indicators for each specific objective should be defined based on the SMART principle (specific, measurable, achievable, relevant and timely bound).

Indicators play an important role as they assess whether the Strategy is having the desired effect and generated the set outcomes. Therefore, special care should be taken in defining the indicators. In the specific case through “Support to the enterprises for modernization of manufacturing technology”, the aim is to increase production in Kosovo, namely to increase production of enterprises to be supported. This is a measurable indicator and may be verified upon the completion of the project.

The existing/current situation plays a major role in defining the indicator, or the situation before defining the targeted indicator, which is known as “baseline”. In fact this is the basis for defining an indicator. Achieving the aimed objective or objectives through the defined indicator, which are known as targets, is equally important. The source of the data for defining the “baseline” is very important because the data should be reliable and accurate. The data for the “baseline” should be ensured e.g. from the Kosovo Agency of Statistics, the Central Bank of Kosovo, Kosovo Customs, Kosovo Tax Administration, relevant ministries and various studies at the enterprise level, which are carried out by other organization and institutions.

In the specific case as measuring indicator for the specific objective is defined “increase of production of at least 20 supported enterprises”, while as a “baseline” in this case should be noted the average value of the production of manufacturing enterprises, whereas as a “target” is determined increase of production of supported enterprises by 30% (Table 2). Although it is not accurately known the actual average value of the production of enterprises in Kosovo, this figure could be calculated based on the existing studies (e.g. from the UNDP studies on strategic sector profiles).

In definition of targets for indicators, it should be ensured that the defined target may be measurable and that they reflect the achieved effect. If for the specific objective "Support to the enterprises for modernization of manufacturing technology" we define as the targeted indicator "Increase of domestic production by 30%", this indicator may not reflect the achieved effect. This is so, because increase of production of supported enterprises may be smaller than a possible decline in production of other enterprises (or it may happen that a manufacturer may be closed down and that may affect the total value of production in the country). As consequence of this it may seem that the targeted indicator is not achieved or perhaps it may even be understood that this produced a negative effect (if the net effect from the decline in other enterprises is higher than the increase in those supported).

If we choose to use the indicator related to the increase in export, then this indicator, for the same reasons as in the previous example, may disable the measurement of the effect. Furthermore, knowing that the aim of increasing the production is also the increase domestic consumption (export substitution), this measure may not necessarily be reflected in the increase of export.

If the strategic objective would be to define the "Increase of products quality in Kosovo", then as an indicator may be set the number of enterprises certified with quality standards (for example, it would be noted that 20 manufacturing enterprises in Kosovo are certified with these standards), while as a "target" we would note that e.g. 50 enterprises will be certified with relevant international quality standards.

If in the action plan is set the objective to increase export then as a specific objective could be determined to be the support of enterprise in finding partners in the international market. The number of businesses exporting out of the country will be used as an indicator, while the actual number of enterprises exporting out of the country will be used as "baseline" (an information which could be obtained by Kosovo Customs), and as "target" will be e.g. "20 enterprises begin their exporting activity".

Definition of measurable indicators and targets is a very efficient method and eases the process of reporting the outcomes.

3.3 Definition of activities

The drafting of the activity list is a prerequisite for the implementation of each specific objective. A good activity list is the one containing activities that are achievable and that directly contribute to meeting the objective. Activities should be specific, clear and ensure implementation by the responsible institutions involved in the implementation of the action plan. It should be provided that the list of activities is completed otherwise it may affect the realization of the specific objective in its entirety.

In the table 2, for the realization of the specific objective 'Support enterprises to modernize production technology' have been planned eight activities based on the chronology for their implementation and for each activity is determined the time of implementation.

As a first activity is considered necessary to analyze the situation in the manufacturing sector (number of producers, types of produced products, the source of raw materials, markets in this sector, etc.), reflecting the current situation in the value of production, and drafting of the document on the determination of criteria and conditions for the provision of grants in the manufacturing sector that are prepared in accordance with the findings of the analysis. The basic activity in this specific objective is the provision of grants, whereas in the third and fifth year it is planned to assess the effect of grants in the growth of productivity of supported enterprise.

3.4 Determination of indicators

Activity indicators are the meters for measuring the realization of each activity. Defining indicators is very important because it is essential for monitoring and assessing the implementation of the action plan. In table 2 for the first activity 'Drafting the document to support enterprises (situation analysis, statistics for the current level of technology in Kosovo) as an indicator was determined to be the

drafted document with data on the current situation in the manufacturing sector and the level of technology in the production enterprises. With regard to the grand award activity, the indicator shall be the number of supported enterprises, which in this case is intended to be at least 20 manufacturing enterprise. For the activity of assessing the grant impact, the indicator is the assessment report.

3.5 Period for implementation of activities

The action plan is drafted for several years; therefore the implementation period should be noted for each activity, specifying the starting time. There are several ways to reflect this: must be provided the column for the period (month or year) when the activity is planned to start and the column when the activity is planned to be completed. Another format is that presented in Table 1 and 2, which determines the time for implementing activities by years.

During the drafting of the action plan, should be considered the logical and chronological listing of activities. In Table 2 it is noticed that the plan is to award grants during the second year because in the first year are foreseen preparatory activities such the drafting of necessary documents, call for application, awareness campaigns, establishment of the assessment committee, etc. Although grants will be awarded during the second year, the assessment of the grants effects is planned to be conducted for the first time during the third year, whereby the effect of such grants could be measured. The same activity is planned to be carried out in the fifth year, after the last wave of awarding grants.

3.6 Responsible persons and supporters of activities

The action plan should clearly specify who are the responsible persons and supporters of each activity. For both sides, should be noted the institutions (and where possible the departments or agencies) which agreed to bear the responsibility or support planned activities. Therefore, the drafting of the action plan should include representatives of all stakeholders who will contribute to the realization of the plan. Responsible persons are those who will be subject to monitoring and assessment, thus their dedication should be ensured. In order to determine those responsible persons and supporters, one should have knowledge on the mandate of each institution, in this case of each department and MTI agency. For example,

Industrial Policy Division (IPD) is responsible for drafting policies and regulations/documents and the Agency for Investment and Enterprise Support in Kosovo (KIESA) for their implementation, and therefore in this spirit must be determined who will be responsible and supporter of each activity.

Referring to table 2, KIESA is responsible to conduct the information campaign activity for the award of grants, whereas supporters are: IPD, business associations and donors. Business associations will assist in distributing information about the grant program and donors will also help inform the businesses with which they have cooperated. Responsible for conducting the study on the assessment of the effects of grants is IPR whereas the research institution that will perform this study is the supporter of this event. In this case, even though the study will be conducted by an institution outside of MTI, IPD will determine the terms of reference (which defines the goals of the research, basic information for research, time to conduct the study, the criteria for the person/institution which would perform the research, etc.) and is responsible for the quality of the study.

3.7 Costs of activities

The cost of the action plan should be based on secure financial opportunities so the budget should be planned based on the possibilities rather than the desires and needs. The cost should be calculated based on information from similar projects in the past, based on market prices and always aiming at the lower costs without compromising the quality of activities. For example, if in the past such expenditures were considered unnecessary, then these should not be included in the budget. As shown under table 2, not all activities have costs. For example, the establishment of the assessment commission, definition of criteria for applying for grants does not involve implementation cost.

The calculation of the cost must be well explained thus providing full information on the cost of each activity. In the case of grants, it should be specified how many grants are planned to be awarded and how what is their planned average value. In this way the expected effect of the specific objective is justified. For example, if the total amount of grants is expected to be EUR 100,000 this shows that the target indicator to increase production for 30% is optimistic and less likely to be realized.

This is because knowing that modern technologies are costly, a grant in the amount of EUR 100,000 and additional EUR 100,000 funded by the enterprises would be able to fund the purchase of a small number of equipments that could ensure production of these companies for 30%. However, expecting a 30% growth of enterprises production is realistic because in the action plan has been planed that during the four year period to be awarded grants in the amount of 2,000,000 euro from which is expected to benefit at least 20 enterprises, and the beneficiary enterprises should finance at least 50% of the investment value in modern technology, which means that the total of investment in modern technology through this objective will at least be 4,000,000 Euro.

3.8 Sources of funding activities

In the action plan must be defined the sources for funding each activity. In table 2 have been provided two columns, whereby one of them is for the Kosovo Budget and the other for other sources. In order to determine the funding from the Kosovo budget, one should have information about the contributions to this budget, the Medium Term Expenditure Framework and the government's plans for the future.

Whereas to specify the support from other sources, namely donors, is required to know each potential donor. This is achieved by studying the objectives of donor programs, and also ensuring their willingness to finance activities included in the action plan. A better way to ensure this is to include potential donors in the drafting of the action plan. In cases where certain donors have decided to support any activity, in the other column should be written the name of the donor concerned.

Special care should be taken in determining the types of activities to be financed by donors. For example in the table 2 we have planned that information campaigns is financed only by the Kosovo Budget while for grants we have planned donor co-financing. This is because donors are more interested in supporting activities that produce direct effects such as grants, and less interested in financing information campaigns or financing of the announcement of the invitation to apply.

3.9 Verification tools for implementation of activities and performance of each activity indicator

Tools for verification are the documents and evidence that prove the implementation of activities and fulfillment of indicators. While the indicator shows what is aimed to be achieved through each activity, verification tools enable controlling and ensuring that the targeted indicator of each activity is achieved. For example in Table 2, the indicator of the activity 'Assessment of applications' indicates that applications are assessed and this can be verified by the verification tool "Assessment reports with data on rejected or accepted/winning applications prepared by the Assessment Committee.

For the activity 'Award of grants', the indicator is the number of enterprises supported, whereby in this case the aim is to support 20 companies. A tool to verify that this indicator is accomplished is 'financial report' with data for grants provided.

4. Action Plan follow-up

The action plan is an important document to support the achievement of the goals set in the strategy. To ensure the realization of strategic objectives within the period stipulated by the strategy, the action plan should be monitored on regular basis and studies should be conducted to monitor the progress in achieving the objectives defined in the plan.

4.1 Monitoring the implementation of the action plan

The monitoring plan is a document that analyzes whether the activities are being realized in accordance with the action plan. The monitoring plan enables the timely identification of deviations from the plan, as well as identification of obstacles and problems that hinder implementation of the plan according to the planned dynamics. The action plan can be changed based on the findings deriving from the monitoring and also proposes the necessary changes to the plan.

The document of the action plan shall specify the period for the regular monitoring and determine the institution/department responsible for monitoring of the plan. It must be emphasized that monitoring may, as needed, be conducted more frequently than planned (for example when the main responsible institution considers that additional monitoring is required, or upon request by a financing donor). Monitoring is conducted based on the activity indicators, and by referring to the verification tools. In the example presented under Table 2, at the end of the first year, the monitoring report shows that activities 1.1,1; 1.1,2; 1.1.3; 1.1.4; 1.1.5 and 1.1.6 have been achieved, whereas in the second year is monitored activity 1.1.7 and in the fourth and fifth year is monitored the achievement of activity 1.1.8.

Table 3 presents a form of the monitoring plan. In the Action Plan table have been added three columns, which refer to monitoring. For each activity must be noted the implementation status, data regarding the reasons in cases of not implementing the activity in a timely manner, and the responsible institution for the identified delay in the implementation of the activity.

Table 3: A reporting format for monitoring the action plan

1.	Strategic objective:														
1.1.	Specific objective:														
	Indicator:														
	Activity	Output indicators	Responsible institution	Implementation					Costs	Funding sources		Reference Document/Verification tools	Monitoring		
				2016	2017	2018	2019	2020		Kosovo Budget	Others (specify)		Status of implementation of activities in 2016	Notes for stagnation reasons in the implementation of activities	Responsible institution
1.1.1															
1.1.2															
1.1.3															
1.1.4															
1.1.5															

4.2 Final assessment of the action plan implementation

While the monitoring plan monitors whether the activities are conducted in accordance with the action plan, the assessment report analyzes whether defined indicators (targets) at the level of activities, and specific and strategic objectives in the action plan, are implemented.

The assessment plan does not primarily focus on the implementation of activities but rather on achieving the outcomes/indicators. This is because it is possible that certain activities foreseen are implemented on a timely manner and according to the plan, but outcomes/indicators/targets are not achieved. The assessment report also highlights reasons for not achieving the goals.

Assessment of the action plan is implemented by an institution that has not participated in drafting, implementing and monitoring of the action plan. Usually the assessment is done after the completion of the implementation period of the action plan by analyzing monitoring reports of the action plan.

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