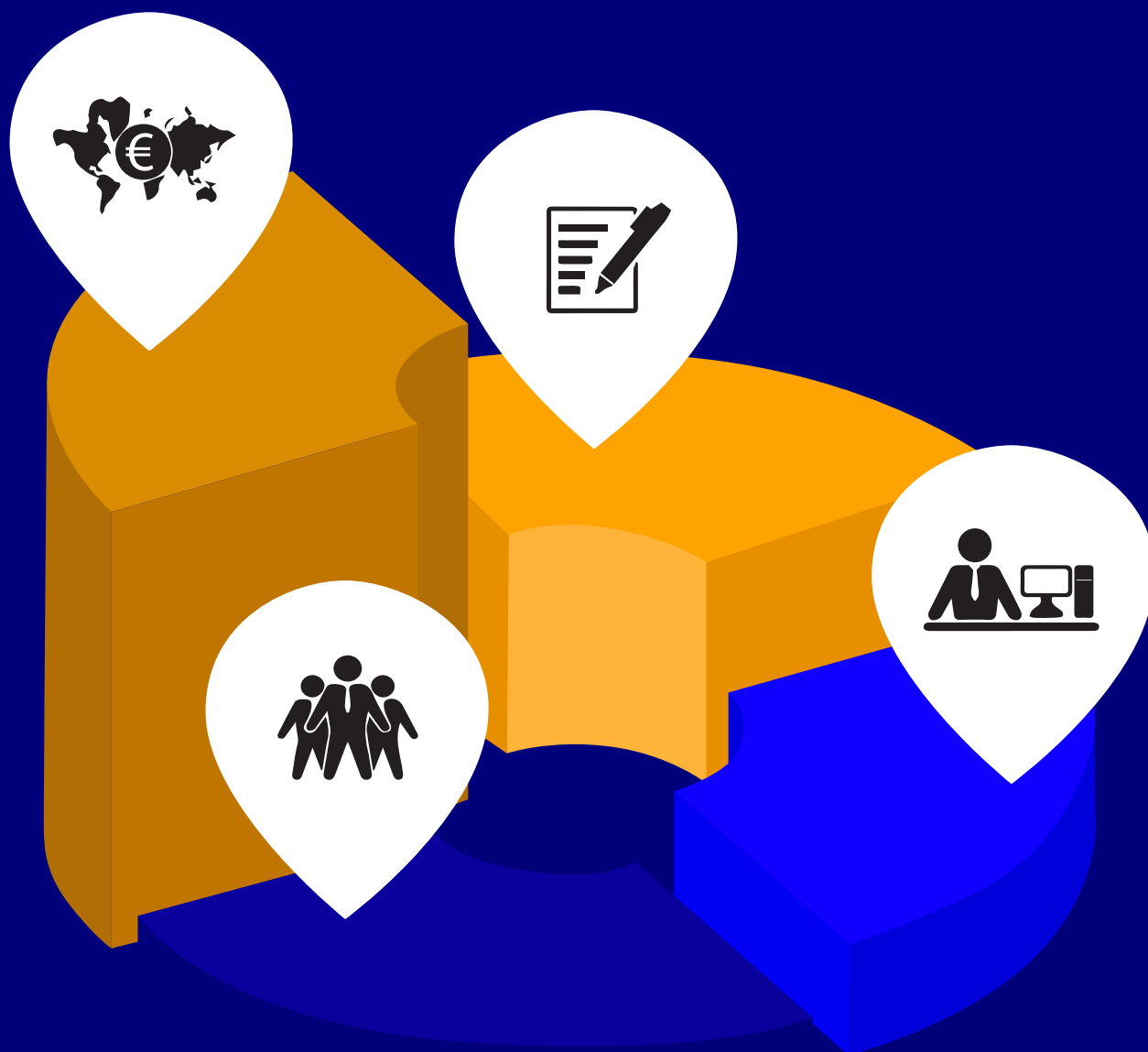


Raport i Monitorimit 

# ON THE IMPLEMENTATION OF THE GOVERNMENT'S ECONOMIC REVIVAL PACKAGE



**Author:** Institute for Development Policy (INDEP)

**Program:** Democratic Governance

**Published:** December 2021

The findings, views, and recommendations shared in this report do not necessarily represent the views of the Balkan Trust for Democracy, the German Marshall Fund of the U.S., USAID, or the U.S. Government.

# Table of Contents

Introduction	5
Methodology	7
Consultations Prior to Approval of Economic Revival Package	8
Package Adoption	9
Implementation Report	11
Measure 1 - Employment Support	11
<b>Implementation Level</b>	<b>14</b>
Measure 2 - Production and Economic Revitalization	17
<b>Implementation Level</b>	<b>18</b>
Measure 3 - Support to Households	19
<b>Implementation Level</b>	<b>20</b>
Measure 4 - Support to Public Sector	22
<b>Implementation Level</b>	<b>23</b>
Measure 5 - Investment in Infrastructure and Environment	25
Conclusions	26





# Introduction

The Institute for Development Policy (INDEP), under its “Recovery4Sustainability” project supported by the Balkan Trust for Democracy (BTD) and USAID, has analyzed and monitored the implementation process of the Economic Revival Package. The monitoring report is focused on data obtained from the Ministry of Finance and other stakeholder institutions in this process, such as the Tax Administration of Kosovo. This report seeks to reflect the achievements of the Economic Revival Package so far.

The COVID-19 pandemic has caused harm in virtually every sphere of life. The difficulties of citizens in the face of such hardship, without the help of the highest-level state actors, would cause distress to both social and economic well-being. The consequences of the pandemic were attempted to be mitigated through packages that contained support measures for the categories most affected by this challenge.

The Republic of Kosovo adopted several aid packages during the pandemic period.

These packages were preceded by the Fiscal Emergency Package in March 2020, followed by the Economic Recovery Package in December 2020, and finally, the Economic Revival Package that came in July of this year. As of today, since the beginning of the COVID-19 pandemic in the Republic of Kosovo, a total of EUR 820.65 million has been allocated for recovery purposes. The latest package is the largest in amount and the most voluminous, therefore, its monitoring is of greater importance.

The monitoring report was prepared under the monitoring process of the Economic Revival Package. The report comes after the publication of the four bulletins, prior infographics, and two podcasts, aiming to inform citizens about the measures and the implementation of this package. These activities of the Institute for Development Policy (INDEP) strive to enhance transparency and accountability, and at the same time keep citizens informed about the measures and the benefits they stand to gain from the Economic Revival Package.



# Methodology

This monitoring report was prepared using a mixed quantitative and qualitative methodology. Where quantitative research was used, INDEP employed the method of desk monitoring and research to collect data and information about the implementation steps of the Economic Revival Package. In addition, for this report to be as thorough as possible, INDEP completed the range of quantitative information through qualitative research. For the preparation of the monitoring report, INDEP has organized meetings and semi-structured discussions with representatives of the Tax Administration of Kosovo and the Kosovo Chamber of Hospitality and Tourism. INDEP has also used the monitoring method to evaluate the implementation process, to look closely at it, and to observe the behavior of the implementing actors over four months.

Upon data collection, data analysis entailed two key stages. In the first stage, we collated the data and conducted a content analysis. In the second part, we tabulated the data from the quantitative research with the conclusions resulting from the interviews to draw the final positions. Finally, the research was subject to a general examination of the development context of Kosovo where we scaled the implementation of measures provided by the Economic Revival Package.

The scaling of implementation of the measures is divided into four levels. The levels are as follows:

**1. No implementation**

The measure operationalization is pending and INDEP has not found any evidence of measure implementation

**2. Limited Implementation**

The measure is operational but INDEP has not found any evidence of measure implementation

**3. Partial Implementation**

The measure is operational and INDEP has found evidence of measure implementation

**4. Full Implementation**

The measure is operational and INDEP has found evidence of full implementation



Through this scale, we will present the current level of implementation of measures provided by this economic aid package.

The data covered in this report were obtained from the Ministry of Finance, Labor and Transfers, the Tax Administration of Kosovo, and the Kosovo Agency of Statistics. These data points help to compare and determine the level of implementation of measures provided by the Economic Revival Package. Through such data, INDEP aims to clarify information for citizens and other relevant stakeholders.

## Consultations Prior to Approval of Economic Revival Package



The Government of Kosovo has already approved and started the application of the Economic Revival Package.<sup>1</sup> This package is intended to mitigate the harm caused by the COVID-19 pandemic. It is not the first-aid package offered to citizens, rather the fourth package in succession. This package provides for the allocation of EUR 420 million and covers categories that were affected significantly. The implementation of the package started after amendments were made to budget appropriations and the approval of the package by the Government of Kosovo.

Previously, the Government of Kosovo, namely the Ministry of Finance, Labor and Transfers, engaged in consultations with relevant stakeholders in the formulation of aid featured in the Economic Revival Package. One of the key stakeholders consulted by the Ministry of Finance, Labor and Transfers is the Tax Administration of Kosovo (TAK). Cooperation and consultation with TAK were present in previous package processes, and this cooperation continued with the Economic Revival Package, where TAK was responsible for three measures under this package.

---

<sup>1</sup> Ministry of Finance, Labor and Transfers, News, Minister of Finance, Labor and Transfers presented the Economic Revival Package of EUR 420 million, accessible at <https://mf.rks-gov.net/Page.aspx?id=1,2,1091>, (accessed November 2021)

The Government of Kosovo did not hold any Public Hearing regarding the Economic Revival Package. The development of such a package should have enlisted the citizens to hear their demands up close and personal. Furthermore, public hearings are also governed by Regulation (GRK) No. 05/2016 on Minimum Standards for Public Consultation Process.<sup>2</sup> This Regulation aims to promote and ensure a process of public consultation between public authorities, stakeholders, and the public for inclusive participation in the policy-making and decision-making process of public interest and enhancing transparency and accountability of public authorities to stakeholders and the public.

Although there have been consultations with other central level institutions, the Government has not organized a public consultation on the revival package!

## Package Adoption



The Government of the Republic of Kosovo, in light of the harm caused by the pandemic and upon budget review, published the Economic Revival Package. Harm from the COVID-19 pandemic had already been observed, where sectors such as employment, economy, agriculture, and many other sectors had been affected and consequently major problems were recorded. Such harm came due to both total and partial lockdowns, which were deemed necessary to prevent the further spread of the pandemic. The Economic Revival Package comes fourth in succession with content and focuses on overcoming the harm emerging as a result of COVID-19.

Minister of Finance, Labor, and Transfers, at the 17th Meeting of the Government, on June 25, 2021, presented the 2021 Budget Review, amounting to EUR 2.516 billion.<sup>3</sup> The Budget review came as a result of the situation caused by the COVID-19 pandemic. The allocated funds would contribute to fighting the pandemic and facilitating recovery for both citizens and businesses.

<sup>2</sup> Government of the Republic of Kosovo, REGULATION (GRK) NO. 05/2016 ON MINIMUM STANDARDS FOR PUBLIC CONSULTATION PROCESS, accessible at <https://gzk.rks-gov.net/ActDetail.aspx?ActID=15036>, (accessed November 2021)

<sup>3</sup> Office of the Prime Minister, 17th Meeting of the Government of the Republic of Kosovo, accessible at <https://kryeministri.rks-gov.net/mqipja-e-17-te-e-qeverise-se-republikes-se-kosoves/>, (accessed November 2021)

The Budget Review also aimed to provide for the allocation or appropriation of funds to finance the Economic Revival Package. This package, featuring five key measures, provides for EUR 420 million, of which EUR 190 million shall be funded through the budget of the Republic of Kosovo, while the rest, i.e., EUR 230 million, will be acquired through borrowing. The package was presented by the Minister of Finance, Labor, and Transfers, Mr. Hekuran Murati, at a press conference on June 30, 2021.<sup>4</sup> The presentation of the package led to its approval at the 19th Meeting of the Government, followed with the review at the Assembly of the Republic of Kosovo of the Draft Law no. 08/L-016 on Amending and Supplementing Law No. 07/L-041 on Budget Appropriations for the Budget of the Republic of Kosovo for the Year 2021.

The Government of the Republic of Kosovo, on July 14, 2021, in its 19th Meeting, *inter alia*, approved the Economic Revival Package.<sup>5</sup> The approval given for this package, according to the Government, is aimed at employment and formalization, further economic development, and recovery from the consequences of the COVID-19 pandemic. Yet the approval by the Government is not the final step that gives the green light to operationalize the measures contained in this package. This is because the package was directly linked to the budget of the Republic of Kosovo and its implementation required the adoption of the Draft Law on Amending and Supplementing Law No. 07/L-041 on Budget Appropriations for the Budget of the Republic of Kosovo for the Year 2021.

First Reading of Draft Law No. 08/L-016 on Amending and Supplementing Law No. 07/L-041 on Budget Appropriations for the Budget of the Republic of Kosovo for the Year 2021 was placed on the Agenda for July 16, 2021.<sup>6</sup> Namely, this item was listed eighth on the session scheduled on that date. Under Article 56 of the Rules of Procedure of the Assembly, the Committee on Budget, Labor and Transfers had reviewed the draft law and recommended to the Assembly to grant its approval in principle. The first reading of this draft law passed with 69 votes in favor, where it was subsequently forwarded to the Functional Committee and the standing committees, for review of documents and recommendations for improvement.

On July 28, 2021, the Assembly of the Republic of Kosovo convened a plenary session, where the sole item on the agenda was the second reading of Draft Law No. 08/L-016 on Amending and Supplementing Law No. 07/L-041 on Budget Appropriations for the Budget of the Republic of Kosovo for the Year 2021.<sup>7</sup> At this session, the findings of the committees

---

<sup>4</sup> Ministria e Financave, Punës dhe Transfereve, Lajme, Ministri i Financave, Punës dhe Transfere prezantoi Pakon e Ringjalljes Ekonomike prej 420 milionë Euro, e qasshme në <https://mf.rks-gov.net/Page.aspx?id=1,2,1091>, (qasur në nëntor, 2021)

<sup>5</sup> Kuvendi i Kosovës, Seancat, TRANSKRIPT I MBLEDHJES PLENARE TË KUVENDIT TË REPUBLIKËS SË KOSOVËS, E MBAJTUR MË 16, 19, 21 E 28 KORRIK DHE 6 GUSHT 2021, e qasshme në [https://www.kuvendikosoves.org/Uploads/Data/SessionFiles/2021\\_07\\_16\\_ts\\_Seanca\\_LsKbMwLDMm.pdf](https://www.kuvendikosoves.org/Uploads/Data/SessionFiles/2021_07_16_ts_Seanca_LsKbMwLDMm.pdf), (qasur në nëntor, 2021)

<sup>6</sup> Kuvendi i Kosovës, Seancat, TRANSKRIPT I MBLEDHJES PLENARE TË KUVENDIT TË REPUBLIKËS SË KOSOVËS, E MBAJTUR MË 28 KORRIK 2021, e qasshme në [https://www.kuvendikosoves.org/Uploads/Data/SessionFiles/2021\\_07\\_28\\_ts\\_Seanca\\_BPnafK-k9ME.pdf](https://www.kuvendikosoves.org/Uploads/Data/SessionFiles/2021_07_28_ts_Seanca_BPnafK-k9ME.pdf), (qasur në nëntor, 2021)

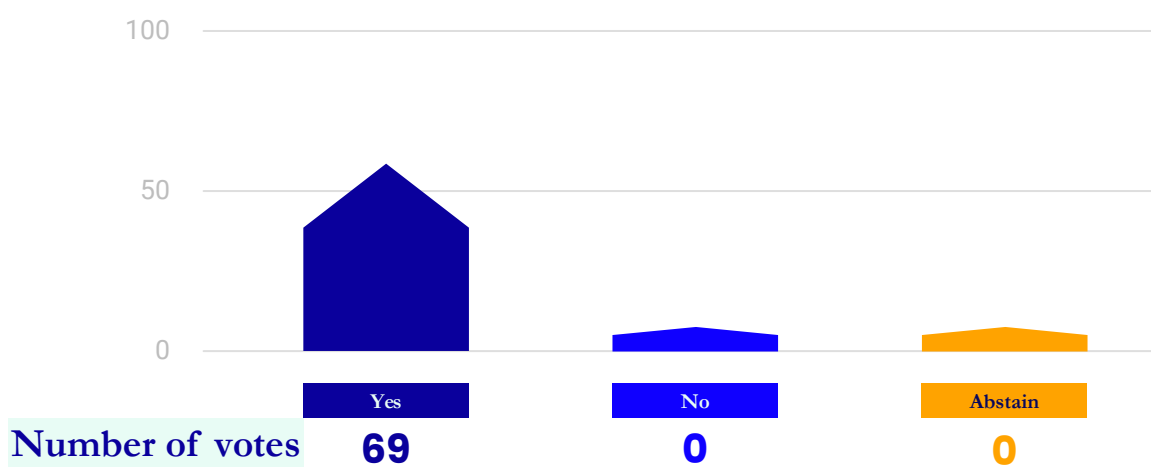
<sup>7</sup> Assembly of Kosovo, Sessions, TRANSCRIPT OF THE PLENARY SESSION OF THE ASSEMBLY OF THE REPUBLIC OF KOSOVO, HELD ON JULY 28, 2021, accessible at [https://www.kuvendikosoves.org/Uploads/Data/SessionFiles/2021\\_07\\_16\\_ts\\_Seanca\\_LsKbMwLDMm.pdf](https://www.kuvendikosoves.org/Uploads/Data/SessionFiles/2021_07_16_ts_Seanca_LsKbMwLDMm.pdf), (accessed November 2021)

related to the draft law were announced or presented. The review of the draft law by relevant committees represents an intersection of proper process and draft law efficiency considerations. Therefore, the findings of the committees were not mutually aligned.

The Committee on Budget, Labor and Transfers, after reviewing the draft law and its amendments, concluded that this draft law should be approved. It reasoned that such a budget would allow more interventions in economic development and mitigation of pandemic consequences. The Committee on European Integration determined that the draft law and proposed amendments are not specifically regulated by the European Union legislation. While the Committee on Rights and Interests of Communities and Returns found that the draft law and proposed amendments do not infringe and do not affect the rights and interests of communities.

Second Reading of Draft Law No. 08/L-016 on Amending and Supplementing Law No. 07/L-041 on Budget Appropriations for the Budget of the Republic of Kosovo for the Year 2021 passed with 69 votes in favor. The approval of this draft law at the Assembly of the Republic of Kosovo paved the way for the operationalization of the Economic Revival Package. This is because the package in question was included in the Budget Review.

### **Second Reading of Draft Law No. 08/L-016 on Amending and Supplementing Law No. 07/L-041 on Budget Appropriations for the Budget of the Republic of Kosovo for Year 2021**



The approval of the revised budget set the stage for the operationalization of the Economic Revival Package. The package and its measures were rolled out gradually and not all at once. Therefore, their presentation to the public was also gradual. The first measure to be rolled out and operationalized was Measure 1.2. – Support to formalized employees on July 29, 2021<sup>8</sup>, Measure 1.3. – Support to women’s employment on August 5, 2021<sup>9</sup> and Measure 1.1. – Return to work of those who lost their jobs on August 6, 2021.<sup>10</sup> All three measures have been under the supervision of the Tax Administration of Kosovo (TAK).

<sup>8</sup> Ministry of Finance, Labor and Transfers, News, Minister Murati presents Measure 1.2. of Economic Revival Package – Support to formalized employees, accessible at <https://mf.rks-gov.net/Page.aspx?id=1,2,1105>, (accessed November 2021)

<sup>9</sup> Ministry of Finance, Labor and Transfers, News, Minister Murati presents Measure 1.3. of Economic Revival Package – Support to women’s employment, accessible at <https://mf.rks-gov.net/Page.aspx?id=1,2,1108>, (accessed November 2021)

<sup>10</sup> Ministry of Finance, Labor and Transfers, News, Minister Murati presents Measure 1.1. of Economic Revival Package – Return to work of those who lost their jobs during the pandemic, accessible at <https://mf.rks-gov.net/Page.aspx?id=1,2,1110>, (accessed November 2021)

Diaspora Bonds are also an integral part of the Package. Diaspora Bonds are securities available for purchase by all natural persons, both residents, and non-residents, holding bank accounts in one of the commercial banks listed below. Partner commercial banks for investment in Diaspora Bonds are:

- Banka Ekonomike
- Banka Tregtare Kombëtare
- Banka për Biznes
- NLB Banka
- ProCredit Bank
- Raiffaisen Bank

The funds raised from Diaspora Bonds are expected to be used to support local producers under Measure 2.1 of the Economic Revival Package. The total amount collected from such securities is EUR 10.43 million and the deadline for application was August 18, 2021.

## Implementation Report

### Measure 1 Employment Support

The first measure designated Employment support is among key priorities, as the focus of citizens is on employment. The COVID-19 pandemic brought difficulties in terms of smooth operations consequently putting jobs in jeopardy and even causing many citizens to lose their jobs. The Economic Revival Package provided for the allocation of EUR 50 million, distributed across seven sub-measures. The seven sub-measures of the first measure of the Economic Revival Package are:

1. Return to work of those who lost their jobs during the pandemic
2. Support to formalized employees
3. Support to women's employment



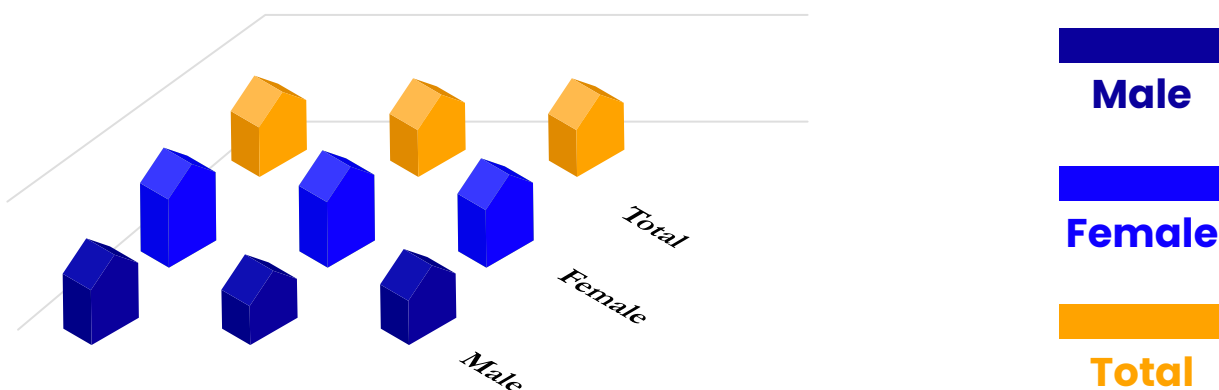
4. Guaranteed employment scheme for young people
5. IT training and employment
6. Employment support to persons with disabilities
7. Grant scheme for crafts

These sub-measures aimed to create enabling conditions to support employers and job seekers affected by the pandemic.

This package and its predecessors had an impact on the formalization of the informal economy and the employees in this sector. This is because aid package measures to mitigate the harm caused by the COVID-19 pandemic required the formalization and declaration of employees to benefit from the assistance. This package also contains a measure directly related to the formalization of the informal economy. Such an approach contributes to the accurate evaluation of employed persons and creates a more stable economy. These measures have shown an impact on the employment rate in the Republic of Kosovo.

According to the Kosovo Agency of Statistics,<sup>11</sup> 28.4% of the working-age population were employed during 2020.<sup>12</sup> In previous years, 2018 and 2019, the employment rate was 28.8% and 30.1% respectively. The percentage share would be even higher if many persons working in the informal economy would not have been registered as employees, but because of benefits related to the aid package measures from the Government of the Republic of Kosovo, they were registered as employees.

### Unemployment rate



<sup>11</sup> Kosovo Agency of Statistics, KAS, accessible at <https://ask.rks-gov.net/>

<sup>12</sup> Kosovo Agency of Statistics, KAS, Labor Force Survey 2020, accessible at <https://ask.rks-gov.net/media/6259/labour-force-2020.pdf>

The purpose of the first measure of the Economic Revival Package is to assist the employment sector, to help mitigate the harm caused by the COVID-19 pandemic. Therefore, its sub-measures provide assistance and grants to the most affected sectors. Return to work was particularly likely for workers who maintained a relationship with their previous employer. Mandatory social distancing measures, such as staying at home and lockdown orders have had a relatively small effect on employment recovery, while the spread of the virus has had a greater effect. This indicates that returning to work and creating new jobs will be easier and more viable with the eventual end of the pandemic. Therefore, the measures offered through this package will not be able to reach comprehensive coverage for the harm caused in this area.

## Implementation Level

The Economic Revival Package, presented on June 30, 2021, by Mr. Hekuran Murati, entailed a gradual rollout and operationalization of relevant measures. So not all the measures contained in this package are operationalized at the same time. Regarding the first measure under this package, which contains seven sub-measures, its operationalization started on July 29, with the implementation of sub-measure 1.2. – Support to formalized employees. Operationalization ensued on August 5 and 6, with the operationalization of sub-measure 1.3. – Support to women’s employment, and sub-measure 1.1. – Return to work of those who lost their jobs during the pandemic. These three above-mentioned sub-measures are under the responsibility and implementation of the Tax Administration of Kosovo. Sub-measure 1.4. – Guaranteed employment scheme for young people, is at the stage of developing a platform to enable the automation of this process.

The operationalization of measure 1.5. – IT training and employment, has also started. On September 22, 2021, the Government of Kosovo allocated EUR 2 million for this measure.<sup>13</sup> There is EUR 1 million allocated to subsidize scholarships for girls in the field of STEM (Science, Technology, Engineering, and Mathematics) and EUR 1 million for training high school seniors in the field of IT.

---

<sup>13</sup> Ministry of Finance, Labor and Transfers, News, Government allocates EUR 2 million for STEM scholarships and IT training, accessible at <https://mf.rks-gov.net/Page.aspx?id=1,2,1130>, (accessed November 2021)

<b>Employer</b>		<b>Employee</b>		
<b>Measure</b>	<b>Applications</b>	<b>Persons</b>	<b>Applications</b>	<b>Persons</b>
<b>1.1</b>	<b>470</b>	<b>1,013</b>	<b>676</b>	<b>676</b>
<b>1.2</b>	<b>1,107</b>	<b>4,066</b>	<b>3,598</b>	<b>3,598</b>
<b>1.3</b>	<b>1,810</b>	<b>4,882</b>	<b>1,992</b>	<b>1,992</b>

For these three sub-measures, there was EUR 25 million allocated accordingly. Namely, EUR 10 million was allocated for measure 1.1., also EUR 10 million for measure 1.2., while EUR 5 million for measure 1.3. Both employers and employees were eligible to apply for these measures. Depending on the measure, employers were eligible for the following benefits:

1.1. – for 3 months, 50% of gross wages (maximum EUR 170 )

1.2. – for 12 months, 10% of pension contribution (maximum EUR 100)

1.3. – for 3 months, 50% of gross wages (maximum EUR 170) and another 9 months, 10% of pension contribution (maximum EUR 100)

While employees were eligible for the following benefits:

1.1. – for 3 months, EUR 100

1.2. – for 3 months, EUR 50

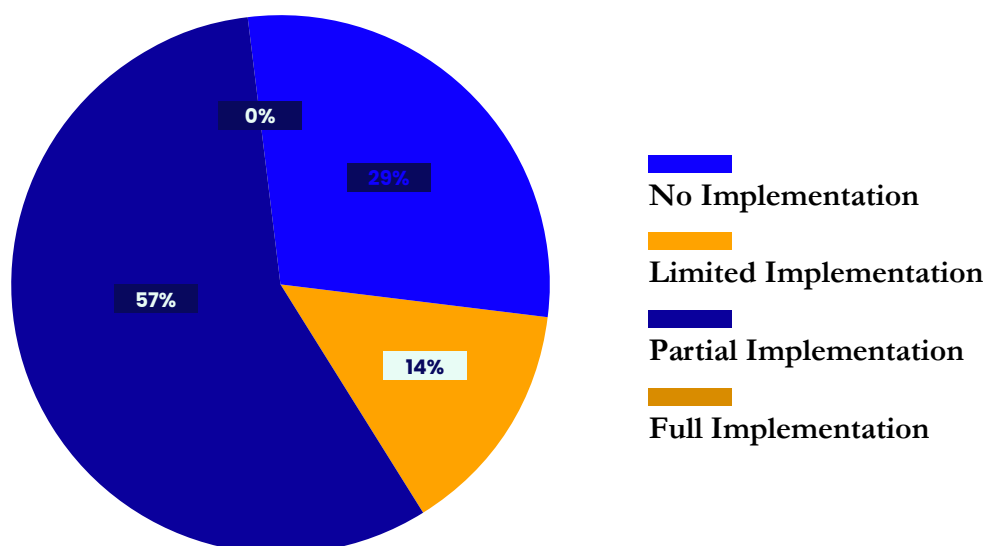
1.3. – for 3 months, EUR 50

Since this measure is already closed for new applications, calculating the maximum benefit per applicant provides for a total benefit amount for applicants of EUR 13,320,750.00. Therefore, from the amount allocated for these measures, the share to be allocated to successful applicants is 53.28%. Possible reasons for non-application may be application procedures, lacking information, and application deadline.

Regarding other sub-measures of the Economic Revival Package, i.e., sub-measure 1.6. – Employment support to persons with disabilities, and 1.7. – Grant scheme for crafts, the Government of the Republic of Kosovo, namely the Ministry of Finance, Labor and Transfers is yet to provide any notice of operationalization. These sub-measures, which in terms of value reach EUR 25 million, are of special importance. Therefore, their operationalization should have been rolled out already. The categories affected by the sub-measures in question are quite stricken by the COVID-19 pandemic and implementation in practice would provide relief.

Measure	Implementation Level	Analysis
Return to work of those who lost their jobs during the pandemic	Partial Implementation	The measure has been operationalized and opens for applications. Payment for beneficiaries under this measure has commenced.
Support to formalized employees	Partial Implementation	The measure has been operationalized and opens for applications. Payment for beneficiaries under this measure has commenced.
Support to women's employment	Partial Implementation	The measure has been operationalized and opens for applications. Payment for beneficiaries under this measure has commenced.
Guaranteed employment scheme for young people	Limited Implementation	The measure has been operationalized and the development of a platform for implementation is underway
IT training and employment	Partial Implementation	The measure has been operationalized and EUR 2 million have been allocated to date.
Employment support to persons with disabilities	No implementation	The measure is pending implementation and consequently has not yet been operationalized.
Grant scheme for crafts	No implementation	The measure is pending implementation and consequently has not yet been operationalized.

Implementation Level



## Measure 2

### Production and Economic Revitalization

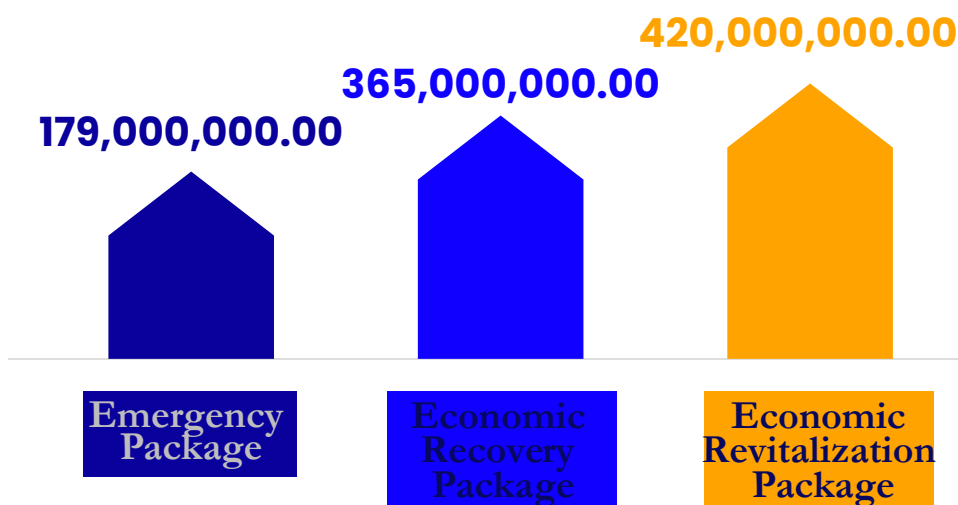
The economy was among the sectors most affected by the global crisis caused by the pandemic over the last 20 months. This is because the free movement was restricted, borders were closed, and living conditions became difficult. For purposes of overcoming the harm incurred, supporting the economy, as a convergent sector for all other sectors, is a must. Therefore, in the Economic Revival Package, the second integrated measure is precisely to support the economy and production, and there is a total of EUR 108 million allocated to this measure. This amount is expected to be distributed across six sub-measures, as follows:

1. Investment loan subsidies
2. Support to businesses for access to finance
3. Investments in IT and innovation
4. Support to Export
5. Village revitalization through agriculture and agri-tourism
6. Recovery of Hospitality and closed businesses

The contemporary economy is a bridge between manufacturers, importers, exporters, sellers, and buyers. Therefore, in such a chain, the harm incurred affects each of its links. Even if lockdowns and other measures to prevent the spread of the pandemic were not enforced, the harm would be inevitable. An already suffering economy is easily recognizable in the Republic of Kosovo and the assistance provided by the Government of Kosovo attempting to recover this sector may not suffice.

To address the negative impacts of the COVID-19 pandemic, the Government of Kosovo implemented other packages preceding the Economic Revival Package. The Government of Kosovo initially approved an emergency package worth EUR 179 million, with a primary focus on Small and Medium Enterprises (SMEs). Later, during July 2020, the Government approved the Economic Recovery Program, allocating EUR 365 million to support businesses in creating and maintaining jobs. Now we have the Economic Revival Package, with a total of EUR 420 million, aiming to facilitate return to normal operations and further economic development.

## Kosovo Government aid packages



## Implementation Level

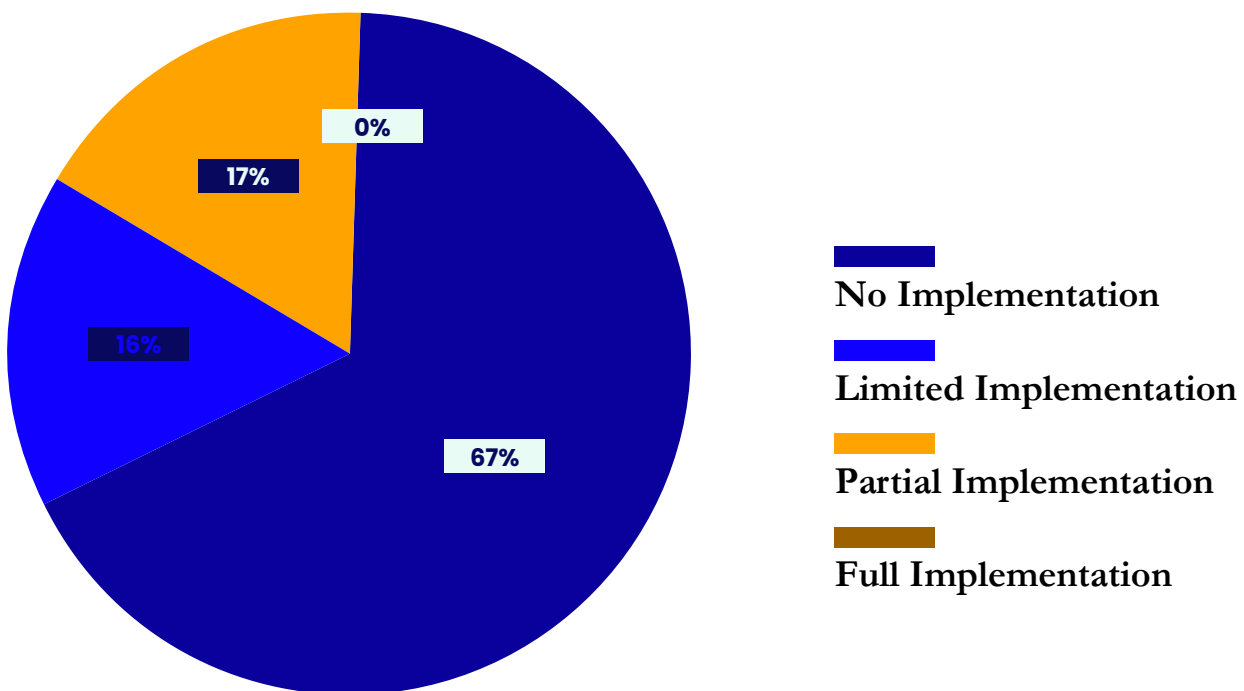
Of the six sub-measures under the second measure, most of them are pending operationalization. There is no explanation from the Government of Kosovo why implementation is pending on these sub-measures, even though the sector targeted by these measures is among the most affected. Partial implementation has started on the first sub-measure, designated as Investment loan subsidies, where the funds collected from Diaspora Bonds, totaling EUR 10.43 million, have been allocated for subsidizing investment loans of manufacturing and processing businesses. This measure aims to boost new investments in expanding business capacity, which in turn affects the growth of employment and exports.

All other sub-measures of this measure have not been operationalized or have been operationalized to a very small extent. Sub-measure 2.2. – Support to businesses for access to finance, in the Government Meeting of August 11, 2021, was supported with EUR 3 million.<sup>14</sup> The value of sub-measures pending implementation is EUR 75 million. Such a level of implementation is unsatisfactory, and the Government of Kosovo is required to move faster toward operationalization, for the sake of categories standing to benefit from these measures.

<sup>14</sup> Ministry of Finance, Labor and Transfers, News, Government of Kosovo allocated EUR 30 million for the implementation of four measures from the Economic Revival Package, accessible at <https://mf.rks-gov.net/Page.aspx?id=1,2,1111> , (accessed November 2021)

Measure	Implementation Level	Analysis
Investment loan subsidies	Limited Implementation	The measure has been operationalized and the subsidy application deadline is running.
Support to businesses for access to finance	Partial Implementation	Measure implementation is underway and EUR 3 million have been allocated for its full implementation.
Investments in IT and innovation	No implementation	The measure has not yet been operationalized and implementation is pending.
Support to Export	No implementation	The measure has not yet been operationalized and implementation is pending.
Village revitalization through agriculture and agri-tourism	No implementation	The measure has not yet been operationalized and implementation is pending.
Recovery of Hospitality and closed businesses	No implementation	The measure has not yet been operationalized and implementation is pending.

### Implementation Level



## Measure 3

### Support to Households

The COVID-19 pandemic period has represented and remains an exceptionally challenging time for the whole society. Health and social welfare were confronted with a hazard that would harm countries and people around the world indiscriminately. Even in our country, the COVID-19 pandemic brought significant consequences in these two areas. Deaths caused by the pandemic and other health consequences caused emotional, economic, and social harm to households and communities. The Economic Revival Package, under Measure 3 lists Support to households, with a dedicated total of EUR 50 million. This amount is expected to be distributed across six sub-measures, as follows:

1. Support to households that have lost their head of household
2. Support to pensioners and families on social assistance
3. Social Assistance Scheme Reform
4. Food coupons for families in need
5. Payment for unemployed new mothersa
6. Support to household liquidity

The COVID-19 pandemic has demonstrated how weaknesses in health systems can have profound implications for health, economic progress, trust in government, and social cohesion. Therefore, it is essential to provide support in economic and social welfare terms for households and people most at risk of infection. Certain third-measure sub-measures have commenced implementation and were welcomed by the whole society.

## Implementation Level

The sub-measures of the third measure, affecting the categories of society that are most vulnerable and have suffered significant harm from the COVID-19 pandemic, have been operationalized. Out of a total of six sub-measures included in the third measure of the Economic Revival Package, five of them have already commenced implementation. Among the sub-measures which are in the process of implementation are sub-measures 3.1. – Support to households that have lost their head of household, 3.2. – Support to pensioners and families on social assistance, 3.4. – Food coupons for families in need, 3.5. – Payment for unemployed new mothers, and 3.6. – Support to household liquidity. Only sub-measure 3.3. – Social Assistance Scheme Reform is pending implementation.



Sub-measure 3.1. commenced implementation on September 28, 2021, where each household that lost a family member due to the COVID-19 pandemic is eligible to receive EUR 1,500.<sup>15</sup> Such an amount is an attempt to mitigate the harm incurred by the affected families. The payment for the first group under Measure 3.1. was executed on October 26, for households that have lost a family member due to COVID-19, for about 500 eligible households. The application deadline for benefits under this measure is open until November 30, 2021, at <https://masa3-1.rks-gov.net/>.

On August 11, 2021, at the Meeting of the Government of Kosovo, EUR 17 million were allocated for Measure 3.2. – Support to pensioners and families on social assistance.<sup>16</sup> While, on October 27, 2021, an additional EUR 36 million were allocated for the implementation of this measure.<sup>17</sup> These allocated funds are intended to enhance social welfare and mitigate harm incurred by this category. It should be noted that these allowances shall be applicable until the end of this fiscal year.

Measures 3.4., 3.5., and 3.6., have also been rolled out. On September 11, 2021, the application process for measure 3.5. – Payment for unemployed mothers was opened.<sup>18</sup> Whereas, the subsidy under measure 3.6. – Support to household liquidity was rolled out on October 1, 2021, intended for eligible persons taking consumer loans up to EUR 10,000. To date, the payment of child allowances has been executed for about 86 thousand beneficiaries, for October.

This measure also provides for child allowance benefits. Eligible beneficiaries are all children born from 2015 onwards. Based on data from the Kosovo Agency of Statistics, from 2015 to August 2021, the number of births is 173,384. To date, the number of beneficiaries under this measure is 102 thousand or 58.82%. The deadline is still open for application and payments for September and October have been executed.

---

<sup>15</sup> Ministry of Finance, Labor and Transfers, News, Support to households that have lost a family member to COVID-19 begins, accessible at <https://mf.rks-gov.net/Page.aspx?id=1,2,1131> , (accessed November 2021)

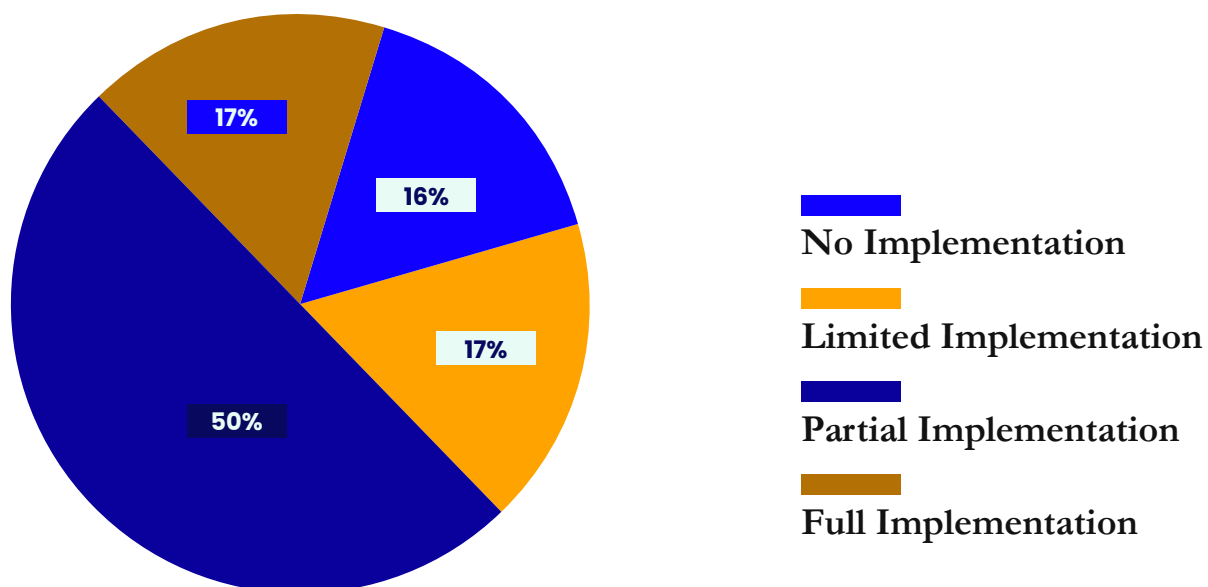
<sup>16</sup> Ministry of Finance, Labor and Transfers, News, Government of Kosovo allocated EUR 30 million for the implementation of four measures from the Economic Revival Package, accessible at <https://mf.rks-gov.net/Page.aspx?id=1,2,1111> , (accessed November 2021)

<sup>17</sup> Ministry of Finance, Labor and Transfers, News, Over EUR 36 million allocated for beneficiaries of social and pension schemes, accessible at <https://mf.rks-gov.net/Page.aspx?id=1,2,1142> , (accessed November 2021)

<sup>18</sup> Ministry of Finance, Labor and Transfers, News, Support to new mothers and child allowance scheme implementation begins, accessible at <https://mf.rks-gov.net/Page.aspx?id=1,2,1123> , (accessed November 2021)

Measure	Implementation Level	Analysis
Support to households that have lost their head of household	Partial Implementation	The measure has been operationalized and implementation is underway. Payment has already been executed for about 500 households that have lost a family member due to the COVID-19 pandemic.
Support to pensioners and families on social assistance	Partial Implementation	The measure has been operationalized and implementation is underway. To date, EUR 53 million have been allocated for this measure. Beneficiaries of pension schemes in November will receive a supplementary benefit of EUR 100 on top of the regular pension and current allowance. On the other hand, beneficiaries of social schemes in November and December will receive double the regular payment and current allowance.
Social Assistance Scheme Reform	No implementation	The measure has not yet been operationalized and implementation is pending.
Food coupons for families in need	Full Implementation	The measure has been operationalized and the deadline for application has ended. It was intended to provide support to soup kitchens for people in need. The Minister of Finance, Labor, and Transfers signed financial support agreements with representatives of beneficiary organizations (14) on November 9, 2021.
Payment for unemployed new mothers	Partial Implementation	The measure has been operationalized and execution of payments for beneficiaries is underway.
Support to household liquidity	Limited Implementation	The measure has been operationalized and support has been provided to cover seasonal household expenditures, school-related family spending, closing outstanding credit card balances

### Implementation Level



## Measure 4

### Support to Public Sector

Support to the Public Sector or the fourth measure of the Economic Revival Package is the measure with the largest amount of fund allocation. It provides for a total of EUR 112 million, which are divided into six sub-measures. This measure aims to help the public sector areas affected and harmed by the COVID-19 pandemic. The package states that the areas to receive assistance are health, education, security, culture and sports, public enterprises, and that the diaspora will be supported as well. The six sub-measures of the fourth measure are:

- Support to health
- Support to education
- Support to culture and sports
- Support to safety
- Support to diaspora
- Support to public enterprises

#### Implementation Level

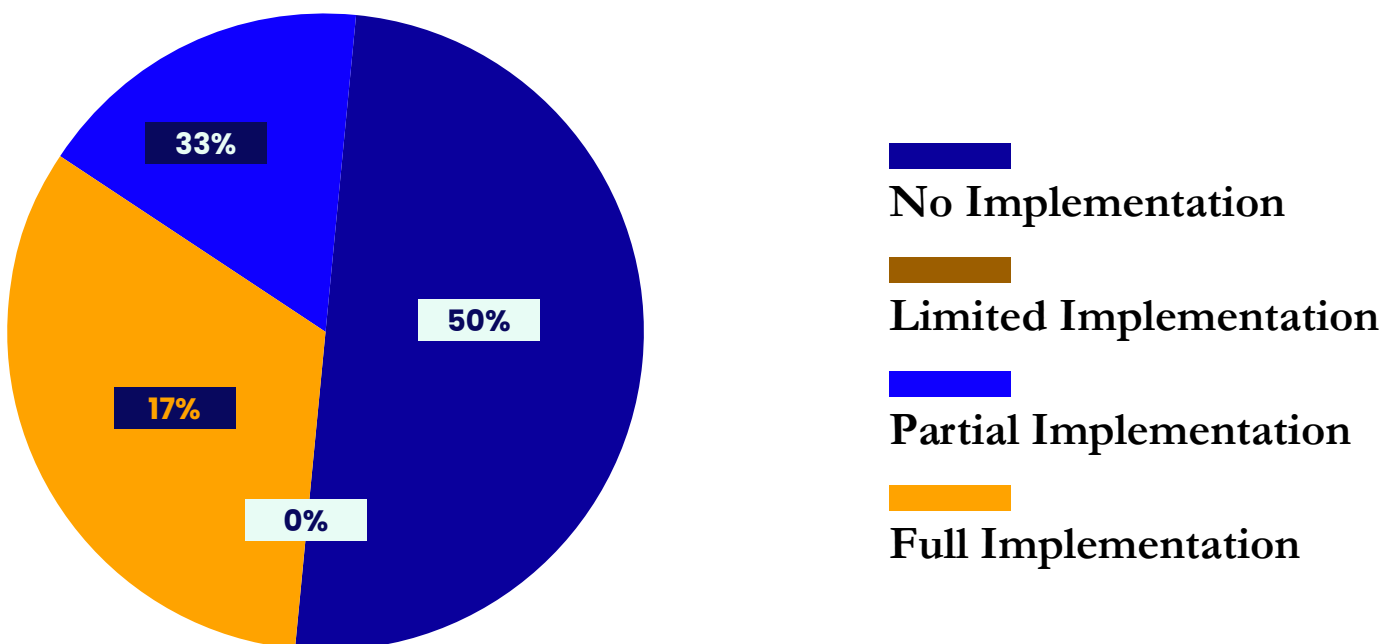
At the Government Meeting held on August 11, 2021, EUR 5 million was allocated for the third sub-measure of the fourth measure, and another EUR 5 million were allocated for the fifth sub-measure of this measure.<sup>19</sup> The allocation of these funds concluded the allocation provided for these two sub-measures. Other sub-measures have been supported as well, although not all of them.

On August 25, 2021, at the meeting of the Government, EUR 2.7 million was allocated under the first sub-measure of the fourth measure. These funds were allocated as support to healthcare workers in the public sector for an allowance of 10% of regular gross salary, not less than EUR 60, for August, September, and October 2021. This provides for partial implementation of this sub-measure, which according to the Economic Revival Package involves an allocation of EUR 53 million in total.

<sup>19</sup> Ministry of Finance, Labor and Transfers, News, Government of Kosovo allocated EUR 30 million for the implementation of four measures from the Economic Revival Package, accessible at <https://mf.rks-gov.net/Page.aspx?id=1,2,1111> , (accessed November 2021)

Measure	Implementation Level	Analysis
Support to health	Partial Implementation	EUR 2.7 million has been allocated for allowances to healthcare workers in the public sector
Support to education	No implementation	The measure has not yet been operationalized and implementation is pending.
Support to culture and sports	Full Implementation	EUR 5 million has been allocated for this measure in support of cultural and sports activities
Support to safety	No implementation	The measure has not yet been operationalized and implementation is pending.
Support to diaspora	Full Implementation	EUR 5 million has been allocated for this measure in support of the diaspora.
Support to public enterprises	No implementation	The measure has not yet been operationalized and implementation is pending.

### Implementation Level



## Measure 5

# Investment in Infrastructure and Environment

The fifth measure of the Economic Revival Package provides for EUR 100 million, to be invested in environmental protection projects and road and railway infrastructure development projects. According to the Government, other investments in the field of energy efficiency and power production are being negotiated with international financial institutions and other funding opportunities from grants and donors are also being explored. These funds are necessary for achieving the goals set according to past and new strategies and projects.

Restructuring energy efficiency is a highly effective way to reduce emissions and contribute to European, national, and local climate targets. Therefore, investments energize local economies, galvanizing innovative local industries, developers, manufacturers, and others to bring new projects to our country. As a new chapter in energy, renewables, and investments in this category of energy resources are essential. The funds allocated under the Economic Revival Package are still pending and considering the state of affairs in the energy sector, such investments must be undertaken promptly.

Investing in public infrastructure can improve the quality of life, the environment, and the opportunities that a country can provide. This is because the improvement of infrastructure creates conditions for new investments by both foreign and domestic investors. Additionally, by creating sustainable infrastructure, we contribute to the environment and environmental protection.

**None of the sub-measures under this measure have been rolled out!**



# Conclusions —→

- Economic revitalization is already happening, and it is also being supported by the current economic package. Through aid packages past and present, economic sectors are being assisted to facilitate their recovery from the harm caused by the COVID-19 pandemic. Although this is happening with rather slow steps, there are positive signs that through relief and assistance the problems of the past 20 months will be overcome.



- The Ministry of Finance, Labor, and Transfers has started to implement the Economic Revival Package. After its presentation and approval, the implementation started with the operationalization of measures 1.2., 1.3., and 1.1. The Tax Administration of Kosovo has monitored these measures. Apart from these measures, other measures are currently being implemented as well, but not all.
- Some institutional stakeholders were engaged in consultations on the formulation of the package, but no public hearings were held. Lacking public hearings with citizens translate into poor transparency related to this package. Additionally, the Economic Revival Package would have better coverage and address of the problems caused by the COVID-19 pandemic, if all social groups were to be heard.
- Certain measures of the Economic Revival Package have been rolled out, while many of them are still pending implementation. There is a total of 25 sub-measures encapsulated in 5 key measures. Of these 25 sub-measures, 15 have been rolled out while the rest are pending implementation or have not been operationalized. Implementation of all measures shortly would affect the mitigation of harm and facilitate the process of economic recovery from the pandemic.
- The fifth measure of the Economic Revival Package is of great importance for the economic development and the energy sector of our country. Therefore, the implementation as soon as possible and especially in energy efficiency and in new projects of electricity generation through renewable sources, is of primary importance for the public interest. Investments in energy efficiency and new power production projects through renewable sources should be of primary importance to the Government of Kosovo. Through these investments, jobs can be increased, more energy security can be created and at the same time, the energy transition can be facilitated.
- The Government of Kosovo is not campaigning heavily on how to apply and benefit from the measures of the Economic Revival Package. There is no proper dissemination of information to citizens, so the number of applications to date is not pertinent to the situation. A promotion campaign and the sharing of additional information would increase the number of applications and, consequently, the number of beneficiaries.
-



**USAID**  
NGA POPULLI AMERIKAN  
OD AMERIČKOG NARODA

**B | T | D** The Balkan Trust  
for Democracy  
A PROJECT OF THE GERMAN MARSHALL FUND

“This project is supported by the Balkan Trust for Democracy (BTD) a project of the German Marshal Fund of the U.S. and the American people through the United States Agency for International Development (USAID) and is implemented by the Institute for Development Policy – INDEP. The views and opinions expressed do not reflect the views and opinions of BTD, GMF, USAID or the Government of the U.S”