

RECOVERY, INCLUSIVENESS, SUSTAINABILITY

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RECOVERY

ECONOMY

COORDINATION

ORGANIZATION

VARIETY

EQUALITY

RESPONSIBILITY

YOUTH

Measure 3

Support to Households

About the Newsletter

By monitoring the measures of the Economic Revival Package, INDEP aims to provide quick and correct information to the citizens of the Republic of Kosovo. Such information is shared with the public through newsletters, infographics, analysis, and monitoring reports under the Recovery4Sustainability project. The fifth edition of the Newsletter entitled Recovery, Inclusiveness, Sustainability deals with Measure 3 of the Economic Revival Package. This edition will elaborate on the level of implementation, process, expectations, and relevant achievements.

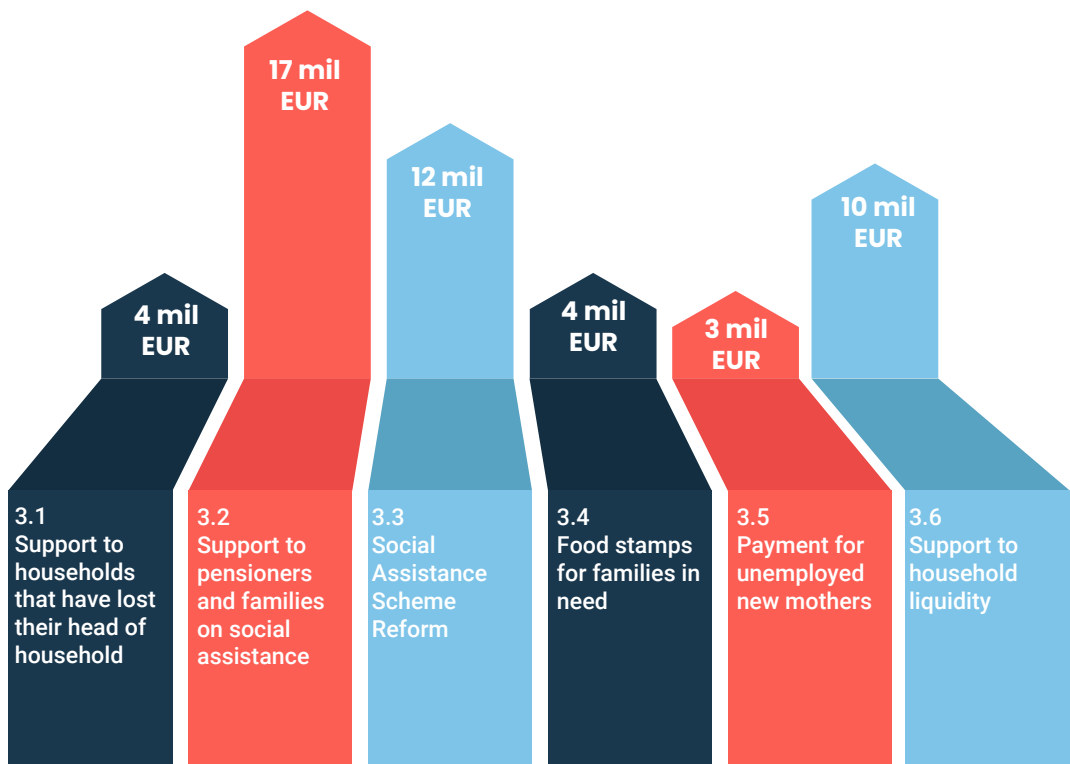
Measure 3 of the Economic Revival Package is designated Support to Households. The epicenter of the whole society is the family, therefore the harm caused as a result of the COVID-19 pandemic is significant in this category. Similar to previous packages, the current package of measures for economic recovery aims to provide support and cover the damages and problems that are still evident in Kosovan households. **EUR 50 million** is the amount earmarked to help improve welfare, overcome problems, and enable further development efforts for the category in question.

→ WHAT IS IN STORE WITH MEASURE 3 OF THE ECONOMIC REVIVAL PACKAGE?

The COVID-19 pandemic has demonstrated how weaknesses in health systems can have profound implications for health, economic growth, trust in government, and social welfare. The spread of COVID-19 affects all segments of the population and is particularly harmful to members of those social groups that are most vulnerable. COVID-19 continues to affect the population, including people living in poverty situations, the elderly, people with disabilities, and young people. It is therefore of the utmost importance that such groups be given added attention and provided with maximum support.

In addition to economic harm, the health and psychological harm of the COVID-19 pandemic has affected all sections of the population. Kosovo is no exception, where along with the spread of the virus came many problems and hazards that have affected almost every Kosovan family. Loss of loved ones, jobs at risk, growing difficulties of households benefiting from social assistance schemes, and harm to household liquidity are some of the consequences of the pandemic. Therefore, to address such problems and provide relevant support, the Economic Revival Package included a measure—namely, Measure 3 designated Support to Households—comprised of six sub-measures aiming to mitigate such problems. The six sub-measures of Measure 3 are:

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 stamps for families in need
5. Payment for unemployed new mothers
6. Support to household liquidity



SUB-MEASURE 3.1

SUPPORT TO HOUSEHOLDS THAT HAVE LOST THEIR HEAD OF HOUSEHOLD

Infection with the virus that causes COVID-19 may lead to health complications, and some may even succumb to the illness. The lockdowns to date, social distancing guidelines, and disruption of normal activities were all introduced as measures to prevent any health complications among the citizens. Recognizing the looming risk, the Government of Kosovo rolled out a series of measures designed to match public health protection concerns. The financial packages in the framework of mitigating the pandemic hardships also contained measures to help the citizens overcome the pandemic more easily.

The Economic Revival Package, namely Measure 3 under this package, allocates funds to help Kosovan households. In total there are **EUR 50 million** allocated by the Government of Kosovo targeted to improve social welfare, provide pandemic relief, and boost economic development for all citizens of the country. The first sub-measure under this measure is intended to help families hit hardest by the pandemic.

The first sub-measure of Measure 3, designated Support to Households that have lost their head of household, covers the provision of a fixed monetary amount to all families that have lost their head of household to COVID-19. Considering that for many families the loss of loved ones may have meant the loss of their single source of income, such a measure provides support to ensure coverage of some of the necessary expenses. This measure is already operational and the deadline for application by potential beneficiaries was November 30, 2021. The allocation under this sub-measure is **EUR 4 million**.

What are the benefits under the first sub-measure of Measure 3?

Any household that has lost a member to COVID-19 will be provided financial support for EUR 1,500.00. While households that lost a member to COVID-19 past October 1, 2021, may benefit under Measure 3.1 only if the deceased member had been fully vaccinated against COVID-19. According to statistics, as of December 12, 2021, the number of beneficiaries under this sub-measure was 2,785.

Data published by the National Institute of Public Health of Kosovo, show that 2,985 people have died as a result of COVID-19 in our country.¹ Therefore, the amount allocated to this measure is consequently not enough to subsidize all households that are eligible to benefit under this measure. If all families who have lost a member to COVID-19 were to apply and their applications are granted, the amount needed to subsidize all families is EUR 4,477,500.00.

¹ National Institute of Public Health of Kosovo, COVID-19, accessible at <https://datastudio.google.com/embed/reporting/2e546d77-8f7b-4c35-8502-38533aa0e9e8/page/MT0qB>, (accessed December 2021)

SUB-MEASURE 3.2

SUPPORT TO PENSIONERS AND FAMILIES ON SOCIAL ASSISTANCE

With this measure, the Ministry of Finance, Labor, and Transfers aims to improve social welfare and create an equal society. This would be achieved by supporting families benefiting from social assistance schemes with 30% above regular payments and providing allowances for retirees, ensuring no pension is below EUR 100. The allocation for this sub-measure is **EUR 17 million**. Such allowances are expected to be applied through the end of this fiscal year.

What will the citizens benefit under this sub-measure?

Beneficiaries of pension schemes, in November and through the end of this fiscal year, will receive allowances for 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, likewise applied under Measure 3.2 of the Economic Revival Package. Such allowances are not enough to meet the financial obligations of pensioners and beneficiaries of social assistance, but provide support to overcome hardships brought on by the pandemic.

What is the number of households benefiting under this sub-measure?

There are about 330,000 households in this category eligible to benefit under this sub-measure of the Economic Revival Package.

The pandemic has affected all social strata, but this category is among the most affected. This is because, in these difficult times for the whole world, the problems of this category have grown more acute. Therefore, such a measure and the support intended to be delivered to the citizens through this measure is appropriate and seeks to facilitate overcoming the current crisis.

SUB-MEASURE 3.3

SOCIAL ASSISTANCE SCHEME REFORM

The Social Assistance Scheme is intended to provide financial assistance to households whose members are either permanently disabled or over the age of 65, as well as to households that have only one or no members in employment and whose earnings are under the standard set by the Ministry of Labor and Social Welfare. According to the Kosovo Agency of Statistics, in its Social Welfare Statistics, Q1 2021, there are 26,298 households with a total of 105,296 members that have benefited under the social assistance scheme, and 2,405 households have benefited from the financial support scheme for families with children with disabilities. These figures best reflect how necessary it was for such categories to be included in the Economic Revival Package.

The COVID-19 pandemic has shown that not all households in need are covered by the social assistance scheme, highlighting the need to expand the scheme. By including more households in the Social Assistance Scheme social welfare is improved and more equal conditions are created for all. For purposes of the third sub-measure of Measure 3, designated Social Assistance Scheme Reform, the Government has allocated **EUR 12 million**. As stated in the Economic Revival Package, this is not the final amount to support such intended reform efforts, as another EUR 47 million will be provided through a project funded in cooperation with the World Bank to achieve successful, extended, and comprehensive reform.

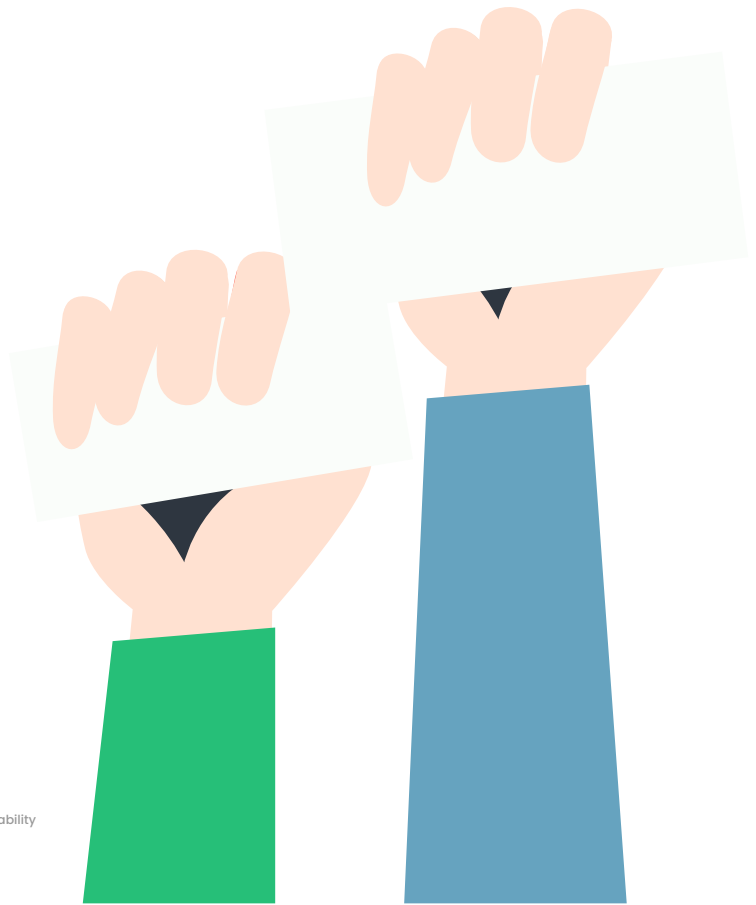


SUB-MEASURE 3.4

FOOD STAMPS FOR FAMILIES IN NEED

The impact of the COVID-19 pandemic has been most notable among vulnerable communities. Low-income households facing economic hardship have been severely affected by this pandemic. The problems they experienced have compelled the design of special measures providing directly targeted assistance in overcoming hardships. One such measure is the fourth sub-measure under Measure 3, designated Food stamps for families in need. In total, the allocation for this measure is **EUR 4 million** and aims to help about 7,500 families in need, with the distribution of food stamps worth EUR 60-70.

Sub-Measure 3.4 also covers the provision of assistance for soup kitchens. These businesses have also incurred harm as a result of the pandemic, therefore their inclusion in the current aid package directly affects the citizens who get their food from such facilities. 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 has already signed financial support agreements with representatives of beneficiary organizations (14) on November 9, 2021, expected to help soup kitchens that provide services to people in need.



SUB-MEASURE 3.5

PAYMENT FOR UNEMPLOYED NEW MOTHERS

The purpose of this measure is to strengthen the financial position of women in society, which in turn translates into improved social welfare, social equality, and mitigation of pandemic-induced crisis. New mothers as a vulnerable category affected by the pandemic in various ways, such as job loss, health endangerment, and impaired welfare, are included in the Economic Revival Package. This social category is targeted with a special sub-measure, designated Payment for unemployed new mothers, to be supported with **EUR 3 million**.

Who benefits from this sub-measure?

Any new mothers appearing on Tax Administration of Kosovo records as unemployed for the twelve (12) month period preceding the birth of the child.

What will the new mothers benefit under this sub-measure?

According to Measure 3.5, any new mothers that were unemployed in the past twelve (12) months will receive financial support of EUR 170 for 6 months, while those employed will receive financial support of EUR 170 for 3 months, in addition to regular maternity leave pay.

How to apply for benefits under this sub-measure?

Any new mother over the age of 18, having given birth to a child starting from August 1, 2021, may apply for support by completing the application form on the eKosova platform, providing the applicant's personal data, bank account number, and a personal number of the child.

SUB-MEASURE 3.6 → SUPPORT TO HOUSEHOLD LIQUIDITY

This sub-measure aims to reinforce conditions conducive to overcoming the pandemic crisis, by boosting family liquidity and by supporting the coverage of seasonal and other expenses. Support will be provided through consumer loans of up to EUR 3,000.00. Such loans will serve to cover seasonal expenses, cover liabilities, and support the economic stabilization of Kosovan families. The Economic Revival Package allocation under this sub-measure is **EUR 10 million**.

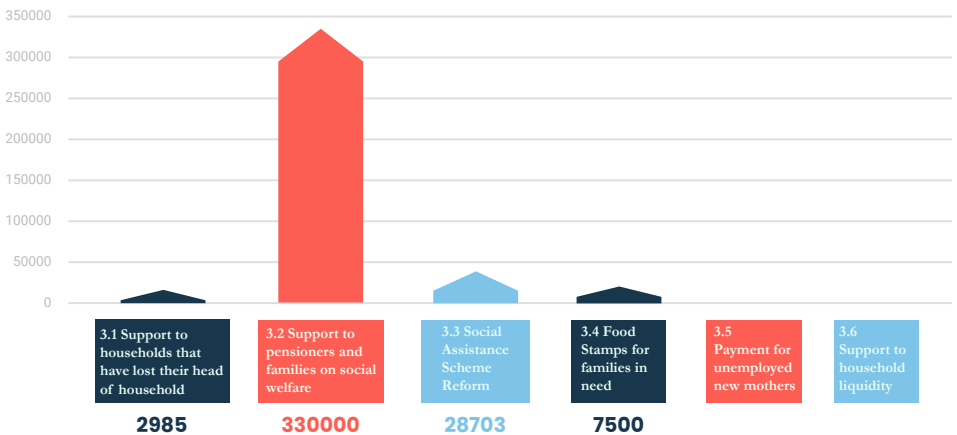
What are consumer loans?

A consumer loan is a loan made to a person to finance specific types of expenditures, such as the purchase of goods, seasonal expenses, and other financial liabilities. These types of loans are especially important in the pandemic period because the crisis that emerged has multiplied the problems and introduced new financial liabilities in almost every family.

What are the benefits of Measure 3.6 and who is eligible to benefit?

Any person to have received a consumer loan in the amount of up to EUR 10,000.00, from October 1, 2021, onwards, can apply for a loan subsidy. The amount of subsidy for each applicant who is approved as a beneficiary under this sub-measure is 10% of the total loan amount, up to a maximum of EUR 300.00.

Potential Beneficiaries under Measure 3 of Economic Revitalization Package



* For Sub-Measure 3.5, there is no exact data on the number of potential beneficiaries under the Economic Revival Package

* For Sub-Measure 3.6, any person taking a consumer loan up to EUR 10,000.00 from October 1, 2021, onwards is eligible to benefit

RECOMMENDATIONS

- Sub-Measure 3.1, designated Support to households that have lost their head of household, should be augmented by EUR 477,500.00. This is because the current allocation cannot cover the subsidies required to cover all households that have lost a family member to COVID-19. If all such households were to have successful applications under this sub-measure, there is a shortage of funds and consequently, Measure 3.1 shall not be successfully implemented. This measure intended to support the families most affected by the pandemic should be fully implemented, therefore the allocation of funds should be such, to ensure full coverage of such households.
- Deadline for application for support under this measure should be extended. The deadline of November 30 was not conducive for all families to apply. But, above all, support for families who have lost a family member should not be based exclusively on the applications submitted by such families. A proactive approach by the Government is needed so that the identification of and support to such households is conducted by the Government and does not force families to go through application procedures.
- The period of benefits for households on social welfare and pensioners should be extended. As a highly vulnerable category affected by the pandemic, allowances for November and December alone shall not do. We encourage the allocation of new funds for continued subsidies to citizens from these categories, even after the end of the fiscal year. The winter season puts a strain on citizens with additional expenses, therefore allowing subsidies under this sub-measure until the end of the winter season would ease economic hardships and seasonal expenses.
- Social Assistance Scheme Reform under Sub-Measure 3.3 should be structured to ensure the inclusion of families in need of assistance in conjunction with the no one is left behind principle. Currently, the Social Assistance Scheme does not cover all people in need and the pandemic has further aggravated their hardships. Considering their vulnerable group status, the Government of Kosovo should provide additional support and strive to improve social welfare and social equality for this category of the Kosovan society.
- Sub-Measure 3.6, designated Support to household liquidity, should be closely monitored for consumer loan abuse. There should be inspections and checks instituted to establish whether loans are being used to cover the harm incurred by the citizens or are being used solely to benefit from subsidies provided by the Government of Kosovo. Simply rolling out a set of measures is not enough. Such measures should be inspected, as potential abuse may affect the smooth implementation of the whole package.



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